

**Keshav**  
C E M E N T

# **Shri Keshav Cements & Infra Limited**



**26th Annual Report 2018-2019**

*Planned Growth.....Continued*



# SHRI KESHAV CEMENTS & INFRA LIMITED

(formerly Katwa Udyog Limited)

215/2, Jyoti Towers, 6th Cross, Nazar, Camp,  
M. Vadgaon, Belgaum-590 005.

**Humble Gratitude For Being Blessed**



**Sri Sri Radha Krishna, ISKON-**

*Hare Krishna Hare Krishna, Krishna Krishna Hare Hare  
Hare Rama Hare Rama, Rama Rama Hare Hare*

**INDEX**

<b>S.NO</b>	<b>CONTENT</b>	<b>PAGE</b>
1	Annual General Meeting Notice	3
2	Directors' Report	9
3	Corporate Governance	18
4	Management Discussion & Analysis Report	37
5	Auditor's Report	38
6	Balance Sheet	48
7	Profit & Loss Account	49
8	Cash Flow Statement	50
9	Notes to accounts	59
10	Proxy	75
11	Attendance Slip & Route Map	76

# SHRI KESHAV CEMENTS & INFRA LIMITED

## BOARD OF DIRECTORS

Mr. Venkatesh H Katwa	-	Chairman
Mr. Vilas H Katwa	-	Managing Director
Mr. Deepak H Katwa	-	CFO- Executive Director
Mrs. Radhika Pinal Dewani	-	Independent & Non Executive
Mr. Alpesh Jain	-	Independent & Non Executive
Mr. Balasaheb A Mestri	-	Independent & Non Executive

**COMPANY SECRETARY** - Mr. Santhosh Shadadal

## AUDITORS

Singhi & Co,  
Chartered Accountants  
114/1, Sai Complex, 3<sup>rd</sup> Floor  
M G Road, Bangalore – 560001

## SECRETARIAL AUDITORS

S. Kedarnath & Associates,  
Company Secretary  
004, Ground Floor, Ojus Apts  
4<sup>th</sup> Main, Malleswaram  
Bangalore – 560 003 [KA]

## COST AUDITORS

M/s. S K Tikare & Co.,  
Cost Accountants  
CTS No.623/A, 1<sup>st</sup> Floor, Congress Road  
Besides Paratha Corner, Hindu Nagar Tilakwadi, Belagavi - 590009

## REGISTRAR AND SHARE TRANSFER AGENT

CANBANK COMPUTER SERVICES LIMITED  
218, J.P. Royale, 1<sup>st</sup> Floor, 14<sup>th</sup> Cross, Sampige Road  
2<sup>nd</sup> Main, Malleshwaram, Bangalore – 560 003 KA  
Phone No.: +91-080-23469661/62/64/65  
E-mail: [canbankrta@ccsl.co.in](mailto:canbankrta@ccsl.co.in)  
Website: canbankrta.com

## REGISTERED OFFICE

215/2, “Jyoti Tower”, 6<sup>th</sup> Cross,  
Nazar Camp, Karbhari Galli,  
M. Vadgaon, Belagavi – 590 005

## PLANTS

**Plant I:** R. S. No.346, at Kaladgi Village  
Dist.: Bagalkot – 587 313 [KA]

**Plant II:** R. S. No. 15/4, Mudhol Industrial Area  
At Nagnapur, Tal.: Mudhol  
Dist.: Bagalkot – 587 122 [KA]

## SOLAR PLANT: Shri Krishna Solar Power

Sy. No.241, At Biserahalli, Dist: Koppal  
Karnataka - 583231

## BANKERS

- Syndicate Bank, Camp Branch, Belagavi
- Saraswat Co-operative Bank Limited

## CORPORATE IDENTITY NUMBER

L26941KA1993PLC014104

## GOODS AND SERVICES TAX (GST) NUMBER

29AAACK8074H1Z8

**NOTICE**

**Notice** is hereby given that the 26<sup>th</sup> Annual General Meeting of the Company will be held on Saturday, 10<sup>th</sup> August, 2019 at 11.00 AM at 'Jyoti Tower' 215/2, Karbhar Galli, Nazar Camp, M. Vadagon, Belagavi – 590 005 to transact the following business:-

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2019 and Profit and Loss Account for the year ended as on that date and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Vilas Katwa, who retires by rotation and, being eligible, offers himself for reappointment.

**SPECIAL BUSINESS:**

3. **Regularisation of Mr. Alpesh Jain (DIN:08270670) as an Independent Director of the Company.**

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

**“RESOLVED that** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Alpesh Jain (DIN: 08270670), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from November 09, 2018 up to November 08, 2023.”

4. **Approve the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March 2020 & to Consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S K TIKARE & Co. Cost Auditors appointed by the Board on the recommendation of the Audit Committee of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

**“RESOLVED FURTHER THAT** the Board of Directors of the Company or the Company Secretary, be and are hereby authorised to do all , deeds and things which are necessary for the aforesaid appointment and to send the necessary intimation in prescribed form to Registrar of Companies”.



5. **To increase the borrowing limits of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**“RESOLVED THAT** in supersession of the earlier resolution passed at the Annual General Meeting held on August 12, 2014 and pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Article of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company or Committee thereof (“the Board”) to borrow such sum of moneys, from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company, such that the moneys to be borrowed together with the moneys to be borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any point of time shall not exceed a sum of Rs. 1,000 crore (Rupees One Thousand Crore Only);

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

6. **Amendment in Object clause of Memorandum of Association of the Company, and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 13 of the Companies Act, 2013, and any other applicable provisions of Companies Act, 2013 read with Rules thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), subject to approval of the Shareholders of the Company and Registrar of Companies, Bangalore, the Board be and is hereby approved to amend the Memorandum of Association of the Company as follows:

Amendment of sub-clause 45 to the existing clause (b) of the Memorandum of Association of the Company as follows:

*To carry on all or any of the business of manufacturers and sellers or dealers or Traders or investors and workers in cement of all kinds, concrete, asbestos, gypsum, coal, jute hessian, cloth, gunny bags, paper bags, lime, Plaster, whiting clay, bauxite, soap stone, ochers, paints, fixing materials gravel (Sand) bricks, tiles, pipes, pottery, earthenware, artificial stone, Fly Ash, Slag, Carbon Black, all kind of precious and/or Semi precious metals and manufacturers, builders and dyers' requisites of all kinds.*

**RESOLVED FURTHER THAT** Mr. Vilas Katwa, Managing Director of the Company be is hereby authorized to sign and file all the requisite e-forms including Form MGT-14 along with such other documents as may be required, with Registrar of Companies, Bangalore and to do all such acts, deeds and things as may be ancillary or incidental thereto for giving effect to this resolution.”

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members holding shares in physical form are requested to notify any change in their address to Company/ Canbank Computer Services Limited J P Royale, 1<sup>st</sup> Floor, #218, 2<sup>nd</sup> Main, Sampige Road (Near 14<sup>th</sup> Cross), Malleswaram, Bangalore – 560003. Members holding shares in electronic form are requested to direct change of address notifications and updation of their bank account details to their respective depository participants.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 6<sup>th</sup> August, 2019 to 10<sup>th</sup> August, 2019 [both the days inclusive] for the purpose of Annual General Meeting.
5. Members/proxies should bring the attendance Slips sent herewith duly filled in, for attending the Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members holding shares in a single name and physical form are advised to make nomination in respect of their shareholding in the Company.
8. Non-resident Indian Members are requested to inform Canbank Computer Services Limited, the registrars, of;

Change in their residential status on return to India for permanent settlement.

Particulars of their bank A/c maintained in India with complete name, branch, account type, account number, address of the bank with pin code number, if not furnished earlier.

9. Payment of Dividend through ECS:
  - a. Members holding shares in physical form are advised to submit particulars of their bank account, viz, name address of the bank, 9 digit MICR code of the branch, type of account and account number to the registrars, Canbank Computer Services Limited, #218, JP Royale, 1st Floor, 2nd main, samige road, near 14th cross, malleswaram, Bangaluru – 560 003.
  - b. Members holding shares in Demat form are advised to inform the particulars of their bank account to their respective Depository participants.
10. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail

address with company are requested to submit their request with e-mail address to M/s. Canbank Computer Services Limited. Members holding shares in Demat form are requested to register/ update their e-mail address with their Depository Participant. For members who have not registered their email address, physical copies of Annual Reports 2019 are being sent by the permitted mode.

11. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Registrar & Transfer Agent or Company Secretary at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. All shares in respect of which dividend has not been claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund. Shareholders whose shares or unclaimed dividend has been transferred to the Fund may claim the said shares or unclaimed dividend by making an application in Form IEPF-5 and submission of the prescribed documents to the Fund.
12. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is providing e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the notice. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. Instructions for e-voting are annexed to the Notice.
13. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking appointment/ re-appointment at the AGM, is furnished as annexure to the Notice. The Directors have furnished consent/ declaration for their appointment/ re-appointment as required under Companies Act, 2013 and Rules made there under.
14. The Notice of the 26<sup>th</sup> AGM and instruction for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode. Members may also note that the Notice of the 26<sup>th</sup> AGM and Annual Report 2019 will be available on the company's website, [www.keshavcement.com](http://www.keshavcement.com) for their download.
15. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working upto the date of AGM.
16. The Securities and Exchange Board of India (SEBI) vide circular No. SEBI/HO/MIRSD/DOPI/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 has mandated compulsory submission of Permanent Account Number (PAN) and Bank details by every participant in the securities market. Members holding shares in the electronic form are, therefore requested to submit their PAN and bank details to their Depository Participant(s) and members holding shares in physical form shall submit the details to company.



## **EXPLANATORY STATEMENT**

The following explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 sets out all material facts relating to the business mentioned in item no.3 & 6 in the accompanying Notice of the Annual General Meeting.

### **Item No.3:**

Mr. Alpesh Jain (DIN: 08270670) was appointed as an Additional (Independent) Director of the Company with effect from November 09<sup>th</sup>, 2018 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mr. Alpesh Jain holds office upto the date of this Annual General Meeting, but is eligible for the appointment as Director.

The Company has received from Mr. Alpesh Jain, a consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 to appoint as an Independent Director on its Board and the Independent Director shall not be included in the total number of directors for retirement by rotation. Accordingly, in terms of provisions of Section 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company had appointed (subject to the approval of the members at the ensuing General Meeting, Mr. Alpesh Jain, as an Independent Director of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term of 5 consecutive years commencing from November 09, 2018.

The Board of Directors of the Company in their meeting held on Friday, the 09<sup>th</sup> November, 2018 recommended the resolution as set out in Item No.3 in the accompanied notice for approval of the Shareholders. Accordingly, resolutions mentioned in the Notice are recommended for your Acceptance.

None of Directors, KMP's and Relatives of Directors and KMP of the Company are in any way, concerned or interested in the resolution, except to the extent of their shareholding in the Company.

### **Item No. 4:**

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. S K Tikare & Co. Cost Auditors at remuneration of Rs. 60,000/- to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020. In accordance with the provisions of the Sec 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly consent of the members is sought. The Directors recommends the resolution for members' approval as an Ordinary Resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

The Board of Directors of the Company in their meeting held on Saturday, the 25<sup>th</sup> May, 2019 recommended the resolution as set out in Item No.4 in the accompanied notice for approval of the Shareholders. Accordingly, resolutions mentioned in the Notice are recommended for your Acceptance.

## SHRI KESHAV CEMENTS & INFRA LIMITED

None of Directors, KMP's and Relatives of Directors and KMP of the Company are in any way, concerned or interested in the resolution, except to the extent of their shareholding in the Company.

### **Item No. 5:**

The Members of the Company at their Meeting held on August 12, 2014 had passed a resolution authorizing the Board of Directors of the Company to borrow monies, from time to time, upto Rs.200 crore. Further, the companies is required additional funds to expedite its plan to scale up its capacity and coverage, hence it is considered necessary to increase the limits for borrowing of funds from Rs.200 crore to Rs.1,000 crore.

The Board of Directors in its meeting held on Saturday, the 25<sup>th</sup> May, 2019 discussed the acceptance of loan as per the section 180.

The Board of Directors of the Company in their meeting held on Saturday, the 25<sup>th</sup> May, 2019 recommended the resolution as set out in Item No.5 in the accompanied notice for approval of the Shareholders. Accordingly, resolutions mentioned in the Notice are recommended for your Acceptance.

None of Directors, KMP's and Relatives of Directors and KMP of the Company are in any way, concerned or interested in the resolution, except to the extent of their shareholding in the Company.

### **Item No. 6:**

Your directors' by circulation dated 27<sup>th</sup> June, 2019 had approved (subject to the approval of members) the amendment in the Memorandum of Association of the Company with respect to the following:

Amendment of sub-clause 45 to the existing clause (b) of the Memorandum of Association of the Company as follows:

*To carry on all or any of the business of manufacturers and sellers or dealers and workers in cement of all kinds, concrete, asbestos, gypsum, coal, jute hessian, cloth, gunny bags, paper bags, lime, Plaster, whiting clay, bauxite, soap stone, ochers, paints, fixing materials gravel (Sand) bricks, tiles, pipes, pottery, earthenware, artificial stone, Fly Ash, Slag, Carbon Black, all kind of precious metals and manufacturers, builders and dyers' requisites of all kinds.*

The Board commends the Special Resolution set out at Item No.6 of the Notice for approval by the members.

None of Directors, KMP's and Relatives of Directors and KMP of the Company are in any way, concerned or interested in the resolution, except to the extent of their shareholding in the Company.

By Order of the Board of Directors  
For **SHRI KESHAV CEMENTS AND INFRA LIMITED**

Date: 15.07.2019  
Place: Belagavi

Sd/-  
Santosh Shadadal  
Company Secretary

# SHRI KESHAV CEMENTS & INFRA LIMITED

## DIRECTORS' REPORT

To,

The Members,

The Directors have pleasure in presenting the Twenty Sixth Annual Report on the business and operations of the Company along with Audited Financials for the year ended as on 31<sup>st</sup> March 2019.

### 1. Financial Results:

Financial Results of the Company for the year under review along with the figures for previous year are as follows:

	[In Lakhs]	
Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Revenue from operations (Net)	7003.15	5205.22
Other Income	44.07	32.48
Employee cost	344.03	290.12
Other expenditure	384.67	386.32
Earnings before Interest, Depreciation & tax	<b>(441.17)</b>	<b>28.47</b>
Depreciation	1174.37	651.57
Finance cost	1835.58	89.22
Profit before Tax	(441.17)	28.47
Total of tax Expenses	(1583.82)	(200.29)
<b>Profit after Tax</b>	<b>(2025.00)</b>	<b>(171.82)</b>
Other Comprehensive Income		
i) Items that will not be reclassified subsequently to profit or loss Remeasurement of the net defined benefit liability/ asset	1.44	(3.60)
ii) Items that will be reclassified subsequently to profit or loss	(0.38)	--
	<b>1.07</b>	<b>(3.60)</b>
<b>Total Comprehensive Income for the year</b>	<b>(2023.93)</b>	<b>(175.42)</b>
EPS (Basic)	(39.50)	(3.42)
Diluted	(39.50)	(3.42)

### 2. State of Affairs of the Company:

On the standalone front your company registered total revenue comes to 7,047.22 lakhs for the year ended 31<sup>st</sup> March, 2019. The pre-tax profit/(Loss) was Rs. (441.17) Lakhs & Net profit/ (Loss) is of Rs.(2025.00) Lakhs. The Directors are confident of achieving continuous progress in sales and profit in the years to come.

### 3. Dividend:

No Dividend was declared for the current financial year 2018-19 due to insufficient profit.



#### **4. Transfer of unpaid and unclaimed amount to IEPF:**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend and Refund of Share application Money due for refund which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend/unclaimed account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. During the year, no amount was due for transfer to IEPF.

#### **5. Reserves:**

The Company proposes to transfer an amount of Rs. 71.53/- Lakhs to the General Reserves.

#### **6. Share Capital:**

During the year under review, the Authorized Equity Share Capital of the Company as on 31st March 2019 was Rs. 12,00,00,000/- and the Paid-up Equity Share Capital as on 31st March 2019 was Rs. 5,12,42,000/-.

##### **A. Buy Back of Securities.**

The Company has not bought back any of its securities during the year under review.

##### **B. Details of issue of Sweat Equity Shares.**

The Company has not issued any Sweat Equity Shares during the year under review.

##### **C. Disclosure in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates.**

There are no such cases arisen during the year under review.

##### **D. Details of Issue of Equity Shares with Differential Rights.**

The Company has not issued any Equity Shares with differential rights during the year under review.

##### **E. Bonus Shares.**

No Bonus Shares were issued during the year under review.

##### **F. Employees Stock Option Plan.**

The Company has not issued any stock options during the year under review.

#### **7. Finance:**

Cash and cash equivalent as at 31st March, 2019 was Rs. 152.73 Lakhs. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

#### **8. Change in the nature of business, if any:**

No change in the nature of the business of the Company done during the year.

**Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:**

The significant and material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report are viz.,

- A) Company has obtained Government of Karnataka approval for sale of Solar Energy produced in excess of self consumption.

During the year company has obtained Credit Rating of 'IND BB' and downgraded from earlier rating 'IND BBB-' as on January 17, 2019 from India Ratings & Research Private Limited.

**9. Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government:**

No such frauds were reported by the Auditors during the year under review.

**10. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

There is no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

**11. Details of adequacy of internal financial controls with reference to the Financial Statements:**

Your Company has deployed adequate Internal Control Systems, in the place to ensure a smooth functioning of its business. The processes and systems are reviewed constantly and improved upon to meet the changing business environment. The Control Systems provide a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets. The Internal Auditor's periodically review the internal control systems, policies and procedures for their adequacy, effectiveness and continuous operation for addressing risk management and mitigation strategies.

**12. Details of Subsidiary/Joint Ventures/Associate Companies:**

The Company does not have any Subsidiaries/Joint Ventures/Associate Companies.

**13. Particulars of Loans, Guarantees or Investments:**

There were no Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013.

**14. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement:**

Disclosure under this head is not applicable as the Company does not have any Subsidiaries / Associate Companies / Joint Venture Companies.

**15. Vigil Mechanism / Whistle Blower Policy:**

Pursuant to the provision of Section 177(9) of the Companies Act, 2013 the Company had established a vigil mechanism for directors and employees to report concern of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct.

The Company has a vigil mechanism in place through its Whistle Blower Policy, which provides a platform to

disclose information without fear of reprisal or victimization, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrong doing within the Company. The detail of the Whistle Blower Policy is also posted on the website of the Company.

### **16. Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Your Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under the “The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013”. The following is a summary of sexual harassment complaints received and disposed off during the financial year ending March 31, 2019:

Number of complaints received: NIL

Number of complaints disposed off: NIL

### **17. Development and Implementation of Risk Management Policy:**

Pursuant to the requirement of Regulation 21 of the SEBI (LODR) Regulations, 2015, the Company has developed and implemented the Risk Management Policy. The Company has Risk Management Committee to monitor the Risk Management Policy.

### **18. Familiarization Programme:**

The Company has put in place an induction and familiarization programme for all its directors including the Independent Directors. The familiarization programme for Independent Directors in terms of provisions of Regulation 46(2)(i) of Listing Regulations, is uploaded on the website of the Company:- [www.keshavcement.com](http://www.keshavcement.com).

### **19. Board Meetings:**

During the year under review the Board of Directors held 6 meetings, on 28.05.2018, 11.07.2018, 10.08.2018, 28.09.2018, 09.11.2018 and 13.02.2019. The maximum interval between two consecutive meetings did not exceed 120 days.

### **20. Public Deposits:**

Your Company has not accepted any deposits from the public during the financial year under review.

### **21. Extract of the Annual Return:**

As required pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules 2014, an Extract of Annual Report in Form MGT-9 is available on the Company's website at – [www.keshavcement.com](http://www.keshavcement.com).



### 22. Related Party Transactions:

The Company has in place formulated a Policy on materiality of Related Party transactions for dealing with such transactions in line with the requirements of the Listing Regulations with the Stock Exchange. The Policy on related party transactions is available on the Company's website at – [www.keshavcement.com](http://www.keshavcement.com).

Particulars of Contracts or Arrangements with related parties referred to Section 188 (1) of the Companies Act, 2013 in format specified as Form AOC-2 forms part of this report “Annexure-I”

### 23. Directors' Responsibility Statement:

In pursuance of Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Explanation: For the purposes of this clause, the term “internal financial controls” means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 24. Directors and Key Managerial Personnel and Formal Annual Evaluation:

- (a) The details of Directors & KMPs who were appointed or resigned during the financial year under review:

During the period under review, Mr. Satish Kalpavruksha, Independent Director retired from the Board of Directors of the Company w.e.f. 09<sup>th</sup> November, 2018. Further Mr. Alpesh Jain has been appointed as Independent Director in the Board w.e.f. 09<sup>th</sup> November, 2018.

**Fact of resignation of Director:**

Mr. Satish Kalpavruksha, Independent Director retired from the Board of the Company due to completion of term of 5 years.

**(b) Independent Directors:**

The Company has received declarations from the Independent Directors of the Company stating that they meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and the Regulation 16(1)(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(c) Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance and the performance of the individual Directors as well as the evaluation of the working of its Committees. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report.

**(d) Disclosure on Re-appointment of Independent Director(s):**

The Company has not re-appointed any independent director who had completed his/her tenure of 5 years.

**25. Statutory Auditors:**

At the Annual General Meeting of the Company held on 28<sup>th</sup> September, 2017 the shareholders appointed M/s. Singhi & Co., Chartered Accountants, Bangalore, bearing Registration No. 302049E with the Institute of Chartered Accountants of India, as Statutory Auditors of the Company for the period of five years from the conclusion of 24<sup>th</sup> Annual General Meeting of the Company, for audit of financial statement at a remuneration to be decided by the Audit Committee of the Board of Directors in consultation with Auditors for the purpose of Audit.

**26. Auditor's Report**

There are no qualifications, reservations or adverse remarks made by M/s. Singhi & Co., Chartered Accountants, Statutory Auditors, in their report for the financial year ended 31st March, 2019. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

**27. Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s S. Kedarnatah & Associates, Practicing Company Secretary as the Secretarial Auditor of your Company to conduct Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2019 is annexed as “Annexure 2” to this Report. There are no qualifications, reservations or adverse marks made by Secretarial Auditor in the Report.

**28. Cost Audit:**

Mr. S K Tikare & Co. (FR No. 101039) Cost Auditors of the Company have been appointed as Cost Auditors of the company for the year ended 31<sup>st</sup> March 2020. A resolution seeking shareholder's ratification of the remuneration payable to the Cost Auditors has been included in the Notice of AGM. The reports submitted

by the Cost Auditors are filed with the appropriate authorities.

### **29. Nomination and Remuneration Committee and Stakeholders Relationship Committee:**

The present composition of the Nomination and Remuneration Committee includes Mr. Balasaheb A Mestri, Chairman, Mr. Alpesh Jain and Mr. Venkatesh Katwa as its members. The Nomination and Remuneration committee has framed a policy for selection and appointment of Directors including determining qualifications of Independent Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013.

The Stakeholders Relationship Committee comprises of Mr. Alpesh C Jain, Chairman, Mr. Balasaheb A Mestri and Mrs. Radhika Pinal Dewani as its members.

### **30. Corporate Social Responsibility Policy (CSR):**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on Corporate Social Responsibility.

### **31. Particulars of Employees:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is attached as “Annexure 3”. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the complete information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

### **32. Corporate Governance and Management Discussion and Analysis:**

Your company has taken adequate steps to adhere to all the stipulations as laid down in Pursuant to Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, As required, a report on Corporate Governance is provided elsewhere in this Annual Report along with certificate from M/s. S Kedarnath & Associates, Practicing Company Secretaries, confirming the compliance with the conditions of Corporate Governance as stipulated under the said Regulations is attached to this report.

### **33. Audit Committee:**

The Audit committee comprises of Mr. Alpesh C Jain, chairman, Mr. Balasaheb A Mestri, Mrs. Radhika Pinal Dewani and Mr. Venkatesh H Katwa, as members. The committee met 4 times during the Financial Year under review and all the recommendations were accepted by the Board.

### **34. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

#### **A. Conservation of Energy:**



## SHRI KESHAV CEMENTS & INFRA LIMITED

a. Energy conservation measures taken:	Efforts to conserve and optimize use of Energy through improved operational methods are made on continuous basis.
b. Additional investments and proposals, if any, being implemented for the reduction of consumption of energy	No fresh investment is proposed but Conscious effort is being made to save energy wherever possible.
c. Impact of the measures at (a) and (b) above for the reduction of energy consumption and consequent impact on the cost of production of goods	The cost saving is not substantial.
d. Total energy consumption	Rs. 248.81/- (In Lakhs)

### **B. Technology Absorption :**

Efforts made in technology absorption as per the **Form 'B'** of the annexure

### **C. Foreign exchange earnings and outgo: Nil**

a. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:	The Company is engaged in manufacture and sale of Cement within the states of Karnataka, Goa and Maharashtra. Taking into account the installed capacity and demand for cement in these three states itself, the management is of the opinion that the development of export market will take its own time.
b. Total foreign exchange used and earned: Earned Used	 Nil Nil

### **Form B**

### **Form for Disclosure of particulars with respect to absorption**

#### **Research and development [R&D]**

1. Specific areas in which R&D carried out by the Company	Nil
2. Benefit derived as a result of the above R & D	Nil
3. Future plan of action	Nil
4. Expenditure on R & D:	
(a) Capital	Nil
(b) Recurring	Nil
(c) Total	Nil
(d) Total R&D expenditure as a percentage of total turnover	Nil

## SHRI KESHAV CEMENTS & INFRA LIMITED

### Technology, absorption, adoption and innovation

1. Efforts made in brief towards technology absorption, adoption and innovation:	Not applicable
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitutes etc.	Not applicable
3. In case of imported technology [imported during the last five years reckoned from the beginning of the financial year] following information may be furnished. (a) Technology imported (b) Year of import (c) Has technology been fully absorbed (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.	Not applicable

### 35. Acknowledgements:

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

### Cautionary Statement:

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**For and on behalf of Board of Directors of  
SHRI KESHAV CEMENTS AND INFRA LIMITED**

Place: Belgaum  
Date: 25.05.2019

Sd/-  
Venkatesh Katwa  
Chairman

## CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is as follows:

### 1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's Philosophy on Corporate Governance aims at the attainment of the highest levels of transparency, accountability and responsibility in all operations and all interactions with its Shareholders, Investors, Lenders, Employees, Government and other stakeholders.

As part of our commitment to run a values-driven and processes managed company, this responsibility is taken up with highest discipline and vigilance by the Company's Board of Directors and its management team. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value consistently over a sustained period of time. The Board considers itself a Trustee of its shareholders and acknowledges its responsibilities towards them for creating, enhancing and safeguarding their wealth.

### 2. BOARD OF DIRECTORS:

The Company's Board comprises of adequate mix of Independent and Non-Independent Directors as well as Executive and Non-Executive Directors.

The Company's board members have diverse areas of knowledge and expertise, which is necessary in providing an independent and objective view on business issues and assess them from the stand point of the stakeholders' of the Company.

#### ***Composition of Board of Directors***

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Constitution of the Board as on March 31, 2019:

Promoter Directors	Independent Directors
Mr. Venkatesh Katwa Promoter/ Executive Mr. Vilas Katwa Promoter/ Executive Mr. Deepak Katwa Promoter/ Executive	Mr. Alpesh Jain  Mr. Balasaheb Anantrao Mestri  Mrs. Radhika Pinal Dewani

The Board periodically reviews the Compliance report pertaining to all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

#### ***Attendance record of Board meetings***

During the year under review, 06 (Six) Board meetings were held on 28.05.2018, 11.07.2018, 10.08.2018, 28.09.2018, 09.11.2018 and 13.02.2019. The Board members are given appropriate documents and information in advance of each board meeting.

## SHRI KESHAV CEMENTS & INFRA LIMITED

The attendance record of all directors on the Board and the last AGM and the number of Companies / Committees where he / she is a Director / Member as under:

Name of the Director	Attendance at last AGM	No of other Directorship	No of Board Meeting held	No of Board Meeting attended	% of Attendance
Mr. Venkatesh Katwa	Yes	2	6	5	83%
Mr. Vilas Katwa	Yes	2	6	6	100%
Mr. Deepak Katwa	Yes	2	6	6	100%
Mr. Balasaheb A Mestri	Yes	--	6	3	50%
Mrs. Radhika Pinal Dewani	Yes	--	6	6	100%
Mr. Satish Kalpavriksha	Yes	--	6	2	33%
Mr. Alpesh Jain	No	--	6	1	17%

### COMMITTEES OF THE COMPANY

#### (a) AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company consist Four directors. All the directors have good knowledge of finance, accounts as well as company law. The Chairman of the Committee is Mr. Alpesh Jain. The other members of the committee are Mr. Balasaheb A Mestri, Mrs. Radhika Pinal Dewani and Mr. Venkatesh Katwa.

#### Terms of Reference –

The board terms of reference of the Committee inter alia includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the board for approval, with particular reference to:



- (a) Matters required to be included in Director's Responsibility Statement included in Board's report;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries based on exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilized for other purposes and report of monitoring agency.
  7. Review and monitor the auditors' independence and performance, and effectiveness of audit process.
  8. Approval or any subsequent modification of transactions of the Company with related parties.
  9. Scrutiny of inter-corporate loans and investments.
  10. Valuation of undertakings or assets of the Company, wherever it is necessary.
  11. Evaluation of internal financial controls and risk management systems.
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  14. Discussion with internal auditors of any significant findings and follow up thereon.
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  16. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders,
  18. Shareholders (in case of non-payment of declared dividends) and creditors.
  19. To review the functioning of the Whistle-Blower mechanism.
  20. Approval of appointment of Chief Financial Officer.
  21. To review report submitted by Monitoring Agency informing material deviations in the utilization of Issue proceeds and to make necessary recommendations to the Board, if, when and where applicable.

## SHRI KESHAV CEMENTS & INFRA LIMITED

22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. During the year under review, the Committee met 04 (Four) times on 10.05.2018, 10.08.2018, 09.11.2018 and 13.02.2019. Attendance of the members at the meetings was as follows:

Name of the Member	Designation	No. of Meetings attended
Mr. Satish Kalpavruksha	Chairman (Retired on 08.11.2018)*	2
Mr. Alpesh Jain	Chairman	2
Mr. Balasaheb A Mestri	Member	3
Mr. Venkatesh Katwa	Member	3
Mrs. Radhika Pinal Dewani	Member	1

\*The term of 5 years of Mr. Satish Kalpavruksha, Independent Director got completed as on 08.11.2018.

### (a) **NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration committee comprise of three directors, viz, Mr. Balasaheb Mestri as Chairman, Mr. Alpesh Jain and Mr. Venkatesh Katwa as other members.

The Nomination & Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down. Recommended to the Board their appointment and removal and shall carry out evaluation of every director performance.

The Committee had been consulted to review and approve the annual salaries, commission, service agreement and other employment conditions for the executive directors. The remuneration policy is in consonance with the existing industry practice.

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to the SEBI LODR.

The terms of reference of the Committee are broadly as under:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of performance of independent directors and the board.

## SHRI KESHAV CEMENTS & INFRA LIMITED

3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of there of performance evaluation of independent directors.

During the year under review, the Committee met 01 time and all members present at the meeting.

Details of the remuneration to the Executive Director provided as per accounts for the year ended March 31, 2019 are given below:

Executive Director	Salary (In Rs)	Commission (In Rs)
Mr. Vilas Katwa	6,00,000/-	NIL
Mr. Deepak Katwa	3,00,000/-	NIL

Details of the remuneration to the Non-Executive Director provided as per accounts for the Year ended March 31, 2018 are given below: NA

Non-Executive Director	Sitting Fees (In Rs)	Commission (In Rs)	Total (In Rs)
Mr. Balasaheb Mestri	10,000	NIL	NIL
Mr. Alpesh Jain	5,000	NIL	NIL
Mr. Satish Kalpavruksha	15,000	NIL	NIL
Mrs. Radhika Pinal Dewani	15,000	NIL	NIL

### (c) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprise of three directors, viz, Mr. Alpesh Jain as Chairman, Mr. Balasaheb A Mestri & Mrs. Radhika Pinal as other members.

## SHRI KESHAV CEMENTS & INFRA LIMITED

The Committee has been constituted to specifically look into redressal of shareholders' grievance such as transfer, dividend, de-materialization related matters. The Committee has also been dealing the power to approve transfer / transmission, issue of new or duplicate certificates, sub-division of shares, split of shares and all matters related to shares.

During the year under review, the Committee met 04 (Four) times on 28.05.2018, 10.08.2018, 09.11.2018 and 13.02.2019 and all members present at the meeting.

Total number of letters and complaints received and replied to the satisfaction of shareholders during the year under review was NIL as on March 31, 2019 there are NIL complaints pending with the Company.

### SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

As required by SEBI LODR, the Independent Directors held 01 meeting during the year. All Independent Directors attended the same.

The Independent Directors discussed / review the matters specified in Regulation 25 of SEBI LODR.

### GENERAL BODY MEETINGS

Year	General Meeting	Date	Time	Special Resolution Passed
2017-18	Annual general meeting	28.09.2018	11.00 AM	No Special Resolution was passed
2016-17	Annual general meeting	28.09.2017	11.00 AM	1. Amendment of Memorandum of Association of the Company. 2. Adoption of new set of Articles as per the Companies Act, 2013.
2015-16	Annual general meeting	28.09.2016	11.30 AM	No Special Resolution was passed

\*No Extraordinary General Meeting was held during the Financial Year 2018-19.



## DISCLOSURES

### (a) Basis of related party transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on annual basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on annual basis. And the details of related party transactions are shown in the notes of financial statements. Form AOC-2 has been attached.

### (b) Vigil Mechanism

The Company has a vigil mechanism for directors and employees to report genuine concerns. The Vigil mechanism provides for adequate safeguards against victimization of director(s) or employee(s) or any other person who avails the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

(c) The Company has complied with all mandatory requirements of Regulations as per Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.  
Compliance Report on Non mandatory requirements under Regulation 27(1).

### (d) Risk management

The Company operates in an increasingly volatile and challenging business environment. The Company's overall risk management seeks to minimize potential adverse effects on its performance. The Company has created the Risk Management charter for building a strong risk management culture.

Board of Directors confirms that there exist no elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

### (e) Compliance by the Company

There are no instances of non-compliance by the Company on any matters related to capital market, nor have any penalty/strictures been imposed by the Stock Exchange or SEBI or any other statutory authority on any matter relating to capital market during the Financial Year ended on March 31, 2019.

### **(f) Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee laid down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and the various committees of the Board of Directors. The criteria for performance evaluation cover the areas relevant to their functioning as Chairman, Independent Directors or other Directors, Member of Board or committees of the Board. A Structured questionnaire, evolved through discussions within the Board, has been used for this purpose.

The purposes of evaluation of the Board and its Committees was to analyze how the Board and its committees are functioning, the time spent by the Board while considering matters and whether the terms of reference of the Board Committees have been met, beside compliance of provisions of the Act and Listing Agreement.

The Directors expressed their satisfaction with the evaluation process. However, given the nascent nature of this process, the evaluation process will be strengthened through experience and also by identifying best practices used by other companies.

### **CODE OF CONDUCT**

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company, as required by Regulation 17(5) of the SEBI LODR. The Company has received confirmation from the Directors and Senior Management regarding compliance with the code for the year ended March 31, 2019. A Certificate from Managing Director to this effect is attached to this report. The code has been displayed on the Company's website.

### **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Company has adopted a revised "Code of Conduct to Regulate, Monitor and Report Trading in Securities and Fair Disclosure of Unpublished Price Sensitive Information" (Revised Code) in Compliance with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The same was effective from April 01<sup>st</sup> 2019 and shall be made available on the Company's website [www.keshavcement.com](http://www.keshavcement.com).

# SHRI KESHAV CEMENTS & INFRA LIMITED

## GENERAL SHAREHOLDER INFORMATION

<b>1. Annual General Meeting</b>	
<b>Day, Date &amp; Time</b> <b>Venue</b>	Saturday, 10 <sup>th</sup> August, 2019 at 11.00 AM 'Jyoti Tower', 6 <sup>th</sup> Cross, KarbharGalli, Nazar Camp, M. Vadgaon, Belagavi- 590 005
<b>2. Financial Year</b>	April 1, 2018 to March 31, 2019
News Paper where the results are published	Financial Express & Hasiru Kranti
Website	<a href="http://www.keshavcement.com">www.keshavcement.com</a>
<b>3. Listing Details</b>	<b>BSE Limited (BSE)</b> PhirozeJeejeebhoy Towers, Dalal Street, Mumbai 400 001
<b>4. Stock Codes</b>	Scrip Code: 530977 ISIN: INE260E01014 CIN: L26941KA1993PLC014104
<b>5. Registrar &amp; Share Transfer Agent</b>	Canbank Computer Services Limited 218, J.P. Royale, 1 <sup>st</sup> Floor, 14 <sup>th</sup> Cross Sampige Road, 2 <sup>nd</sup> Main, Malleshwaram Bangalore- 560 003
<b>6. Compliance Officer / Company Secretary</b>	Santhosh Shadadal 42A, Amalazari Taluk: Bilagi Dist: Bagalkot-587 121
<b>7. Depository System</b>	Currently 88.99% of the Company share capital is held in dematerialized form. For any assistance in converting physical shares in electronic form, investor may approach Canbank Computer Services Ltd or Mr. Santhosh Shadadal, Company Secretary
<b>8. Bank details for Electronic Shareholding</b>	Members are requested to notify their Depository Participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank account, including the MICR codes of their Bank.
<b>9. Furnish copies of Permanent Account Number (PAN)</b>	The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of prevention of Money Laundering Act; 2002

## SHRI KESHAV CEMENTS & INFRA LIMITED

	For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.
<b>10. Investor complaint to be addressed to</b>	Canbank Computer Services Limited (RTA)., or Santhosh Shadadal, Company Secretary
<b>11. E-mail ID of Grievance Redressal Division</b>	info@keshavcement.com
<b>12. Payment of Listing Fees</b>	Annual listing fee for the year 2019-20 has been paid by the Company to BSE
<b>13. Payment of Depository Fees</b>	Annual custody / Issuer fee for the year 2019-20 has been paid by the Company to CDSL and NSDL.
<b>14. Plant Locations</b>	<p><b>Plant-1:</b> R.S No.346, At Kaladgi Village Dist: Bagalkot – 587313 Karnataka</p> <p><b>Plant-2:</b> R.S No.15/4, Mudhol Industrial Area, At: Nagnapur, Taluk: Mudhol Dist: Bagalkot – 587122 Karnataka</p> <p><b>Solar Plant – 3:</b> Shri Krishna Solar Power, Sy No.241, AP:Biserahalli, Taluk &amp; District: Koppal – 583231 Karnataka</p>

**Market Price Data:** Monthly high and low of the equity shares of the Company trading volume is as follows from April 2018 to March 2019.

S.No	Month	High Price	Low Price	Volume
1	April 2018	174.75	132.05	15,908
2	May 2018	148.25	111.45	25,701
3	June 2018	132.50	101.05	23,089
4	July 2018	125.00	100.15	6,668
5	August 2018	124.95	82.50	19,212
6	September 2018	98.85	68.00	18,286
7	October 2018	87.00	65.00	10,649



## SHRI KESHAV CEMENTS & INFRA LIMITED

8	November 2018	89.60	62.10	19,638
9	December 2018	74.70	55.05	13,411
10	January 2019	88.00	53.95	7,730
11	February 2019	57.05	40.10	30,245
12	March 2019	53.00	38.55	22,056

### Distribution of Shareholding

Shareholding of Nominal Value (In Rs.)	No. of Holders	% of shareholding	Total amount	% of shareholding
Upto 5000	5180	92.14	6795210	13.261
5001-10000	208	3.70	1677200	3.273
10001-20000	121	2.152	1832020	3.575
20001-30000	37	0.658	931980	1.819
30001-40000	21	0.374	749750	1.463
40001-50000	11	0.196	503160	0.982
50001-100000	29	0.516	2158460	4.212
100001 and above	15	0.267	36594220	71.415
<b>Total</b>	<b>5622</b>	<b>100.00</b>	<b>51242000</b>	<b>100.00</b>

## SHRI KESHAV CEMENTS & INFRA LIMITED

### Shareholding Pattern as on March 31, 2019

Shareholding Category	No of Shareholders	Number of Shares	% of Holding
<b>Promoter &amp; Promoter Group</b>			
Individual/ HUF	9	1650648	32.21
Body Corporate	2	1824264	35.60
<b>Public Shareholding</b>			
<b>Institutions</b>			
<b>Non-Institutions</b>			
Bodies Corporate	55	45079	0.88
Individual Shareholders holding nominal value up to Rs. 2 Lac	5359	1280625	24.99
Individual Shareholders holding nominal value greater than Rs. 2 Lac	3	125980	2.46
Any Other (NRI& Clearing Members)	119	166591	3.25
HUF	75	31013	0.61
<b>Total</b>	<b>5622</b>	<b>5124200</b>	<b>100</b>

### Means of Communication

Effective communication of information is an essential component of Corporate Governance. It is process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promote management -shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual reports, media releases, and Company's website and through green initiatives.

## Annexure-I

### FORM NO – AOC-2

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

Form of disclosure of particulars of contracts/ arrangements entered in to by the Company with related parties referred to sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:  
Shri Keshav Cements and Infra Limited has not entered into any contract or arrangement or transaction with its related parties which is not its ordinary course of business or at arm's length during financial year 2018-19.
2. Details of material contracts or arrangements or transactions at arm's length basis:  
There are no material contracts or arrangements or transactions with related parties during the financial year 2018-19.

On behalf of the Board of Directors

Chairman

Date: 25.05.2019

Place: Belagavi

## SECRETARIAL AUDIT REPORT

*[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]  
(FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019)*

To,

The Members,

Shri Keshav Cements & Infra Limited,

(Formerly Katwa Udyog Limited)

Belgaum – 590005

Karnataka

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shri Keshav Cements & Infra Limited** having CIN: L26941KA1993PL0014104 (the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 (financial year) according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under; The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
2. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
3. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time

- There were no occasions needing compliance under the provisions of The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- The Company has complied with the requirements of The SEBI (Prohibition of Insider Trading) Regulations, 2015 as to providing necessary information on the Company's website and other necessary disclosures.
- The Company has not issued any security attracting the provisions of The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and hence no comments arise;
- The Company has not issued any securities under ESOP/ESPS schemes attracting the provisions of The SEBI (Employees Shares Benefits Scheme) Regulations 2014;
- The Company has not issued any Debt Securities attracting the provisions of The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
- The Company has complied with the requirements of The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- The Company has not applied for delisting of Equity Shares in any stock exchange and hence compliance under the SEBI (Delisting of Equity Shares) Regulations, 2009 is not mandated;
- The Company has not brought back any security attracting the provisions of the SEBI (Buyback of Securities) Regulations, 1998.



# SHRI KESHAV CEMENTS & INFRA LIMITED

We further report that in accordance with the guidelines issued by the Institute of Company Secretaries of India (ICSI) on the applicability of industry specific laws as applicable to the Company and based on the list of the said laws provided and records maintained, the Company has, in our opinion, generally complied with the provisions of following laws:

## 1. Industry Specific Laws

1. Cement Control Order, 1967
2. Cement Cess Rule, 1993
3. Cement (Quality Control) Order 2003
4. Bureau of Indian Standards Rules, 1987
5. Explosives Act, 1884 and the Rules thereon
6. Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2015
7. The Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Packaged Commodities) Rules, 1977
8. Competition Act, 2002, Rules & Regulations
9. Environmental Protection Act, 1986

## Other Laws

- 1 Legal Metrology Act, 2009 and the Rules thereon
- 2 Water (Prevention and Control of Pollution) Act, 1974
- 3 Air (Prevention and Control of Pollution) Act, 1981
- 4 Noise Pollution (Control and Regulation) Rules 1999
- 5 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- 6 Factories Act, 1948 and other applicable Labour Laws.

We have not dealt with in this report any the provisions relating to Audit of Accounts and the related financial records and also the provisions under Income Tax, Central Excise, General Sales Tax and other connected enactments the records of which have been covered under the Financial Audit.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The Board of Directors was reconstituted as the existing Independent Director Mr. Satish Kalpavriksha has retired from the Directorship on completion of 5 years of term of appointment and no reappointment was made and in his place Mr. Alpesh C Jain was appointed as Independent Director (Additional Director). As a consequence, the Board also reconstituted the following Committees: –

- Audit Committee,
- Nomination & Remuneration Committee,
- Stakeholders Relations Committee and
- Risk Management Committee

The changes in the composition of the Board of Directors that took place during the financial year under review were carried out in accordance with the provisions of the Act.

Adequate notice was given to all the Directors to schedule the Board Meetings. Agenda and detailed notes thereon were sent in advance to the Directors and a reasonable system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**We further Report that the Company has developed and implemented adequate systems and processes in the Company commensurate with its size and operations to effectively monitor and ensure compliance with applicable laws, rules, regulations and guidelines and also the process and procedure in place to assist in minimizing exposure to risk that threaten the existence of the Company.**

## SHRI KESHAV CEMENTS & INFRA LIMITED

We further Report that there were no events / actions having any bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.,

Place: Bengaluru  
Date: 25/05/2019

For S. Kedarnath & Associates.  
Company Secretaries

S. Kedarnath  
Company Secretary

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

To, Annexure "A"  
The Members,  
Shri Keshav Cements & Infra Limited,  
(Formerly Katwa Udyog Limited)  
Belgaum – 590005  
Karnataka

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

1. *Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.*
2. *We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.*
3. *We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company like, Income Tax, General Sales Tax, Central Excise, Customs Law etc.,.*
4. *Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time. The compliance under the industry specific laws were examined based on the list of applicable laws provided by the company.*
5. *The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management in terms of Section 134 (5) (f) of the Companies Act, 2013. Our examination was limited to the verification of procedures on test basis.*
6. *The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.*

For S. Kedarnath & Associates,  
Company Secretaries

S. Kedarnath  
Company Secretary

Place: Bengaluru  
Date: 25/05/2019

## SHRI KESHAV CEMENTS & INFRA LIMITED

### Annexure: 3

#### Particulars of Employees:

- i) The percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary during the Financial Year 2018-19, ratio of the remuneration of each Director to the median remuneration of employees of the Company.

Name of the Person	Designation	% of increase compared to previous year	Ratio of remuneration to the median remuneration of employees
Vilas Katwa	Managing Director	No Change	5.49
Deepak Katwa	Chief Financial Officer	No Change	2.75
Santhosh Shadadal	Company Secretary	No Change	2.75

- ii) The percentage increase in median remuneration of employees in the Financial year:  
The percentage increase in the median remuneration of the Company during the financial year is 32.40%. This has been arrived at by comparing the median remuneration.
- iii) The Number of permanent employees on the rolls of the Company:  
The Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2019 was 206.
- iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: the total remuneration of employees increased by -8.8%
- v) Affirmation that the remuneration is as per the remuneration policy of the Company.

Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

## **CERTIFICATE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To the Members of Shri Keshav Cements and Infra Limited,**

We have examined the compliance conditions of Corporate Governance by the Shri Keshav Cements and Infra Limited ("the Company") for the financial year ended on March 31, 2019 as per the relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, I certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further state that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI/Ministry of Corporate Affairs.

Place: Bengaluru  
Date: 25/05/2019

**For S. Kedarnath & Associates,  
Company Secretaries**

*S. Kedarnath*  
**Company Secretary**

# SHRI KESHAV CEMENTS & INFRA LIMITED

## CEO/CFO CERTIFICATION

### *(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)*

*In terms of regulation 17(8) of SEBI (LODR) Regulations, 2015, Managing Director and Chief Financial Officer of the Company has certified to the Board that:*

- A. We have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered by the Company during the year are fraudulent, illegal or violative of the Company's code of Conduct.
- C. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated that effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that:
- (1) There has not been any significant change in internal control over financial reporting during the year;
  - (2) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (3) We are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Shri keshav Cements and Infra Limited**

Sd/-

Date: 25.05.2019

Place: Belagavi

Mr. Vilas Katwa

Managing Director

Sd/-

Mr. Deepak Katwa

Chief Finance Officer

## Compliance with Code of Business Conduct and Ethics

In accordance with Regulation 17(5) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchange, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the financial year ended 31st March 2019.

For **Shri keshav Cements and Infra Limited**

Sd/-

Mr. Vilas Katwa

Managing Director

Date: 25.05.2019

Place: Belagavi

# SHRI KESHAV CEMENTS & INFRA LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS – OUTLOOK

Cement industry is a highly energy intensive sector. Energy along with other raw materials mainly comprising coal and lime stone, forms a most critical component in the manufacture of cement. While your company does not face any problem with respect to the availability of limestone.

Its high priority to keep its energy cost, which forms a significant portion of the input costs, to the minimum. In this order reduce the power consumption cost/ energy cost, company has commenced 20MW Solar Power plant at Bisaralli village, Koppal taluka & district, Karnataka. Currently the Company is utilizing its own power generated from solar plant for production of Cement.

During the Financial Year 2018-19 the performance of the Company was satisfactory and has recorded gross turnover of Rs.7003.15 Lakhs.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your company has a well defined internal control system to support efficient business operations and statutory compliance. Internal Auditor carry out vouching of all accounting records and confirmation of balances and thereby assures the accuracy of accounting records and External Auditors carry out concurrent audit of the operations of the Company which adds to the stability of the internal control systems. Suitable internal checks have been built in to cover all monetary transactions with proper delineation of authority, which provides for checks and balances at every stage.

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Industrial relations continued to be cordial and harmonious at both the plants throughout the year.

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review the financial performance with respect to operational performance was satisfactory. And there are no overdues pending from the customers and the interest obligations and statutory obligations have been met in time.

### DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed prescribed Accounting Standards in the preparation of financial statements and there is no deviation in the current year.

### CAUTIONARY STATEMENT

Statement in this Management Discussion & Analysis describing the company's objectives projections, estimates and exceptions are “forward looking statements” within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SHRI KESHAV CEMENTS & INFRA LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of SHRI KESHAV CEMENTS & INFRA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

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

##### Material uncertainty related to going concern

We draw attention to Note 31 (1) of the financial statements regarding preparation of the Ind AS financial statements on going concern basis for the reasons stated therein. The appropriateness of assumption of going concern is dependent upon realization of the various initiatives undertaken by the Company and/or the Company's ability to raise requisite finance/generate cash flows in future to meet its obligations.

Our opinion is not modified in respect of this matter.

##### Key Audit Matters

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

## SHRI KESHAV CEMENTS & INFRA LIMITED

Sl.No.	Key Audit Matter	Auditor's Response
1.	<p><b>Inventory Valuation:</b> As described in Note No. S (Significant Accounting policy) and Note No.3 (Inventories) of the Financial Statement, the company carries inventory at lower cost or net realizable value on first in first out basis (FIFO). As at 31 March 2019 company held inventory of Rs.1857.46 Lakhs (PY.Rs. 1571,87 Lakhs) which includes Raw material, Finished Goods, Traded Items, Packing material, Work in Progress (WIP), and Stores and Consumables. The measurement of these inventories involved certain estimations/assumption with regard to net realizable value for finished goods and provision for obsolescence for stores &amp; consumable inventory items based on usable condition of the items. This methodology relies upon assumptions made in determining appropriate provisioning percentages to apply to inventory balances. We determined this to be a matter of significance to our audit due to quantum of the amount &amp; estimation involved.</p>	<p>We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory management. We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory provisions by:</p> <ul style="list-style-type: none"> <li>- verifying the value of a sample of inventory items to confirm whether they are held at the lower of cost and net realizable value, through comparison to vendor invoices and sales prices;</li> <li>- Critically assessing the Company inventory provisioning method, with specific consideration given to aged inventory.</li> <li>- Reviewing the physical verification report of inventory carried out by the independent internal auditor of the company.</li> </ul>
2.	<p><b>Liquidity Risk:</b> As described in Note No. 28 (2.1) (Financial Risk management objectives and policies), company has significant liquidity risk due to term loan repayment which it has incurred for funding solar power plant and cement plant expansion. The availability of sufficient funds and the testing of whether the company will be able to resume normal operation and continue meeting its obligations are important for the going concern assumption and, as such, are significant aspects of our audit. However, the management is expecting significant growth in revenue and reduction in cost due to captive consumption of power and sale of excess power. This will mitigate the liquidity risk in future.</p>	<p>We obtained cash flow projection from the management and evaluated the reasonableness and appropriateness of the key assumptions used for future cash flow and reduction in cost. For notes on the going concern assumption, see the going concern principle as referred on note no. 31(1) of the financial statements.</p>

### **Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

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

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Singhi & Co.**  
**Chartered Accountants,**  
(Firm's Registration No.302049E)

**CA. Krishna Chaitanya**  
Partner  
(Membership No.228661)  
Bengaluru, May 25, 2019.



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shri Keshav Cements & Infra Limited of even date)

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

We have audited the internal financial controls over financial reporting of SHRI KESHAV CEMENTS & INFRA LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.



### Meaning of Internal Financial Controls over Financial Reporting

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

### Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Singhi & Co.**

**Chartered Accountants,**

(Firm's Registration No.302049E)

**CA. Krishna Chaitanya**

Partner

(Membership No.228661)

Bengaluru, May 25, 2019.

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shri Keshav Cements & Infra Limited of even date)

- I. In respect of the Company's fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
  - c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date;
- ii. In our opinion and according to the information and explanations given to us, inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification;
- iii. (a) As explained to us, the company has not granted any Loan, secured or unsecured to companies, firms or other parties as disclosed in the Register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions stated in paragraph 3 (iii) (a), (b) and (c) of the order are not applicable;
- iv. In our opinion and according to the information and explanations given to us, the company does not have any loans, investments, guarantees and security as specified in Section 185 and 186 of the Companies Act, 2013;
- v. In our opinion and according to the information and explanations given to us, the company has not accepted deposits, hence the provision of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under not applicable to the company;
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 (as amended) prescribed by the Central Government under Section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- vii. (a) In our opinion and according to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value

## SHRI KESHAV CEMENTS & INFRA LIMITED

added tax, cess and any other statutory dues with the appropriate authorities and there is no undisputed statutory dues at the last day of the financial year which are outstanding for a period of more than 6 months from the date they become payable;

(b) In our opinion and according to the information and explanations given to us, dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute are given below:

Sl No.	Statute	Nature of Dues	Amount Rs. In Lakhs	Relevant Period/Financial Year	Authority where dispute pending
1	MVAT Act	MVAT Liability, Interest and Penalty	34.95	FY 2012-13	Deputy Commissioner of Sales Tax.

- viii. In our opinion and according to information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to financial institutions or bank, and the company does not have any loans or borrowing from government and debentures;
- ix. In our opinion and according to the information and explanations given to us, money raised by way of the term loans were applied for the purpose for which those are raised and the company has not raised any money by initial public offer or further public offer;
- x. In our opinion and according to the information and explanations given to us, there are no fraud by the company and any fraud on the company by its officers or employees were noted or reported during the year;
- xi. In our opinion and according to the information available to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013;
- vii. In our opinion and according to the information available to us, company is not a Nidhi company, hence the reporting under Paragraph 3 (xii) of the Order not applicable to the company;
- viii. In our opinion and according to the information and explanation given to us, all the transaction with related parties are in compliance with the provisions of Section 177 and 188 of Companies Act 2013 and details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards;

- xiv. In our opinion and according to the information and explanation given to us, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review hence reporting under Paragraph 3 (xiv) of the Order is not applicable to the Company;
- xv. In our opinion and according to the information and explanation given to us, the company has not entered into any non-cash transaction with directors or persons connected with him and hence reporting under clause of Paragraph 3 of the Order is not applicable to the Company;
- xvi. In our opinion and according to the information and explanation given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Singhi & Co.**  
**Chartered Accountants,**  
(Firm's Registration No.302049E)

**CA. Krishna Chaitanya**  
Partner  
(Membership No.228661)  
Bengaluru, May 25, 2019.

# SHRI KESHAV CEMENTS & INFRA LIMITED

CIN: L26941KA1993PLC014104

Reg. Office: Jyothi Tower, 215/2, 6th Cross, Nazar Camp, Karbhar Galli, Madhavpur, Vadgaon, Belgaum- 590005 KA

## BALANCE SHEET as at 31/03/2019

(Amount Rs. In Lakhs)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Property, plant and equipment	1	18,855.99	9,097.86
Capital work-in-progress		143.19	10,446.72
Financial assets			
i) Other non-current financial assets	2	172.98	195.35
<b>Total Non- Current Assets</b>		<b>19,172.16</b>	<b>19,739.93</b>
<b>CURRENT ASSETS</b>			
Inventories	3	1,857.46	1,571.87
Financial assets			
i) Trade receivable	4	1,105.74	600.59
ii) Cash and cash equivalents	5	152.73	176.33
iii) Other current financial assets	6	6.43	12.83
Other current assets	7	151.46	887.25
<b>Total Current Assets</b>		<b>3,273.82</b>	<b>3,248.87</b>
<b>Total Assets</b>		<b>22,445.98</b>	<b>22,988.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	8	512.42	512.42
Other Equity	9		
i) General Reserve		592.05	592.05
ii) Retained Earnings/surplus		(1,003.30)	1,021.69
iii) Other comprehensive income		(19.79)	(20.86)
iv) Other Component of equity		(17.32)	-
<b>Total Equity</b>		<b>64.06</b>	<b>2,105.31</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i) Borrowings	10	10,324.30	9,742.16
Deferred Tax Liabilities (Net)	12	2,134.66	547.09
<b>Total Non-Current Liabilities</b>		<b>12,458.96</b>	<b>10,289.24</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowings	11	6,760.24	5,717.45
ii) Trade payables	13	610.87	214.53
iii) Other current financial liabilities	14	2,287.82	4,548.02
Other current liabilities	15	232.83	79.77
Provisions	16	31.20	34.48
<b>Total Current Liabilities</b>		<b>9,922.96</b>	<b>10,594.25</b>
<b>Total liabilities</b>		<b>22,381.92</b>	<b>20,883.49</b>
<b>Total Equity and Liabilities</b>		<b>22,445.98</b>	<b>22,988.80</b>

Summary of significant accounting policies

A-S

For and on behalf of the Board of Directors

As per our report of even date.  
**For Singhi & Co**  
Chartered Accountants  
ICAI FRN.302049E

**CA. Krishna Chaitanya**  
Partner  
M.No.228661  
Bengaluru  
Date : 25 May 2019

**Vilas Katwa**  
Managing Director  
DIN: 00206015

**Deepak Katwa**  
Director/CFO  
DIN:00206445

**Santosh Shadadal**  
Company Secretary  
M.No.A48177

# SHRI KESHAV CEMENTS & INFRA LIMITED

CIN: L26941KA1993PLC014104

Reg. Office: Jyothi Tower, 215/2, 6th Cross, Nazar Camp, Karbhari Galli, Madhavpur, Vadgaon, Belgaum- 590005 KA

## STATEMENT OF PROFIT AND LOSS

(Amount Rs. In Lakhs)

	Particulars	Note No.	For the Year ended 31 March,	
			2019	2018
I	Revenue from operations	17	7,003.15	5,205.22
II	Other income, net	18	44.07	32.48
III	<b>Total Income (I+II)</b>		<b>7,047.22</b>	<b>5,237.70</b>
IV	<b>EXPENSES</b>			
	Cost of Materials Consumed	19	1,802.51	978.09
	Purchase of stock in trade	20	1,373.80	1,654.24
	Change in inventories of Finished Goods and Stock in Trade	21	321.43	(43.47)
	Other Manufacturing Expenses	22	252.00	1,203.13
	Employee benefit expense	23	344.03	290.12
	Finance Costs	24	1,835.58	89.22
	Depreciation and amortisation expenses	1	1,174.37	651.57
	Other expenses	25	384.67	386.32
	<b>Total Expenses (IV)</b>		<b>7,488.39</b>	<b>5,209.23</b>
V	<b>Profit/(Loss) before exceptional items and tax (I-IV)</b>		<b>(441.17)</b>	<b>28.47</b>
VI	Exceptional items		-	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>		<b>(441.17)</b>	<b>28.47</b>
VIII	<b>Tax expense:</b>			
	Current Tax		-	(8.80)
	Deferred Tax		(1,534.06)	(191.49)
	Provision for Tax previous year		3.37	-
	MAT Credit reversal of previous year		(53.14)	-
IX	<b>Profit/(Loss) for the period from continuing operation (VII-VIII)</b>		<b>(2,025.00)</b>	<b>(171.82)</b>
X	<b>Profit/(loss) from discontinued operations</b>		<b>-</b>	<b>-</b>
XI	<b>Profit/(Loss) for the period (IX-X)</b>		<b>(2,025.00)</b>	<b>(171.82)</b>
XII	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of the net defined benefit liability/asset		1.44	(3.60)
	Tax impact on items that will not be reclassified to profit and loss statement		(0.38)	-
	Items that will be reclassified subsequently to profit or loss			-
	Total other comprehensive income, net of tax		1.07	(3.60)
XIII	<b>Total comprehensive income, for the period (XI+XII)</b>		<b>(2,023.93)</b>	<b>(175.42)</b>
XIV	<b>Earnings per equity share (for discontinued &amp; continuing operations)</b>			
	Earnings attributable to equity shareholders		(2,023.93)	(175.42)
	Weighted average No. of equity shares		5,124,200	5,124,200
	<b>Basic &amp; Dilutive EPS (Amount Rs. Per Share)</b>		<b>(39.50)</b>	<b>(3.42)</b>

Summary of significant accounting policies

A-S

For and on behalf of the Board of Directors

As per our report of even date.  
**For Singhi & Co**  
Chartered Accountants  
ICAI FRN.302049E

**CA. Krishna Chaitanya**  
Partner  
M.No.228661  
Bengaluru  
Date : 25 May 2019

**Vilas Katwa**  
Managing Director  
DIN: 00206015

**Deepak Katwa**  
Director/CFO  
DIN:00206445

**Santosh Shadadal**  
Company Secretary  
M.No.A48177



# SHRI KESHAV CEMENTS & INFRA LIMITED

CIN: L26941KA1993PLC014104

Reg. Office: Jyothi Tower, 215/2, 6th Cross, Nazar Camp, Karbhar Galli, Madhavpur, Vadgaon, Belgaum- 590005 KA

## CASH FLOW STATEMENT

(Amount Rs in Lakhs)

	Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
<b>A</b>	<b>Cash fow from operating activities</b>		
	Net Profit / (Loss) from continuing operations before tax from Continuing Operations	(441.17)	28.47
	Discontinued Operations	-	-
	<b>Profit before income tax including discontinued operations</b>	<b>(441.17)</b>	<b>28.47</b>
	Adjustments for:		
	Depreciation and amortisation expense	1,174.37	651.57
	Interest income classified as investing cash flow	(12.68)	(32.48)
	Interest Expenses	1,835.58	89.22
	Provision for gratuity	6.99	7.34
	Sundry Balance Write off	(23.74)	-
	Bad Debts Written off	9.46	-
	Profit on sale of Assets	(0.52)	-
	<b>Changes in operating assets and liabilities :</b>		
	(Increase)/Decrease in trade receivables	(514.60)	(276.59)
	(Increase)/Decrease in inventories	(285.58)	(401.13)
	(Increase)/Decrease in other non current financial assets	22.37	(25.98)
	(Increase)/Decrease in other current financial assets	6.40	50.45
	(Increase) / Decrease in other current assets	735.79	(906.90)
	Increase/(Decrease) in trade payables	420.07	(209.85)
	Increase/(Decrease) in short term advances	(2,260.20)	11.56
	Increase/(Decrease) in current liabilities and provisions	156.10	(25.65)
	<b>Cash generated from operations</b>	<b>828.63</b>	<b>(1,039.95)</b>
	Taxes paid	-	-
	<b>Net cash inflow (outflow) from operating activities</b>	<b>828.63</b>	<b>(1,039.95)</b>
<b>B</b>	<b>Cash fow from investing activities</b>		
	Payments for property, plant & equipments	(636.95)	(8,896.52)
	Interest received	12.68	32.48
	Net change in margin money		
	<b>Net cash inflow (outflow) from investing activities</b>	<b>(624.27)</b>	<b>(8,864.05)</b>
<b>C</b>	<b>Cash fow from financing activities</b>		
	Net Proceeds from borrowings	1,257.02	8,865.76
	Less : Interest Paid	(1,835.58)	(900.99)
	Rights issue expenses	(17.32)	-
	<b>Net cash inflow (outflow) from financing activities</b>	<b>(595.88)</b>	<b>7,964.77</b>
	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(391.52)</b>	<b>(1,939.23)</b>
	Cash and cash equivalents at the beginning of the year	(1,948.98)	(9.75)
	Exchange difference on restatement of foreign currency cash and cash equivalents		-
	<b>Cash and cash equivalents at the end of the year</b>	<b>(2,340.50)</b>	<b>(1,948.98)</b>

Cash and cash equivalents as per above comprise of the following

Particulars	31 March 2019	31 March 2018
Cash and cash equivalents	152.73	176.33
Bank Overdrafts	(2,493.24)	(2,125.31)
<b>Balance as per statement of cash flows</b>	<b>(2,340.50)</b>	<b>(1,948.98)</b>

For and on behalf of the Board of Directors

As per our report of even date.  
**For Singhi & Co**  
Chartered Accountants  
ICAI FRN.302049E

**CA. Krishna Chaitanya**  
Partner  
M.No.228661  
Bengaluru  
Date : 25 May 2019

**Vilas Katwa**  
Managing Director  
DIN: 00206015

**Deepak Katwa**  
Director/CFO  
DIN:00206445

**Santosh Shadadal**  
Company Secretary  
M.No.A48177

# SHRI KESHAV CEMENTS & INFRA LIMITED

## SHRI KESHAV CEMENTS & INFRA LIMITED

CIN: L26941KA1993PLC014104

Reg. Office: Jyothi Tower, 215/2, 6th Cross, Nazar Camp, Madhavpur, Vadgaon, Belgaum- 590005 KA

### STATEMENT OF CHANGES IN EQUITY

(Amount Rupees in Lakhs)

Particulars	Equity share Capital	Reserves and Surplus		Other Comprehensive income		Other components of Equity	Total equity attributable to equity holders of the Company
		Retained Earnings	General Reserve	Investment Allowance Reserve	Remeasurement of the net defined benefit	Other items of other comprehensive income	
<b>Balance as of April 1, 2018</b>	<b>512.42</b>	<b>1,021.69</b>	<b>71.53</b>	<b>520.52</b>	<b>(20.86)</b>	<b>-</b>	<b>2,105.30</b>
Profit for the period	-	(2,025.00)	-	-	1.07	-	(2,023.93)
Equity Shares Rights Issue expenses	-	-	-	-	-	-	(17.32)
<b>Balance as of March 31, 2019</b>	<b>512.42</b>	<b>(1,003.30)</b>	<b>71.53</b>	<b>520.52</b>	<b>(19.79)</b>	<b>(17.32)</b>	<b>64.06</b>
<b>Balance as of April 1, 2017</b>	<b>512.42</b>	<b>950.02</b>	<b>71.53</b>	<b>520.52</b>	<b>(17.26)</b>	<b>-</b>	<b>2,037.23</b>
Amounts utilized for Share issue expenses	-	-	-	-	-	-	-
Profit for the period	-	(170.07)	-	-	(3.60)	-	(173.67)
MAT Credit Entitlement	-	241.74	-	-	-	-	241.74
<b>Balance as of March 31, 2018</b>	<b>512.42</b>	<b>1,021.69</b>	<b>71.53</b>	<b>520.52</b>	<b>(20.86)</b>	<b>-</b>	<b>2,105.30</b>

As per our report of even date.

**For Singhi & Co**  
Chartered Accountants  
ICAI FRN:302049E

For and on behalf of the Board of Directors

**CA. Krishna Chaitanya**  
Partner  
M.No.228661  
Bengaluru  
Date : 25 May 2019

**Vilas Katwa**  
Managing Director  
DIN: 00206015

**Deepak Katwa**  
Director/CFO  
DIN:00206445

**Santosh Shadadal**  
Company Secretary  
M.No.A48177

## A NOTES FORMING PART OF FINANCIAL STATEMENTS

### A.1 Corporate information and significant accounting policies

#### Corporate information

Shri Keshav Cements and Infra Limited (Formerly Katwa Udyog Limited) ('the Company') is a public limited company domiciled in India and registered under the Companies Act, 1956. The Company was incorporated on March 17, 1993 and is engaged in the business of manufacturing and trading in cements, trading in coal, trading in petroleum products and in the business of generation and distribution of solar energy.

## B Significant Accounting Policies

### B.1 Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('The Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

Financial Statement are prepared on Going concern basis (Ref. Note 31.1)

Company's financial statements are presented in Indian Rupees, which is also its functional currency.

Operating segment are reported in the manner consistent with the internal reporting provided to the chief operating decision maker.

### B.2 Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

## C Critical Accounting Estimates

### C.1 Income Taxes

The Only Tax jurisdiction for the Company is India. Significant judgements are involved in determining the provision for the income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

### C.2 Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The Charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values are determined based on the Schedule II of the companies Act 2013 and reviewed periodically, including at each financial year end.

## **D Revenue Recognition**

Company derives revenue from manufacture and sale of Cement, Trading in Coal and generation and sale of solar energy.

Effective from 1 April 2018, the company adopted Ind AS 115, Revenue from Contract with customers using modified retrospective transition method. In accordance with this transition method the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised upon transfer of control of promised products or services to customer in an amount that reflects the consideration we expect to receive in exchange for those products or services. The following specific recognition criteria must also be met before revenue is recognized:

### **Sale of Material**

Revenue from sale of goods is recognized when all control of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collect sales taxes or other indirect taxes on behalf of government and, therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue.

### **Interest**

Interest revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity; and the amount of revenue can be measured reliably. Interest income is included under the head "other income" in the statement of profit and loss.

Revenue in excess of invoicing are classified as contract assets while invoicing in excess of revenue are classified as contract liability.

## **E Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the Property, plant and equipment to the working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, plant and equipment is added to its book value only if it increases the future benefits from the existing Property, plant and equipment beyond its previously assessed standard performance. All other expenses, on the Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts (which does not meet the capitalisation criteria), are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the Property, plant and equipment and are recognized in the statement of profit and loss when the Property, plant and equipment is derecognized.

Expenses incurred relating to project, prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

Depreciation on Property, plant and equipment is calculated on the straight-line basis using the rates arrived at based on the useful lives estimated by the management which coincides with the life prescribed under the Schedule II to the Companies Act, 2013.

## **F Intangible Assets**

Intangible Assets acquired separately are measured on initial recognition at cost and are amortized on the straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## **I Borrowing Costs**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

## **J Financial Instruments**

### **J.1 Initial Recognition**

The company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

### **J.2 Subsequent Measurement**

a. Non-derivative Financial instruments

(i) Financial Assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) Financial assets through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

### **J.3 Derecognition of financial instruments**

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **J.4 Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to note 28 in for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at



fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **K Impairment**

#### **a. Financial Assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of eECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

#### **b. Non Financial Assets**

##### **(i) Intangible assets and property, plant and equipment**

Intangible assets and Property, Plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimate recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there is a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

### **L Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

### **M Earnings per equity share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair

value (ie. the average market value, of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all the periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### **N Income taxes**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for the current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **O Employee Benefits**

#### **O.1 Gratuity**

The Company provides for gratuity, a defined benefit retirement plan ('The Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to Gratuity plan are determined by actuarial estimate at each Balance sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Gratuity fund of Life Insurance Corporation (LIC) group gratuity plan.

The company recognises the net obligation of a defined benefit plan in its Balance Sheet as an Asset or Liability. Gains or Losses through remeasurement of the net defined benefit Liability or asset are recognised in other comprehensive Income and are not reclassified to profit or loss in subsequent periods. The actual return of the plan asset in excess of the yield computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendment are recognised in the Statement of Profit and Loss.

### **P Cash flow Statement**

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any defferals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **Q Other income**

Other income is comprised primarily of interest income, and gain/loss on investments and on translation of other assets and liabilities. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

### **R Leases**

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

### **S Inventories**

Inventories compromise of Raw material, Work in Progress, Finished Goods and Stock of traded goods. Raw material is valued at cost and other materials are valued at lower of cost and net realizable value. Cost is determined on a first in first out basis.

Net Realizable value is estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: 1

### Property, Plant & Equipment:

Particulars	Gross Block				Depreciation/Amortization/Depletion				Net Block	
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	Deductions	For the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
<b>Tangible Assets</b>										
Free Hold Land	56.81	-	-	56.81	-	-	-	-	56.81	56.81
Lease Hold Land	-	21.69	-	21.69	-	-	-	-	21.69	-
Land - Solar Plant	-	848.87	-	848.87	-	-	-	-	848.87	-
Buildings	946.04	-	-	946.04	159.24	-	30.44	189.68	756.36	786.80
Plant & Machinery Solar Plant	-	9,505.25	8.20	9,497.05	-	-	356.58	356.58	9,140.47	-
Plant & Machinery-Owned	12,035.39	-	-	12,035.39	3,818.60	-	728.58	4,547.18	7,488.21	8,216.79
Plant & Machinery-Power Line	16.07	-	-	16.07	13.13	-	0.12	13.25	2.82	2.94
Furniture & Fixtures Solar Plant	-	3.83	-	3.83	-	-	0.36	0.36	3.47	-
Furniture & Fixtures	5.39	-	-	5.39	0.33	-	0.51	0.84	4.55	5.06
Vehicles	51.85	-	6.03	45.81	23.52	5.73	4.01	21.80	24.01	28.33
Computers	14.22	0.17	-	14.38	13.74	-	0.03	13.77	0.61	0.72
Lab Equipments	2.92	-	-	2.92	2.78	-	-	2.78	0.15	0.15
Electrical Installation Solar Plant	-	552.05	-	552.05	-	-	52.01	52.01	500.04	-
Office Equipment Solar Plant	-	9.15	-	9.15	-	-	1.72	1.72	7.43	-
Office Equipments	5.50	-	-	5.50	4.99	-	-	4.99	0.51	0.26
<b>Total (A)</b>	<b>13,134.19</b>	<b>10,941.01</b>	<b>14.23</b>	<b>24,060.97</b>	<b>4,036.33</b>	<b>5.73</b>	<b>1,174.37</b>	<b>5,204.97</b>	<b>18,855.99</b>	<b>9,097.86</b>
<b>Intangible Assets (B)</b>										
<b>Total (A+B)</b>	<b>13,134.19</b>		<b>14.23</b>	<b>24,060.97</b>	<b>4,036.33</b>			<b>5,204.97</b>	<b>18,855.99</b>	<b>9,097.86</b>
<b>Capital Work-in-Progress**</b>	<b>10,446.72</b>	<b>143.19</b>	<b>10,446.72</b>	<b>143.19</b>					<b>143.19</b>	<b>10,446.72</b>

\*\* Capital work in progress includes expenditure incurred on expansion of Cement plant.

# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31 March 2019	As at 31 March 2018
<b>2 Other Non Current Financial Assets</b>		
Security deposits	172.98	195.35
<b>Total</b>	<b>172.98</b>	<b>195.35</b>

	As at 31 March 2019	As at 31 March 2018
<b>3 Inventories</b>		
(At lower of cost and net realisable value)		
Raw Materials	1,203.86	394.29
Packing Material	18.78	9.63
Work in Progress	70.44	170.85
Finished Goods	74.37	70.30
Stores and Spares	477.65	408.60
Traded Goods	12.37	518.21
<b>Total</b>	<b>1,857.46</b>	<b>1,571.87</b>

	As at 31 March 2019	As at 31 March 2018
<b>4 Trade Receivables</b>		
(Unsecured, considered good, unless otherwise stated)		
Receivable from Related person		-
Receivable from Others		
Trade Receivables	1,105.74	600.59
<b>Total</b>	<b>1,105.74</b>	<b>600.59</b>

	As at 31 March 2019	As at 31 March 2018
<b>5 Cash &amp; Bank Balances</b>		
<b>Cash and Cash equivalents</b>		
Cash on hand	89.40	28.89
<b>Balances with Banks</b>	-	-
On current accounts	20.68	0.72
Unpaid dividend account	9.58	9.62
	<b>119.66</b>	<b>39.23</b>
Other Bank deposits	33.07	137.10
	<b>33.07</b>	<b>137.10</b>
Book overdraft in Current Account	-	-
<b>Total</b>	<b>152.73</b>	<b>176.33</b>

# SHRI KESHAV CEMENTS & INFRA LIMITED

	As at 31 March 2019	As at 31 March 2018
<b>6 Other Current Financial Assets</b>		
<b>Unsecured, considered good</b>		
Deposit and Others- Dealers Security deposit	-	12.83
Accrued Interest on HESCOM deposit	6.43	-
<b>Total</b>	<b>6.43</b>	<b>12.83</b>

	As at 31 March 2019	As at 31 March 2018
<b>7 Other Current Assets</b>		
Prepaid Expenses	6.08	8.18
IT Refund Receivable	36.40	36.40
TDS and TCS Receivable	22.35	1.45
GST Receivable	-	831.20
Cess Receivable	56.68	10.01
Advances paid to Suppliers	29.95	-
<b>Total</b>	<b>151.46</b>	<b>887.25</b>

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# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

8 Equity Share Capital	As at 31 March 2019		As at 31 March 2018	
	Units	Amount Rs. In Lakhs	Units	Amount Rs. In Lakhs
<b>8.1 Authorized:</b>				
Equity Shares of Rs 10/- each	12,000,000	1,200.00	12,000,000	1,200.00
		-		-
<b>8.2 Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs 10/- each	5,124,200	512.42	5,124,200	512.42
		-		-
<b>Total</b>	<b>5,124,200</b>	<b>512.42</b>	<b>5,124,200</b>	<b>512.42</b>

### 8.3 Reconciliation of Shares outstanding as follows:

Particulars	As on 31st March, 2019	As on 31st March, 2018
	No of Shares	No of Shares
Equity Shares at the beginning of the year	5,124,200	5,124,200
Add: Shares issued during the year	-	-
Equity shares at the end of the year	5,124,200	5,124,200

### 8.4 The details of share holders holding more than 5% shares

Name of the share holder	As on 31st March, 2019		As on 31st March, 2018	
	No. of shares	% held	No. of shares	% held
Deepak Katwa	483,800	9.44	483,800	9.44
Vilas Katwa	483,800	9.44	483,800	9.44
Venkatesh Katwa	483,800	9.44	483,800	9.44
Katwa Infotech Ltd	1,740,264	33.96	1,740,264	33.96

**8.5** Company has only one class of shares referred to as equity shares having par value of Rs.10 each. Each holder of shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

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# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31 March 2019	As at 31 March 2018
<b>9 Other Equity</b>		
<b>9.1 General Reserve</b>		
i. General Reserve	71.53	71.53
<b>Balance as at the end of the year</b>	<b>71.53</b>	<b>71.53</b>
ii. Investment Allowance Reserve	520.52	520.52
<b>Balance as at the end of the year</b>	<b>592.05</b>	<b>592.05</b>
<b>9.2 Surplus in Statement of Profit and Loss</b>		
Balance as per the last Financial Statement	1,021.69	950.02
Profit for the period	(2,025.00)	(171.82)
Less: Ind AS adjustment	-	1.75
	<b>(1,003.30)</b>	<b>779.95</b>
<b>Less: Appropriations</b>		
Transfer to general reserve	-	-
MAT Credit Entitlement*	-	241.74
<b>Total Appropriations</b>	<b>-</b>	<b>241.74</b>
<b>Net Surplus in the Statement of Profit &amp; Loss</b>	<b>(1,003)</b>	<b>1,021.69</b>
* MAT credit entitlement balance in previous year reclassified from Current Assets		
<b>9.3 Other comprehensive income</b>		
Balance as per the last Financial Statement	(20.86)	(17.26)
Add/(Less): Change during the period	1.07	(3.60)
<b>Balance as at the end of the financial year</b>	<b>(19.79)</b>	<b>(20.86)</b>
<b>9.4 Other component of Equity</b>		
Rights issue expenses**	(17.32)	-
<b>Total</b>	<b>(448.36)</b>	<b>1,592.89</b>

\*\* During the year company propose to rights issue of equity shares and incurred certain expense related to filing of document to stock exchange. However, the transaction is not complete and will be offered during the FY 2019-20.

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# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	Effective Interest rate	Maturity	As at 31 March 2019	As at 31 March 2018
<b>10 Non Current Borrowings</b>				
<b>Term Loan secured from banks</b>				
7.3 Lakhs of loan for Bolero	11.06	31 Mar 2023	3.81	4.87
500 Lakhs loan from Sarawat Bank for business needs	11.16	31 Mar 2027	355.38	393.45
24 lakhs of loan for Innova	9.97	31 Aug 2023	13.63	16.37
4140 Lakhs Loan from Syndicate Bank for Project Expansion	12.05	31 Jul 2025	2,800.92	3,255.32
8000 Lakhs Loan from Syndicate Bank for Solar Project	11.56	31 Oct 2030	7,150.57	6,072.15
<b>Total Non Current Borrowings</b>			<b>10,324.30</b>	<b>9,742.16</b>
<b>11 Current Borrowings</b>				
<b>Loan repayable on demand</b>				
<b>From Banks secured</b>				
Bank overdraft	11.85	On demand	2,493.24	2,125.31
<b>Unsecured loan</b>				
From directors	6.00*	On demand	2,968.48	2,473.05
From other related parties	6.00*	On demand	1,298.53	1,119.09
<b>Total Current Borrowings</b>			<b>6,760.24</b>	<b>5,717.45</b>
* Interest rate on Unsecured loan from Directors and other related party has been reduced to 6% from 9% during the current year				
<b>Current maturity of long term loans</b>				
<b>From Banks secured</b>				
7.3 Lakhs of loan for Bolero	11.06	31 March 2019 & 2020	1.01	0.89
5 crore loan from Sarawat Bank for business needs	11.16	31 March 2019 & 2020	49.98	58.89
24 lakhs of loan for Innova	9.97	31 March 2019 & 2020	3.19	3.18
41.4 crore Loan from Syndicate Bank for Project Expansion	12.05	31 March 2019 & 2020	163.41	535.31
80 crore Loan from Syndicate Bank for Solar Project	11.56	31 March 2019 & 2020	666.67	166.67
<b>Total Current maturity of long term borrowing</b>			<b>884.26</b>	<b>764.93</b>

### i) 7.3 Lakhs of loan for Bolero

This loan is secured by hypothecation of Bolero car.

### ii) 500 lakhs loan from Sarawat Bank for business needs

This loan is secured on all piece and parcel of the property comprising land with building, bearing plot no. 2 out of Sy no. 215/2, situated at 6th cross, Nazar camp, Madhavpur, Vadagaon, Belgaum - 590005. This loan is repayable in 120 equated monthly installments.

### iii) 24 lakhs of loan for Innova

This loan is secured by hypothecation of Innova car.

### iv) 4140 Lakhs Term Loan from Syndicate Bank for Project Expansion

Loan of Rs. 3373 Lakhs is secured by a first charge on the hypothecation of RM, WIP, Stock in trade, assignments of both units and mortgage / hypothecation of entire block of fixed assets incl 35 acres of land at Lokapur plant. This loan is taken to enhance the grinding capacity of the cement mill at lokapur plant from 200 TPD to 1100 TPD . Repayment period of this loan is 9 Years and 3 Months. An additional loan of Rs.767 Lakhs has been taken on the same terms and conditions to meet the additional cost of pollution control equipment and additional crusher units.

### v) 8000 Lakhs Loan from Syndicate Bank for Solar Project

This loan is secured by a first charge on project land 103 acres 34 gunta in the name of Vilas Katwa, his wife Smt. Tina V Katwa and Deepak Katwa and his wife Smt. Prajyokta Katwa, valued at Rs 684 Lakhs, hypothecation of 20 MW AC supply unit valued at 99.52 crores and associated securities like power excavation, bay extension erection worth Rs 876 Lakhs. This loan is taken for setting up 20MW captive solar power at Bisarahalli with the cost of Rs 11922 Lakhs. Repayment term is 13 years including the moratorium period of 1 year.

### vi) Bank Overdraft

This loan is secured by a first charge on mortgage & hypothecation of block of fixed assets incl land 14 acres 8 guntas and building and machinery of cement plant at plant Kaladgi.

### Maturity Profile of Secured term loans from Banks as follows:

Particulars	Maturity Profile			Rs. In Lakhs	
	11-15 Years	6 -10 Years	2-5 Years	Non Current Total	Current 1 Year
Term loans from banks	-	295.29	10,029.01	10,324.30	1,255.99

# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 12 Deferred Tax Liabilities

#### Deferred Tax Liability

Property, plant and equipment

Provision for Gratuity

Term Loan amortisation

#### Deferred Tax Asset

Provision for Doubtful Debts and Advances

#### MAT Credit Entitlement

#### Net Deferred Tax Liabilities

	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment	2,298.83	788.83
Provision for Gratuity	(5.58)	-
Term Loan amortisation	30.01	-
Deferred Tax Asset	-	-
Provision for Doubtful Debts and Advances	-	-
MAT Credit Entitlement	(188.60)	(241.74)
<b>Net Deferred Tax Liabilities</b>	<b>2,134.66</b>	<b>547.09</b>

### 13 Trade Payables

Due to Micro, Small and Medium Enterprises

Due to Others

#### Total

	As at 31 March 2019	As at 31 March 2018
Due to Micro, Small and Medium Enterprises	28.31	-
Due to Others	582.56	214.53
<b>Total</b>	<b>610.87</b>	<b>214.53</b>

### 14 Other Current Financial Liabilities

Security Deposits from Dealers

Payable for Project Expansion

Payable for Solar Project

Payable to employees (Incl Bonus)

Electricity charges payable

Current Maturities of Long Term Borrowings (Incl. Interest Accrued)

Audit Fees Payable

#### Total

	As at 31 March 2019	As at 31 March 2018
Security Deposits from Dealers	82.83	83.05
Payable for Project Expansion	81.16	144.09
Payable for Solar Project	796.95	3,400.60
Payable to employees (Incl Bonus)	42.96	45.94
Electricity charges payable	24.36	109.42
Current Maturities of Long Term Borrowings (Incl. Interest Accrued)	1,255.99	764.93
Audit Fees Payable	3.56	-
<b>Total</b>	<b>2,287.82</b>	<b>4,548.02</b>

### 15 Other Current Liabilities

Statutory dues payable

Advance received from customers

#### Total

	As at 31 March 2019	As at 31 March 2018
Statutory dues payable	113.29	79.77
Advance received from customers	119.54	-
<b>Total</b>	<b>232.83</b>	<b>79.77</b>

### 16 Provisions

Provision for Income tax (Net of Advance)

Provision for Gratuity payable

Unpaid Dividend 12-13

Unpaid Dividend 15-16

Unpaid Dividend 16-17

Other Provision

#### Total

	As at 31 March 2019	As at 31 March 2018
Provision for Income tax (Net of Advance)	-	-
Provision for Gratuity payable	21.45	19.90
Unpaid Dividend 12-13	0.25	0.25
Unpaid Dividend 15-16	4.80	4.80
Unpaid Dividend 16-17	4.68	4.70
Other Provision	0.02	4.82
<b>Total</b>	<b>31.20</b>	<b>34.48</b>

\* Unpaid dividend do not include any amounts due and outstanding, to be credited to Investor Education and Protection Fund.

# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### REVENUE FROM OPERATIONS

#### 17 Sale of products

Finished Goods  
Stock in trade  
Solar Energy

#### Total

#### Details of product sold

Cement  
Coal  
Petrol & Diesel  
Fly Ash  
Solar Power

#### Total

For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
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4,514.24	2,985.98
1,891.42	2,219.24
597.49	-

<b>7,003.15</b>	<b>5,205.22</b>
-----------------	-----------------

4,514.24	3,497.28
1,132.58	1,102.84
758.84	598.93
-	6.17
597.49	-

<b>7,003.15</b>	<b>5,205.22</b>
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For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
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#### 18 Other income

Interest Income  
Discount received  
Other Income

#### Total

12.68	16.31
0.97	11.37
30.42	4.80

<b>44.07</b>	<b>32.48</b>
--------------	--------------

For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
--	--

#### 19 Cost of raw materials consumed

##### I. Raw Material and Packing Material:

Raw material and Packing material at the beginning of the year  
Add: Reclassified inventory from Traded item

Cons: Add: Purchases during the year

Less : Inventory at the end of the year

#### Cost of materials consumed

403.91	306.31
--------	--------

689.35	-
--------	---

2,409.52	1,075.69
----------	----------

<b>3,502.79</b>	<b>1,382.00</b>
-----------------	-----------------

1,700.28	403.91
----------	--------

<b>1,802.51</b>	<b>978.09</b>
-----------------	---------------

\* Inventory value of the coal (Stock in trade) has been reclassified from Raw Material inventory to Stock inventory in FY 2017-18.  
Inventory of Stores and Spares and Work in Progress are also reclassified from Raw Material Inventory to Changes in Inventory of  
Finished Goods, Work in Progress and Stock in Trade.

For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
--	--

#### 20 Purchases of stock in trade

Goods purchased (incl freight)

#### Total

1,373.80	1,654.24
----------	----------

<b>1,373.80</b>	<b>1,654.24</b>
-----------------	-----------------

For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
--	--

#### 21 Changes in inventories of finished goods, stock in trade & work in progress

##### Decrease/(Increase) in inventories

##### Inventories at the end of the year

Stock in trade  
Semi Finished Goods  
Finished Goods

12.37	518.21
-------	--------

70.44	170.85
-------	--------

74.37	70.30
-------	-------

<b>157.17</b>	<b>759.36</b>
---------------	---------------

##### Inventories at the beginning of the year

Stock in trade\*  
Semi Finished Goods  
Finished Goods

237.46	565.64
--------	--------

170.85	82.20
--------	-------

70.30	68.06
-------	-------

<b>478.60</b>	<b>715.89</b>
---------------	---------------

#### Total

<b>321.43</b>	<b>(43.47)</b>
---------------	----------------

\* Stock in trade during the year worth Rs.280.75 Lakhs has been reclassified as Raw Material.

For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
--	--

#### 22 Other Manufacturing expenses

Power and Fuel consumed  
Repairs- Plant and Machinery  
Lab Material

#### Total

248.81	1,054.01
--------	----------

2.06	148.48
------	--------

1.13	0.64
------	------

<b>252.00</b>	<b>1,203.13</b>
---------------	-----------------

# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 23 Employee benefit expenses

	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Salaries, wages & Bonus	289.57	245.46
Directors remuneration	9.00	9.00
Gratuity	6.99	7.34
Statutory remittances	38.47	28.32
<b>Total</b>	<b>344.03</b>	<b>290.12</b>

The following tables set out the funded status of the gratuity plans and the amounts recognized in the company's financial statements as at March 31, 2019 and March 31, 2018 :

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
<b>Change in benefit obligations</b>		
Benefit obligations at the beginning of the year	51.33	44.30
Service Cost	8.76	3.95
Interest expense	3.91	3.28
Remeasurements - Actuarial (gains) /losses	(1.74)	-
Benefits paid	(2.27)	(0.20)
Benefits obliged at the end of the year	<b>59.99</b>	<b>51.33</b>
Change in plan assets		
Fair value of the plan assets at the beginning	34.37	32.63
Interest income	2.75	1.94
Contributions	3.99	-
Benefits paid	(1.74)	(0.20)
Actuarial Gain /(loss)	(0.82)	
Fair value of the plan assets at the end	<b>38.55</b>	<b>34.37</b>

The amount for the years ended March 31, 2019 and March 31, 2018 recognised in the statement of Profit and Loss account under employee benefit expenses is as follows :

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Service Cost	8.76	7.08
Net interest on the net defined benefit liability/asset	1.16	0.26
Curtailment gain	(1.46)	-
Net gratuity cost	<b>8.46</b>	<b>7.34</b>

The amount for the years ended March 31, 2019 and March 31, 2018 recognised in the statement of other comprehensive income is as follows :

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Actuaril (gains) / losses due to demographic assumption changes in DBO	0.42	-
Actuaril (gains) / losses due to experience adjustment on DBO	(2.69)	3.60
(Return) loss on the plan assets due to discount rate	0.82	-
	<b>(1.45)</b>	<b>3.60</b>

The weighted-average assumptions used to determine net periodic benefit cost and determine benefit obligations as at March 31, 2019 and March 31, 2018 are as follows :

Particulars	As of March 31, 2019	2018
Discount rate	7.75%	7.50%
Weighted average rate increase in compensation levels	7.00%	7.00%
Expected return on Plan asset	7.75%	7.50%
Attrition Rate	5.00%	5.00%



# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 24 Finance costs

	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Interest expenses	1,834.70	86.52
Bank Charges	0.88	2.70
<b>TOTAL</b>	<b>1,835.58</b>	<b>89.22</b>

\* Interest expenses are net of interest capitalised of Rs NIL (Previous year Rs 870.21 lakhs)

### 25 Other expenses

	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Excise Duty *	-	134.18
Rent	2.49	1.80
Bad debts	9.46	-
Advertisement, Publicity and Sales Promotion	4.09	8.01
Insurance	4.66	0.89
Rates and taxes	17.12	14.77
Audit Fees	3.92	1.78
Legal, Professional and Consultancy Charges	9.51	7.41
Security Charges	48.52	33.36
Solar Statutory expenses	25.94	-
Directors Fees and Sitting Fees	0.45	0.40
Loan Processing Charges	12.90	14.08
Postage Telegram and printing	0.43	0.85
Miscellaneous Expenses	11.59	32.68
Transport Charges	233.59	136.11
<b>TOTAL</b>	<b>384.67</b>	<b>386.32</b>

\* Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

### \*\* Payable to Auditors

	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
(a) Auditor:		
Statutory Audit Fees	1.00	1.00
Tax Audit Fees	0.35	0.35
(b) Certification and consultation fees	0.43	0.43
<b>TOTAL</b>	<b>1.78</b>	<b>1.78</b>

# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 26 RELATED PARTY TRANSACTIONS

#### i List of Directors/Key Managerial Persons

	Nature of relationship
a) Mr. Vilas H Katwa	Managing Director
b) Mr. Deepak H Katwa	CFO-Executive Director
c) Mr. Venkatesh H Katwa	Whole Time Director
d) Mr. Satish D Kalpavriksha	Non-Executive (Independent) Director up to 8th Nov, 2018
e) Mr. Balasaheb A Mestri	Non-Executive (Independent) with effect from 12th Aug, 2017
f) Mrs. Radhika D Pinal	Non-Executive (Independent) with effect from 12th Dec, 2017
g) Mr. Alpesh Chhaganlal Jain	Non-Executive (Independent) with effect from 9th Nov, 2018
h) Mr. Santhosh Shadadal	Company Secretary

#### Relative of Directors/Key Managerial Personnel

- a) Mr. H.D. Katwa
- d) N.H. Katwa
- e) Mrs. Prajakta D Katwa
- f) Mrs. Roopa V Katwa
- g) Mrs. Tina V Katwa

#### ii Transactions with Directors/Key Managerial Personnel during the period/ year are summarised below:

Nature of transactions	For the year ended as at 31-Mar-19 Rs. In Lakhs	For the year ended as at 31-Mar-18 Rs. In Lakhs
<b>Salaries and other employee benefits</b>		
<b>Short Term Employee Benefits</b>		
a) Remuneration to Managing Director & Whole Time Director	9.00	9.00
b) Remuneration to other directors	-	-
Fee for attending board or committee meetings	0.45	0.40
c) Remuneration to company secretary	3.16	3.16
	<b>12.61</b>	<b>12.56</b>
<b>Rent paid/Payable</b>		
Key Managerial Personnel	1.80	1.80
	<b>1.80</b>	<b>1.80</b>
<b>Unsecured Loans</b>		
<b>Opening Balance</b>		
a) Key Managerial Personnel	2,473.05	1,793.38
b) Relatives of KMP	1,119.09	-
<b>Taken during the year</b>		
a) Key Managerial Personnel	542.55	1,319.27
b) Relatives of KMP	138.51	1,233.78
<b>Interest credited</b>		
a) Key Managerial Personnel	140.44	175.88
b) Relatives of KMP	66.18	63.26
<b>Repaid during the year</b>		
a) Key Managerial Personnel	187.56	815.48
b) Relatives of KMP	25.25	177.95
<b>Closing Balance</b>		
a) Key Managerial Personnel	<b>2,968.48</b>	<b>2,473.05</b>
b) Relatives of KMP	<b>1,298.53</b>	<b>1,119.09</b>
	<b>4,267.01</b>	<b>3,592.14</b>
<b>Terms Conditions of Loan:</b>		
Company has received short term unsecured loan from directors and their relatives to meet the working capital requirement and the loan is repayable in demand. Interest will be payable at the rate of 6% (PY.9%) on the average balance outstanding.		
<b>Purchase of Land for Solar Project from</b>		
a) Key Managerial Personnel	-	554.60
b) Relatives of KMP	-	197.40

# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 27. CONTINGENT LIABILITIES AND COMMITMENTS

i. Contingent liabilities and Commitments as at 31 March 2019: Nil (Previous year As at 31 March 2018: Nil).

ii. The Sale Tax officer Kolhapur, Maharashtra has raised a demand related to FY 2012-13 amounting to Rs 34.95 Lakhs (Incl interest and penalty), however the company has filed an appeal against the order by depositing 10% of the disputed MVAT amount of Rs 1.75 Lakhs and the management is of the view that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

### 28. FINANCIAL INSTRUMENTS:

#### 1) Fair value measurement hierarchy:

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Level of Input Used in	Carrying Amount	Level of Input Used in
		Level 1		Level 1
		Level 2		Level 2
<b>Financial Asset:</b>				
<b>At Amortised Cost</b>				
Trade receivable	1,105.74		600.59	
Cash and Bank Balances	152.73		176.33	
Other Financial Assets	179.41		208.18	
<b>At FVTPL</b>	-		-	
<b>At FVTOCI</b>	-		-	
<b>Financial Liabilities:</b>				
<b>At Amortised Cost</b>				
Borrowings	17,084.55		15,459.60	
Trade Payable	610.87		214.53	
Other Financial Liabilities	2,287.82		4,548.02	
<b>At FVTPL</b>	-		-	
<b>At FVTOCI</b>	-		-	

The financial instruments are categorised into two levels based on the inputs used to arrive at fair value measurement as described below:

Level 1: Quoted Prices (Unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

#### 2) Financial Risk Management Objective and policies:

"Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include Security deposits, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below."

##### 2.1. Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risk interest rate risk. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt.

"The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions; and the non-financial assets and liabilities."

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

##### 2.2 Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount Rs. In Lakhs)

Interest Rate Exposure		
Particulars	As at March 31, 2019	As at March 31, 2018
Long term Floating Loan	11,208.56	10,507.09
Long term Fixed Loan	4,267.01	3,592.14
Short term Loan	2,493.24	2,125.31
<b>Total</b>	<b>17,968.81</b>	<b>16,224.53</b>

Impact of Interest Expenses for the year on 1% change in Interest Rate:

(Amount Rs. In Lakhs)

Interest Rate Sensitivity				
Particulars	As at March 31, 2019		As at March 31, 2018	
	Up move	Down move	Up move	Down move
Impact on Equity	(89.14)	88.21	(14.53)	14.53
Impact on Profit before Tax	(120.46)	119.21	(21.03)	21.03
Impact on Capital WIP	-	-	42.03	(42.03)

# SHRI KESHAV CEMENTS & INFRA LIMITED

## 2.2 Credit Risk:

"Credit risk is the risk that a customer or counter party to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's outstanding receivables from customers."

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to dealers on credit are generally secured through Security deposit amount received from dealers.

## 2.3 Liquidity Risk:

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities. Company accesses domestic financial markets, Banks and Financial Institutions to meet its liquidity requirements. The company's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements.

### Maturity Profile of Financial Liabilities based on contractual undiscounted amounts:

Particulars	(Amount Rs. In Lakhs)					
	On Demand	Below 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
<b>Year ended March 31, 2019</b>						
Borrowings	6,760.24	314.02	941.98	10,029.01	295.29	18,340.54
Trade Payable	-	610.87	-	-	-	610.87
Other Financial Liabilities	82.83	945.44	3.56	-	-	1,031.83
<b>TOTAL</b>	<b>6,843.07</b>	<b>1,870.32</b>	<b>945.54</b>	<b>10,029.01</b>	<b>295.29</b>	<b>19,983.23</b>
<b>Year ended March 31, 2018</b>						
Borrowings	5,717.45	151.43	608.59	3,327.81	6,544.58	16,349.85
Trade Payable	-	214.53	-	-	-	214.53
Other Financial Liabilities	83.05	3,574.73	-	-	-	3,657.78
<b>TOTAL</b>	<b>5,800.49</b>	<b>3,940.69</b>	<b>608.59</b>	<b>3,327.81</b>	<b>6,544.58</b>	<b>20,222.16</b>

Company has taken term loan from Banks and promoters to fund the Cement plant expansion project and solar power generation project. Both the projects have been completed during the year and started operations. Hence the management is expecting significant growth in revenue and reduction in cost due to captive consumption of power and sale of excess power. This will to some extent mitigate the liquidity risk in future.

Further, company is in the process of raising equity capital by way of rights issue of shares and repayment of loan and to manage the working capital requirement. Company is in the process of filing letter of offer to SEBI and management is certain on completing the transaction within 6 months. This will mitigate long term liquidity risk and improve the working capital requirement of the company.

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# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 29. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company's policy is to keep the gearing ratio between 40% and 60%. The gearing ratio of the company during the reporting period (including previous period) is substantially high due to substantial long term debt fund raised for the purpose of expansion of plant capacity and solar power generation plant set up. The management is of the opinion that the new investment will reduce the cost of production and increase the profitability of the company in near future and reduce the debt. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

Particulars	(Amount Rs. In Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Borrowings	17,084.55	15,459.60
Trade Payable	610.87	214.53
Other Payable	2,551.85	4,662.27
Less: cash and cash equivalents	(152.73)	(176.33)
<b>Net Debt (A)</b>	<b>20,094.53</b>	<b>20,160.08</b>
Equity Share Capital	512.42	512.42
Other Equity	(431.04)	1,592.89
<b>Total Capital and Debt (B)</b>	<b>20,175.91</b>	<b>22,265.39</b>
<b>Gearing Ratio (A/B)</b>	<b>99.60%</b>	<b>90.54%</b>

High Gearing ratio is mainly attributed to the significant borrowings for solar power plant and cement plant expansion at Lokapur. These expansion project have been completed during the year resulting in depreciation charge and Interest cost to the equity.

The Company intends to repay portion of debt by raising funds through rights issue of equity shares. However, the issue process is not completed by 31 March 2019.

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# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 30 SEGMENT INFORMATION

The company's operating segments are established on the basis of those components that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108- 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the deferring risks and returns and internal business reporting systems.

The company has four principal operating segments; viz. 1. Manufacturing and trading in Cements (MTC), 2. Trading in Coal (TC), 3. Dealers of Petrol and Diesel (TPD), and 4. Solar Energy generation and Sale (SP).

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

"i. Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

ii. Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

"iii. The business, which were not reportable segments during the year, have been grouped under the "Others" segment. This mainly comprises of sale of Clinker, Fly ash and other ancillary products."

(Amount Rs. In Lakhs)						
Year	Particulars	MTC	TC	TPD	SP	All other Segments
<b>i. Segment Revenue and Results:</b>						
2018-19	Revenue from operations	4,514.24	1,132.58	758.84	597.49	-
(P.Y. 2017-18)		3,497.28	1,102.84	598.93	-	6.17
2018-19	Identifiable Operating expenses	2,150.85	647.38	726.43	47.52	-
(P.Y. 2017-18)		2,650.34	1,010.23	584.40	-	5.97
2018-19	Allocated expenses	1,320.23	-	6.01	410.68	-
(P.Y. 2017-18)		669.68	-	0.49	-	-
2018-19	Segment operating income	1,043.16	485.21	26.40	139.30	-
(P.Y. 2017-18)		177.26	92.62	14.03	-	0.20
2018-19	Unallocable expenses					
(P.Y. 2017-18)						
2018-19	Operating profit					
(P.Y. 2017-18)						
2018-19	Other income net					
(P.Y. 2017-18)						
2018-19	Profit before income tax					
(P.Y. 2017-18)						
2018-19	Income tax expense					
(P.Y. 2017-18)						
2018-19	Net Profit after tax					
(P.Y. 2017-18)						
<b>ii. Other Information</b>						
2018-19	Segment Assets*	11,113.33	420.41	32.55	10,879.69	-
2017-18		22,312.29	654.14	21.42	-	0.95
2018-19	Segment Liabilities*	13,766.87	5.09	0.16	8,673.85	-
2017-18		22,949.85	23.42	15.53	-	-
2018-19	Depreciation and Amortization Expenses (included in Expenses above)					
2017-18						

\* Head Office related assets and Liability and equity are allocated to MTC segment.



# SHRI KESHAV CEMENTS & INFRA LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 31 OTHER EXPLANATORY INFORMATION

1 **"Going Concern Assumption:**

The company has been incurring Net losses for last two years which significantly reduced the net worth as on 31 March 2019. Further, the company requires immediate improvement in working capital position. However, various initiatives undertaken by the Company in relation to saving cost, optimize revenue management opportunities by investing in solar power plant which is expected to result in improved operating performance. Further, the Company's continued thrust to improve operational efficiency and initiatives to raise funds through rights issue of equity shares might result in sustainable cash flows addressing any uncertainties. Accordingly, the financial statements continues to be prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business."

2 **"Changes in Accounting policy:**

The company adopted the Ind AS-115 with effect from 1st April 2018, which resulted in changes in accounting policy and however there no significant adjustment to the amounts recognised in the financial statement. "

3 **"Dues to Micro, Small and Medium Enterprises**

The Company has Rs.28.31 Lakhs dues to micro and small enterprises as at 31st March 2019. However the same is not outstanding for more than 45 Days. The information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and relied by the auditors. "

4 **"New and amended standards and interpretations in issue but not yet effective for the year/ period ended 31 March 2019:**

There is one new accounting standards namely Ind AS 116- Leases which is issued and effective from 1 April 2019. Company has not adopted the standard for this financial statement. The impact on the financial statements for the Company is not expected to be material."

5 All amounts have been rounded off to nearest rupee in lakhs and due to this rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

6 The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current requirements.

As per our report of even date.

**For Singhi & Co**

Chartered Accountants  
ICAI FRN.302049E

**CA. Krishna Chaitanya**

Partner  
M.No.228661  
Bengaluru  
Date : 25 May 2019

**For and on behalf of the Board of Directors**

**Vilas Katwa**  
Managing Director  
DIN: 00206015

**Deepak Katwa**  
Director/CFO  
DIN:00206445

**Santosh Shadadal**  
Company Secretary  
M.No.A48177

# SHRI KESHAV CEMENTS & INFRA LIMITED

FORM NO. MGT – 11

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014]

CIN : L26941KA1993PLC014104  
 Name of the Company : Shri Keshav Cements and Infra Limited  
 Registered Office : "Jyoti Tower", 215/2, 6<sup>th</sup> Cross, Nazar Camp, Karbhar Galli  
 Madavpura, Vadgaon, Belagavi - 590 005

Client ID/Folio No.		Name and Address of the Shareholder
DP ID Number		
No. of Shares held		

I / We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

- Name : .....Address : .....  
 Email id : ..... Signature : .....or failing him/her
- Name : .....Address : .....  
 Email id : ..... Signature : .....or failing him/her
- Name : .....Address : .....  
 Email id : ..... Signature : .....or failing him/her

As my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the company, to be held on Saturday, the August 10<sup>th</sup> 2019 at 11.00 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

Item Nos	Description	Optional	
		For	Against
ORDINARY BUSINESS			
1	Adoption of Financial Statements for the year ended 31st March 2019,the Report of Directors' and Auditors' thereon		
2	To appoint a Director in place of Sri. Vilas Katwa (DIN: 00206015), who retires by rotation and, being eligible, offers himself for re-appointment.		
SPECIAL BUSINESS			
3	Regularization of Mr. Alpesh Jain (DIN: 08270670) as an Independent Non-executive Director of the Company.		
4	Appointment of M/s. S K Tikare & Co., Cost Accountants as Cost Auditors of the Company.		
5	To increase the borrowing limits of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s).		
6	Amendment in object clause of Memorandum of Association of the Company		

Signed this ..... Day of ..... 2019

Signature of the Shareholder:

Signature of the Proxy holder(s):

Please affix  
revenue  
stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

# SHRI KESHAV CEMENTS & INFRA LIMITED

## SHRI KESHAV CEMENTS AND INFRA LIMITED

CIN: L26941KA1993PLC014104

Regd; Office: "Jyoti Tower", 215/2, 6<sup>th</sup> Cross, Nazar Camp, Karbhar Galli, M. Vadgaon, Belagavi – 590 005

### ATTENDANCE SLIP

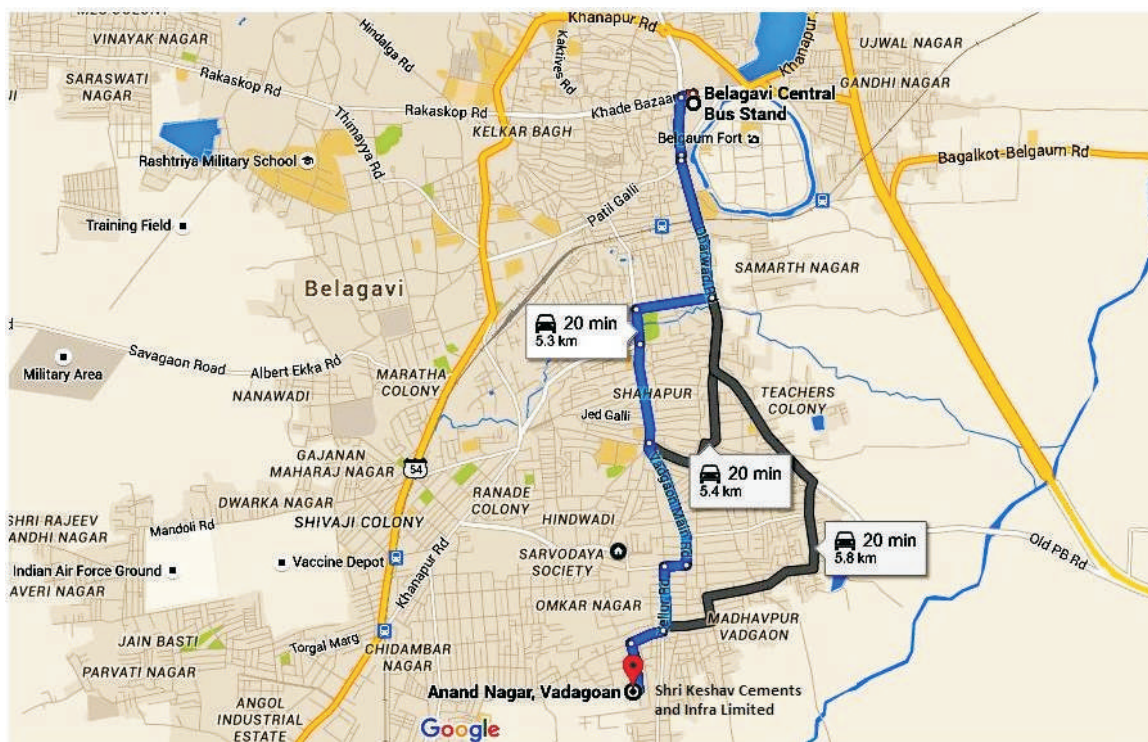
Folio No.		Name and Address of the Shareholder
Client ID / DP ID Number		
No. of Shares held		

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the company held on Saturday, 10<sup>th</sup> August 2019 at 11:00 a.m; at the Registered office situated at 215/2, "Jyoti Tower", 6<sup>th</sup> Cross, Nazar Camp, Karbhar Galli, M. Vadgaon, Belagavi – Karnataka – 590 005.

Signature of Shareholder / Proxy

**Note:** Please bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.

### Route Map





# SHRI KESHAV CEMENTS & INFRA LIMITED

(formerly Katwa Udyog Limited)

215/2, Jyoti Towers 6th Cross, Nazar Camp,  
M. Vadgaon, Belgaum-590 005.

**Humble Gratitude For Being Blessed**



**Sri Sri Radha Krishna, ISKON-**

*Hare Krishna Hare Krishna, Krishna Krishna Hare Hare  
Hare Rama Hare Rama, Rama Rama Hare Hare*





**Keshav**  
C E M E N T

***TRUST. CONFIDENCE. FOREVER.***