



Keerthi
Industries Limited
(Formerly known as Suvarna Cements Limited)

37th
Annual Report 2019-2020



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CORPORATE INFORMATIONS:

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 Appartments,
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 37th Annual General Meeting of Shareholders of the Company will be held on Saturday the 26th September, 2020 at 09:30 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 2019-20

To consider and adopt the Balance Sheet as at 31st March, 2020, 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 Sri. J.S. Rao, the Managing Director (DIN: 00029090) who retires by rotation, and being eligible, offers himself 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, 2020 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 entitles to receive	% of dividend per share	Dividend Per share (In Rs.)
1.	5,00,000	-	-	-	-
2.	2,70,100	35/-	8,50,815	9%	3.15
3.	2,68,340	44.10077/-	10,65,060	9%	3.96
Total	10,38,440		19,15,875		

4. DECLARATION OF FINAL DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR 2019-2020

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

"RESOLVED THAT pursuant to the 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. 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 25-07-2020 the remuneration payable during the year 2020-21 to M/s. BVR & Associates (FRN: 000453), Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2020-2021, amounting to Rs. 55,000/- (Rupees Fifty-Five Thousand only) plus re-imbusement of out of pocket expenses incurred by them in connection with the aforesaid audit and GST as may be applicable be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the 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."



6. 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 an 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	NIL
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 these 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

RESOLVED 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	60,05,612	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: 25-07-2020

Managing Director
DIN:00029090

NOTES:

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- 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.



3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the company by email through its registered email address to kilinvestorservices@gmail.com with a copy marked to chveeru@gmail.com
5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, XL Softech Systems Limited for assistance in this regard.
6. 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.
7. 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.
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.keerthiindustries.com/form-sh-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to XL Softech Systems Limited in case the shares are held in physical form.
9. 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.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 25, 2020 through email on kilinvestorservices@gmail.com. The same will be replied by the Company suitably.
12. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 18th September, 2020 to Saturday the 26th September, 2020, both days inclusive, in terms of Section 91 of the Companies Act, 2013.
13. Final dividend of Re. 0.90/- per equity share of Rs. 10/- each has been recommended for the financial year ended 31st March, 2020.
14. The Dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members as on 17th September, 2020 (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 17th September, 2020.
 - 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 17th September, 2020.
15. The Dividend will be paid on or before 25th October, 2020.



16. Shareholders who have not yet encashed their dividend warrant(s) pertaining to the dividend for the financial year 2018-19 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.
17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 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 respectively, and on the website of CDSL <https://www.evotingindia.com>.
18. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
19. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ TCPL (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
20. 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.
21. 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.
22. 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	2018-19	2019-20
1	Number of shareholders outstanding at the beginning of the year	1532	1532
2	Outstanding shares in the DEMAT suspense account at the beginning of the year	8851	8851
3	Number of shareholders who approached the company for transfer of shares from the suspense account during the year	0	0
4	Number of shareholders to whom shares was transferred from the suspense account during the year	0	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.

23. 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
24. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.



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

ITEM NO. 5

RATIFICATION OF COST AUDITORS REMUNERATION

The Board, on the recommendations of the Audit Committee, has approved the appointment of M/s. BVR & Associates (FRN: 000453), Cost Accountants, as Cost Auditors for conducting cost audit of the cost records of the Company for the financial year ending March 31, 2020, at a remuneration of Rs. 55,000/- plus reimbursement of actual travel and out of pocket expenses and GST as applicable.

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

Hence the resolution at item no. 3 of the accompanying Notice, which your Board recommends for your approval as an Ordinary Resolution.

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

ITEM NO. 6

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

The Company in its previous AGM held on August 07, 2019 has approved to reclassify the below mentioned promoters and promoter group category into public category. However, the Company has failed to make application to the BSE Ltd (Exchange) for the said reclassification within the timeframe specified by Stock Exchange and same got rejected by the exchange.

Further, in this regard, the Company had received applications from the following promoter's group person/entities pursuant to regulations, 31A of the Listing Regulations, 2015 to re-classifying them under the Public category.

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

The above shareholders do not directly or indirectly exercise control nor they intend to do so in near future, over the affairs of the company. They are also not holding any post of Key Managerial Personnel in the company.

They also do not have any special rights through formal or informal arrangements with the company.

In view of the explanations given by the applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, 2015 the Board of Directors of the company at their meeting held on 25th July, 2020 have approved the applications for re-classification received by the company as above promoter group category to Public category subject to approval by the members and relevant regulatory authorities.

Mr. J. S. Rao, the Managing Director/Promoter and Smt. J. Triveni Executive Chairperson/promoter are interested in the resolution.

The Board recommends the resolution under Item No. 6 for approval of the members as a Special Resolution.



(Annexure I)

ADDITIONAL INFORMATION PURSUANT TO Regulation 36 (3) of the SEBI (LODR) Regulation, 2015 FOR ITEM NO. 2 OF THE NOTICE:

Name of the Director	Sri J.S.Rao
Date of Birth	18-07-1953
Qualification	Post Graduate in Engineering.
Name of other companies in which the appointee also holds Directorships	1. Triveni Capital Leasing Investments Pvt. Ltd 2. Kakatiya Cement Sugar and Industries Limited. 3. Hyderabad Bottling Co Pvt. Ltd 4. Vijaya Estate and Holdings Pvt Ltd 5. JSK Holdings Private Limited 6. IOU Projects (India) Pvt. Ltd 7. DCS Sporting Private Limited 8. WND (INDIA) Heavy Industry Private Limited
Name of other Companies in which the appointee holds Board Committee membership	Kakatiya Cement Sugar and Industries Limited
Shareholding in Keerthi Industries Limited	37,01,559 equity shares (46.17 % of paid up equity share capital of the Company)
Relationship with other Directors	Spouse of Smt. J. Triveni, Executive Chairperson

Instructions for e-voting

- I. Pursuant to the provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rule, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulation, 2015, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 37th AGM to be held on Saturday, September 26, 2020 at 09.30 a.m. The Company has engaged the service of Central Depository Services (India) Limited to provide the e-voting facility. The e-voting facility is available on the link <https://www.evotingindia.com>.
- II. Remote-evoting means the facility of casting votes by a member using an electronic voting system from a place other than venue of General meeting. The members who have not voted through remote-evoting may cast their vote through VC/OAVM on the date of AGM.
- III. The Remote e-voting facility will be available during the following voting period:

Commencing of e-voting	End of e-voting
23-09-2020 (9.00 a.m.)	25-09-2020 (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 19th September, 2020, 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.

- IV. The process and manner for remote e-voting are as under: