

**Keshav****C E M E N T****Shri Keshav Cement and Infra Ltd.**

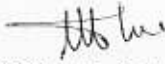
[ Formerly : Katwa Udyog Limited ]


Registered Office: Jyoti Towers, 215/2, Karbhar Street, Nazar Camp, Vadgaon,  
Belgaum - 590 005. Tel.: 0831 - 2484412, 2483510; Fax: 0831 - 2484421.

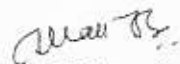
CIN No. L26941KA1993PLC014104, E-mail: info@keshavcements.com, Website: www.keshavcement.com

**FORM A****Format of covering letter of the annual audit report to be filed with the  
Stock Exchanges**

1	Name of the Company	SHRI KESHAV CEMENTS AND INFRA LIMITED (Formerly Katwa Udyog Limited)
2	Annual financial statements for the year ended	31/03/2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	NA
5	To be signed by- - CEO/Managing Director - CFO - Auditor of the company - Audit Committee Chairman	

  
(Vilas H. Katwa)  
Managing Director

  
(CA. Prabhakar K. Latkan)  
Statutory Auditor

  
(Satish Kalpavriksha)  
Chairman – Audit Committee



**BOARD OF DIRECTORS**

Shri. H. D. Katwa	Chairman Emeritus
Shri. Venkatesh H. Katwa	Chairman
Shri. Vilas Katwa	Managing Director
Shri. Deepak Katwa	Director
Shri. Ashok Tarale	NED-I
Smt. Nisha Maganur	NED-I
Shri. Satish Kalpavriksha	NED-I
NED-I [Non Executive Director-Independent]	

**COMMITTEES OF THE BOARD****Audit Committee**

Shri. Ashok Tarale, Chairman
Shri. Satish Kalpavriksha
Smt. Nisha Maganur

**Nomination and Remuneration Committee**

Smt. Nisha Maganur, Chairman
Shri. Deepak Katwa
Shri. Ashok Tarale

**Stakeholders Relationship Committee**

Shri. Satish Kalpavriksha, Chairman
Shri. Ashok Tarale
Smt. Nisha Maganur

**Company Secretary**

Shri. Rajesh Lakkar

**Auditors**

C. A. Prabhakar K. Latkan  
Chartered Accountant 1083,  
Ananat Shayan Galli, Belgaum - 590 002.

**Cost Auditor**

Santosh Kalburgi & Co. Cost Accountant  
201, 2<sup>nd</sup> floor, R.K. Pine Tree Apts, 5<sup>th</sup> Main,  
Hoysala Nagar, Rammurthy Nagar,  
BANGALORE

**Bankers**

Syndicate Bank, Camp, Belgaum. Axis Bank  
Ltd., Tilakwadi, Belgaum

**Registered Office**

215/2, Jyoti Tower, 6th Cross, Nazar Camp,  
Karbhar Galli, M. Vadgaon, Belgaum  
Karnataka - 590 005.  
E-mail : keshavcement@katwa.com  
Website : www.keshavcement.com

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**21<sup>st</sup> ANNUAL GENERAL MEETING**

<b>Day</b>	<b>Tuesday</b>
<b>Date</b>	<b>12/08/2014</b>
<b>Time</b>	<b>11.30 A.M.</b>
<b>Venue</b>	Registered Office Situated at 215/ 2, "Jyoti Tower", 6th Cross, Nazar Camp, Karbhar Galli, M. Vadgaon, Belgaum - 590 005.

**REGISTRAR & SHARE TRANSFER AGENT**

Canbank Computer Services Limited  
218, J. P. Royale, 1st Floor, 14th Cross,  
Sampige Road, 2<sup>nd</sup> Main Malleshwaram,  
Bangalore - 560 003  
Phone No.: +91-080-23469661/62/64/65  
Fax No. +91-080-23469667  
E-mail : canbankrta@csl.co.in  
Website : canbankrta.com

**Plants**

Plants I :	R.S.No.346, At Kaladgi Village, Dist.: Bagalkot - 587 313 [Karnataka]
Plant II :	R.S. No. 15/4, Mudhol Industrial Area, At Nagnapur, Tal.: Mudhol, Dist.: Bagalkot - 587 122 [Karnataka]

21<sup>st</sup> ANNUAL GENERAL MEETING - NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of **SHRI KESHAV CEMENTS AND INFRA LIMITED** will be held on **Tuesday the 12<sup>th</sup> August 2014, at 11.30 A.M. at the Registered Office of the Company:** 'Jyoti Tower, 215 Karbhar Galli, Nazar Camp, M. Vadagon, BELGAUM 590005 to transact the following business:

**Ordinary Business:**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2014 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. Deepak Katwa, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Ashok Tarale, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint the Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of 24<sup>th</sup> Annual General Meeting, and to fix their remuneration.

**Special Business:****5. Regularisation of appointment of Director**

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

**"RESOLVED THAT** Mr. Satish Kalpavriksha, Belgaum, who was appointed as an Additional Director of the Company w.e.f. 9<sup>th</sup> November 2013 under Section 260 of the Companies Act, 1956 and who has furnished his consent in writing to act as a Director and in respect of whom the Company has received a notice under section 160 of the Companies Act 2013 from a member signifying his intention to propose his candidature, be and is hereby appointed as a Director of the Company".

6. To consider and if thought fit to pass with or without modification(s), following 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 there under read with Schedule IV to the Act, as amended from time to time, Mr. Ashok Tarale (DIN 00009948), a non-executive independent 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 12<sup>th</sup> August 2014 up to 11<sup>th</sup> August 2019."

7. To consider and if thought fit to pass with or without modification(s), following 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 there under read with Schedule IV to the Act, as amended from time to time, Mrs. Nisha Maganur (DIN 06514911), a non-executive independent director of the Company, who has submitted a declaration that she 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 12<sup>th</sup> August 2014 up to 11<sup>th</sup> August 2019.”

8. **Borrowing Powers**

To consider and if thought fit to pass with or without modification(s), following as an **Special resolutions**:

“**RESOLVED THAT** in supersession of the ordinary resolution passed at the General Meeting held on 15<sup>th</sup> September 2008 under section 293(1)(d) of the Companies Act, 1956 and pursuant to the provisions of section 180(1)(c) of the Companies Act 2013 and all other applicable provisions, if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company, for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency (including external commercial borrowings in foreign denominated currencies from any foreign source / countries as prescribed by guidelines, if any, in this respect) from any one or more Company’s bankers and /or from any one or more persons, firms, bodies corporate, financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, non-convertible debentures, bonds or otherwise and whether unsecured or secured notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount up to which the moneys may be borrowed by the Board of Directors and outstanding shall not exceed the sum of Rs.200 Crores (Rupees Two Hundred Crores only) at any one time.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable

and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

**9. Mortgage or Charge of Assets**

To consider and if thought fit to pass with or without modification(s), following as an **Special resolutions**:

**"RESOLVED THAT** in supersession of the ordinary resolution passed at the General Meeting held on 15<sup>th</sup> September 2008 under section 293(1)(a) of the Companies Act, 1956 and pursuant to the provisions of section 180(1)(a) of the Companies Act 2013 and all other applicable provisions, if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding Rs.200 Crores (Rupees Two Hundred Crores only) at any one time."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

**10. To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions as an 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), the Board of Directors, on the recommendation of the Audit Committee of the Board had appointed M/s. Santosh Kalburgi & Co.,

Cost Accountants (ICWA Registration No. 000023), as Cost Auditors to carry out the audit of the cost accounting records of the Company for the financial year ending 31st March, 2015 at a remuneration of Rs. Rs.25,000/- + service tax as applicable + out-of-pocket expenses at actual for the year 2014-15.

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

Sd/-  
(**Rajesh Lakkar**)  
Company Secretary

**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 FORTY-EIGHT HOURS BEFORE THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 05<sup>th</sup> August 2014 to 12<sup>th</sup> August 2014 [both days inclusive] for the purpose of Annual General Meeting.
3. Members/Proxies should bring the Attendance Slips sent herewith duly filled in, for attending the Meeting.
4. An explanatory statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
5. Corporate Members intending to send their authorized representative/s to attend the meeting are requested to send a certified copy of the Board Resolution authorizing representative/s to attend and vote at the meeting.
6. Members desiring any information on accounts or operations of the Company are requested to forward his/her queries to the Company at least Eight days prior to the date of the Meeting, so that the required information is made available at the Meeting.
7. As members are aware, equity shares of the Company are traded in electronic form for all shareholders. Members who hold shares in physical form may dematerialize the same. ISIN allotted to the Company for this purpose is INE 260E01014.
8. Shareholders are requested to immediately notify any change in their address or bank mandate to their depository participants with whom they are maintaining their demat account or to the Company's Registrar and Transfer Agents, namely, M/s. Canbank Computer Services Limited, Unit: Shri Keshav Cements & Infra Limited (Formerly known as Katwa Udyog Ltd.), # 218, 1st Floor, J P Royale, 2nd

- Main, Sampige Road, Malleswaram, Bangalore -560 003, if shares are held in physical form.
9. The Ministry of Corporate Affairs, Govt. of India (MCA) as a part of its “Green Initiative in the Corporate Governance” has allowed paperless compliances by companies, permitting service of all notices/ documents including Annual Reports by Companies to its shareholders, through electronic mode instead of physical mode. Shareholders are therefore requested to register their e-mail addresses, in respect of their electronic holdings through their concerned Depository Participants (DPs), to support the Green Initiative of the Government.
  10. For the convenience of members and proper conduct of the meeting, entry to the meeting venue will be regulated by attendance slip, enclosed with this notice. Members / proxies are requested to duly fill the attendance slips and hand it over at the entrance of the meeting to attend the meeting. 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.
  11. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
  12. The Register of Directors’ shareholding, maintained under Section 307/170 of the Companies Act, 1956/ 2013, will be available for inspection by the members at the registered office of the Company.
  13. The Register of Directors’ shareholding, maintained under Section 307/170 of the Companies Act, 1956/ 2013, will be available for inspection by the members at the registered office of the Company.
  14. Voting through electronic means:
    - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by NSDL.  
The instructions for e-voting are as under:
      - i. Use the following URL for e-voting:  
<https://www.evoting.nsdl.com/>
      - ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, i.e. 11th July 2014 (End of Day) may cast their vote electronically.
      - iii. Enter the login credentials i.e. User ID and password mentioned in the attendance slip attached with the Annual Report. Please follow the instructions given in the e-voting portal.
      - iv. After entering the details appropriately, click on LOGIN.

- v. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi. You need to login again with the new credentials.
  - vii. On successful login, the system will prompt you to select the EVENT, i.e. Shri Keshav Cements and Infra Limited.
  - viii. On the voting page, enter the number of shares as on the cut-off date under FOR/ AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
  - ix. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
  - x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm, else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
  - xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
  - xii. The Portal will be open for voting from 9 A.M. on 05<sup>th</sup> August, 2014 to 6 P.M. on 07<sup>th</sup> August, 2014.
  - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://www.evoting.nsdl.com/> or contact NSDL at Tel No. \_\_\_\_\_ (toll free).
- II. The Company has appointed CS. Basavaraj S. Udadar, Practicing Company Secretary, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.
- III. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.



IV. The results shall be declared on or after the AGM of the Company. The results along with the Scrutinizer's Report shall be placed on the Company's website [www.keshavcement.com](http://www.keshavcement.com) and on the website of NSDL.

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

Sd/-  
(**Rajesh Lakkar**)  
**Company Secretary**

**AN EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS****Special Business 5:**

The Company has received notice from Mr. Deepak Katwa, a member signifying his intention to propose the candidature of Mr. Satish D. Kalpavriksha, Belgaum, as a Director of the Company. Mr. Satish D. Kalpavriksha has good experience about accounts & audit and the Board feels that his presence in the Board would be an asset to the Company. Therefore, the Board recommends his appointment as a Director, who would be an Independent Director of the Company.

**Special Business 6:**

Mr. Ashok Tarale joined the Board of Directors of the Company on 04<sup>th</sup> February 2013. He is a non-executive independent director of the Company and is considered as an Independent Director under Clause 49 of the Listing Agreement.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1 April 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Ashok Tarale has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Ashok Tarale as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director from 12<sup>th</sup> August 2014 up to 11<sup>th</sup> August 2019.

In the opinion of the Board, Mr. Ashok Tarale fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Ashok Tarale as Independent Director is now being placed before the Members in general meeting for their approval.

None of the Directors or key managerial personnel (KMP) or relatives of Directors and KMP, except Mr. Ashok Tarale, is concerned or interested in the Resolution at Item No. 6 of the Notice.

**Special Business 7:**

Mrs. Nisha Deepak Maganur joined the Board of Directors of the Company on 13<sup>th</sup> May 2013. She is a non-executive independent director of the Company and is considered as an Independent Director under Clause 49 of the Listing Agreement.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1 April 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mrs. Nisha Deepak Maganur has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mrs. Nisha Deepak Maganur as Independent Director was placed before the Nomination & Remuneration Committee, which commends her appointment as an Independent Director from 12<sup>th</sup> August 2014 up to 11<sup>th</sup> August 2019.

In the opinion of the Board, Mrs. Nisha Deepak Maganur fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and she is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mrs. Nisha Deepak Maganur as Independent Director is now being placed before the Members in general meeting for their approval.

None of the Directors or key managerial personnel (KMP) or relatives of Directors and KMP, except Mrs. Nisha Deepak Maganur, is concerned or interested in the Resolution at Item No. 7 of the Notice.

**Special Business 8:**

The Members of the Company, at the General Meeting held on 15<sup>th</sup> September 2008, had accorded by way of an Ordinary Resolution, their approval to the Board of Directors of the Company and / or a Committee thereof for borrowing monies on behalf of the Company, from time to time, upto an aggregate amount (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) not exceeding the paid up share capital of the Company and its free reserves by Rs. 200.00 Crores.

However, after the applicability of the provisions of Section 180(1)(c) of the Companies Act, 2013, a company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from

the Company's bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution.

The Board accordingly recommends the Special Resolution as mentioned at Item No. 6 of this Notice for your approval.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors & Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

**Special Business 9:**

Board of Directors of the Company are required to mortgage / charge all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business.

As per provisions of Section 180 (1) (a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company.

Accordingly, it is proposed to pass an enabling resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding Rs. 200.00 Crore (Rupees Two Hundred Crore Only).

Your Directors recommend the resolution for your approval as a Special Resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

**Special Business 10:**

The Board of Directors on the recommendation of the Audit Committee have appointed, M/s. Santosh Kalburgi & Co., Cost Accountants, Bangalore, (ICWA Registration No. 000023) as Cost Auditors of the Company for the financial year 2014-15. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the Registered

Office of the Company during 11.00 A.M to 1.00 P.M and shall also available at the meeting.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members. The Board will decide on the remuneration payable to M/s. Santosh Kalburgi & Co., as mutually agreed upon and on the recommendation of the Audit Committee. Hence this enabling resolution is put for the consideration of the Members.

None of the Directors and Key Managerial personnel or relatives of them are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

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

Sd/-  
(Rajesh Lakkar)  
Company Secretary

## ANNEXURE TO THE NOTICE

DETAILS OF THE DIRECTORS SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT

Sl. No	Name of the Director	Date of Birth	Date of Appointment	Qualification	Directorship held in other public Cos, if any	Chairmanship/ Memberships of committees across other public Cos if any	No. of equity shares Held
1	Mr. Deepak H. Katwa	19/09/1978	25/05/2007	B.Com., MBA	1. Katwa Finlease Ltd. 2. Katwa Infotech Ltd. 3. Katwa Construction Co. Limited 4. Katwa Finance & Investment Co. Ltd. 5. Katwa Oil Limited	NIL	804296
2	Mr. Ashok M. Tarale	08/03/1951	04/02/2013	B.Com., A.C.I.A.	1. Gufic Bio sciences Limited	NIL	NIL
3	Mr. Satish D. Kalpavriksha	18/04/1955	Appointed as Additional Director on 09-11-2013 & will be regularized in forthcoming AGM	B.Com., C.A.I.I.B.	NIL	NIL	NIL
4	Mrs. Nisha Deepak Maganur	22/04/1982	13/05/2013	M.Com. M.Phil	NIL	NIL	NIL

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

Sd/-  
(Rajesh Lakkar)  
Company Secretary

**DIRECTORS REPORT**

To,  
The Members,

The directors take pleasure in presenting the Twenty First Annual Report along with audited financial statements for the year ended 31<sup>st</sup> March 2014:

[Amount in Rupees]

Particulars	For the year ending 31.03.2014	For the year ending 31.03.2013
Earnings before Interest Depreciation and Tax	10,79,14,874	11,75,66,144
Less : Interest	4,57,55,585	5,42,31,909
Depreciation	2,80,71,202	2,63,27,811
<b>Profits before Tax</b>	<b>3,40,88,087</b>	<b>3,70,06,424</b>
Add : Excess / [short] Provision of Taxes	NIL	NIL
Add : MAT Credit Entitlement	NIL	NIL
Deferred Tax Asset	NIL	NIL
Total	<b>3,40,88,087</b>	<b>3,70,06,424</b>
Less: Provision for Income tax	68,20,259	74,04,152
Deferred Tax Liability	1,10,60,000	1,20,00,000
<b>Profit after Tax</b>	<b>1,62,07,828</b>	<b>1,76,02,272</b>
Add : Balance brought forward	4,70,11,063	4,17,23,770
<b>Amount available for appropriation</b> Total	<b>6,32,18,891</b>	<b>5,93,26,042</b>
Less : Short Provision	4,95,554	64,69,300
Add : MAT Credit & IOC Subsidy	NIL	1,09,76,941
Amount carried to balance sheet	6,27,23,337	5,33,69,162
Total		<b>6,38,33,683</b>

**OPERATIONS**

During the year under review the sales turn over has decreased to Rs. 48.21 Crores as against previous year sales turnover of Rs. 50.20 Crores. The pre-tax profit is Rs. 3.40 Crore as against previous profit of Rs. 3.70 Crore. Post tax is of Rs.162.07 Lakhs as against previous year profit of Rs.176.02 Lakhs. The sales turnover has remarkably improved compared in the previous year. But however due to cut down of the State Government's investment in infrastructure projects the demand for Company's products declined resulting in lower turnover compared to previous year. The Directors are confident of achieving continuous progress in sales and profit in the years to come.

**DIVIDEND**

In view of the future expansion plans, your Directors do not recommend any dividend.

**EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDER SECTION 92(3)**

The extract of the annual return as provided under Section 92(3) forms part of Directors Report and is attached as “*Annexure I*”.

**NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors met 5 (Five) times respectively on 13.05.2013, 12.08.2013, 09.11.2013, 10.02.2014 and 31<sup>st</sup> March 2014. In respect of which meetings proper notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.

**DIRECTORS’ RESPONSIBILITY STATEMENT**

In pursuance of Section 134(5) of the Companies Act, 2013, the directors 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.



**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149**

The Company has received declarations from the Independent Directors of the Company stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 1956.

**STATUTORY AUDITORS**

CA. Prabhakar K. Latkan, Chartered Accountant, bearing ICAI Membership No.21730, retires at the ensuing annual general meeting. The retiring auditor has confirmed his willingness and eligibility to accept audit assignment, if re-appointed. The Board recommends for the re-appointment of CA. Prabhakar K. Latkan, Chartered Accountant as Statutory Auditor of the Company. The audit report is self explanatory.

**COST AUDITORS**

Pursuant to Section 233B of the Companies Act, 1956 and Central Governments' general order No.52/26/CAB/2010 dated 30/06/2011 directing cost audit of the company, the Board of directors in their meeting have appointed Mr. Sanosh Kalburgi, Cost Accountant to conduct audit of cost accounting records maintained by the company for the financial year ended 2013-14.

**BOARD OF DIRECTORS**

During the year under report, the Board was duly constituted in so far as the number of independent Directors was 50% and the Mr. Venkatesh Katwa as the Non Executive Chairman.

**COMPOSITION OF THE BOARD OF DIRECTORS**

Name of the Director	Designation	Date of appointment
Mr. Venkatesh Katwa	Chairman (Non-Executive)	Appointed as a director on 25.09.1995 and elected as a Chairman on 28.07.2008
Mr. Vilas Katwa	Managing Director	01.04.2007 re-appointed on 01.04.2012
Mr. Deepak Katwa	Non Executive Director	25.5.2007
Mr. Ashok Tarale	Independent Director	04.02.2013
Mrs. Nisha Maganur	Independent Director	13.05.2013
Mr. Satish D Kalpavriksha	Independent Director	Appointed as an Additional Director w.e.f.09.11.2013

The Board would like to mention here that Mr. Mahesh M. Udadar, member of the Audit Committee resigned w.e.f. 09<sup>th</sup> November 2013. Mr. Satish Kalpavriksha has agreed to act as a Director and member of the Audit Committee and accordingly, the notice convening forthcoming annual general meeting throws more light on these points.

**BOARD COMMITTEES****Audit Committee**

After reconstitution of the Board during the year under review the audit committee consisted of following Directors:

1. Shri. Ashok Tarale, Chairman
2. Shri. Satish Kalpavriksha
3. Smt. Nisha Maganur

**Nomination and Remuneration Committee**

As per the provisions of Section 178 of the Companies Act, 2013 the Board has constituted a Nomination and Remuneration Committee in place of earlier Remuneration Committee. The said Committee consisted of following Directors:

1. Smt. Nisha Maganur, Chairman
2. Shri. Deepak Katwa
3. Shri. Ashok Tarale

**Stakeholders Relationship Committee**

As per the provisions of Section 178 (4) of the Companies Act, 2013 the Board has constituted a Stakeholders Relationship Committee which consists of following Directors:

1. Shri. Satish Kalpavriksha, Chairman
2. Shri. Ashok Tarale
3. Smt. Nisha Maganu

**MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT**

Pursuant to clause No 49 of Listing Agreement with the stock exchange, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of corporate governance are annexed as "**Annexure II**" forming part of this report.

**LISTING OF SHARES****[Disclosure Requirement as per SEBI Circular No.14/98 Dated 24.4.1998]**

During the year under report, the equity shares of the Company were traded on the Bombay Stock Exchange. The Company has paid annual listing fee to the Bombay Stock Exchange up to the financial year 2013-14. During the financial year 2013-14 or up to the date of this report, the trading in the equity shares of the Company was not suspended.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:****A. CONSERVATION OF ENERGY**

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. 12,25,53,739/-

**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

**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

**EMPLOYEE STATEMENT**

None of the employees of the Company are in receipt of remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee's) Rule 1975.

**ACKNOWLEDGEMENTS**

The Board of Directors record their gratitude for the co-operation extended by Bankers as well as the continued trust and confidence reposed by business associates, regulatory authorities, customers, shareholders and employees at all levels.

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

Place: Belgaum  
Date: 30/05/2014

**(Venkatesh H. Katwa)  
Chairman**

**Annexure-II**  
**FORMING PART OF THEII DIRECTOR'S REPORT**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

**MANAGEMENT DISCUSSION ANAYSIS**

**1. BRIEF STATEMENT ON THE COMPANY**

During the financial year ending 2013-14 the Indian economy continued to show a dismal picture as the Cement sector witnessed a slowdown in demand in the second half of the financial year under review. The stress on the economy was more evident with a weak growth in the industrial sector and cement sector was no exception. Despite the slowing down of the capacity additions in the last year, the supply side pressures mounted resulting in subdued selling prices. As per Department of Industrial Policy and Promotion (DIPP) data, the growth in demand continued to be at the lower range in the current year as compared to previous year. This adverse demand/supply situation forced the industry to operate at a lower level of capacity. The demand was affected during the year with the slowdown of the construction sector and with an uneven monsoon at various parts of the country resulting in surpluses and deficiencies and drought like situation in certain states. The industry was also affected with the shortage of essential construction materials like sand, bricks and water due to drought and the consequent drag on cement demand. In spite of all the above deficiencies the Company has achieved optimum level of production in the current year.

**2. CEMENT INDUSTRY OUTLOOK AND OPPORTUNITIES**

Cement business is a long term play and the industry has witnessed the cycles of low and high growths before. With the latest indications given by the RBI about the possibility of revival in the economy, in the current fiscal the industry can be expected to bounce back with the growth in consumption. Infrastructure and construction industry which are in poor light today are also bound to grow with the revival of the economy, which will pave way for higher capacity utilization of the cement industry.

Prospects for economic recovery appear to be good going by change in the government at the central. With a positive outlook for infrastructure and construction, reduction in the lending rates, predicted normal monsoon, an optimistic view can be taken for the revival of the economy which will augur well for the industry

**3. RISK AND CONCERNS**

In the past two years the availability of quality power at reasonable rates has been a matter of concern due to acute shortage of power in the state and also availability of indigenous coal from the state owned collieries is also another area of concern which is further aggravated by the huge variations in quality and high prices and lesser materialization of the linkages for higher grade varieties. The company is also on the

lookout for other alternate fuels available at cheaper prices within the vicinity of the plants and very small percentage based on cost economics has also been utilized during the year. Development of such alternate fuels is a focus area for the Company.

**4. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your company has a well defined internal control system to support efficient business operations and statutory compliance. 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.

**5. HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

**8. 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.

**CORPORATE GOVERNANCE**

(As required by Clause 49 of the Listing Agreement with the Stock Exchanges)

The compliance with the requirements of Clause 49 are being reported in the form of questionnaire.

**Company's Philosophy**

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 stake holders.

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.

As on date the Board consisted of the following six Directors:

Name of the Director	Designation	Date of appointment
Mr. Venkatesh Katwa	Non executive Chairman	Appointed as a director on 25.09.1995 and elected as a Chairman on 28.07.2008
Mr. Vilas Katwa	Managing Director	01.04.2007 re-appointed on 01.04.2012
Mr. Deepak Katwa	Non Executive Director	25.5.2007
Mr. Ashok Tarale	Independent Non Executive Director	04.02.2013
Mrs. Nisha Maganur	Independent Non Executive Director	13.05.2013
Mr. Satish D Kalpavriksha	Independent Non Executive Director	Appointed as an Additional Director w.e.f.09.11.2013

The names and categories of Directors on the Board, their attendance at the meetings during the year and at the annual general meeting, as also the number of directorships and committee membership held by them is given below.

Name	Category	No of Board meetings attended during 2012-13	Whether attended AGM on 23 <sup>rd</sup> September 2013	No. of Directorships in other public companies	No of committee position held
Venkatesh Katwa	Promoter	5	Yes	5	NIL
Vilas Katwa	Promoter	5	Yes	3	NIL
Deepak Katwa	Promoter	5	Yes	3	1
Ashok Tarale	Independent	5	Yes	1	3
Nisha Maganur	Independent	5	Yes	NIL	3
Satish Kalpavriksha	Independent	3	No	NIL	2
Mahesh M. Udadar*	Independent	NIL	No	1	0

\* Ceased to be Director of the Company w.e.f. 09.11.2013.

### Audit Committee

The role and terms of reference of the Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement and the provisions of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors from time to time.

The Audit Committee met four times during the year i.e., on 13.05.2013, 12.08.2013, 09.11.2013 and 10.02.2014. The composition and attendance of Audit Committee meetings are given below:

S No.	Name of the Member	No of Meetings held	No of Meetings attended
1	Shri. Ashok Tarale, Chairman	4	4
2	Shri. Satish Kalpavriksha	4	2
3	Smt. Nisha Maganur	4	4
4	Shri. Mahesh M. Udadar*	4	2

\* Ceased to be Director of the company w.e.f.09/11/2013.

**Nomination and Remuneration Committee**

As per the provisions of Section 178 of the Companies Act, 2013 the Board has constituted a Nomination and Remuneration Committee in place of earlier Remuneration Committee to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The said Committee consisted of following Directors:

1. Smt. Nisha Maganur, Chairman
2. Shri. Deepak Katwa
3. Shri. Ashok Tarale

**Stakeholders Relationship Committee**

As per the provisions of Section 178 (4) of the Companies Act, 2013 the Board has constituted a Stake holders Relationship Committee to consider and resolve the grievances of security holders of the company. The said Committee consists of following Directors:

1. Shri. Satish Kalpavriksha, Chairman
2. Shri. Ashok Tarale
3. Smt. Nisha Maganur.

The terms of reference of the said committee were enlarged to include all issues concerning shareholders. Thus, besides, transfer and transmission of shares, issue of duplicate shares, non receipt of annual report, dividend, and the committee looks in to specific complaints from shareholders on all aspects and issues affecting the interests of the investors.

In respect of shares in the physical segment, the Board has authorized Mr. K. Ravi and Mr. Naidu officials of CANBANK COMPUTER SERVICES LTD, # 218, 1st floor, J P Royale, 2nd Main, Sampige Road, Malleswaram, Bangalore, the RTAs with powers of share transfer and upon preliminary scrutiny by those officials of the RTA, the transfers are placed before the Stake holders Relationship Committee from time to time for ratification. 86.45 % percent of the shares are in demat form. As on 31<sup>st</sup> March 2014, there were no pending share transfers with the company.

1. ***Corporate Governance Section of the Annual Report should make disclosures on remuneration paid to directors in all forms including salary, benefits, bonuses, stock options, pension and other fixed as well as performance linked incentives paid to the Directors.***



## Details of remuneration for the year 2012-13

Name of director	Salary / Commission	Sitting fees	Bonus, stock options, pension other incentives
Mr. Venkatesh Katwa	Nil	Nil	Nil
Mr. Mahesh Udadar	Nil	Rs.1000/- per meeting	Nil
Mr. Ashok Tarale	Nil	Rs.5000/- per meeting	Nil
Mr. Vilas Katwa	Rs. 25,000 p.m.	Nil	Nil
Mrs. Nisha Maganur	Nil	Rs.5000/- per meeting	Nil
Mr. Deepak Katwa	Nil	Nil	Nil
Mr. Satish Kalpavriksha	Nil	Rs.5000/- per meeting	Nil

- 2. The Board meetings should be held at least four times in a year, with a maximum time gap of four months between any two meetings and all information as mentioned. in Annexure I to clause 49 of the Listing Agreement should be made available to the Board**

## Details of Board Meetings and Attendance of the Board Members:

Date of Board meeting	City	No. of Directors present
13 <sup>th</sup> May 2013	Belgaum	All Directors present
12 <sup>th</sup> August 2013	Belgaum	All Directors present
09 <sup>th</sup> November 2013	Belgaum	All Directors present
10 <sup>th</sup> February 2014	Belgaum	All Directors present

- 1. As a part of disclosures related to the management, in addition to the Director's Report, Management Discussion and Analysis Report should form part of the Annual Report.**

The Management Discussion and Analysis Report forms part of Annual Report and the same is in accordance with the requirements of clause 49V(A) of the listing agreement. A certificate from the Statutory Auditors confirming compliance with the conditions of corporate Governance as stipulated in clause 49 of the Listing Agreement of the Stock Exchanges in India forms part of this Annual Report.

- 2. All company related information like quarterly results, presentation made by companies to analysts may be put on the Company's web site or may be sent in such a form so as to enable the stock exchange on which the company is listed to put it on its own web-site.**

Although the copies of the press releases and financial results are not put on the company web site, but then all efforts are made to send the quarterly financial results, distribution schedule, secretarial audit reports and other information to the stock exchanges immediately.

3. ***There should be separate section on Corporate Governance in the Annual Report, with details on the level of compliance by the Company. Non-compliance of any mandatory recommendation with reasons thereof and the extent to which the non-mandatory recommendations have been adopted should be specifically highlighted.***

The management is committed to total transparency in running the company. The level of compliance with the provisions of the applicable laws of the country as well as compliance with the requirements of the Corporate Governance as per the listing agreement, forms part of the Annual report.

4. ***The Non-Executive Chairman of the Company should be entitled to maintain an office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties. This will enable him to discharge the responsibilities effectively (This is a non mandatory recommendation)***

This being a non-mandatory requirement, the same is not implemented.

5. ***A qualified and an independent "Audit Committee" should be set up at the Board level, as it would go a long way in enhancing credibility of the financial disclosures and promoting transparency.***

During the financial year 2013-14 audit committee consisted of:

- 1) Mr. Ashok Tarale
- 2) Mrs. Nisha Maganur
- 3) Mr. Satish D. Kalpavriksha

The audit committee met four times during the year, on 13<sup>th</sup> May 2013, 12<sup>th</sup> August 2013, 09<sup>th</sup> November 2013 and 10<sup>th</sup> February 2014. The annual audited accounts were reviewed by the audit committee and recommended to the Board. The Chairman of the audit committee was present at the Annual General Meeting of the Company held on 23<sup>rd</sup> September 2013.

6. ***The Board should set up a "Remuneration Committee" to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.***

As stated earlier as per the provisions of Section 178 of the Companies Act, 2013 the Board has constituted a Nomination and Remuneration Committee in place of earlier Remuneration Committee. The said Committee consisted of following Directors:

1. Smt. Nisha Maganur, Chairman
2. Shri. Deepak Katwa
3. Shri. Ashok Tarale

The Committee identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down

and to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employee. Looking at the size and volume of the company's business, the committee has not taken in to account the industry trend and remuneration practices of other companies because the fact that the facts and figures of our company are not comparable.

- 7. No Director should be a member in more than 10 committees or act as chairman of more than five committees across all companies in which he/she is a Director. Furthermore, it should be a mandatory requirement for every Director to inform the company about the committee positions he occupies in other companies and notify changes as and when they take place.**

None of the Directors of your company is a member of more than ten committees or Chairman of more than 5 committees across all companies in which he is a Director.

- 8. The Company should provide a brief resume, expertise in specific functional areas and names of companies in which he/she holds Directorship and the membership of Committees of the Board, while appointing a new Director or re-appointing an existing Director.**

During the year under review 1 (One) new Director was inducted. In the notice convening the forthcoming annual general meeting, information concerning directors seeking re election by rotation as well as the induction of fresh director is being furnished.

- 9. Disclosures to be made to the Board by the management relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the company at large. These include dealing in company shares, commercial dealings with bodies, which have shareholding of management and their relatives, etc.**

No transaction of material nature has been entered in to by the company with promoters, Directors or the management or associate companies or relatives etc. that may have potential conflict of interests of the company.

- 10. The half-yearly declaration of financial performance including summary of the significant events in last six-months, should be sent to each household of shareholders.**

This been a non-mandatory recommendation, the same is not implemented.

- 11. The financial institutions should, under normal circumstances, have no direct role in the decision making of the Board of the Company. There is however a ground for the term lending financial institutions to have nominees on the Boards of the borrower companies, to protect their interests as creditors. In**

***such cases, the nominee directors should take an active interest in the activities of the Board and assume equal responsibility, as any other director on the Board.***

Presently the company has no nominee of any Bank or financial institution on its board. Therefore, this is not a relevant issue for the year.

**12. A certificate from the auditors on compliance of conditions of Corporate Governance should be annexed with the Director's Report forming part of Annual Report and must be sent to all shareholders of the Company. The same certificate has to be sent to the Stock Exchanges along with the Annual Returns filed by the Company.**

Your company has obtained a certificate of compliance from Shri. Prabhakar K. Latkan, Chartered Accountant and statutory auditor on the compliance with the conditions of corporate governance and the same forms part of this report.

**Other disclosures:**

**1. Details of Annual General Meetings:** Location and time, where last three AGMs held:

YEAR	LOCATION	DATE	TIME
2012-13	BELGAUM	23 <sup>rd</sup> SEPTEMBER 2013	11.30 A.M.
2011-12	BELGAUM	27 <sup>th</sup> SEPTEMBER 2012	11.30 A.M.
2010-11	BELGAUM	26 <sup>th</sup> SEPTEMBER 2011	11.30 A.M.

Whether special resolutions were put through postal ballot last year? No.

Are votes proposed to be conducted through postal ballot this year?

No as presently no such agenda, which mandates postal ballot.

**2. Disclosures on materially significant related party transactions of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. That may have potential conflict with the interests of company at large.**

The details of all the related party transactions transacted during the year under review with related parties as per Accounting Standard (AS-18) "Related Party Disclosures" forms part of "NOTES FORMING PART OF THE ACCOUNTS".

**3. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

None during the financial year 2013-14

**4. Means of communication**

1. **Half yearly report sent to each household of shareholders:** Not sent to members individually but reported to the stock exchanges and reported to the press through announcement.
2. **Quarterly results:** Not sent to members individually but reported to the stock exchanges and reported to the press through announcement.
3. **Newspapers normally published in:** Financial Express, Shri Ranzunzar Marathi Local Daily
4. **Any website, where displayed:** No
5. **All official news releases:** Not applicable
6. **Presentation made to Institutional Investors/Analysts:** Not Applicable

**5. SHAREHOLDER INFORMATION**

1. Annual General Meeting: Tuesday the 12<sup>th</sup> August 2014
2. Financial Calendar: 31<sup>st</sup> March 2014
3. Dates of Book Closure: 05<sup>th</sup> August 2014 to 12<sup>th</sup> August 2014 both days inclusive
4. Registered Office:  
Jyoti Towers, Karbhar Galli, Nazar Camp,  
M. Vadgaon, BELGAUM - 590 005, Ph. 0831 - 2483510 fax 0831 -2484421  
E-mail: investorsrelations@keshavcement.com

**6. (a) Listing Details :**

The shares of the company are listed on The Bombay Stock Exchange. The data as to monthly high and low price quoted on The Bombay stock exchanges is as under:

Month/Year	High (Rs.)	Low (Rs.)	No of shares Traded during the Month
April-2013	19.50	14.16	15,789
May-2013	24.00	19.00	46,924
June-2013	24.00	21.90	68,106
July-2013	22.65	17.10	6,939
August-2013	17.10	16.25	2,335
September-2013	17.50	15.55	731
October-2013	18.30	16.65	548
November-2013	18.90	15.60	13,162
December-2013	17.70	14.85	1,591
January-2014	18.70	15.90	3,354
February-2014	19.55	16.35	3,291
March-2014	19.25	17.10	608

At the BSE: Closing share price as on 31<sup>st</sup> March 2014 was Rs. 19.15  
(Share transfer and communication regarding share certificates, dividends and change of address)

- (i) **Share Transfer System:** Share Transfer requests received in physical form are registered within an average period of 15 days.  
(ii) Request for dematerialization received from the shareholders are affected within an average period of 15 days.

**(b) Distribution of share holding as on 31<sup>st</sup> March 2014**

Share Holding Range	Number of Shareholders	% of shareholders	Total amount of shares held	% of shareholding
Upto - 5000	5435	92.57	73,88,430	14.42
5001 - 10000	229	3.90	18,54,840	3.62
10001- 20000	111	1.89	16,78,970	3.28
20001- 30000	25	0.43	6,41,210	1.25
30001- 40000	13	0.22	4,55,530	0.89
40001- 50000	18	0.31	8,42,780	1.64
50001- 100000	22	0.37	14,87,280	2.90
100001 and above	18	0.31	3,68,92,960	72.00
<b>T o t a l</b>	<b>5871</b>	<b>100.00</b>	<b>5,12,42,000</b>	<b>100.00</b>

**(c) Shareholding Pattern as on March 31<sup>st</sup> 2014**

Particulars Number of	Number of Shareholders	Number of shares held	% of holding
<b>Indian Promoters</b>	11	34,74,912	<b>67.81</b>
<b>Public Shareholding</b>			
Bodies corporate	48	29,741	<b>0.58</b>
Indian public	5860	1649288	<b>32.19</b>
<b>T o t a l</b>	<b>5871</b>	<b>5124200</b>	<b>100.00</b>

**7. Details on use of public funds obtained in the last three years**

The company has not raised any funds through public issue during the last three years. Hence, nothing under this head is reportable

**8. Outstanding GDR/Warrants and convertible Bonds, Conversion date and likely impact on equity**

No GDR/ADR has been issued during the year

**9. Plant Locations:**

Plant I: R.S.No.346, At Kaladgi Village, Dist.: Bagalkot - 587 313 [Karnataka]

Plant II: R.S. No. 15/4 & 88, Mudhol Industrial Area, At Nagnapur, Tal.: Mudhol, Dist.: Bagalkot - 587 122 [Karnataka]

**10. Investor Correspondence:** All shareholders are requested to address their communication/  
Suggestions/ grievances/ queries at the Registered Office.

**11. INVESTOR SERVICES**

Name Designation and address of the compliance Officer:

Mr. Rajesh Lakkar, Company Secretary,  
Jyoti Towers, 215/2, 6th cross,  
Nazar Camp. M. Vadgaon Belgaum-590 005  
E-mail lakkarrajesh@yahoo.co.in

**Number of complaints received from the investors from 1.4.2013 to 31.3.2014 comprising Non receipt of securities sent for transfer, demat, demat queries, non receipt of dividend revalidations etc.:**

**No. of pending share transfers as on 31.3.2014 :** Nil

**Means of communications with shareholders:** Annually through the annual report.

**Shareholder information:**

**AGM: Date, time and venue:** Tuesday, August 12<sup>th</sup> 2014 at 11.30 A.M.  
Jyoti Towers,  
Nazar Camp, M. Vadagon  
BELGAUM - 590 005

**Dates of Book closure:** August 05<sup>th</sup> 2014 to August 12<sup>th</sup> 2014.  
(Inclusive of both the dates)

**Listing on stock exchanges:** BOMBAY STOCK EXCHANGE  
Stock code Mumbai:530977

**Registrar and Transfer agents:**

Consequent to the SEBI directive on common agency for the shares in physical and demat modes the Company has appointed M/s CANBANK COMPUTER SERVICES LTD. Bangalore as its Registrar and Transfer agents.

Canbank Computer Services Limited  
# 218, J. P. Royale, 1<sup>st</sup> Floor, 14th Cross, Sampige Road, 2<sup>nd</sup> Main  
Malleshwaram, Bangalore - 560 003  
Phone No.: +91-080-23469661/62/64/65  
Fax No. +91-080-23469667

E-mail : canbankrta@ccsl.co.in

Website : canbankrta.com

**Dematerialization of shares and liquidity:**

The company has arrangement with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. 86.78% of the shares capital is dematerialized as on 31.3.2014. The Company's shares are regularly traded on the Bombay stock exchange.

**DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has constituted 'Internal Complaints Committee' consisting of the following persons:

- 1) Nisha Maganur, Chairman
- 2) Bharati Kamatgi, Member
- 3) Tejashree Patil, Member

S No	No of Women Harassment Cases Reported during the year	No of Women Harassment Cases Disposed off during the year	No of Women Harassment Cases Pending as at the end of the financial year
	NIL	NIL	NIL

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

Place: Belgaum  
Date: 30/05/2014

**(Venkatesh H. Katwa)  
Chairman**



**AUDITORS CERTIFICATE REGARDING COMPLIANCE WITH CONDITIONS OF  
CORPORATE GOVERNANCE UNDER CLAUSE NO. 49  
OF THE LISTING AGREEMENT WITH  
STOCK EXCHANGE**

To  
The Members,  
**Shri Keshav Cements and Infra Limited**  
[formerly known as Katwa Udyog Limited]  
Belgaum

We have examined the compliance of the conditions of corporate governance by Shri Keshav Cements & Infra Limited (Formerly Katwa Udyog Ltd.) for the financial year ended 31<sup>st</sup> March 2014, as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges in India.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to the compliance of the 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 the opinion on the financial statements of the company.

In our opinion and to the best of our information and explanation given to us, we certify that the company has complied with conditions of corporate governance as stipulated in the above mentioned agreement.

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

Place: Belgaum  
Date: 30<sup>th</sup> May 2014

Sd/-  
**Prabhakar K. Latkan**  
Chartered Accountant

## I N D E P E N D E N T A U D I T O R S ' R E P O R T

To:

The members of  
Shri Keshav Cements and Infra Limited  
[Formerly known as Katwa Udyog Limited]  
Belgaum.

**Report on the Financial Statements:**

We have audited the accompanying financial statements of Shri Keshav Cements & Infra Limited (formerly known as Katwa Udyog Ltd) ('the company') which comprise the Balance Sheet as at 31<sup>st</sup> March 2014 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. The Company has changed the name from Katwa Udyog Limited to Shri Keshav Cements and Infra Limited vide Registrar of Companies Bangalore Certificate dated: 07-11-2007. The change in name is intimated to all the State and Central Government Departments and the change of name is confirmed. The change of name is also intimated to BSE-Mumbai the approval is still under their consideration.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:

i) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2014

AND

ii) In the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date

AND

iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

**Report on other Legal and Regulatory Requirements:**

1. As required by the Companies(Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

Place: Belgaum  
Dated: 20-05-2014

**C.A. Prabhakar K. Latkan**  
Chartered Accountant  
M No. 200/21730  
1083, Ananthashayan galli,  
BELGAUM-590 002.

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF SHRI KESHAV CEMENTS & INFRA LIMITED (FORMERLY KNOWN AS KATWA UDYOG LTD) REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE:**

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets. The fixed assets are physically verified by the management in a phased manner, over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification. There was no substantial disposal of fixed assets during the year. During the year Company has purchased additional machinery and spares for Plant-I for an amount to Rs. 1,45,17,974/- Plant –II Rs. 1,85,00,794/- including capitalization after deducting Modvat Credit of Rs. 13,02,476/-.
- 2) Physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. The Company is maintaining proper records of inventory. Discrepancies noticed on physical verification as compared to book records, which were not material, have been properly dealt with in the books of accounts.
- 3) a) As informed, the company has not granted any loan, secured or unsecured, to companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.  
  
b) The Company has taken unsecured loan from Directors covered in the register maintained under Section 301 of the Companies Act, 1956. The number of parties are 5 and the yearend balance of such loan taken was Rs. 11,10,46,935/-.  
  
c) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from companies and parties covered in the Register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.  
  
d) The company is regular in repaying the principal amount as stipulated and has been regular in the payment of interest.
- 4) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company &

nature of its business, for the purchases of inventory and fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

- 5) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- 6) In our opinion & according to the information & explanations given to us, the Company has accepted deposits, by issuing SILA and it has complied with the provisions of sec. 58A, 58AA of the Companies Act, 1956 and the Company's (Acceptance of the Deposits) Rules, 1975 with regard to the deposit accepted. During the year the Company has refunded entire deposits with interest up to date. Hence, there are no public deposits at the year end. No adverse order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business, the Company has appointed a Chartered Accountant as an Internal Auditors and regularly carried out the Internal Audit.

- 8) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Sec.209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.

- 9) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise duty, cess and other material statutory dues applicable to it.

b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom duty,

Excise duty and cess were in arrears as at 31.03.2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation give to us, there are no dues of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom duty, Excise duty or Cess which have not been deposited on account of any dispute.

- 10) The Company does not have any accumulated losses. It has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11) Based on our audit procedures and as per the information & explanation given by the management, the company has not defaulted in repayment of dues to financial Institution or Banks.
- 12) As informed and explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the Company is not chit fund or a nidhi/mutual benefit fund/societies. Therefore, the provisions of clause 4(xiii) of the Order, are not applicable to the Company.
- 14) Since the Company is not dealing or trading in shares, securities, debentures and other investment, clause (xiv) of the Order is not applicable.
- 15) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which they were raised.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used to finance long term investments.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

- 19) During the period covered by our audit report, the Company has not issued any debentures.
- 20) The company has not raised any money from public issue during the year.
- 21) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

Place: Belgaum  
Dated: 20-05-2014

**C.A. Prabhakar K. Latkan**  
Chartered Accountant  
M No. 200/21730  
1083, Ananthashayan galli,  
BELGAUM-590 002.



**SHRI KESHAV CEMENTS & INFRA LIMITED**  
 “JYOTI TOWER” KARBAR GALLI, NAZAR CAMP, VADAGAO, BELGAUM-590 005  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

		Rs.		
Particulars		Note No.	As at 31 March 2014	As at 31 March 2013
<b>I.</b>	<b>I. EQUITY AND LIABILITIES</b>			
	<b>(1) Shareholder's Funds</b>			
	(a) Share capital	2	51242000	51242000
	(b) Reserves and Surplus	3	90697636	68165103
	(c) Money received against share warrants			
	(d) Foreign Currency Translation Reserve**			
	<b>(2) Share application money pending allotment</b>			
	<b>(3) Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	4	78025747	105743490
	(b) Deferred Tax Liabilities (Net)	5	51814687	40754687
	(c) Other Long-Term Liabilities	6	0	0
	(d) Long-Term Provisions	7	0	0
	<b>(4) Current Liabilities</b>			
	(a) Short-Term Borrowings	8	321461771	330282318
	(b) Trade Payables		14384096	13386929
	(c) Other Current Liabilities	9	4788719	4066794
	(d) Short-Term provisions	10	20657317	25773640
	<b>TOTAL</b>		<b>633071973</b>	<b>639414961</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>(1) Non-current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	11	434909166	429961600
	(ii) Intangible Assets	12	0	0
	(iii) Capital work-in-progress			
	(iv) Intangible assets under development			
	(b) Non-current investments	13	0	0
	(c) Deferred Tax Assets (Net)			
	(d) Long-term loans and advances	14	12628405	11523353
	(e) Other non-current assets	15	0	0
	<b>(2) Current Assets</b>			
	(a) Current Investments	16	0	0
	(b) Inventories	17	129882916	139627754
	(c) Trade Receivables	18	16823373	20529284
	(d) Cash and cash equivalents	19	3686901	10315922
	(e) Short-Term loans and advances	20	0	0
	(f) Other current assets	21	35141212	27457048
	<b>(3) Miscellaneous Expenditure to the extent not written off adjusted</b>			
	(a) Discount on issue of debentures			
	(b) Premium on redemption of debentures			
	(c) Amalgamation Adjustment Account			
	(d) Discount on issue of shares			
	<b>TOTAL</b>		<b>633071973</b>	<b>639414961</b>
	Notes to Accounts and Significant Accounting Policies	1	-	-

Notes No. 1 to 28 from an integral part of these financial Statement

As per our report of even date

For &amp; on behalf of the Board

Chairman  
**Venkatesh Katwa**  
 DATE : 20-5-2014

Managing Director  
**Vilas Katwa**

Company Secretary  
**Rajesh Lakkur**

**CA. Prabhakar K. Latkan**  
 M.No. 021730  
 1083, Ananthayan Galli,  
 Belgaum-590 002.  
 DATE : 20-5-2014

**SHRI KESHAV CEMENTS & INFRA LIMITED**  
 “JYOTI TOWER” KARBAR GALLI, NAZAR CAMP, VADAGAO, BELGAUM-590 005  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31ST MARCH, 2014**

	Particulars	Note No.	Rs.	
			For the year ended 31 March 2014	For the year ended 31 March 2013
	<b>REVENUE</b>			
I.	<b>Revenue from Operations</b>			
	Sales of products		507008926	515824170
	Sales of services			
	Other operating revenues		2602695	4068288
	Less : Excise Duty		27463931	17851097
			<b>482147690</b>	<b>502041361</b>
II.	<b>Other Income</b>	<b>23</b>	<b>0</b>	<b>0</b>
III.	<b>Total Revenue (I+II)</b>		<b>482147690</b>	<b>502041361</b>
	<b>EXPENSES</b>			
	Cost of materials consumed	<b>24</b>	164005420	214092700
	Purchases of stock- in- trade		75137132	63213156
	Changes in inventories of finished goods,work- in-progress and stock-in-trade		-3307681	-4830593
	Excise duty related to the difference between closing stock and opening stock			
	Other Manufacturing Expenses	<b>25</b>	123501001	95678637
	Employee benefits expense	<b>26</b>	7201046	6516069
	Finance Costs	<b>27</b>	45755585	54231909
	Depreciation and amortisation expense		28071202	26327811
	Other expenses	<b>28</b>	7695898	9805248
IV.	<b>Total Expenses</b>		<b>448059603</b>	<b>465034937</b>
V.	<b>Profit before exceptional and extraordinary items (III-IV)</b>		<b>34088087</b>	<b>37006424</b>
VI.	Exceptional items			
VII.	<b>Profit before extraordinary items and tax (V-VI)</b>		<b>34088087</b>	<b>37006424</b>
VIII.	Extraordinary Items			
IX.	<b>Profit before Tax (PBT) (VII-VIII)</b>		<b>34088087</b>	<b>37006424</b>
X.	<b>Tax Expense of continuing operations:</b>		<b>17880259</b>	<b>19404152</b>
	Current Tax (including Wealth Tax)		6820259	7404152
	MAT credit Entitlement		0	0
	Deferred Tax		11060000	12000000
XI.	<b>Profit/(loss) for the period from continuing operations (IX-X-XIV)</b>		<b>16207828</b>	<b>17602272</b>
XII.	<b>Profit/(loss) from discontinuing operations</b>			
XIII.	<b>Tax expense of discontinuing operations:</b>			
XIV.	<b>Profit/(loss) from discontinuing operations (after tax) (XII-XIII)</b>		<b>0</b>	<b>0</b>
XV.	<b>Profit/(loss) for the period [Profit After Tax (PAT)] (XI+XIV)</b>		<b>16207828</b>	<b>17602272</b>
XVI.	<b>Earnings per equity share</b>			
	(1) Basic		5.32	5.78
	(2) Diluted		5.32	5.78

Notes No. 1 to 28 from an integral part of these financial Statement

As per our report of even date

For &amp; on behalf of the Board

Chairman  
**Venkatesh Katwa**  
 DATE : 20-5-2014

Managing Director  
**Vilas Katwa**

Company Secretary  
**Rajesh Lakkar**

**CA. Prabhakar K. Latkan**  
 M.No. 021730  
 1083, Ananthayan Galli,  
 Belgaum-590 002.  
 DATE : 20-5-2014

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS:**

The Financial statements have been prepared in accordance with the applicable Accounting Standards under the Companies (Accounting Standards) Rules, 2006 and are based on the historical cost convention. The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. The Significant Accounting Policies followed are stated below:

**a) FIXED ASSETS:**

Fixed Assets are stated at cost of acquisition/installation less accumulated depreciation and modvat. There are no intangible assets.

**b) DEPRECIATION:**

Depreciation on fixed assets is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. The depreciation has been calculated on pro rata basis considering the month of acquisition/installations of the assets.

**c) INVENTORIES:**

Items of Inventories are measured at lower of cost or net realizable value. Cost of inventories comprises of all cost of purchases, cost of conversion and other cost incurred in bringing them to their respective present location and condition (net of applicable CENVAT). The coke is valued at average price. The cost of semi finished and finished goods are valued at production cost.

**d) INVESTMENTS:**

There are no investments either long term or short term.

**e) PROVISION FOR INCOME TAX:**

In view of unabsorbed depreciation/ business loss carried from earlier years the income assessable under the Income Tax Act, is Nil. However, a MAT provision of Rs. 68,20,259/- has been made.

**f) REVENUE RECOGNITION:**

Sale of goods is recognized at the point of dispatch of finished goods to the customers. Sale of cement is exclusive of sales tax and inclusive of excise duty, sale of coke is exclusive sale tax, sale of diesel & petrol is tax free.

**g) EXCISE DUTY:**

Excise duty is paid on finished goods, on clearance of goods from factory premises.

**h) SALES TAX DISPUTES:**

Sales tax Assessments are completed up to the financial year 2006-07. Thereafter Self Assessments have been completed till 2012-13.

**i) EMPLOYEE BENEFITS:****Short term employee benefits:**

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefit likes salary, wages, and production incentives, and are recognized as expenses in the period in which the employee renders the related service.

**Post employment benefits:****a) Defined contribution plans**

The company has defined contribution plans for post employments benefits in the form of provident fund and ESI for all employees which are administered by the Regional Provident Fund Commissioner. They are classified as defined contribution plans as the company has no further obligation beyond making the contributions. The companies contributions to defined contribution plans are charged to Profit and Loss Account as and when incurred.

**b) Funded Plan:**

The Company has defined benefit plan for post employment benefit in the form of gratuity, which is administered by Life Insurance Corporation. Liability to the above defined benefit plan is provided on the basis of valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used measuring liability is Projected Unit Credit Method. The actuarial gains and losses arising during the year are recognized in the Profit and Loss Account.

**c)** The Company has adopted the **Accounting Standards (AS-15)** on employee benefits, pursuant to which the amount worked out by the actuary has been charged to Profit and Loss Account.

**d) The other disclosures required under AS-15 are as follows:**

M.P. No. 529495			
1	Assumption	31-3-2013	31-3-2014
	Discount Rate	8.00%	8.00%
	Salary Escalation	7.00%	7.00%

<b>2</b>	<b>Table showing changes in present value of obligations</b>	<b>31-3-2014</b>
	Present value of obligation as at beginning of year	1010813.00
	Interest cost	80865.00
	Current Service Cost	192688.00
	Benefit Paid	0.00
	Actuarial gain/loss on obligations	44696.00
	Present value of obligations as at end of year	1329062.00
<b>3</b>	<b>Table showing changes in the fair value of plan assets</b>	<b>31-3-2014</b>
	Fair value of plan assets at beginning of year	1160157.00
	Expected return on plan assets	78311.00
	Contribution	0.00
	Benefits paid	0.00
	Actuarial Gain/(Loss) on Plan assets	Nil
	Fair value of plan assets at the end of year	1238468.00
<b>4</b>	<b>Table showing fair value of plan assets</b>	
	Fair value of plan assets at beginning of year	1160157.00
	Actual return on plan assets	78311.00
	Contributions	0.00
	Benefits Paid	0.00
	Fair value of plan assets at the end of year	1238468.00
	Funded status	(90594.00)
	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 <sup>st</sup> March)	Nil
<b>5</b>	<b>Actual Gain/Loss recognized</b>	<b>31-3-2014</b>
	Actuarial gain/loss for the year – obligation	(44696.00)
	Actuarial gain/loss for the year – plan assets	Nil
	Total gain/loss for the year	44696.00
	Actuarial gain/loss recognized in the year	44696.00
<b>6</b>	<b>The amounts to be recognized in the balance sheet and statements of profit and loss</b>	
	Present value of obligations as at the end of year	1329062.00
	Fair value of plan assets as at the end of year	1238468.00
	Funded status	(90594.00)
	Net Asset/liability recognized in balance sheet	(90594.00)
<b>7</b>	<b>Expenses recognized in statement of Profit &amp; Loss</b>	
	Current Service Cost	192688.00
	Interest Cost	80865.00
	Expected return on plan assets	(78311.00)
	Net Actuarial gain/loss recognized in the year	44696.00
	Expenses recognized in statement of Profit & Loss	239938.00

The above report is not certification under AS-15 revised 2005 read with Actuaries Act, 2006. It is simply a report generated to help companies for proper accounting of employee's liabilities.

**j) CONTINGENT LIABILITIES:**

Management reports, that there are no Contingent Liabilities.

**k) REMUNERATION U/S 217(1A):**

Remuneration paid more than Rs. 5,00,000/- per month when employed for part of the year or Rs. 60,00,000/- per annum is NIL.

l) Consumption of imported Raw materials and components: NIL

m) C.I.F. Values of imports, Expenditures of Earning in Foreign Currency: NIL.

**n) ACCOUNTING FOR TAXES OF INCOME: AS 22**

The Company has during the year, in order to comply with mandatory Accounting Standards-22 issued by the Institute of Chartered Accountants of India, Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset/ liability is recognized and carried forward only to the extent that there is a reasonable/ virtual certainty that the asset will be realized or liability will be repaid in future. Company has recognized a net deferred tax liability of Rs. 5,18,14,687/- in the Balance Sheet which comprises of Rs. 4,07,54,687/- relating to net deferred tax liability as on 1-4-2013. Company has worked out net deferred tax liability of Rs. 1,10,60,000/- for the current year, towards timing differences.

**Calculation of Deferred Tax Liability: -**

Particulars of Deferred tax liability	As on 1-4-2013	For the year 2013-14	As on Closing 31-03-2014
"Deferred Tax Liability towards timing differences"	<b>4,07,54,687</b>	<b>1,10,60,000</b>	<b>5,18,14,687</b>

**o) EARNING PER SHARE: AS-20**

Net Profit after taxes	<u>2,72,67,828</u>	
Number of Equity shares	51,24,200	= 5.32

(No issue during the year, number of equity shares as on 01-04-2013 and 31-03-2014 are 51,24,200).

**p) AUDITORS REMUNERATION:**

Audit Fees Rs. 54,000/- (including Tax & other professional work)

**q) AS-17:**

The Company is engaged in manufacture of ordinary Portland cement accordingly management reports that it is single segment industry. Therefore no other separate statement is made.

**r) NOTES ON ACCOUNTS:**

- i) The previous year's figures have been reworked, regrouped, rearranged and re-classified wherever necessary.
- ii) The sundry debtors, sundry creditors and advances are subject to Confirmation and are stated as per books.
- ii) In the opinion of the Directors, current assets, loans and advances have the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business.
- iii) The unit is cement-manufacturing unit. During the year Company has manufactured cement. Company was also engaged in coke & Cement trading and petrol pump activities. The various quantity of raw material consumption and other inputs required for production of cement and consumption of electricity and other manufacturing expenses are highly technical in nature therefore; we have totally relied on the statement given by the management.
- iv) Inventory valuation is as valued and certified by the management.
- v) The previous year's modvat balance brought forward is Rs. 4,24,053/- during the year Company has availed modvat credit of Rs. 73,91,859/- comprises of modvat credit on capital goods Rs. 14,65,510/- and modvat credit on raw material Rs. 49,44,007/-, and on Service Tax Rs. 9,82,342/-. The Company has deducted modvat credit of Rs. 15,22,838/- from the plant and machinery, Rs. 49,97,452/- from the raw materials and Rs. 9,56,239/- from the Service Tax. Balance amount of modvat of Rs. 3,39,383/- is carried forwarded.
- vi) As per the guidance note issued by the Institute of Chartered Accountants of India the Company has worked out MAT credit of Rs. 2,36,42,879/- and it is shown under the head Loans and Advances as 'MAT Credit C/fd.'

**s) IMPAIRMENT OF ASSETS AS -28:**

On the aspect of compliance of AS-28 on impairment of assets, the management asserts that its assets have not undergone by impairment. Therefore no provision is called for the impairment of assets.

**t) BORROWING COSTS AS-16 :**

There are no items of borrowing cost hence nothing is reportable.

**u) RELATED PARTY DISCLOSURES AS-18 :**

It is reported by the management and as per the information and explanations given to us. In our verification of books of accounts there are related party transactions:

As per Accounting Standard (AS-18) "Related Party Disclosures" notified in the Companies (Accounting Standards) Rules 2006, the disclosures of transactions with the related as defined in AS-18 are given below:

**I. Key Management Personnel**

1. Mr. Venkatesh Katwa Chairman
2. Mr. Vilas H. Katwa Managing Director
3. Mr. Deepak Katwa Director

**II. Relative of Key Management Personnel**

1. Mr. H.D. Katwa
2. Mrs. N.H. Katwa
3. Mr. Y. M. Katwa HUF
4. Mr. P.G. Katwa HUF

**III. Enterprises where key management personnel have significant influence**

1. Katwa Finlease Limited
2. Katwa Infotech Limited
3. Katwa Construction Co. Ltd.
4. Katwa Oil Limited
5. Katwa Finance & Investment Co. Ltd.
6. Katwa Inc (100% subsidiary of Katwa Infotech Ltd)

**IV. The following related transaction were carried out during the year:**

Nature of transactions	Parties referred in	Parties referred in	Parties referred in	Total
	(I) above Rs.	(II) above Rs.	(III) above Rs.	
<u>Unsecured Loans</u>				
Opening Balance 1.4.2013				
Taken during the year	75881804	17655285	---	93537089
Interest Credited	12663000	4402000	---	17065000
Repaid during the year	4797078	1167750	---	5964828



Balance as on 31.03.2014	5003707	516275	---	5519982
<u>Rent</u>	88338175	22708760	---	111046935
<u>Managerial Remuneration</u>	60000	---	---	60000
	300000	---	---	300000

Disclosure of loans/advances and investments in its own shares by the listed companies their subsidiaries associates etc., (as certified by the management)

Sl.No.	Particulars	Outstanding balance as on 31-3-2014	Outstanding balance as on 31-3-2013
i.	Loans and advances in the nature of loan to subsidiaries	NIL	NIL
ii.	Loans and advances in the nature of loans to associates	NIL	NIL
iii.	Loans and advances in the nature of loans where there is.	NIL	NIL
	a. No repayment schedule or repayment beyond 7 years.	NIL	NIL
	b. No interest or interest below section 372(a) of the Companies Act, 1956 staff advances	NIL	NIL
	Loans and advances in the nature of loans to firms/Companies in which directors are interested		
iv.	Investments by loans in the nature of parent companies and subsidiaries companies when the company has made loans or advances in the nature of loan	NIL	NIL
v.		NIL	NIL

**v) AMOUNT DUE TO MICRO SMALL AND MEDIUM ENTERPRISES: DISCLOSURE UNDER MSMED ACT 2006**

It is reported by the management that based on the information so far available with company up to 30<sup>th</sup> April, 2014 in respect of MSEs (as defined in "The Micro Small and Medium Enterprises Development Act 2006") the payments have been made to MSEs as per the terms and conditions of payments and on the agreed dates, hence interest provision is not made.

As per our separate report of even date.

C.A Prabhakar K Latkan  
M.No.200/21730  
1083, Anantshayan Galli,  
Belgaum. 590 002.  
Dated: 20/05/2014

**Rajesh Lakkar**  
Company Secretary  
Venkatesh Katwa  
Chairman  
**Vilas Katwa**  
Managing Director

## SHRI KESHAV CEMENTS &amp; INFRA LIMITED

"JYOTI TOWER" KARBAR GALLI, NAZAR CAMP, VADAGAO, BELGAUM-590 005

## 2. SHARE CAPITAL:

Rs. Rs.

## (A) Authorised, Issued, Subscribed and paid-up Share Capital and par value per share

Particulars	As at 31 March 2014	As at 31 March 2013
Authorised Share Capital 6000000 equity shares of Rs. 10/- each (Previous year 6000000 equity shares of Rs. 10/- each)	60000000	60000000
Issued and Subscribed Share Capital 5124200 equity shares of Rs. 10/- each (Previous year 5124200 equity shares of Rs. 10/- each)	51242000	51242000
Paid-up Share Capital 5124200 equity shares of Rs. 10/- each (Previous year 5124200 equity shares of Rs. 10/- each)	51242000	51242000
Less: Calls unpaid by directors and other officers Add: Equity shares forfeited (paid-up)	0	0
<b>Total</b>	<b>51242000</b>	<b>51242000</b>

## (B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Number of shares outstanding as at the beginning of the year	Nil	Nil
Number of shares outstanding as at the end of the year	Nil	Nil

## Reconciliation of number of Preference shares outstanding at the beginning and at the end of the year

Rs. Rs.

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Number of shares outstanding as at the beginning of the year	Nil	Nil
Number of shares outstanding as at the end of the year	Nil	Nil

## (C) Rights, preferences and restrictions attaching to various classes of shares

Sl. No.	Class of shares	Rights, preferences and restrictions (including restrictions on distribution of dividends and repayment of capital) attached to the class of shares
		N-A

## (D) Shareholdings in the company of the holding company...Ltd. and ultimate holding co.....Ltd. and their subsidiaries/associates

Sl. No.	Class of shares	No. of shares held in the aggregate by holding co., ultimate holding co. and their subsidiaries and associates
		N-A

## (E) Shares in the company held by each shareholder holding more than 5% shares

SI. No.	Name of the shareholder	Number of shares held in the company	Percentage of shares held
1	Roopa Katwa	261,350	5.10%
2	Deepak Katwa	804,296	15.97%
3	Vilas Katwa	804,190	15.69%
4	Venkatesh Katwa	680,350	13.28%
5	Katwa Infotech Ltd	464,980	9.07%

## (F) Shares reserved for issue under options and contracts

SI. No.	Number and class of shares reserved for issue	Party in whose favour reserved	Details of contract/options under which shares reserved for issue

## (G) Commitments for sale of shares/disinvestment

SI. No.	Class of shares	Number of shares	Particulars of commitments

## (H) Details of allotments of shares for consideration other than cash, allotment of bonus shares and shares bought back (during the period of five years from 1-4-2008 to 31-3-2014)

	Particulars	Amount
(1)	Allotment of shares as fully paid-up pursuant to contracts without payments being received in cash	Nil
(2)	Allotment of fully paid-up bonus shares	Nil
(3)	Shares bought back	Nil

## (I) Details of securities convertible into equity/preference shares

SI. No.	Particulars of convertible securities	Terms of convertible securities	Earliest date of conversion into equity/preference shares
		N-A	

## 3 RESERVES AND SURPLUS

Particulars	Rs.			
	As at 31 March 2013	Additions during the year	Deductions during the year	As at 31 March 2014
General Reserve	2325000			2325000
Subsidy Reserve	1494000	0		1494000
Dividend Reserve	512420	0		512420
Surplus ( Profit and Loss Account ) (1)	47011063	16207828		63218891
Short & Excess Provision			495554	-495554
MAT Credit	16822620	6820259		23642879
Total	68165103	16207828	0	90697636

Note:

	2014	2013
Profit for the period	16207828	17602272
Less: Proposed dividend on equity shares		5124200
Tax on distributed profits on equity shares		832680
Less: Dividend Reserve		512420
Transfer to.....Reserve	16207828	11132972

## 4 LONG-TERM BORROWINGS

	Particulars	Rs.	Rs.
		As at 31 March 2014	As at 31 March 2013
(A)	BONDS/DEBENTURES		
(B)	TERM LOANS FROM BANKS		
	Secured		
	Term loan from Syndicate Bank (secured by hypothecation of stock of Raw materials, finished goods, semi finished & immovable properties constituting land and factory building at RS No. 346 Kaladagi and RS. No. 15/4/ 88/14/88/2/88/4 + 5+6 /88/3 of naganapur taluka lokapur and plant and machinery installed there in)	43146175	62545560
	Term loan from Axis Bank (secured by mortgage of loader)- Repayble in instalments	34879572	43197930
(C)	TERM LOANS FROM OTHERS		
(D)	LOANS AND ADVANCES FROM RELATED PARTIES		
(E)	PUBLIC DEPOSITS (UNSECURED)		
(F)	LONG TERM MATURITIES OF FINANCE LEASE OBLIGATIONS (SECURED BY HYPOTHECATION OF... .. MACHINERY TAKEN ON FINANCE LEASE )		
	Total	78025747	105743490

## 5 DEFERRED TAX LIABILITIES (NET)

Particulars	As 31 March 2014	As 31 March 2013
Deferred Tax Liabilities [OB]	40754687	28754687
Deferred Tax Assets/ Liability	11060000	12000000
Deferred Tax Liabilities (Net)	51814687	40754687

## 6 OTHER LONG-TERM LIABILITIES

Particulars	As 31 March 2014	As 31 March 2013
Trade Payables	Nil	Nil
Others		
Total		

## 7 LONG-TERM PROVISIONS

Particulars	As 31 March 2014	As 31 March 2013
Employee Benefits		
Premium on redemption of preference shares	Nil	Nil
Total		

## 8 SHORT-TERM BORROWINGS

	Particulars	As at 31 March 2014	As at 31 March 2013
(A)	<b>LOANS REPAYABLE ON DEMAND</b>		
	Secured		
	Working Capital Loans repayable on demand (secured against hypthn. of stock of Raw materials, finished goods, semi finished & immovable properties constituting land and factory building at RS No. 346 Kaladagi and RS. No. 15/4 /88/14/88/2/88/4 + 5+6/ 88/3 of naganapur taluka lokapur and plant and machinery installed there in)	100312277	98772380
	Unsecured		
	Syndicate Bank	73643629	83265277
	Karnataka Bank	32364888	47530329
	Deposits from Dealers	4094042	3221709
	Of the above, an amount have been guaranteed by directors.		
(B)	<b>LOANS AND ADVANCES FROM RELATED PARTIES</b>		
	Unsecured		
	Deposits from Directors	111046935	93537089
(C)	<b>PUBLIC DEPOSITS (UNSECURED)</b>	0	3955534
	<b>Total</b>	<b>321461771</b>	<b>330282318</b>

## 9 OTHER CURRENT LIABILITIES

	Rs.	Rs.
Particulars	As at 31 March 2014	As at 31 March 2013
Dividend payable 12-13	25309	0
Sales Tax payable	4763410	4066794
<b>Total</b>	<b>4788719</b>	<b>4066794</b>

## 10 SHORT-TERM PROVISIONS

	Rs.	Rs.
Particulars	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits	978981	822174
Provision for dividends	0	5124200
Provision for Corporate Dividend Tax	0	832680
Provision for Income Tax	6820259	7404152
Electricity	10690481	9795171
Bank Interest	1123342	1238488
Other Provisions	1044254	556775
<b>Total</b>	<b>20657317</b>	<b>25773640</b>

## 13 NON-CURRENT INVESTMENTS

	Particulars	Rs.	Rs.
		As at 31 March 2014	As at 31 March 2013
(A)	Investment Property		
(B)	Trade Investments	Nil	Nil
(C)	Non-Trade Investments		
	TOTAL		

## 14 LONG-TERM LOANS AND ADVANCES

	Particulars	Rs.	Rs.
		As at 31 March 2014	As at 31 March 2013
(A)	Capital Advances		
	-Secured , considered good		
	-Unsecured, considered good	Nil	Nil
	-Doubtful		
	Less: Allowance for bad and doubtful advances		
	Total (A)		
(B)	Security Deposits		
	-Secured , considered good		
	-Unsecured, considered good	12628405	11523353
	-Doubtful		
	Less: Allowance for bad and doubtful advances		
	Total (B)	12628405	11523353
(C)	Loans and advances to related parties		
	-Secured , considered good		
	-Unsecured, considered good		
	-Doubtful		
	Less: Allowance for bad and doubtful advances		
	Total (C)		
(D)	Loans and advances due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member		
	-Secured , considered good		
	-Unsecured, considered good		
	-Doubtful		
	Less: Allowance for bad and doubtful advances		
	Total (D)		
	TOTAL [(A)+(B)+(C)+(D)]	12628405	11523353

## 15 OTHER NON-CURRENT ASSETS

	Particulars	Rs.	Rs.
		As at 31 March 2014	As at 31 March 2013
(A)	Long-Term Trade Receivables (including trade receivables on defferred credit terms)		
	-Secured , considered good	Nil	Nil
	-Unsecured, considered good		
	-Doubtful		
	Less: Allowance for bad and doubtful advances		
	Total (A)		

(B)	Others		
	-Secured , considered good		
	-Unsecured, considered good	Nil	Nil
	-Doubtful		
	Less: Allowance for bad and doubtful advances		
	Total (B)		
	TOTAL [(A)+(B)]		

## 16 CURRENT INVESTMENTS

		Rs.	Rs.
Particulars		As at 31 March 2014	As at 31 March 2013
(A)	Trade Investments	Nil	Nil
(B)	Non-Trade Investments		
	TOTAL		

## 17 INVENTORIES

Particulars		As at 31 March 2014	As at 31 March 2013
(a)	Raw Materials		
	(i) in stock	80245244	65576413
	(ii) in transit		
(b)	Work-in-Progress		
	(i) in stock		
	(ii) in transit		
(c)	Finished Goods		
	(i) in stock	11901240	8593559
	(ii) in transit		
(d)	Stock-in-trade (in respect of goods acquired for trading)		
	(i) in stock		
	(ii) in transit		
(e)	Stores and spares		
	(i) in stock	37513837	65108582
	(ii) in transit		
(f)	Loose tools		
	(i) in stock		
	(ii) in transit		
(g)	Packing material		
	(i) in stock	222595	349200
	(ii) in transit		
	Total	129882916	139627754

## 18 TRADE RECEIVABLES

		Rs.	Rs.
Particulars		As at 31 March 2014	As at 31 March 2013
(A)	Trade receivables outstanding for more than six months from the date they became due for payment:		
	(i) Secured , considered good		
	(ii) Unsecured, considered good		
	(iii) Doubtful		
	Less: Allowance for bad and doubtful advances		



(B) Trade Receivables (others)		
(i) Secured, considered good		
(ii) Unsecured, considered good	16823373	20529284
(iii) Doubtful		
Less: Allowance for bad and doubtful advances		
<b>TOTAL</b>	<b>16823373</b>	<b>20529284</b>

## 19 CASH AND CASH EQUIVALENTS

	Particulars	Rs.	Rs.
		As at 31 March 2014	As at 31 March 2013
(A)	Balances with Banks		
	(I) Earmarked Bank balances		
	(II) Bank balances held as margin money or as security against:		
	(III) Other bank balances		
	(i) Bank deposits with more than 12 months		93573
	(ii) Others	571817	7404406
(B)	Cheques, drafts in hand		
	(i) Cheques on hand		
	(ii) Drafts in hand		
(C)	Cash on hand	3115084	2817943
(D)	Others		
	<b>TOTAL</b>	<b>3686901</b>	<b>10315922</b>

## 20 SHORT-TERM LOANS AND ADVANCES

	Particulars	Rs.	Rs.
		As at 31 March 2014	As at 31 March 2013
(A)	Loans and advances to related parties (1)		
	-Secured, considered good		
	-Unsecured, considered good	Nil	Nil
	-Doubtful		
	Less: Allowance for bad and doubtful advances		
	<b>Total (A)</b>		
(B)	Loans and advances due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member		
	-Secured, considered good		
	-Unsecured, considered good		
	-Doubtful		
	Less: Allowance for bad and doubtful advances		
	<b>Total (C)</b>		
	<b>TOTAL [(A)+(B)]</b>		

**SHRI KESHAV CEMENTS & INFRA LIMITED**  
**“JYOTTITOWER” KARBAR GALLI, NAZAR CAMP, VADAGAO, BELGAUM-590 005**

**11 FIXED ASSETS -TANGIBLE**

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Description	Gross Carrying Amount		Accumulated Depreciation				Accumulated Impairment		Net Carrying Amount		RATES					
	As at 31 March 2013	Additional adjustments during the year	Deductions during the year	As at 31 March 2014	Provided during the year	Reversed during the year	Provided during the year	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014						
	1	2	3	4	5	6	7	8	9	10	11	12	13=1-5-9	14=4-8-12	SLM	WDV
1. Land																
-Owned	3900391	-	-	3900391	-	-	-	-	-	-	-	-	3900391	3900391		
-Leased																
2. Buildings																
-Owned	22593530	-	-	22593530	10083393	752940	-	10836333	-	-	-	-	12510137	11757197	3.34	10
-Leased																
3. Plant & Equipment																
-Owned	553938244	33018768	-	586957012	142621269	27007611	-	169628880	-	-	-	-	411316975	417328132	5.28	15.33
-Leased	1607068	-	-	1607068	1189015	76336	-	1265351	-	-	-	-	418053	341717	5.28	15.33
4. Furniture & Fixtures																
-Owned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.33	18.1
-Leased																
5. Vehicles																
-Owned	1667001	-	-	1667001	1329409	158365	-	1487774	-	-	-	-	337592	179227	9.5	25.89
-Leased																
6. Office Equipments																
-Owned	2239447	-	-	2239447	760995	75950	-	836945	-	-	-	-	1478452	1402502	6.33	18.1
-Leased																
<b>Total (A)</b>	<b>585945681</b>	<b>33018768</b>	<b>0</b>	<b>618964449</b>	<b>155984081</b>	<b>28071202</b>	<b>0</b>	<b>184055283</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>429961600</b>	<b>434909166</b>		

For & on behalf of the Board

As per our report of even date

Chairman  
**Venkatesh Katwa**

Director  
**Deepak Katwa**

Company Secretary  
**Rajesh Lakkar**

CA. Prabhakar K. Latkan  
M.No. 021730  
1083, Ananthayan Galli,  
Belgaum-590 002.  
DATE : 20-5-2014

**SHRI KESHAV CEMENTS & INFRA LIMITED**  
**“JYOTTOWER” KARBAR GALLI, NAZAR CAMP, VADAGAO, BELGAUM-590 005**

**12 FIXED ASSETS - INTANGIBLE**

Description	Gross Carrying Amount			Accumulated Amortisation			Accumulated Impairment		Net Carrying Amount					
	As at 31 March 2013	Additional adjustment during the year	Deductions during the year	As at 31 March 2013	Provided during the year SML	Deductions during the year	As at 31 March 2013	Reversed during the year	Provided during the year	As at 31 March 2013	As at 31 March 2014			
	1	2	3	4	5	6	7	8	9	10	11	12	13=1-5-9	14=4-8-12
1. Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Brands/Trade Marks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Computer Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-Acquired Internally Generated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Mastheads	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mining Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Copyrights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-Acquired Internally Generated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Patents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-Acquired Internally Generated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A+B)</b>	585945681	33018768	-	618964449	155984081	28071202	-	184055283	-	-	-	-	429961600	434909166

For &amp; on behalf of the Board

As per our report of even date

Chairman  
**Venkatesh Katwa**Director  
**Deepak Katwa**Company Secretary  
**Rajesh Lakkar**CA. Prabhakar K. Latkan  
M.No. 021730  
1083, Ananthayan Galli,  
Belgaum-590 002.  
DATE : 20-5-2014

## 21 OTHER CURRENT ASSETS

Particulars	Rs.	Rs.
	As at 31 March 2014	As at 31 March 2013
MAT Credit Entitlement	23642879	16822620
Central Excise	836121	1903946
Group Gratuity	1238468	1160157
Deposit & Others	3503647	3504147
Advance Income Tax & TDS	5920097	4066178
<b>TOTAL [(A)+(B)]</b>	<b>35141212</b>	<b>27457048</b>

## 22 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	Particulars	Rs.	Rs.
		As at 31 March 2014	As at 31 March 2013
(A)	Contingent Liabilities		
	(a) Claims against the company not acknowledged as debts		
	(b) Guarantees	Nil	Nil
	(c) Other money for which company is contingently liable		
	-Bills discounted with banks		
(B)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
	(b) Uncalled liability on shares and other investments partly paid		
	(c) Others		
	<b>TOTAL [(A)+(B)]</b>		

## 23 OTHER INCOME

	Particulars	Rs.	Rs.
		For the year ended 31 March 2014	For the year ended 31 March 2013
(A)	Income from non-current investments	Nil	Nil
	<b>Total (A)</b>		
(B)	Income from current investments	Nil	Nil
	<b>Total (B)</b>		
	<b>TOTAL [(A)+(B)]</b>		

## 24 COST OF MATERIAL CONSUMED

Particulars	Rs.	Rs.
	For the year ended 31 March 2014	For the year ended 31 March 2013
Raw material consumed	116267289	199362531
Stores, spares, chemicals and packing materials consumed	47738131	14730169
	<b>164005420</b>	<b>214092700</b>

## 25 OTHER MANUFACTURING EXPENSES

Particulars	Rs.	Rs.
	For the year ended 31 March 2014	For the year ended 31 March 2013
Power and Fuel consumed	122553739	94582261
Repairs- Plant and Machinery	947262	1096376
<b>Total</b>	<b>123501001</b>	<b>95678637</b>

## 26 EMPLOYEE BENEFITS EXPENSES

Particulars	Rs.	Rs.
	For the year ended 31 March 2014	For the year ended 31 March 2013
Salaries and Wages, bonus, gratuity and allowances	6412545	5835712
Contribution to PF, ESIC and Superannuation Fund	788501	680357
<b>Total</b>	<b>7201046</b>	<b>6516069</b>

## 27 FINANCE COSTS

Particulars	Rs.	Rs.
	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest Expense	45800120	53095815
Bank commission	-44535	1136094
<b>Total</b>	<b>45755585</b>	<b>54231909</b>

## 28 OTHER EXPENSES

Particulars	Rs.	Rs.
	For the year ended 31 March 2014	For the year ended 31 March 2013
Rent	68000	68000
Insurance	132386	152051
Rates and Taxes other than taxes on income	1155521	1629724
Payment to statutory auditors	58326	54000
Legal, professional and consultancy charges	67400	46000
Advertisement, Publicity and Sale Promotion	0	42981
Security Charges	1165631	1233678
Director's fees	300000	315000
Telephone expenses	30997	33152
Miscellaneous expenses	2584810	3604847
Transport charges	2132827	2625815
<b>TOTAL</b>	<b>7695898</b>	<b>9805248</b>

**SHRI KESHAV CEMENTS AND INFRA LIMITED, BELGAUM - 590 005**  
**CASH FLOW STATEMENT FOR THE YEAR MARCH 31, 2014**

		YEAR ENDED 31.03.2014		YEAR ENDED 31.03.2013	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit Before Tax		33613337		37006424
	Add : Extra Ordinary Items				
	Depreciation	28071202		26327811	
	Public Issue expenses	0	28071202	0	26327811
			<b>61684539</b>		<b>63334235</b>
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>				
	Adjustments for :				
	Trade Receivables	3686711		-3866886	
	Inventories	9744838		20651837	
	Trade payables	997167	14428716	-33463956	-16679005
			<b>76113255</b>		<b>46655230</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of fixed Assets	-33018768		-29596283	
	Investments	-1105052		632058	
	Loan & Advances	-7589177	-41712997	-15010895	-43975120
			<b>-41712997</b>		<b>-43975120</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Increase in Borrowings	-26177846		-28527664	
	Increase/Decrease in Unsecured Loans	-10348802		23969679	
	Increase in provisions	-4934972	-41461620	8277752	3719767
			<b>-41461620</b>		<b>3719767</b>
	Net Increase/Decrease in Cash or equivalants (A+B+C)		<b>-7061362</b>		<b>6399877</b>
	Cash & Cash equivalants 01.04.2013 ( Opening Balance )		<b>10315922</b>		<b>3916045</b>
	Cash & Cash equivalants 01.04.2014 ( Closing Balance )		<b>3254560</b>		<b>10315922</b>

**AUDITORS CERTIFICATE**

The Board of Directors,  
**SHRI KESHAV CEMENTS & INFRA LTD, BELGAUM-5.**

We have examined the Cash Flow Statement of SHRI KESHAV CEMENTS & INFRA LIMITED for the year ended 31st March, 2014. The Statement has been prepared by the Company in accordance with the requirements of the listing Agreement Clause 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by my report of 20th May, 2014 to the members of the Company.

Place: Belgaum  
Date: 20/052014

**C.A. Prabhakar K. Latkan**  
Chartered Accountant



**SHRI KESHAV CEMENTS AND INFRA LIMITED**

[ formerly Katwa Udyog Limited ]

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

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the Twentieth Annual Meeting of the Company held at Regd. Office 215/2, Jyoti Towers, 6th Cross, Nazar Camp, M. Vadgaon, Belgaum at 11:30 a.m. On Tuesday 12th August 2014.

name of Member (in Block Letter) \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_

No. of Shares Held \_\_\_\_\_

Full Name of the proxy (in Block Letter) \_\_\_\_\_

Signature of the Member (s) of Proxy / proxies Present \_\_\_\_\_

Please complete and sign this attendance slip and handover at the entrance of the meeting hall. Only member (s) or their proxies with this attendance slip will be allowed entry to the Meeting.

**SHRI KESHAV CEMENTS AND INFRA LIMITED**

[ formerly Katwa Udyog Limited ]

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

**PROXY FORM**

Regd. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I/We of \_\_\_\_\_

being member / members of Shri Keshav Cements &amp; Infra Ltd. appoint \_\_\_\_\_

Signature of the Member (s) of Proxy / proxies Present \_\_\_\_\_

of \_\_\_\_\_ or (failing

him) \_\_\_\_\_ of \_\_\_\_\_ as

my / our Proxy to attend and vote for me / us behalf at the Twentieth Annual General Meeting of the Company to be held on Tuesday 12th August 2014 at 11:30 a.m. and any Adjournment thereof.

As witness my hand / our hands this \_\_\_\_\_ day of \_\_\_\_\_

Signed by said \_\_\_\_\_

Affix Rupee 1 revenue stamp
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Note :

- The form should be signed across the stamp as per specimen signatures registered with the Company.
- The proxy duly completely must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.