

42nd Annual Report 2020 - 21



**KAKATIYA CEMENT
SUGAR & INDUSTRIES LTD.**



**KAKATIYA CEMENT SUGAR AND
INDUSTRIES LIMITED**

**KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED
BOARD OF DIRECTORS:**

| | |
|---------------------------|------------------------------|
| 1) Shri P Veeraiah | Chairman & Managing Director |
| 2) Shri J S Rao | Director |
| 3) Shri T R C Bose | Director |
| 4) Shri B V Subbaiah | Director |
| 5) Shri K Venkat Rao | Director |
| 6) Smt. M Varalakshmi | Woman Director |
| 7) Smt. Hima Bindu Myneni | Additional Director |

SENIOR EXECUTIVES

| | |
|-------------------------|---------------------------------------|
| 1) Dr. P Anuradha | Chief Executive Officer |
| 2) Shri B K Prasad | General Manager and Company Secretary |
| 3) Shri M Bhavani Dattu | Chief Financial Officer |
| 4) Shri D G K Raju | President (Cement works) |
| 5) Shri C Pavan Kumar | President (Sugar works) |

AUDITORS

M/s. Ramanantham & Rao.,
Chartered Accountants,
Kala Mansion, S.D. Road,
P.B. No. 2102, Flat No. 302,
SECUNDERABAD – 500003

COST AUDITORS

M/s. Narasimha Murthy & Co.,
Cost Accountants,
3-6-365, 104 & 105, Pavani Estates,
Y.V. Rao Mansion,
HYDERABAD - 500029

BANKERS

State Bank of India
Ashok Nagar Branch
Hyderabad-500020

Union Bank of India
Ashok Nagar Branch
Hyderabad-500020

REGISTERED OFFICE

1-10-140/1, "GURUKRUPA"
Ashok Nagar,
HYDERABAD-500020.
Phone No. 040-27637717/27633627

REGISTRARS

XL SOFTECH Systems Limited,
3, Sagar Society, Road No.2, Banjara Hills,
HYDERABAD-500034.
Ph. No. 040-23545914/23545915

FACTORIES

CEMENT:

Dondapadu Village
Chintalapalem Mandal
Suryapet Dist. Telangana State

SUGAR & POWER:

Peruvancha Village
Kallur Mandal
Khammam Dist. Telangana State



**KAKATIYA CEMENT SUGAR AND
INDUSTRIES LIMITED**

NOTICE:

Notice is hereby given that the 42nd Annual General Meeting of the Members of Kakatiya Cement Sugar and Industries Limited (the Company) will be held through Video Conferencing (VC) at 11.00 A.M on Thursday the 2nd day of September, 2021.

Ordinary business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021 including the Audited Balance Sheet as at 31st March, 2021, the statement of Profit and Loss, Cash Flow Statement for the financial year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares for the Financial Year ended 31st March, 2021.
3. To appoint a Director in place of Smt. M Varalakshmi (DIN: 07585164) who retires by rotation and being eligible offers herself for re-appointment and in this regard, pass the following Resolution as an ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Smt. M Varalakshmi (Din 07585164) who retires by rotation and who being eligible has offered herself for re-appointment be and is hereby reappointed as a Director of the company, liable to retire by rotation”.

Special Business:

4. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“Resolved that pursuant to the provisions of Section 188, Section 203 and other applicable provisions of the Companies Act, 2013 and rules there under, based on recommendation of Nomination and Remuneration Committee (NRC) the consent of the members of the company be and is hereby accorded to the re-appointment of Dr. P Anuradha as the Chief Executive Officer (CEO) of the company for a term of three years on terms as detailed herein below:-

Monthly Remuneration particulars of Dr. P Anuradha

| | ₹ |
|---|---------------|
| Basic salary | 169798 |
| DA | 5202 |
| Other benefits and Allowances | 173200 |
| Total | 348200 |
| Employer's share of provident fund contribution | 1800 |
| Grand Total | 350000 |

The increment at the end of first year Rs.35,000.

The increment at the end of second year Rs.45,000.



5. To consider and if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution.

To appoint Smt. Hima Bindu Myneni (DIN:07120807), as Non Executive Independent Director for a period of five years with effect from 16th June, 2021.

“RESOLVED that pursuant to the provisions of Sections 149, 152, and 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Smt. Hima Bindu Myneni who was appointed by the Board on the recommendation of the Nomination and Remuneration Committee (NRC) as an Additional Director under the category of ‘Independent Director’, effective from 16th June, 2021 and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013, Articles of Association of the company, who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013 proposing her candidature to the office of the directorship of the company, the consent of the members of the Company be and is hereby accorded for appointment of Smt. Hima Bindu Myneni (DIN:07120807), as a Non-Executive Independent Director of the company for a period of five years effective from 16th June, 2021 and who shall not be liable to retirement by rotation and who has submitted the declaration that she meets the criteria of Independence as provided for in Section 149(7) of the Companies Act, 2013.”

6. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“Resolved that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. Narasimha Murthy, Cost Accountants (Firm Registration No.000042) appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2022 amounting to ₹.1.45 lacs together with the applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit be and is hereby ratified and confirmed”.

By Order of the Board
for Kakatiya Cement Sugar and Industries Limited

Place : Hyderabad
Date : 16th June, 2021

B K Prasad
General Manager and
Company Secretary



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NOTES:

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, the Ministry of Corporate Affairs (MCA) vide circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020 and January 13, 2021 read with Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021 respectively issued by SEBI permitted the companies to hold their AGM through Video Conferencing (VC) for the calendar year 2021.
2. Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 read with the aforesaid circulars issued by MCA, the 42nd Annual General Meeting of the Company shall be conducted through Video Conferencing (VC) to be referred to as "e-AGM".
3. In accordance with SS-2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) read with guidance / clarification note dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the company which shall be the deemed venue of the e-AGM
4. The Company has appointed M/s. Central depository Services of (India) Limited (CDSL) to provide Video Conferencing facility for the e-AGM.
5. In the e-AGM:
 - a. Members can attend the meeting through login credentials provided to them to connect to Video Conference. Physical attendance of the Members at the e-AGM venue is not required.
 - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.
 - c. Body Corporates are entitled to appoint authorized representatives to attend the e-AGM through VC and participate thereat and cast their votes through e-voting.
6. In case of Joint holders attending the e-AGM, only such Joint holder who is higher in the order of the names will be entitled to vote.
7. An explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 which sets out details relating to the special business to be transacted at the e-AGM is annexed hereto.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the company/ RTA.
9. The Register of Members and Share Transfer Books will remain closed from 27th August, 2021 to 2nd September, 2021 (both days inclusive) in connection with the e-AGM and for payment of dividend.
10. As required under Listing Regulations and Secretarial Standard-2 on General Meetings, details in respect of a Director seeking re-appointment at the e-AGM is separately annexed hereto. The Director seeking the re-appointment has furnished requisite declaration under section 164(2) and other applicable provisions, if any, of the Companies Act, 2013 including Rules framed thereunder.
11. All the shareholders are requested to intimate their e-mail address to the Company at info@kakatiyacements.com for sending Notice and Annual Report through e-mail. Shareholders are also requested to notify immediately any change in their addresses to the Company's Registered Office with their Folio Number(s) and with their e-mail addresses. They can also visit the company website at www.kakatiyacements.com where notice is uploaded. For any communication, the shareholders may also utilize company's investor e-mail ID: info@kakatiyacements.com.

No physical copy of the notice of the e-AGM and the Annual Report for the financial year 2020-2021 will be sent to members who have not registered their e-mail address with the company / Depository Participant unless a specific request has been made by the members to the company or to its RTA.

12. The Dividend, after declaration, will be paid to those shareholders, whose names stand on the Register of Members as on 26th August, 2021. The Dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares, whose names appear in the list furnished by the Depositories for this purpose as on 26th August, 2021. The Dividend will be paid on or before 1st October, 2021.
13. Members may note that the Income Tax Act, 1961 as amended by the Finance Act, 2020 mandates that dividends paid or distributed by a company after April 01, 2021 shall be taxable in the hands of members. The company shall therefore be required to deduct tax at source (TDS) at the time of making payment of dividend.

For resident shareholder, taxes shall be deducted at source under section 194 of the Income Tax Act as follows-

| | |
|------------------------------|---|
| Members having valid PAN | 10% or as notified by the Government of India |
| Members not having Valid PAN | 20% or as notified by the Government of India |

However no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by her/ him during the Financial Year 2021-2022 does not exceed Rs 5000/- and also in cases where members provided Form 15G/ Form 15H subject to conditions specified in the Income Tax Act, 1961.

14. The Notice calling the e-AGM has been uploaded on the website of the Company at www.kakatiyacemets.com. The Notice



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can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and at www.nseindia.com respectively. The e-AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the e-AGM) at www.evotingindia.com.

15. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
16. Up to 1000 members will be able to join on a First Come First Serve basis to the e-AGM.
17. No restrictions on account of First Come First Serve basis entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
18. The attendance of the Members (members' logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
19. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the Company is providing facility of remote e-voting to its Members through e-Voting agency M/s. Central Depository Services of (India) Limited (CDSL).
20. **Voting at the e-AGM:** Members who could not vote through remote e-voting may avail the e-voting system provided in the e-AGM by CDSL.
21. The Register of Directors / Key Managerial personnel and their shareholding maintained Under section 170 of the Companies Act, 2013, Register of contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 and any other document referred to in the notice of this Annual General Meeting will be made available in electronic mode for inspection by the members of the company up to the date of the AGM.
22. As per provisions of Section 124 of the Companies Act, 2013, the Company has transferred to the Investors Education and Protection Fund (IEPF), the amount of all unclaimed dividend declared up to and including the financial year ended 31st March, 2013. The amount of unclaimed dividend for the financial year ended 31st March, 2014 will be transferred to the Investor Education and Protection Fund (IEPF) within the prescribed time during the current year.
23. As per the provisions of Section 124 of the Companies Act, 2013, the Company is required to transfer dividend, which remains unpaid or unclaimed for a period of 7 years, to the IEPF set up by the Central Government. Shareholders, who have not claimed their dividend for any year from the financial year ended March 31, 2014 onwards are requested to lodge their claim with the Company.
24. The Company's shares are listed with The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Annual Listing Fee for the year 2021-2022 has been paid to these two Stock Exchanges.
25. As per SEBI circular No.CIR/MRD/DP/10/2013 dated March 21, 2014, dividend payments to investors are made electronically through ECS. **Shareholders are requested to update their bank details with the depositories to ensure that dividend is credited promptly. Those shareholders who hold shares in physical form are requested to communicate their bank account number, name of the Bank, Branch, IFSC Code and address to: info@kakatiyacements.com for necessary action at our end. Members holding Accounts in Banks in which merger has taken place are requested to check and mention the correct IFSC code of the bank consequent to merger.**
26. Electronic copy of the Notice of the e-AGM of the Company and the Annual Report inter alia indicating the process and manner of e-voting are sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same.
27. In Compliance with the provisions of Section 108 and 109 of the Act and Rules 20 and 21 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is providing e-voting facility to the members to exercise their right to vote on Resolutions proposed to be passed in the meeting by electronic means. The members may cast their vote using an electronic voting system from a place other than the venue of the meeting. The company has engaged the services of CDSL as the authorised agency to provide e-voting facilities and instructions for availing e-voting facility are given in Note No.35.
28. The Board has appointed Smt. Manjula Aleti, Company Secretary in Practice (Membership No.FCS:10380, COP:13279) as scrutinizer to scrutinize the remote e-voting process and the e-voting at the e-AGM in a fair and transparent manner.
29. The scrutinizer shall, immediately after the conclusion of voting at the meeting, would first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than two working days from the conclusion of the meeting, a consolidated scrutinizer's Report of the total votes cast in favour or against forthwith to the Chairman or a person authorised by the Chairman for counter signature.
30. The Results shall be declared by the Chairman or by an authorised person of the Chairman and the Resolutions will be deemed to have been passed on the date of e-AGM, subject to receipt of requisite number of votes in favour of the Resolutions.
31. After declaration of results, the same shall be placed along with the scrutinizer's Report(s) on the website of the company www.kakatiyacements.com and communicated to BSE Limited and National stock Exchange of India Limited, where the shares of the company are listed.
32. A person whose name is recorded in the Register of members or in the Register of beneficial owners maintained by the Depositories as on the cut-off date i.e. 26th August, 2021 shall only be entitled to avail the facility of remote e-voting and voting during e-AGM.



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33. The e-voting period commences on 30th August, 2021 (9:00 AM) and ends on 1st September, 2021 (5:00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 26th August, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
34. The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company.
35. **CDSL e-Voting System – For Remote e-voting and e-voting during e-AGM.**
- A. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
- B. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- C. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- D. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- E. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- F. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at info@kakatiyacements.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
- G. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- H. In continuation of this Ministry's General Circular No. 20/2020, dated 5th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTEE-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on 30th August, 2021 (9:00 AM) and ends on 1st September, 2021 (5:00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 26th August, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' Resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.



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- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. **Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.**

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System My easi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL



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| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542 022-23058543. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

| | For Shareholders holding shares in Demat Form other than individual and Physical Form |
|--|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Kakatiya Cement Sugar and Industries Limited on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; info@kakatiyacements.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / I Pads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective networks. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance of at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. **Those shareholders who have registered themselves as speakers will only be allowed to express their views/ask questions during the meeting.**
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. **If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.**

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, ((CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurx, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.



ANNEXURE TO NOTICE

Item No.3

| | | |
|--------|--|--|
| Sl.No. | Name of the appointee | Smt. M Varalakshmi |
| 1. | Date of Birth | 01/07/1959 |
| 2. | Qualification | BSC |
| 3. | Date of first Appointment | 12/08/2016 |
| 4. | Expertise in the specific functional areas | 37 years of experience in Accounts and Banking functions. |
| 5. | Nature of appointment | Retiring by rotation and being eligible offers herself for re-appointment. |
| 6. | Occupation | Business |
| 7. | Remuneration | She is a Non-Executive Director. No remuneration is paid to the Non-Executive Directors except payment of sitting fee for the Board / Committee Meeting attended by the Non-Executive Directors. |
| 8. | Shareholding of Kakatiya Cement Sugar and Industries Limited | Nil |
| 9. | No. of Listed entities in which committee membership / chairmanship held | 1 |
| 10. | No. of Listed entities in which Directorship held | 1 |
| 11. | Inter-se relationship with any other director on the Board. | Not applicable |

STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No.4.

The Board upon recommendation of Nomination and Remuneration Committee (NRC) has re-appointed Dr. P Anuradha as Chief Executive Officer (CEO) of the company for a period of three years effective from 25th May, 2021 subject to the approval of members of the company.

Considering the able leadership demonstrated by Dr. P Anuradha as CEO of the company leading to overall growth and development of the company, the Board is of the opinion that it would be in the interest of the company to re-appoint Dr. P Anuradha as CEO for a period of three years effective from 25th May, 2021. The terms of remuneration are as per the Resolution set out in Item no.4.

Shri P Veeraiah, Chairman and Managing Director is interested in the Resolution being the husband of Dr. P Anuradha. None of the other Directors or KMPs or their relatives is interested or concerned financially or otherwise in the said Resolution.

The Directors commend the Resolution for approval.

Item No.5

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, Articles of Association of the company and on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 16th June, 2021 has appointed Smt. Hima Bindu Myneni (DIN:07120807), as an additional Director of the company under the category of 'Independent Director' for a period of five years with effect from 16th June, 2021 subject to the approval of members at the forthcoming Annual General Meeting. She holds the office upto the date of the Annual General Meeting.

A notice under Section 160 of the Companies Act, 2013 has been received from a member of the company proposing candidature of Smt. Hima Bindu Myneni. The Company has received (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 pursuant to the Companies (Appointment & Qualification of Directors) Rules, 2014 from Smt. Hima Bindu Myneni to the effect that she is not disqualified as per Section 164(2) of the Companies Act, 2013; and (iii) a declaration to the effect that she meets the criteria of independence as provided for under Section 149 (7) of the Companies Act, 2013.

In the opinion of the Board, Smt. Hima Bindu Myneni fulfills the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Non-Executive Independent Director and that she is independent of the management.

The Resolution set out at Item No.5 of the notice is put forth for consideration of the members as an Ordinary Resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Smt. Hima Bindu Myneni as Non-Executive Independent Director.



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

The terms and conditions of appointment of Smt. Hima Bindu Myneni shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Smt. Hima Bindu Myneni is interested in the Resolution as set out in Item No.5 of the notice with regard to her appointment. The relatives of Smt. Hima Bindu Myneni may be deemed to be interested in the Resolution to extent of their shareholding, if any, in the company. Save and expect the above, none of the other directors / KMPs of the company / their relatives is in any away concerned or interested financially or other wise in the subject matter.

The Board commends this Ordinary Resolution as set out in Item No.5 of this notice for approval of members at the forthcoming Annual General Meeting.

Profile

Smt. Hima Bindu Myneni has vast experience as a practicing Chartered Accountant. She holds directorships in various companies including SEW infrastructure Limited, a listed company in infrastructure sector.

She has significant exposure in corporate affairs acquired over the period. Her Core Skills include Audit, Taxation, Project consultancy and financial consultancy relating to business enterprises.

The Board felt that considering her expertise and knowledge, it would be in the interest of the company to approve her appointment as Non-Executive Independent Director. Further details of the profile have been stated in the Annexure.

The Board commends the Ordinary Resolution for approval of Members.

Annexure to the Notice Disclosure required under Section 196(4) of the Companies Act, 2013 and Regulation 36(3) of SEBI (LODR) Regulations 2015

| | | |
|-----|--|---|
| 1. | Name | Smt. Hima Bindu Myneni |
| 2. | Category | Independent Director |
| 3. | DIN | 07120807 |
| 4. | Date of Birth | 21/07/1971 |
| 5. | Date of Appointment | Appointed as an Independent Director with effect from 16 th June, 2021. |
| 6. | Qualifications | FCA |
| 7. | Occupation | Practicing Chartered Accountant. |
| 8. | Remuneration | Only sitting fee will be paid |
| 9. | Expertise | As stated in the profile. |
| 10. | Shareholding in Kakatiya Cement Sugar and Industries Limited | Nil |
| 11. | No. of Listed entities in which committee membership / chairmanship held | Nil |
| 12. | No. of Listed entities in which Directorship held | 1 |
| 13. | Directorship in Public Limited Companies | 1. SEW INFRASTRUCTURE LIMITED 2. WEST BENGAL SEW PRASAD INFRASTRUCTURE LTD 3. SEW LSY HIGHWAYS LIMITED 4. SEW KRISHNAGAR BAHARAMPORE HIGHWAYS LIMITED 5. SEW BELLARY HIGHWAYS LIMITED 6. SEW REALTY LIMITED 7. CHENNAI WATER DESALINATIONLIMITED 8. SEW TRANSPORTATION NETWORKSLIMITED |
| 14. | Inter-se relationship with any other director on the Board. | Not applicable |



**KAKATIYA CEMENT SUGAR AND
INDUSTRIES LIMITED**

Item No.6

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Narasimha Murthy, Cost Accountants as the Cost Auditors of the company to conduct the audit of the Cost Records of the Company for the Financial Year ended 31st March, 2022.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors. None of the Directors or Key Managerial Personnel or their immediate relatives is interested or concerned in this Resolution.

The Board commends this Resolution for approval of Members.

By Order of the Board
for **Kakatiya Cement Sugar and Industries Limited**

Place : Hyderabad
Date : 16th June, 2021

B K Prasad
General Manager and
Company Secretary



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the 42nd Annual Report together with the Audited Financial statements for the year ended 31st March, 2021.

Financial Results

The Financial Results for the year ended 31st March, 2021 are summarized below:

(₹. in lacs)

| Particulars | 2020-21 | 2019-20 |
|--|----------|----------|
| Income (Sales and other Income) | 13366.46 | 16797.73 |
| Profit before Depreciation, Interest & Taxes | 1934.01 | 1189.33 |
| Depreciation | 252.45 | 242.94 |
| Interest | 225.12 | 312.65 |
| Provision for wheeling charges | 545.83 | 650.00 |
| Taxation | 814.99 | 157.70 |
| Deferred Taxation | (29.73) | (101.36) |
| TOTAL | 1808.66 | 1261.93 |
| Profit after Tax | 125.35 | (72.60) |
| Other Comprehensive Income | 0.03 | 150.00 |
| Total Comprehensive Income | 125.38 | 77.40 |
| Share Capital (No. of shares) | 7773858 | 7773858 |
| EPS (Rs.) | 1.61 | (0.93) |

Dividend

Your Directors are pleased to recommend for your consideration a Dividend at Rs.3.00 per equity share for the year ended 31.03.2021 at par with the dividend declared in the past few years which entails an outlay of Rs.233.22 lacs.

Transfer of Profits to Reserves.

The company has decided not to transfer any sum to reserves from out of the current year's profits. In the preceding year as well, no sum was transferred to reserves from out of the profits of the preceding year.

Transfer to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of section 124 and 125 of the Companies Act, 2013 and in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been claimed for seven consecutive years or more shall be transferred to the Investor Education and Protection Fund (IEPF).

Accordingly, the company has transferred 6,687 equity shares to the IEPF Authority during the year ended 31st March, 2021. To claim the equity shares and dividend which were transferred to the IEPF, the shareholders are requested to visit the website of the company www.kakatiyacements.com to know the procedure to claim the shares and dividend transferred to IEPF.

According to Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the company has transferred unclaimed dividend amounting to Rs. 9,36,890 to IEPF during the year under review. The said transfer is in respect of the unclaimed dividend for the financial year 2012-2013.

Material Changes and Commitments

In terms of Section 134 (3) (I), of the Companies Act, 2013, there are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the Report.

Covid -19

Consequent to lockdown declared by the state and central governments resulting from the global epidemic, the company had shut down its operations in April and May, 2020.

India is currently experiencing massive second wave of covid-19 infections and various state governments have declared lock down partially or in its full form.

The company has been taking all preventive steps with regard to covid appropriate behavior and we expect no major changes in the economic activity as the nation is combating the pandemic challenge through preparedness on all fronts and also expediting the vaccination drive across the country.



Public Deposits

The company has not accepted any deposits during the year under review and there were no outstanding deposits as at the end of the year falling within the ambit of Section 73 of the Companies Act, 2013 and the companies (Acceptance of Deposits) Rules, 2014.

Significant and Material orders passed by the Regulators / Courts / Tribunals

There are no significant and material orders passed by the Regulators or courts or tribunals in the year under review impacting the going concern status and company's operations in future.

Appointment of Woman Independent Director

The Board at its meeting held 16th June, 2021 has appointed Smt. Hima Bindu Myneni as Non-Executive Independent Director for a period of Five years subject to the approval of the members at the forthcoming Annual General Meeting.

The company opines that the vast experience and knowledge of Smt. Hima Bindu Myneni as a Practicing Chartered Accountant is of great significance and that her participation would enhance the processes and functioning of the Board. The Board believes that her induction as an Independent Director would enhance the diversity of skills and collective wisdom of the Board. The details regarding the proposal has been set out in the notice in Item No. 5. The Members are requested to accord their approval and pass the Ordinary Resolution in this regard.

Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013, Smt. M Varalakshmi, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The brief profile of Smt. M Varalakshmi, director who is seeking re-appointment at the ensuing Annual General Meeting is presented elsewhere in this Annual Report.

Dematerialisation

As on 31st March, 2021, 75,79,295 shares were dematerialised with National Securities Depository Limited and Central Depository Services Limited which constitutes 97.49% of the shares of the company. Members may please note that it is a mandatory requirement that the company shall endeavour to ensure that at least 50% of the shareholding of the public shareholders is in the dematerialised mode.

The company, therefore once again requests such of the public shareholders who have not yet dematerialised their shares to initiate immediate steps to complete the process of dematerialisation.

Statement of Affairs of the company

The Statement of affairs of the company is presented as part of Management discussion and analysis (MAD) Report forming part of this Report.

PERFORMANCE OF THE YEAR UNDER REVIEW

Despite several adverse factors playing its role, the company could manage to deliver better performance in the year under review on account of better price realisations and cost effective measures in comparison with the preceding year.

The division-wise operational and financial details of the performance are stated herein below:-

Cement Division:

During the year under review, the Cement Division has produced 2,47,904 MT as against 2,67,423 MT in the year ago period thereby registering a decline of 7.30%.

The cement Division has clocked a turnover of Rs.103.51 crores as against the turnover of Rs.87.49 crores recorded in the previous year and this works out to a rise of 18.31%.

The Cement Division has earned Profit Before Tax (PBT) of Rs.27.19 crores in the year under review as against Rs.11.68 crores earned in the previous year. This works out to an increase of 132.79% over the previous year.

Sugar Division:

The Sugar cane crushed in the sugar division in the year under review is 69,325 MT as against 1,08,478 MT in the previous year thereby recording a decrease of 36.09%. The company could not procure the mandals and villages of its choice even in the year under review and the inadequate availability of water sources has also impacted the cane production and by extension even the production of sugar to a significant level. The Government Regulation restricting the sale of the sugar has also impacted the quantum of sales during the year under review.

The sugar division has clocked a turnover of Rs.20.21 cores in 2020-2021 in comparison with Rs.70.58 crores in the preceding year and thereby registering a decline of 71.36% over the year ago period. The sugar division has recorded profit before tax (PBT) of Rs.(8.95) crores in the year under review as against profit before tax (PBT) of Rs.(9.74) crores in the preceding year.

Power Division:

The Power Division has generated 1,12,98,040 KWH in 2020-2021 as against 1,68,65,510 KWH of power in the preceding year thereby recording a decrease of 33.01%. Members are aware that the company has not been able to generate power during off-season period in the sugar division since the Government of Telangana has not been conceding to the request of the power entities to generate power using coal as an alternative fuel to the bagasse.



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The Power division has clocked a turnover of Rs.9.19 crores in the year under review as against the turnover of Rs.10.15 crores made in the year-ago period and this works out to a decrease of 9.46% over the previous year.

The power Division made a Profit before tax (PBT) of Rs.(9.13) crores as against a profit of Rs.(2.10) crores in the previous year thus recording an increase in loss of 334.76% in the year under review.

CURRENT YEAR OUTLOOK:

Cement Division:

Taking into account the market conditions and other factors, the company has set a target of its cement production at 2,75,000 MT for the current year.

Sugar Division:

The sugar division was impacted by various issues during the year under review. The scarcity of water sources, loss of productive areas in the zonal allocation made by the government in 2017 and poor cane development are some of the critical factors which continue to impact the prospects of the company, and in view of these constraints, your company has set a target of 90,000 MT for cane crushing for the current year.

Power Division:

The performance of power division is directly linked to the operational level of the sugar division. A favorable government policy with regard to utilization of coal as an alternative fuel to bagasse during off-season of the sugar division is yet to crystallize since the government has not been permitting the power generating companies to utilize the coal as an alternative fuel to bagasse. In view of this, the performance of the power division will continue to be low and added to this factor, any serious impediments to the sugar division will further impact the performance of the power division.

Insurance:

All the properties of the Company including its buildings, Plant and Machinery and Stocks wherever required have been adequately insured.

Disclosures under the Companies Act, 2013

I) Extract of the Annual Return:

The extract of the Annual Return as per provisions of section 92 of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 in form MGT-9 is enclosed to this Report (**Annexure – 1**). The same is posted on the website of the company at www.kakatiyacements.com.

II) Board Meetings:

During the year under review, 4 (Four) Board Meetings were held. The details of the Board Meetings and the attendance of the Directors are furnished elsewhere in the Corporate Governance Report.

III) Changes in Share Capital

There is no change in the Share Capital during the year under review.

IV) Changes in the nature of business, if any

There is no change in the nature of business of the company during the year under review.

V) Audit Committee:

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and Regulation 18 of the Listing Regulations and, inter alia includes:

- a. To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the financial reports of the company and internal control systems. Examination of scope of audit and observations of the Auditors / Internal Auditors and overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.;
- b. To call for the comments of the auditors about internal control systems, scope of audit, including the observations of the auditors and review of financial statements before their submission to the Board and also to discuss any related issues with the internal and statutory auditors and the management of the company;
- c. To evaluate internal financial controls and risk management systems;
- d. To, inter-alia, review Management Discussion and Analysis of financial conditions, results of operations and Statement of Significant Related Party transactions submitted by the management before submission to the Board;
- e. To investigate into any matter in relation to the items referred to it by the Board and for this purpose obtain professional advice from external sources if required;
- f. To make recommendations to the Board on any matter relating to the financial management of the company including the Audit Report;
- g. To approve Related Party Transactions.
- h. Reviewing the functioning of the Whistle Blower mechanism;



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- i. Recommending the appointment, re-appointment, and if required, the replacement or removal of the statutory auditors and fixation of audit fee and approval for payment for any other services.

More details of the Audit Committee are furnished in the Corporate Governance Report.

VI) Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management personnel. The Policy is approved by the Nomination and Remuneration Committee and the Board.

More details on the same are given elsewhere in the Corporate Governance Report.

Nomination and Remuneration Committee:

Scope

The main scope of the Nomination and Remuneration Committee is to determine and recommend to the Board the persons to be appointed / re-appointed as Executive Directors / Non-Executive Directors.

The committee also determines and recommends to the Board the financial component. The compensation of the Executive Directors comprises of fixed components and may also include commission based on the profits earned by the company.

The compensation is determined based on the levels of responsibility and the parameters prevailing in the industry. The Executive Directors are not paid any sitting fee for Board / Committee meetings attended by them. The Non-Executive Directors are paid sitting fee for Board / Committee Meetings attended by them and no other payment is made to them.

The Nomination and Remuneration Committee examines and devises a policy on Board diversity and to formulate criteria for determining qualifications, experience, positive attributes and independence. It also recommends to the Board the factors to be reckoned with in determining the remuneration payable to the Directors.

More details of the Nomination and Remuneration Committee are furnished elsewhere in the Corporate Governance Report.

VII) Related Party Transactions

Particulars of contracts / arrangements entered into by the company with Related Parties referred to in Section 188 (1) of the Companies Act, 2013 for the year ending 31st March, 2021 have been provided in Form No.AOC-2 pursuant to clause (b) of sub Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same are annexed to this Report (**Annexure-2**).

Your directors inform you that Dr. P Anuradha, Chief Executive Officer has been re-appointed for a further period of three years effective from 25th May, 2021. The re-appointment is subject to the approval of members and accordingly the proposal has been placed before the members at the forthcoming Annual General Meeting. The Board commends the Resolution for approval of the members.

VIII) Statement of particulars of Appointment and Remuneration of the Managerial Personnel:

The statement of particulars of Appointment and Remuneration of Managerial Personnel as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ending 31st March, 2021 is annexed to this Report (**Annexure-3**).

IX) Independent Directors' Data Bank

All the Independent Directors of the company have been registered and are members Independent Directors Data Bank maintained by Indian Institute of Corporate Affairs. Renewal of Registration was sought for one year by the existing Independent Directors. In respect of the newly inducted Independent Director, the registration was valid upto February 27, 2026.

X) Statement of declaration furnished by Independent Directors under Section 149(6) of the Companies Act, 2013:

The independent Directors have submitted the declaration of independence as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided for in section 149(6) of the Companies Act, 2013.

XI) Confirmation by the Board

Independent Directors have also confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duty with an objective independent judgment and without any external influence.

Further the Board after taking these declarations / disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant experience to qualify as independent directors of the company and are independent of the management.

XII) Opinion of the Board

Independent Directors of the company strictly adhere to corporate integrity, possess requisite expertise, experience, qualifications to discharge the assigned duties and responsibilities as mandated by the Companies Act, 2013 and Listing Regulations diligently.

XIII) Conservation of energy, technology absorption and foreign exchange earnings and outgo

The information relating to conservation of energy, technology absorption and foreign exchange outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is annexed to this Report.



XIV) Committee Meetings:

The Composition and other details of the Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee are furnished in the Corporate Governance Report. The other details in respect of Audit Committee and Corporate Social Responsibility Committee are also furnished in the Corporate Governance Report.

Directors' Responsibility Statement:

Pursuant to the requirement under section 134 (3) (c) and 134 (5) of the Companies Act, 2013 with respect to the Director's Responsibility statement, the Board of Directors of the Company hereby confirm:

- a. That in the preparation of annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom.
- b. That the Directors have 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 as on 31st March, 2021 and of Profit / loss of the Company for that period.
- c. That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the Directors have prepared the Annual Accounts for the Financial Year ended 31st March, 2021 on a going concern basis.
- e. That the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Evaluation of the Board's Performance:

Evaluation of all Board members will be done on an annual basis. The evaluation is done by the Independent Directors with specific focus on the performance of the Board and individual Directors. The observations of the evaluation made in the previous year, if any, will be considered. At the end of the current year, a comprehensive review will also be done.

The Board evaluation embraces several aspects such as development of suitable strategies and business plans at an appropriate time and its effectiveness, implementation of robust policies, procedures, size and structure and expertise of the Board.

As regards evaluation of whole time Directors, aspects such as achievement of financial / business targets prescribed by the Board, developing and executing business plans, Operational Plans, Risk Management and financial affairs of the organization and Development of policies and strategic plans aligned with the vision and mission of the Company were considered.

With regard to evaluation of non-executive directors, aspects such as participation at the Board / Committee Meetings, effective deployment of knowledge and expertise, independence of behavior and judgment were considered.

As regards evaluation of performance in respect of Committee Meetings, aspects such as discharge of functions and duties as per scope of the Committee, processes and procedures followed in discharging such functions were considered.

In respect of evaluation of the Chairperson, aspects such as managing relationship with the members of the Board and Management, providing ease of raising of issues, positive reception to the concerns by the members of the Board and promoting constructive debate and effective decision making at the Board were taken into account.

Further to comply with Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors have also evaluated the performance of Non-independent Directors, Chairman and the Board as a whole at a separate meeting of independent directors.

A brief note on performance of evaluation of independent directors has been incorporated in the Corporate Governance Report.

Auditors:

M/s. Ramanatham & Rao, Chartered Accountants, (Regn. No.S-2934) Secunderabad have been appointed as Statutory Auditors of the company at the 38th Annual General Meeting held on September 25, 2017 in accordance with the provisions of Section 139 and Section 142(1) of the Companies Act, 2013 read with the companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any (including any statutory modifications or re-enactment thereof for the time being in force). The appointment as Statutory Auditors was for a period of five years from the conclusion of the 38th Annual General Meeting till the conclusion of the 43rd Annual General Meeting to be held in the year 2022. Consequently M/s. Ramanatham & Rao, Chartered Accountants (Regn. No.S-2934) continues to be the Statutory Auditors of the company till the conclusion of 43rd Annual General Meeting as approved by the shareholders at the 38th Annual General Meeting held on September 25, 2017.

As per section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, Cost records are required to be audited. Based on the recommendation of Audit Committee, your Board has appointed M/s. Narasimha Murthy, Cost Accountants, Hyderabad as Cost Auditors for the current year and necessary Resolution for ratification of their remuneration is being placed before the shareholders for their approval in terms of Rule 14 (a) (ii) of the Companies (Audit and Auditors) Rules, 2014.

The Board has appointed Smt. Manjula Aleti, Company Secretary in whole-time Practice to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 for the financial year 2020-2021.



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

The Secretarial Audit Report issued by Smt. Manjula Aleti practicing Company Secretary in Form-MR 3 for the financial year ending 31st March, 2021 is annexed to this Report (**Annexure -4**).

The certificate issued by Smt. Manjula Aleti practicing Company Secretary under schedule V(C)(10)(i) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 stating that none of the directors of the company have been debarred or disqualified from being appointed or continuing as directors of the company by the SEBI/ Ministry of Corporate Affairs or such statutory authority as on 31st March, 2021 is annexed to this Report (**Annexure -5**).

SEBI has made it mandatory on the part of the Listed Companies to secure an Annual Secretarial Compliance Report from a practicing Company Secretary on compliance of all applicable SEBI Regulations and Circulars / guidelines issued there under.

The Company has obtained the Annual Secretarial Compliance Report from Smt. Manjula Aleti practicing Company Secretary for the year ending 31st March, 2021 and the same is annexed to this Report (**Annexure -6**).

The Auditor's Report and the Secretarial Audit Report do not contain any qualification, reservation or adverse remark.

Disclosure under Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place a Policy for prevention of sexual harassment of women at workplace. Internal complaints Committee (ICC) has been setup to address complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

No complaint of sexual harassment has been received during the year under review.

Vigil Mechanism and Whistle Blower Policy:

The whistle blower policy aims at conduct of the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The policy on vigil mechanism and whistle blower policy may be accessed on the company's website: www.kakatiyacements.com.

Risk Management Committee:

The objective behind constitution of the Risk Management Committee is to identify risk, develop appropriate risk mitigation strategies and to monitor activities of the organization and also to highlight the systematic study safeguards against threats, loss and damages of brand, reputation and assets of the company. Improvement of level of awareness and appreciating and managing material business risks are also the objectives of the Risk Management Committee.

The Committee, besides identifying the risk factors, is also expected to manage and monitor risk and ensure that proper internal systems and processes are in place.

More details of the committee are furnished in the Corporate Governance Report.

Environmental Protection:

The Company has been making endeavors to protect the environment from the evil effects of pollution from time to time.

Planting of saplings and seedlings in and around the factories and colonies is being done on a continuous basis so as to develop green belt around the plant to improve the environment.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Statement of Affairs of the company

Members are aware that operations of the company were shutdown in April and May 2020 due to country wide lock down in the wake of covid-19 pandemic. As a result, the production in the cement division has shown a decline in the year under review.

In the sugar division, the company could not procure the mandals and villages of its choice even in the year under review and the inadequate availability of water sources has also impacted the cane production and by extension even the production of sugar to a significant level. The Government Regulation restricting the sale of sugar has also impacted the quantum of sales during the year under review.

The power division has its own operational restraints. Members are aware that the company has not been able to generate power during off-season period in the sugar division since the Government of Telangana has not been conceding to the request of the power entities to generate power using coal as an alternative fuel to the bagasse.

During the year under review, the company has clocked a turnover of Rs.122.80 crores compared to Rs.156.46 crores recorded in the year-ago period. Though the segmental revenue has increased in cement division, compared to the year-ago period, it has registered sharp decline in sugar and power divisions. In the sugar division, the revenue for the year under review is Rs.20.21 crores as against Rs.70.58 crores in the preceding year. The power division has clocked a turnover of Rs.9.19 crores in comparison with Rs.10.15 crores recorded in the previous year.

During the year under review the company has made a provision of Rs.5.46 crores in the power division towards differential wheeling charges based on consultation with the legal advisors.

b) Industry Structure and Development:

The company has a well developed network of dealers for its cement division located in the states of Telangana and Andhra Pradesh and the company therefore is in a reasonably comfortable position in securing orders from its clients. It is heartening to note that some of the dealers have been patronizing the company since inception and the strong bondage that is developed between the company and dealers is one of the prominent features of this mutually beneficial relationship.



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

While the company has a well established structure and dealer net work, the company anticipates that it could have some impact on its performance in the current year because of covid-19 global epidemic. The company shall endeavour its best to mitigate the fixed overheads to the possible extent, combat the critical challenges and move forward with a committed spirit.

Further special focus is laid on health and safety of the workforce and requisite steps are being taken to ensure that the entire workforce sincerely adheres to the prescribed safety norms and adopt prescribed health measures.

The sugar industry is essentially seasonal in its nature. The availability of cane, good rainfall and proper irrigation facilities are primary issues that determine the fortunes of the industry. The allocation of zonal area to the sugar units by the department is also an important factor as allotment of villages having growth potential for cultivation of cane will facilitate higher cane production leading to production of higher volumes in the sugar industry.

c) Opportunities and Threats:

The company is desirous of reaping the benefits of its well positioned dealer network across the states of Telangana and Andhra Pradesh in respect of its cement plant and will make every effort to overcome the bottlenecks in achieving the targeted operations for the current year.

The Government of Telangana has not been permitting power generators to use coal as an alternative fuel during the off season of the sugar industry as a matter of policy which was not the situation a few years ago.

Unless the Government revisits the entire issue keeping in view the interest of entrepreneurs as well as all other stakeholders, it would be difficult for the power generators to survive in the long run as sub-optimal generation of power will seriously impact the viability of the industry.

In the sugar industry, fetching remunerative price for its product, adequate availability of sugar cane with close proximity to the sugar plant and industry-friendly governmental regulations are the key areas of concern.

The company will make its best endeavors in resolving the complicated issues in the sugar and power divisions through negotiations with governmental authorities and will also liaison with the legal advisers in respect of pending litigations concerning the power division.

d) Segment or product-wise performance:

Segment-wise and product-wise performance has been furnished elsewhere in this Report.

e) Medium and long term strategy

The range of market operations in respect of cement product is restricted to the Telangana and Andhra Pradesh. The existing production capacity can be optimally utilized by catering to the requirements of the two Telugu states. In the circumstances no medium and long term strategy is being envisaged by the company in the absence of any immediate plans for expansion

f) Outlook:

Division-wise outlook has been furnished elsewhere in this Report.

g) Risks and concerns:

The Cement, Sugar and Power industries being core industries, there is no risk of product obsolescence or steep fall in demand by way of product substitution or otherwise and, therefore, your Directors do not foresee any major risks and concerns in the near future except as discussed elsewhere in this Report.

The company endeavors its best to effect necessary changes, modifications to the machinery and equipment and also to carry out necessary maintenance works to position the machinery in all the divisions in robust condition so as to keep the bottlenecks at bay.

Consequent to covid-19 global epidemic, the company shall put its best by adopting measures that ensure safety and health of workers. All suitable measures and steps that are within the control of the management shall be put in place to counter the challenges posed by the global epidemic.

h) Internal control systems and their adequacy:

As stated elsewhere in this Report, the Company has adequate internal control systems and the Chief Financial Officer will monitor the Internal audit Reports and brief the Audit Committee in case any deficiency in the system is noticed and corrective measures are adopted to strengthen the system.

i) Financial Performance with respect to operational performance:

This has been discussed elsewhere in this Report.

j) Human Resource Development and Industrial Relations:

The company believes that the quality of its employees is the key to success and is therefore committed to provide necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

Industrial Relations during the year continued to be cordial through effective communication, meetings and negotiations with the work force.

The Company's strength consists of 500 permanent employees as on 31st March, 2021.



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

k) The details of significant changes (change of 25% or more) as compared to the preceding year in key financial ratios are provided herein below :-

| Sl. No. | Particulars | Variation % | Reasons |
|---------|-------------------------------|-------------|---|
| 1. | Debtors Turnover Ratio | * | *Variation is below 25% and need not be reported |
| 2. | Inventory Turnover Ratio | * | *Variation is below 25% and need not be reported |
| 3. | Interest Coverage Ratio | 432.18% | Decrease in borrowings and decrease in profits |
| 4. | Net Profit Margin (%) | 1121.85% | Negative PAT(Profit after tax) |
| 5. | Return on Net worth | 889.44% | Negative PAT(Profit after tax) |
| 6. | Operating Profit Margin Ratio | 388.24% | Low earnings due to provisioning made for wheeling charges and electricity duty |

l) Corporate Social Responsibility:

In compliance with Section 134(3) (a) of the Companies Act, 2013 read with the Companies Corporate Social Responsibility (CSR) policy Rules 2014, the company has established CSR Committee comprising of Shri K Venkat Rao as Chairperson, Shri P Veeraiah and Shri J S Rao as members. The committee is responsible for formulating and monitoring the CSR policy of the Company.

The annual report on CSR activities forms part of this Report (Annexure -7).

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013.

There are no loans, guarantees or investments made or given under Section 186 of the Companies Act, 2013.

Cautionary Statement

Statements in this "Management Discussion and Analysis" may be considered to be "forward looking statements" within the meaning of applicable securities Laws or Regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply conditions, finished goods prices, raw material availability and prices, cyclical demand and pricing in the Company's markets, changes in Government Regulations, tax regimes besides other factors such as litigations and labour negotiations and health and safety related issues concerning all the stakeholders.

Acknowledgement

Your Directors take this opportunity to place on record their sincere thanks to the Banks, the Transco Authorities of Telangana and Andhra Pradesh States and to various departments of the Central and State Governments of Telangana and Andhra Pradesh for their support to the Industry.

The Directors thank the entire network of dealers who have enabled the Company to achieve the volumes and kept up the rapport and friendly association with the company.

The Directors record their appreciation for committed support to the Company by all the employees at all levels throughout the year under reference.

The Directors record their gratitude to all the Shareholders who have been reposing confidence in the Company and its Management.

By Order of the Board
for **Kakatiya Cement Sugar and Industries Limited**

Place : Hyderabad
Date : 16th June, 2021

P Veeraiah
Chairman and Managing Director
DIN : 00276769



ANNEXURE TO DIRECTORS' REPORT:

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

CONSERVATION OF ENERGY

| | | |
|----|--|-------------------|
| a) | Energy Conservation Measures adopted | NIL |
| b) | Additional Investments and Proposal for reduction of Consumption of energy | NIL |
| c) | Impact of the above measures | NIL |
| d) | Total Energy Consumption and Energy Consumption per unit of production | FORM "A" Enclosed |

TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption : FORM "B" Enclosed

FOREIGN EXCHANGE EARNINGS AND OUTGO

| | | |
|--|---|---|
| Activities relating to exports, initiatives taken to increase exports, development of new export market for product & services and export plans. | : | Exports are not contemplated at present |
|--|---|---|

Total foreign exchange used : Nil
Total foreign exchange earned : Nil

FORM-A

Form for Disclosure of particulars with respect to Conservation of Energy

| | CURRENT YEAR 2020-21 | | | PREVIOUS YEAR 2019-20 | | |
|--|----------------------|----------|-------|-----------------------|---------|-------|
| | CEMENT | SUGAR | POWER | CEMENT | SUGAR | POWER |
| A. POWER & FUEL CONSUMPTION | | | | | | |
| 1 ELECTRICITY | | | | | | |
| (a) Purchased (KWH) | 23400130 | 2943165 | -- | 27942950 | 3777797 | -- |
| Total Amount (Rs.) | 154031970 | 30978677 | -- | 179478625 | 3901623 | -- |
| Rate per Unit (Rs.) | 6.58 | 10.53 | -- | 6.42 | 10.56 | -- |
| (b) OWN GENERATION | | | | | | |
| Through Diesel | | | | | | |
| Generators (Units) | 18708 | -- | -- | 2050 | -- | -- |
| Total Amount (Rs.) | 630137 | -- | -- | 71544 | -- | -- |
| Cost per Unit (Rs.) | 33.68 | -- | -- | 34.90 | -- | -- |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

| | CURRENT YEAR 2020-21 | | | PREVIOUS YEAR 2019-20 | | |
|--|----------------------|----------|----------|-----------------------|----------|---------|
| | CEMENT | SUGAR | POWER | CEMENT | SUGAR | POWER |
| 2 FUEL | | | | | | |
| (a) COAL | | | | | | |
| Quantity (MT) | 43821 | -- | -- | 54630 | -- | -- |
| Total Cost (Rs.) | 240517153 | -- | -- | 299904987 | -- | -- |
| Average Rate (Rs.) | 5488.63 | -- | -- | 5489.75 | -- | -- |
| (b) Bagasse/Steam | | | | -- | | |
| Quantity (MT) | -- | 29991 | 18305 | -- | 42804 | 35695 |
| Total Cost (Rs.) | -- | 14485750 | 29768352 | -- | 41819518 | 6742770 |
| Average Rate (Rs.) | -- | 483.00 | 1626.24 | -- | 977.02 | 1889 |
| B. CONSUMPTION PER UNIT OF PRODUCTION | | | | | | |
| 1. Electricity (KWH) | | | | | | |
| Cement (MT) | 97.30 | -- | -- | 94.03 | -- | -- |
| Sugar (MT) | --- | 43.30 | -- | --- | 40.97 | -- |
| Power (KWH) | --- | -- | -- | --- | -- | -- |
| 2. Coal (MT) | 0.199 | | | 0.197 | | |
| (Per ton of clinker) | | | | | | |

FORM - B

Form for disclosure of particulars with respect to Absorption, Research & Development (R & D):

- Specific areas in which R & D carried out by the Company
- Benefits derived as a result of the above R & D
- Future plan of action
- Expenditure on R & D
 - Capital
 - Recurring
 - Total
 - Total R & D expenditure as a Percentage of total turnover

There is no separate Research and Development Wing as the scale of Company's operations are relatively small. However, the Company has fairly good laboratory with adequate testing facility to ensure quality of various inputs and also finished products. Besides the Company continuously endeavours to improve production process and product quality and encourages the technicians and workers to innovate.

Technology Absorption, Adaptation & Innovation - Not applicable

By order of the Board
for **Kakatiya Cement Sugar and Industries Limited**

Place : Hyderabad
Date : 16th June, 2021

P Veeraiah
Chairman and Managing Director
DIN : 00276769



**KAKATIYA CEMENT SUGAR AND
INDUSTRIES LIMITED**

Annexure - 1

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2021

[Pursuant to section 92(3) of the companies act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

| | | | |
|------|--|---|--|
| I. | REGISTRATION AND OTHER DETAILS: | | |
| i) | CIN | : | L26942TG1979PLC002485 |
| ii) | Registration Date | : | 07-07-1979 |
| iii) | Name of the Company | : | KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED |
| iv) | Category / sub-Category of the Company | : | Company Limited by Shares / Public Company |
| v) | Address of the Registered office | : | 1-10-140/1, GURUKRUPA, ASHOK NAGAR, HYDERABAD - 500020 |
| vi) | Whether Listed Company | : | YES |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent. | : | XL SOFTECH SYSTEMS LIMITED, 3, SAGAR SOCIETY, ROAD NO.2, BANJARA HILLS, HYDERABAD - 500034 Phone No.040-23545914/915 |

| | | | |
|---|---|----------------------------------|------------------------------------|
| II. | PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: | | |
| All the business activities contributing 10% or more of the total turnover of the company:- | | | |
| Sl. No | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
| 1 | CEMENT | 3242 | 84% |
| 2 | SUGAR | 2060 | 14% |
| 3 | POWER | 4390 | 2% |

| | | | | | |
|-----------------------|---|-----------|----------------------------------|------------------|--------------------|
| III | PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | | | | |
| Sl. No | NAME AND ADDRESS OF THE COMPANY | CIN / GLN | HOLDING / SUBSIDIARY / ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
| Not Applicable | | | | | |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

| IV. SHARE HOLDING PATTERN as on 31st March, 2021(Equity Share Capital Breakup as percentage of Total Equity) | | | | | | | | | |
|---|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| i) Category-wise Share Holding | | | | | | | | | |
| Category of Shareholders | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % change during the year |
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individuals/ HUF | 4205770 | 0 | 4205770 | 54.10 | 4217872 | 0 | 4217872 | 54.26 | 0.16 |
| (b) Central Government | - | - | - | - | - | - | - | - | - |
| (c) State Government(s) | - | - | - | - | - | - | - | - | - |
| (d) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| Banks / FI | - | - | - | - | - | - | - | - | - |
| (e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(1) | 4205770 | 0 | 4205770 | 54.10 | 4217872 | 0 | 4217872 | 54.26 | 0.16 |
| 2. Foreign | | | | | | | | | |
| (a) NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| Other Individuals | - | - | - | - | - | - | - | - | - |
| (b) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| (c) Banks / FI | - | - | - | - | - | - | - | - | - |
| (d) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter | 4205770 | 0 | 4205770 | 54.10 | 4217872 | 0 | 4217872 | 54.26 | 0.16 |
| (A)= (A)(1)+(A)(2) | | | | | | | | | |
| B. Public shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 200 | 0 | 200 | 0.00 | 200 | 0 | 200 | 0.00 | 0.00 |
| b) Banks / FI | 22449 | 72 | 22521 | 0.29 | 0 | 72 | 72 | 0.00 | -0.29 |
| c) Central Government | - | - | - | - | - | - | - | - | - |
| d) State Government | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(1) | 22649 | 72 | 22721 | 0.29 | 200 | 72 | 272 | 0.00 | -0.29 |
| (2) 2. Non-institutions | | | | | | | | | |
| (a) Bodies Corporate | 152010 | 7634 | 159644 | 2.05 | 148832 | 7654 | 156486 | 2.01 | |
| (b) Individuals - | 3173474 | 194096 | 3367570 | 43.32 | 3192346 | 186837 | 3379183 | 43.47 | |
| i. Individual shareholders holding nominal share capital up to Rs. 1 lakh. | 3010110 | 194096 | 3204206 | 41.22 | 3013433 | 186837 | 3200270 | 41.17 | |
| ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 357460 | 0 | 357460 | 4.60 | 365750 | 0 | 365750 | 4.70 | |
| (c) Other (specify) N R I | 18153 | 0 | 18153 | 0.23 | 20045 | 0 | 20045 | 0.26 | |
| Sub-Total (B)(2) | 3343637 | 201730 | 3545367 | 45.61 | 3361223 | 194491 | 3555714 | 45.74 | |
| Total Public Shareholding | | | | | | | | | |
| Shareholding (B) = | | | | | | | | | |
| (B)(1)+(B)(2) | 3366286 | 201802 | 3568088 | 45.90 | 3361423 | 194563 | 3555986 | 45.74 | |
| (C) Shares held by | | | | | | | | | |
| Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| GRAND TOTAL | | | | | | | | | |
| (A)+(B)+(C) | 7572056 | 201802 | 7773858 | 100 | 7579295 | 194563 | 7773858 | 100 | |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

(ii) Shareholding of Promoters

| Sl. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------|-----------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of shares | % of total shares of the company | % of shares pledged / encumbered total shares | No. of shares | % of total shares of the company | % of shares pledged / encumbered total shares | |
| 1 | P. VEERAIAH | 3567873 | 45.90 | 0 | 3579975 | 46.05 | 0 | 0.16 |
| 2 | SAMRAJYAM PALLEMPATI | 323277 | 4.16 | 0 | 323277 | 4.16 | 0 | 0.00 |
| 3 | TRIVENI JASTI | 69500 | 0.89 | 0 | 69500 | 0.89 | 0 | 0.00 |
| 4 | SHANTI JETTY | 57880 | 0.74 | 0 | 57880 | 0.74 | 0 | 0.00 |
| 5 | SHALINI JETTY | 38000 | 0.49 | 0 | 38000 | 0.49 | 0 | 0.00 |
| 6 | RAGINI JETTY | 36400 | 0.47 | 0 | 36400 | 0.47 | 0 | 0.00 |
| 7 | JUTLA CHANDRA SEKHAR GOUD | 31450 | 0.40 | 0 | 31450 | 0.40 | 0 | 0.00 |
| 8 | JASTI LAKSHMI NALINI | 28520 | 0.37 | 0 | 28520 | 0.37 | 0 | 0.00 |
| 9 | J SIVA RAMA PRASAD | 19350 | 0.25 | 0 | 19350 | 0.25 | 0 | 0.00 |
| 10 | SUKUMARI KONERU | 12000 | 0.15 | 0 | 12000 | 0.15 | 0 | 0.00 |
| 11 | SESHAGIRI RAO JASTI | 10000 | 0.13 | 0 | 10000 | 0.13 | 0 | 0.00 |
| 12 | SAARIKA KONERU | 5720 | 0.07 | 0 | 5720 | 0.07 | 0 | 0.00 |
| 13 | J VENKATA KRISHNA | 3000 | 0.04 | 0 | 3000 | 0.04 | 0 | 0.00 |
| 14 | MUSUNURI RAMAKRISHNA PRASAD | 2000 | 0.03 | 0 | 2000 | 0.03 | 0 | 0.00 |
| 15 | RAAJITHA KONERU | 700 | 0.01 | 0 | 700 | 0.01 | 0 | 0.00 |
| 16 | JASTI CHELAMESWAR (HUF) | 100 | 0.00 | 0 | 100 | 0.00 | 0 | 0.00 |
| | TOTAL | 4205770 | 54.10 | 0 | 4217872 | 54.26 | 0 | 0.16 |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

| SL. NO. | shareholding at the beginning of the year | | shareholding at the end of the year | |
|---------|---|----------------------------------|-------------------------------------|----------------------------------|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | 4205770 | 54.10 | 4217872 | 54.26 |

Shri P Veeraiah, Chief Promoter has acquired 12102 shares during the year. There are no changes in the holding of other promoters.

iv Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl.No | Name | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|-------|--------------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | ANIL ZAWAR | 29824 | 0.38 | 31274 | 0.40 |
| 2 | THAMMANA VYSHNAVI | 0 | 0.00 | 30000 | 0.39 |
| 3 | M HARATHI | 25565 | 0.33 | 25565 | 0.33 |
| 4 | M SEETHAMMA | 25000 | 0.32 | 25000 | 0.32 |
| 5 | PRAKASH S | 24000 | 0.31 | 24000 | 0.31 |
| 6 | MAHENDRA GIRDHARILAL | 0 | 0.00 | 22263 | 0.29 |
| 7 | KAVITHA V | 21969 | 0.28 | 21969 | 0.28 |
| 8 | BACHH RAJ NAHAR | 28110 | 0.36 | 19328 | 0.25 |
| 9 | GALAXY STOCKS AND SECURITIES LIMITED | 0 | 0.00 | 16831 | 0.22 |
| 10 | SUNIL PANALAL ZAWAR | 13824 | 0.18 | 15224 | 0.20 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

| (v) Shareholding of Directors and Key Managerial Personnel: | | | | | |
|---|---------------------|---|----------------------------------|-------------------------------------|----------------------------------|
| SL. NO. | Name | shareholding at the beginning of the year | | shareholding at the end of the year | |
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | P. VEERAAIAH | 3567873 | 45.90 | 3579975 | 46.05 |
| 2 | SESHAGIRI RAO JASTI | 10000 | 0.13 | 10000 | 0.13 |
| | KMP | | | | |
| 1 | B KAMESWARA PRASAD | 800 | 0.01 | 800 | 0.01 |

| V. INDEBTEDNESS (₹. in lakhs) | | | | |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness of the Company including interest outstanding / accrued but not due for payment | | | | |
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the Financial year | | | | |
| i) Principal Amount | 5017.42 | 0.00 | 0 | 5017.42 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0.00 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0.00 |
| Total (i+ii+iii) | 5017.42 | 0 | 0 | 5017.42 |
| Change in Indebtedness during the financial year | | | | |
| * addition | 0 | 0.00 | 0 | 0.00 |
| * Reduction | 1923.81 | 0 | 0 | 1923.81 |
| Net Change | (1923.81) | 0.00 | 0 | (1923.81) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 3093.61 | 0 | 0 | 3093.61 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 3093.61 | 0 | 0 | 3093.61 |

| VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: | | | |
|---|--|---|---------------|
| A. Remuneration to Managing Director (₹. In lakhs) | | | |
| Sl. No. | Particulars of Remuneration | Managing Director | Total |
| 1 | Gross Salary | 77.00 | 77.00 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961. | | |
| | (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961. | 50.65 | 50.65 |
| | © Profits in lieu of salary under section 17(3) Income-Tax Act, 1961 | | |
| 2 | Stock Option | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 |
| 4 | Commission | | |
| | - as % of Profit | 0.00 | 0.00 |
| | - others, specify | | |
| 5 | Others, please specify | 0 | 0 |
| | Total (A) | 127.65 | 127.65 |
| | Ceiling as per the Act is 5% of the net Profits calculated under section 198 of the Companies Act, 2013. | The Remuneration has been in accordance with Schedule V of the Companies Act, 2013. | |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

B. REMUNERATION TO OTHER DIRECTORS:

(₹. In lakhs)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---------|--|-------------------|--------------|--------------|-------------|---------------|--------------|
| | | T R C Bose | B V Subbaiah | K Venkat Rao | J S Rao | M Varalakshmi | |
| 1 | Independent Directors | | | | | | |
| | * Fee for attending Board committee meetings | 3500 | 3750 | 2000 | | | 9250 |
| | * Commission | 0 | 0 | 0 | | | 0 |
| | * Others, please specify | 0 | 0 | 0 | | | 0 |
| | Total (1) | 3500 | 3750 | 2000 | | | 9250 |
| 2 | Other Non-Executive Directors | | | | | | |
| | * Fee for attending Board committee meetings | | | | 2250 | 1250 | 3500 |
| | * Commission | | | | 0 | 0 | 0 |
| | * Others, please specify | | | | 0 | 0 | 0 |
| | Total (2) | | | | 2250 | 1250 | 3500 |
| | Total (B) = (1+2) | 3500 | 3750 | 2000 | 2250 | 1250 | 12750 |
| | Total Managerial Remuneration | | | | | | |
| | Overall ceiling as per the Act | - | | | | | |

Note : No Remuneration is paid to non-executive directors except sitting fee.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL

(₹. In lakhs)

| Sl. No. | Particulars of Remuneration | Particulars of Remuneration | | | | Total Amount |
|---------|--|-----------------------------|-------------------------|-------------------|-------------------------|---------------|
| | | Managing Director | Chief Executive Officer | Company Secretary | Chief Financial Officer | |
| 1 | Gross Salary | 77.00 | 28.98 | 11.16 | 10.80 | 127.94 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961. | | | | | |
| | (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961. | 50.65 | 0 | 0 | 0 | 50.65 |
| | © Profits in lieu of salary under section 17(3) Income-Tax Act, 1961 | 0 | 0 | 0 | 0 | 0.00 |
| 2 | Stock Option | 0 | 0 | 0 | 0 | 0.00 |
| 3 | Sweat Equity | | | 0 | 0 | 0.00 |
| 4 | Commission | | | | | |
| | - as % of Profit | 0 | 0 | 0 | 0 | 0.00 |
| | - others, specify | | | | | |
| 5 | Others, please specify | | | 0 | 0 | 0 |
| | Total | 127.65 | 28.98 | 11.16 | 10.80 | 178.59 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties punishment or compounding of offences during the year ended 31st March, 2021.



Annexure -2

Form No. AOC – 2

(pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2021 which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at arm's length basis.

The details of contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2021 are as follows:-

| Name of Related Party | Nature of relationship | Duration of contract | Salient terms | Amount (₹.in lakhs) |
|-----------------------|---------------------------------------|-----------------------------|--------------------------------------|------------------------|
| Shri P Veeraiah | Key Managerial Personnel | As per approval of members | As per approval of members | 127.65 (130.08) |
| Dr. P Anuradha | Key Managerial Personnel | As per terms of appointment | As per company's policy | 28.98 (28.98) |
| Shri B K Prasad | Key Managerial Personnel | As per terms of appointment | As per company's policy | 11.16 (10.91) |
| Shri M Bhavani Dattu | Key Managerial Personnel | As per terms of appointment | As per company's policy | 10.80 (9.87) |
| Total Remuneration | | | | 178.59 (179.84) |
| Shri P Veeraiah | Key Managerial Personnel/ Promoter | Ongoing | Based on transfer pricing guidelines | 24.00 (24.00) |
| Total Rent | | | | 24.00 |

Place : Hyderabad
Date : 16th June, 2021

By order of the Board
for **Kakatiya Cement Sugar and Industries Limited**

P Veeraiah
Chairman and Managing Director
DIN : 00276769



Annexure – 3

Statement of particulars under section 197 of the companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for 2020-2021.

| S. No | Name of the Director | Ratio of the remuneration to the median remuneration of the employees. |
|-------|--|--|
| 1. | Shri P. Veeraiah (Chairman and Managing Director) | 35:1 |

- (ii) The percentage increase in remuneration of Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the year under review.

| S. No | Name of the Director | Percentage increase in remuneration |
|-------|---|-------------------------------------|
| 1. | Shri P. Veeraiah (Chairman and Managing Director) | Nil |
| 2. | Dr. P Anuradha(Chief Executive Officer) | Nil |
| 3. | Shri B K Prasad (General Manager and Company Secretary) | Nil |
| 4. | Shri M Bhavani Dattu(Chief Financial Officer) | Nil |

Non-Executive Directors are paid sitting fee in respect of the Board or Committee Meetings attended by them. No other Remuneration is paid to them.

- (iii) The percentage increase in the median remuneration of employees in 2020-2021.
3.99%
- (iv) The number of permanent employees on the rolls of company
500
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in the remuneration for the employees is 3.65% excluding that of Key Managerial Personnel while it was 3.51% in the previous year.

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company
Yes.



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

Statement of particulars of employees pursuant to the provisions of Sec 197(12) of the Companies Act, 2013 read with rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

| Name of the employee | age of the employee | Designation of the employee | Gross remuneration received (Rs. In lakhs) | Nature of employment whether contractual or otherwise | Qualifications of the employee | Experience of the employee | Date of commencement of employment | The last employment held by such employee before joining the company |
|----------------------|---------------------|---------------------------------------|--|---|--------------------------------|----------------------------|------------------------------------|--|
| Shri P Veeraiah | 51 years | Chairman and Managing Director | 127.65 | Regular | B.Com | 23 years | 12-05-1998 | -- |
| Dr. P Anuradha | 43 years | Chief Executive Officer | 28.98 | Regular | B.D.S, M.B.A, L.L.M | 14 years | 25-05-2018 | -- |
| Shri B K Prasad | 71 years | General Manager and Company Secretary | 11.16 | Regular | M.Com, LLB, FCS | 40 years | 27-07-2015 | Pitti Laminations Limited |
| Shri M Bhavani Dattu | 68 years | Chief Financial Officer | 10.80 | Regular | M.Com, LLB,ACA, ACS, ACMA, | 41 years | 18-04-2012 | HMT Machine Tools Ltd. |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

(A) List of top ten employees in terms of remuneration drawn in accordance of Rule 5 (2) and 5 (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (₹. In lakhs)

| Sl. No | Name | Designation | Remuneration received | Nature of employment | Qualification and Experience in years | Date of commencement of employment | Age in years | Last employment held | Percentage shares held | Relation ship with directors |
|--------|-----------------------------|---------------------------------------|-----------------------|----------------------|---------------------------------------|------------------------------------|--------------|-----------------------------|------------------------|------------------------------|
| 1. | Shri D Gopala Krishnam Raju | President | 20.28 | Regular | B.E (Mech) 33 years | 14.10.2013 | 56 | Ncl Industries Limited | --- | --- |
| 2. | Shri C Pavan Kumar | President | 19.46 | Regular | B.E (Mech) 38 years | 03.10.2019 | 64 | India Cements. | --- | --- |
| 3. | Shri B Kameswara Prasad | General Manager and Company secretary | 11.16 | Regular | M.Com, LLB, FCS 40 years | 27.07.2015 | 71 | Pitti Engineering Limited | 0.01 | --- |
| 4. | Shri M Bhavani Dattu | Chief Financial Officer | 10.80 | Regular | M.Com ACA, LLB, ACS, ICWA 41 years | 18.04.2012 | 68 | HMT Machine Tools Ltd | --- | --- |
| 5. | Shri k Venkateswara Rao | Manager (Instn) | 8.64 | Regular | DEE 29 years | 29.09.1999 | 55 | KIC Ltd | -- | --- |
| 6. | Shri K Raghunath Babu | Manager (Civil) | 8.63 | Regular | DCE 31 years | 07.09.1990 | 55 | --- | --- | --- |
| 7. | Shri M Rama Krishna | Chief Engineer | 8.25 | Regular | DME 37 years | 08.06.2018 | 64 | Coromandel Sugars | -- | --- |
| 8. | Shri M Vijay Kumar Raju | Manager | 8.24 | Regular | BSC 21 years | 21.06.2014 | 39 | Bheema Cements | --- | --- |
| 9. | Shri K Murali Krishna | Manager (Production) | 8.05 | Regular | B.Sc 37 years | 22.12.1983 | 58 | --- | --- | --- |
| 10. | Shri Y Kumar Chandra | Manager HR | 7.19 | Regular | MSW-LLB 25 years | 26.05.2018 | 49 | Suzlon Energy India Limited | -- | --- |

(B) Employee who worked for full financial year 2020-2021 and received aggregate remuneration of not less than one hundred and two lakh rupees.

| Sl. No. | Name | Designation | Remuneration received | Nature of employment | Qualification and Experience in years | Date of commencement of employment | Age in year | Last employment held | Percentage shares held | Relation ship with directors |
|---------|-----------------|--------------------------------|-----------------------|----------------------|---------------------------------------|------------------------------------|-------------|----------------------|------------------------|------------------------------|
| 1. | Shri P Veeraiah | Chairman and Managing Director | 127.65 | Approved by Members | B.Com 23 years | 05.12.1998 | 51 | --- | 46.05 | -- |

(c) There was no employee who worked for a part of the financial year 2020-2021 and received aggregate remuneration of not less than ₹ 8,50,000/- per month.

By Order of the Board
for Kakatiya Cement Sugar and Industries Limited

P. Veeraiah
Chairman and Managing Director
DIN: 00276769

Place : Hyderabad
Date : 16th June, 2021



**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
Kakatiya Cement Sugar and Industries Limited
CIN: L26942TG1979PLC002485
1-10-140/1, Gurukrupa
Ashoknagar, Hyderabad-500020

I have conducted secretarial audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Kakatiya Cement Sugar and Industries Limited** (hereinafter called the "company") for the Financial Year ended March, 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31st March, 2021 complied with statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of :

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) The compliances under the following Acts were also examined by me.
 - a. The Explosives Act, 1884.
 - b. The Mines Act, 1952.

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company during the financial year under review:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;



**KAKATIYA CEMENT SUGAR AND
INDUSTRIES LIMITED**

- b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;
- f. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

I report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;
- ii) Listing Regulations and uniform Listing Agreement entered into by the company with the BSE Ltd and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors.
- Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- All decisions at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committee of the Board, as the case may be.

I further report that, as per the explanations given to us and the representation made by the Management and relied upon by me, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period, there were no other specific events /actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having major bearing on the Company's affairs.

Place : Hyderabad

Date : 27th May, 2021

CS Manjula Aleti

Practicing Company Secretary

FCS : 10380, COP : 13279

UDIN: F010380C000376295

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



ANNEXURE – A

To,
The Members of
Kakatiya Cement Sugar and Industries Limited
CIN: L26942TG1979PLC002485
1-10-140/1, Gurukrupa
Ashoknagar, Hyderabad-500020

Management Responsibility:

1. It is the responsibility of the management of the company to maintain Secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
6. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

Place : Hyderabad
Date : 27th May, 2021

CS Manjula Aleti
Practicing Company Secretary
FCS : 10380, COP : 13279
UDIN: F010380C000376295



**KAKATIYA CEMENT SUGAR AND
INDUSTRIES LIMITED**

Annexure -5

The Members

Kakatiya Cement Sugar and Industries Limited

1-10-140/1, Gurukrupa

Ashok Nagar

Hyderabad-500020

SUB : Certificate under Schedule V (C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

I, Manjula Aleti, Practicing Company Secretary, have examined the records, books and papers of Kakatiya Cement Sugar and Industries Limited (CIN:L26942TG1979PLC002485) having its registered office at 1-10-140/1, "GURUKRUPA", Ashok Nagar, Hyderabad-500 020, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013 SEBI (Listing Obligations and Disclosure Requirements), 2015 other applicable rules and regulations made there under for Financial year ending 31.03.2021.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the company, its officers and agents, I certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on 31.03.2021.

| SL.No | Name of the Director | Designation | DIN No |
|-------|--------------------------------|--------------------------------|----------|
| 1 | Veeraiah Pallemati | Chairman and Managing Director | 00276769 |
| 2 | Ramesh Chandra Bose Tummala | Independent Director | 00160630 |
| 3 | Seshagiri Rao Jasti | Non- Executive Director | 00029090 |
| 4 | Venkata Subbaiah Boddu | Independent Director | 01147062 |
| 5 | Venkat Rao Kanagala | Independent Director | 06566627 |
| 6 | Varalakshmi Masina | Non- Executive Director | 07585164 |

Place : Hyderabad
Date : 27th May, 2021

CS Manjula Aleti
Practicing Company Secretary
FCS : 10380, COP : 13279
UDIN: F010380C000376317



**SECRETARIAL COMPLIANCE REPORT
OF KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED
[CIN : L26942TG1979PLC002485]
FOR THE YEAR ENDED 31st MARCH, 2021**

I, have examined:

- (a) all the documents and records made available to me and explanation provided by **M/s. KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED** [CIN: L26942TG1979PLC002485] ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) all other documents/ filings that are found to be relevant to rely upon to make this certification, for the year ended 31st March, 2021 ("01.04.2020 to 31.03.2021") in respect of compliance with the provisions of :
 - a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

The following provisions and the circulars/ guidelines issued thereunder were not applicable to the company under the Review Period:

- i. Securities and Exchange Board of India (buyback of Securities) Regulations, 2018;
- ii. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- iii. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2018;
- iv. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- v. Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2018;

I hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.
- c) There are no actions taken against the listed entity/ its promoters/directors either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under.
- d) There are no instances found to me in the listed entity to qualify the report with any observations.

Place : Hyderabad
Date : 19th April, 2021

CS Manjula Aleti
Practicing Company Secretary
FCS : 10380, COP : 13279
UDIN: F010380C000123724



Annexure -7

Annual Report on Corporate Social Responsibility (CSR) Activities:

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1st DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company.

Social and environmental responsibility has always been at the forefront of our operating philosophy and the company has consistently contributed to socially responsible activities. CSR portrays the deep symbiotic relationship that the company enjoys with the communities it is engaged with.

As a responsible corporate citizen it tries to contribute to social and environmental causes on a consistent basis. We believe that to succeed, an organization must maintain high standards of corporate behavior towards its stakeholders i.e. employees, consumers and society in which it operates. We are of the opinion that CSR underlines the objective of bringing about a difference and adding value to our stakeholders' lives.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------|--|--|--|
| 1. | Shri K Venkat Rao | Chairperson / Independent, Non-executive | 1 | 1 |
| 2. | Shri P Veeraiah | Member / Managing Director,(Executive) | 1 | 1 |
| 3. | Shri J S Rao | Member / Non-Independent, Non-Executive | 1 | 1 |

| | | |
|----|---|---|
| 3. | Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company. | http://www.kakatiyacements.com/images/csrpolicy.pdf |
| 4. | Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). | Not applicable |
| 5. | Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any | Not applicable |

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|---------|----------------|---|--|
| | | NA | |

| | | |
|----|--|-------------|
| 6. | Average net profit of the company as per section 135(5). | Rs.612 lacs |
|----|--|-------------|



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

| | | | |
|----|-----|--|---------------|
| 7. | (a) | Two percent of average net profit of the company as per section 135(5) | Rs.12.24 lacs |
| | (b) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | NA |
| | (c) | Amount required to be set off for the financial year, if any | NA |
| | (d) | Total CSR obligation for the financial year (7a+7b-7c). | Rs.12.24 lacs |

| 8. | (a) | CSR amount spent or unspent for the financial year: | | | | |
|---|--|---|------------------|--|-------------------|--|
| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | | |
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. | |
| | 92,63,414 | NA | NA | NA | NA | |

| | | | | | | | | | | | |
|-----------|----------------------|---|-----------------------|--------------------------|-----------|-------------------|-------------------------------------|--------------------------------------|---|-----------------------------------|--|
| 8. | (b) | Details of CSR amount spent against ongoing projects for the financial year: | | | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) |
| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Project duration. | allocated for the project (in Rs.). | the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.). | Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency |
| | | | | State. | District. | | | | | | Name CSR Registration number. |
| 1. | Laying of metal Road | Item X | Yes | Telangana | Khammam | Two years | 27,03,471 | 11,92,824 | --- | Yes | -- NA |
| 2 | Laying of metal Road | Item X | Yes | Telangana | Khammam | Two years | 9,74,900 | 8,01,094 | --- | Yes | -- NA |

| 8. | (c) Details of CSR amount spent against other than ongoing projects for the financial year: | | | | | | | | |
|---------|---|--|-----------------------|--------------------------|-----------|--|--|---|----------------------|
| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Amount spent for the project (in Rs.). | Mode of implementation -Direct (Yes/No). | Mode of implementation - Through implementing agency. | |
| | | | | State. | District. | | | Name. | Registration number. |
| 1 | construction of drain and culverts | Item X | Yes | Telangana | Suryapet | 11,12,845 | Direct | NA | NA |
| 2 | Laying of metal Road | Item X | Yes | Telangana | Khammam | 6,25,039 | Direct | NA | NA |
| 3 | Laying of metal Road | Item X | Yes | Telangana | Khammam | 24,31,577 | Direct | NA | NA |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

| | | | | | | | | | |
|---|---|----------|-----|-----------|-------------|-----------|--------|----|----|
| 4 | Contribution to Hyderabad foundation of deaf women, Hyderabad | Item III | Yes | Telangana | Ranga Reddy | 1,00,000 | Direct | NA | NA |
| 5 | Installation of CC cameras, Hyderabad | Item III | Yes | Telangana | Ranga Reddy | 30,00,035 | Direct | NA | NA |

| | | | |
|----|-----|---|--------------|
| 8. | (d) | Amount spent in Administrative Overheads | --- |
| 8. | (e) | Amount spent on Impact Assessment, if applicable | --- |
| 8. | (f) | Total amount spent for the Financial Year (8b+8c+8d+8e) | Rs.92,63,414 |

| | | | |
|----|-----|-----------------------------------|----|
| 8. | (g) | Excess amount for set off, if any | NA |
|----|-----|-----------------------------------|----|

| Sl. No. | Particulars | Amount (in Rs.) |
|---------|---|-----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 12.24 |
| (ii) | Total amount spent for the Financial Year | 92,63,414 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 80.39 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NA |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 80.39 |

| 9. | (a) Details of Unspent CSR amount for the preceding three financial years: | | | | | | |
|---------|--|--|---|--|------------------|--|--|
| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | Amount remaining to be spent in succeeding financial years. (in Rs.) | |
| | | | | Name of the Fund | Amount (in Rs.). | Date of transfer. | |
| NA | | | | | | | |

| 9. | (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): | | | | | | | |
|--------------|--|----------------------|--|-------------------|--|---|--|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in Rs.). | Amount spent on the project in the reporting Financial Year (in Rs.). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed /Ongoing. |
| 1. | A | Laying of metal Road | 2019-2020 | Two years | 27,03,471 | 11,92,824 | 27,03,431 | Completed |
| 2. | B | Laying of metal Road | 2019-2020 | Two years | 9,74,900 | 8,01,094 | 9,74,803 | Completed |
| Total | | | | | 36,78,371 | 19,93,918 | 36,78,234 | |



**KAKATIYA CEMENT SUGAR AND
INDUSTRIES LIMITED**

| | | |
|---------|---|----|
| 10. | In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year | NA |
| 10. (a) | Date of creation or acquisition of the capital asset(s). | NA |
| 10. (b) | Amount of CSR spent for creation or acquisition of capital asset. | NA |
| 10. (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | NA |
| 10. (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | NA |
| 11. | Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). | NA |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT:

Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company furnishes herein below the details of compliance with the requirements of the Corporate Governance:-

A) Related Party Disclosures:

The transactions with related parties are disclosed in notes to accounts forming part of the Annual Report. All the transactions with related parties are at arm's length and in compliance with the requirements. The related party transactions are approved by the Audit Committee.

In terms of the Companies Act, 2013 and as envisaged under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine related party transactions. The policy can be viewed on the website of the company at www.kakatiyacemets.com.

B) Management Discussion and Analysis(MDA) Report:

- I. The Report on MDA is annexed to the Directors' Report and forms part of the Annual Report.
- II. Disclosure of Accounting Treatment: The Company has followed the accounting standards in preparation of its financial statements.

C) Corporate Governance:

CORPORATE GOVERNANCE REPORT

The Corporate Governance code and company's philosophy

Your Company is committed to implement sound corporate governance practices with a view to bring about accountability and transparency in its operations and thereby meet the aspirations of the shareholders and societal expectations. The Company's corporate governance practices are driven by timely disclosures, transparent accounting policies, internal control on operations and high level of integrity in decision making with an objective to enhance the value to the stakeholders.

Board of Directors:

As of 31st March, 2021, the Board of Directors (Board) comprised of 6 (Six) Directors of which 5 are Non-Executive Directors. The Company has 3 (three) Independent Directors and this constitutes half of the total strength of the Board.

| Sl. No. | Name of the Director | DIN No. | Designation and Category | No. of Board Meetings held | No. of Board Meetings Attended | Whether attended the last Annual General Meeting | Director ship in other Boards | Member ship in other Committees of the company |
|---------|----------------------|----------|--------------------------|----------------------------|--------------------------------|--|-------------------------------|--|
| 01. | P Veeraiah | 00276769 | CMD | 4 | 4 | YES | 0 | 2 |
| 02. | T R C Bose | 00160630 | IND | 4 | 4 | YES | 6 | 3 |
| 03. | J S Rao | 00029090 | NED | 4 | 4 | YES | 7 | 2 |
| 04. | B V Subbaiah | 01147062 | IND | 4 | 4 | YES | 1 | 4 |
| 05. | K Venkata Rao | 06566627 | IND | 4 | 4 | YES | Nil | 3 |
| 06. | M Varalakshmi | 07585164 | NED | 4 | 2 | YES | Nil | 2 |

*Membership in Audit, Stakeholders Relationship and Nomination and Remuneration Committees has been considered.

The Board has an optimum combination of executive, non-executive and independent directors and the composition of the Board is in conformity with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The dates of Board Meetings held during the year under review are: 24.06.2020, 06.08.2020, 29.10.2020 and 28.01.2021. The Maximum gap between any of two consecutive meetings did not exceed 120 days.

Disclosure of Relationship between Directors inter-se:

Not applicable



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

Shareholding of Non-Executive Directors in the company

The number of equity shares of the Company held by Non-Executive Directors as on 31st March, 2021 are as detailed herein below:

| Sl.No | Name of the Director | No. of Equity Shares held in the Company |
|-------|----------------------|--|
| 1 | Shri J S Rao | 10000 |
| 2 | Shri T R C Bose | Nil |
| 3 | Shri B V Subbaiah | Nil |
| 4 | Shri K Venkata Rao | Nil |
| 5 | Smt. M Varalakshmi | Nil |

Pursuant to Regulation 33(3) of SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015, brief particulars of the Director proposed for Re-appointment at the Annual General Meeting are given below:-

| Sl.No. | Name of the appointee | Smt. M Varalakshmi |
|--------|--|--|
| 1. | Date of Birth | 01/07/1959 |
| 2. | Qualification | BSC |
| 3. | Date of first Appointment | 12/08/2016 |
| 4. | Expertise in the specific functional areas | 37 years of experience in Accounts and Banking functions. |
| 5. | Nature of appointment | Retiring by rotation and being eligible offers herself for re-appointment. |
| 6. | Occupation | Business |
| 7. | Remuneration | She is a Non-Executive Director. No remuneration is paid to the Non-Executive Directors except payment of sitting fee for the Board / Committee Meeting attended by the Non-Executive Directors. |
| 8. | Shareholding of Kakatiya Cement Sugar and Industries Limited | Nil |
| 9. | No. of Listed entities in which committee membership / chairmanship held | 1 |
| 10. | No. of Listed entities in which Directorship held | 1 |
| 11. | Inter-se relationship with any other director on the Board. | Not applicable |

Chart setting out the skills/ expertise/ competence of the Board of Directors in terms of clause 2(h) part C of schedule V: Annual Report under Regulation 34(3) 53(f) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

List of core skills / expertise / competence identified by the Board for effective functioning of the business and those actually are available with the Board.

| SL. No. | Expertise in the subject | Shri P Veeraiah | Shri B V Subbaiah | Shri T R C Bose | Shri J S Rao | Shri K Venkatrao | Smt. M Vara Lakshmi |
|---------|--|-----------------|-------------------|-----------------|--------------|------------------|---------------------|
| 1. | Hands on industry experience in the core business | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | Legal matters relating to corporate sector and H R expertise | ✓ | ✓ | ✓ | ✓ | - | - |
| 3. | Budgeting, finance and costing | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. | Expertise in Corporate Governance | ✓ | ✓ | ✓ | ✓ | ✓ | - |
| 5. | Formulation of effective business strategies | ✓ | - | ✓ | ✓ | - | - |

The Board can meet, fulfill and satisfy the core skills / expertise / competence identified by the Board as required in the context of an efficient functioning of its business.

General Body Meetings:

The last three Annual General Meetings were held as under:



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

| Sl. No. | Location | Date and Time | Whether any special resolutions were passed | Postal Ballots |
|---------|---|-------------------------|---|----------------|
| 01. | Through video conferencing (VC) for e-AGM | 09.09.2020 11.00 A.M | NO | NO |
| 02 | Shri Thyagaraya Gana Sabha, Vivek Nagar, Chikkadapally, Hyderabad – 500020. | 11.07.2019 11.00 A.M | YES | NO |
| 03. | Shri Thyagaraya Gana Sabha, Vivek Nagar, Chikkadapally, Hyderabad – 500020. | 20.09.2018 3.00 P.M | NO | NO |

Independent Directors' Meeting

During the year under review, the Independent Directors met on 19th March, 2020, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

Familiarisation Programmes for Directors

During the year under review, no new director was inducted on the Board.

As part of the Corporate Governance, the company conducts Familiarisation Programmes for Independent Directors and other Directors who are inducted into the Board to enable the incumbent Directors to understand the business, culture and processes of the company.

While welcoming the New Director, various important documents of the Company are shared for his / her reference which include the Annual Reports, details of nature of Industry, products, sales and distribution channel and position of the Company in the Industry.

Further, various Codes and Practices will be delivered to him / her for reference and record. The Board evaluation processes and procedures are also explained to the new director.

The Familiarisation Programme is not a one-time affair that is conducted at the time of induction of a new Director. Such Familiarisation Programmes are also conducted during the year for the benefit of the Board Members. The Company presents in an informal manner programmes to familiarize the Board members with the strategy, operations and functions of the Company besides providing updates on relevant legislations to ensure that the Board Members are kept abreast of these Regulations.

These are normally done after conclusion of the Board and Committee Meetings.

The Familiarisation Programmes were imparted to the following Board Members during 2020-2021.

| Sl.No. | Name of the Director | No. of programmes | No. of hours spent |
|--------|----------------------|-------------------|--------------------|
| 1. | T R C Bose | 3 | 4 |
| 2. | B V Subbaiah | 3 | 4 |
| 3. | K Venkat Rao | 3 | 4 |
| 4. | M Varalakshmi | 3 | 4 |
| 5. | J S Rao | 3 | 4 |

Web link where details regarding Familiarisation Programme for Board Members can be viewed: www.kakatiyacements.com.

Performance Evaluation of Independent Directors

The Performance evaluation of Independent directors shall be done by the entire Board excluding the director being evaluated. There are various parameters based on which the performance of the independent Directors is evaluated which include participation at the Board / Committee Meetings, guidance provided to senior Management outside of Board / Committee Meetings, effective deployment of knowledge and expertise, integrity and maintaining of confidentiality, independence of behavior and judgment, impact and influence, exercise of objective independent judgment in the best interest of the Company, ability in monitoring Corporate Governance practices and adherence to the Code of Conduct for independent Directors.

The Board evaluation for the financial year ending 31st March, 2021 has been completed by the company internally which included the evaluation of the performance of the Board as a whole, its committees and directors individually and results of the same were informally shared with the Board.



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

Stakeholders Relationship Committee:

Composition:

The Committee consists of the following Directors:

| | | |
|--------------------|---|----------|
| Shri T R C Bose | - | Chairman |
| Shri B V Subbaiah | - | Member |
| Smt. M Varalakshmi | - | Member |

Shri B Kameswara Prasad, General Manager and Company Secretary is the Compliance Officer.

No. of shareholder complaints received : 1

No. of complaints not solved to the satisfaction of shareholders : NIL

No. of Pending complaints: NIL

Email ID of Investor grievances: shares@kakatiyacements.com

Terms of reference:

The Committee is constituted to address complaints regarding transfer/transmission of shares, non-receipt of share certificates, dividends, annual reports and such other matters.

Audit Committee meetings and attendance during the financial year ended 31st March, 2021:

Four Audit committee meetings were held during the year under review and the attendance details are as under:

| Name of the Director | Designation | No. of Meetings attended |
|----------------------|-------------|--------------------------|
| Shri B V Subbaiah | Chairman | 4 |
| Shri J S Rao | Member | 4 |
| Shri T R C Bose | Member | 4 |

The Audit Committee meetings were held on 22.06.2020, 05.08.2020, 29.10.2020 and 28.01.2021.-

The maximum gap between any two consecutive meetings was not more than 120 days.

Nomination and Remuneration Committee:

The Board constituted a Nomination and Remuneration committee consisting of the following Directors with the role and responsibility duly defined and in accordance with the applicable statutory and other requirements.

| Name of the Director | Designation | Category | Attendance |
|----------------------|-------------|------------------------------|------------|
| Shri B V Subbaiah | Chairman | Non- Executive / Independent | 1 |
| Shri T R C Bose | Member | Non -Executive / Independent | 1 |
| Smt. M Varalakshmi | Member | Non-Executive | 1 |
| Shri K Venkat Rao | Member | Non- Executive / Independent | 1 |

The Nomination and Remuneration committee met on 27.01.2021.

The details of the remuneration paid to whole-time Directors are mentioned in the notes to accounts.

Corporate Social Responsibility (CSR) Committee:

The Company has constituted a committee to formulate a CSR Policy and to implement certain activities as envisaged in schedule VII of the Companies Act, 2013. The CSR Committee has met on 27.01.2021 in the year under review.

| Name of the Director | Designation | Attendance |
|----------------------|-------------|------------|
| Shri K Venkat Rao | Chairman | 1 |
| Shri P Veeraiah | Member | 1 |
| Shri J S Rao | Member | 1 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

Risk Management Committee:

Composition of the Risk Management Committee:

| Name of the Director | Designation |
|----------------------|-------------|
| Shri P Veeraiah | Chairman |
| Shri K Venkata Rao | Member |
| Shri J S Rao | Member |

The Risk Management committee met once on 29.03.2021 in 2020-2021.

Payment of fee to the Statutory Auditors

Given below are the details of fee paid to M/s. Ramanatham & Rao, Chartered Accountant, Statutory Auditors of the Company during the financial year ended 31st March, 2021:

| Sl. No. | Payments to the Statutory Auditors (excluding taxes) | ₹ In lakhs |
|--------------|--|-------------|
| 1. | Statutory Audit fee paid for Audit of the Company | 3.90 |
| 2. | Fee paid for Limited review of the Company | 1.20 |
| 3. | Fee paid for other services | -- |
| 4. | Reimbursement of expenses | -- |
| Total | | 5.10 |

Code of Conduct:

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with by all members of the Board and Senior Management personnel of the Company. An affirmation of the compliance with the code is received from them in respect of the financial year ending 31st March, 2021.

Code of conduct for prevention of Insider Trading:

The company has adopted a code of conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The insider trading code is applicable to all directors, designated employees and their immediate relatives. The code lays down the procedures and guidelines to be followed and disclosures to be made while dealing in the securities of the company. Dealings, if any, by the directors and designated employees in respect of the company's scrip and matters related to insider trading code are reported to the Audit Committee on quarterly basis.

Other Disclosures:

During the year ended 31st March, 2021, there were no materially significant related party transactions which had potential conflict with the interest of the Company at large. The transactions with related parties are disclosed in the notes to the Annual Accounts.

Details of non-compliances, if any:

A statement of compliances with all laws and regulations as certified by the Managing Director and Company Secretary are placed at periodic intervals before the Board.

No penalty of a material nature has been imposed by any Stock Exchange, SEBI or any other regulatory authority during the year under review. The Company's shares were not suspended at any point of time.

The Disclosure of compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Clauses b to i of Sub-Regulation (2) of Regulation 46 are as follows:

| Regulation | Particulars of Regulation | Compliance status (Yes/No) |
|------------|---|----------------------------|
| 17 | Board of Directors | Yes |
| 18 | Audit Committee | Yes |
| 19 | Nomination and Remuneration Committee | Yes |
| 20 | Stakeholders Relationship Committee | Yes |
| 21 | Risk Management Committee | Yes |
| 22 | Vigil mechanism | Yes |
| 23 | Related Party Transactions | Yes |
| 24 | Corporate Governance requirements with respect to subsidiary of listed entity | N.A |
| 25 | Obligations with respect to Independent Directors | Yes |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

| | | |
|-----------------|---|-----|
| 26 | Obligations with respect to Directors and senior management | Yes |
| 27 | Other Corporate Governance requirements | Yes |
| 46(2)(b) to (i) | Website | Yes |

Certification by Chairman and Managing Director and CFO:

The Chairman and Managing Director and Chief Financial Officer have furnished a certificate to the Board as contemplated in schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Disclosure of Material Events:

The Company has adopted a policy on determining materiality of an event or information and furnishing the same to stock exchanges in accordance with Regulation 30 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adoption of Policy on Preservation of Documents:

The Company has adopted the policy on preservation of documents in accordance with Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adoption of Discretionary Requirements

The company has complied with mandatory requirements of Corporate Governance as per SEBI Listing Regulations.

We have yet to adopt the Discretionary Requirements.

Means of Communication:

Quarterly/Half Yearly and Annual Financial Results of the Company are filed with National Stock Exchange of India Limited and BSE Limited and generally published in Financial Express and Andhra Prabha (Telugu Daily). Half Yearly reports are not sent to shareholders separately. They are available on Company's website: www.kakatiyacements.com. The Company has not made any presentations to investors / analysts during the year.

General Shareholder Information:

| | | | |
|----|----------------------------|---|---|
| a) | Annual General Meeting | : | 42 nd Annual General Meeting |
| | Date | : | 2 nd September, 2021 |
| | Time | : | 11.00 A.M |
| | Venue | : | Through video conferencing (VC) for e-AGM |
| b) | Financial Calendar | : | 1 st April to 31 st March |
| c) | Date of Book closure | : | 27 th August, 2021 to 2 nd September, 2021 (both days inclusive) |
| d) | Dividend payment date | : | on or before 1 st October, 2021. |
| e) | Registered Office | : | KAKATIYA CEMENT SUGAR & INDUSTRIES LTD., 1-10-140/1, "GURUKRUPA", Ashok Nagar, HYDERABAD – 500 020. Phone:040-27637717/27633627 Fax No.27630172 CIN:L26942TG1979PLC002485 e-mail : shares@kakatiyacements.com |
| f) | Listing on Stock Exchanges | : | The National Stock Exchange of India Ltd., Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), MUMBAI – 400 051 . BSE Limited, Floor 25, P.J. Towers, Dalal Street, MUMBAI – 400 001 . |
| g) | Code/Symbol | : | NSE – KAKATCEM BSE – 500234 ISIN for NSDL & CDSL: INE437B01014 |

h) Market Price Data: (Source: National Stock Exchange of India Limited Quotations)

| Month and Year | High Rs. | Low Rs. | No. of Shares Traded |
|----------------|----------|---------|----------------------|
| April 2020 | 145.05 | 106.05 | 257320 |
| May 2020 | 158.40 | 113.45 | 874784 |
| June 2020 | 167.70 | 134.25 | 731541 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

| | | | | |
|-----------|------|--------|--------|---------|
| July | 2020 | 150.70 | 133.50 | 312271 |
| August | 2020 | 183.80 | 138.00 | 574567 |
| September | 2020 | 165.00 | 136.45 | 183458 |
| October | 2020 | 170.85 | 140.65 | 412791 |
| November | 2020 | 176.50 | 147.30 | 448964 |
| December | 2020 | 213.00 | 162.30 | 1086435 |
| January | 2021 | 210.00 | 155.75 | 553190 |
| February | 2021 | 180.80 | 153.60 | 435978 |
| March | 2021 | 209.80 | 161.20 | 821058 |

(Source: BSE Limited Quotations)

| Month and Year | High Rs. | Low Rs. | No. of Shares Traded |
|----------------|-------------|------------|----------------------|
| April 2020 | 145.00 | 106.50 | 33216 |
| May 2020 | 159.70 | 110.00 | 97963 |
| June 2020 | 168.00 | 136.10 | 91750 |
| July 2020 | 152.00 | 135.70 | 40281 |
| August 2020 | 182.95 | 137.00 | 92939 |
| September 2020 | 171.00 | 138.00 | 22668 |
| October 2020 | 171.10 | 140.00 | 57036 |
| November 2020 | 180.00 | 150.10 | 52378 |
| December 2020 | 218.00 | 165.05 | 102948 |
| January 2021 | 210.00 | 156.00 | 82164 |
| February 2021 | 180.05 | 153.80 | 50266 |
| March 2021 | 209.00 | 160.80 | 112508 |

i) Address of Registrars and Share Transfer Agents:

XL SOFTECH Systems Limited,

3, Sagar Society, Road No. 2, Banjara Hills,

HYDERABAD – 500 034.

Tel: 040-23545913, 14, 15

Fax: 040-23553214 Email: xlfield@gmail.com

j) Share Transfer System:

The Share Transfer work is being handled by the Company's R & T Agent. Transfer of shares are registered and share certificates are dispatched within the prescribed period provided the documents are in order.

k) Distribution of Shareholding and Shareholding Pattern:

Distribution of Shareholding as on 31.03.2021

| Share Holding | Number of Shareholders | % to total | Number of Shares | % to total |
|---------------|------------------------|------------|------------------|------------|
| Up to 5000 | 25457 | 95.98 | 1400916 | 18.02 |
| 5001 - 10000 | 584 | 2.20 | 464207 | 5.97 |
| 10001 - 20000 | 250 | 0.94 | 380211 | 4.89 |
| 20001 - 30000 | 97 | 0.37 | 249522 | 3.21 |
| 30001 - 40000 | 42 | 0.16 | 150773 | 1.94 |
| 40001 - 50000 | 21 | 0.08 | 96179 | 1.24 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

| | | | | |
|------------------|--------------|---------------|----------------|---------------|
| 50001 - 100000 | 45 | 0.17 | 327652 | 4.21 |
| 100001 and above | 29 | 0.11 | 4704398 | 60.52 |
| Total | 26525 | 100.00 | 7773858 | 100.00 |

Shareholding Pattern as on 31.03.2021:

| Category | No. of Equity Shares | % of Paid-up Capital |
|--|----------------------|----------------------|
| Promoters | 4217872 | 54.26 |
| Other Corporate Bodies | 133452 | 1.72 |
| General Public | 3402217 | 43.76 |
| Non Resident Individuals | 20045 | 0.26 |
| Foreign Institutional Investors & OCBs | 0 | 0.00 |
| Indian Financial Institutions | 0 | 0.00 |
| Mutual Funds & Banks | 272 | 0.00 |
| TOTAL | 7773858 | 100.00 |

l) There are no outstanding GDRs / ADRs / Warrants or any Convertible instruments as on 31st March, 2021.

m) Dematerialisation of Shares:

As on 31st March 2021, 75,79,295 shares were dematerialised with the following depositories:

| | | | |
|-----|---|---|-----------|
| i) | National Securities Depositories Limited | - | 22,52,863 |
| ii) | Central Depository Services (India) Limited | - | 53,26,432 |

n) Plant locations

| CEMENT: | SUGAR & POWER: |
|---|--|
| Srinivasa Nagar Chintalapalem Mandal Suryapet District. Telangana State. | Peruvancha Village Kallur Mandal Khammam District. Telangana State. |

o) Address for correspondence:

Shareholders can correspond at the Registered Office of the Company at Hyderabad, addressed to the Company Secretary or to the Registrars & Share Transfer Agents, whose address has been mentioned elsewhere in this Report.

Place : Hyderabad

Date : 16th June, 2021

P Veeraiah

Chairman and Managing Director

DIN : 00276769

Declaration on Code of Conduct

This is to affirm that all Directors and Senior Management personnel of the company have complied with the code of conduct of the Company for the financial year ended 31st March, 2021 as envisaged under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Hyderabad

Date : 16th June, 2021

P Veeraiah

Chairman and Managing Director

DIN : 00276769



**KAKATIYA CEMENT SUGAR AND
INDUSTRIES LIMITED**

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To
The Members of **Kakatiya Cement, Sugar and Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Kakatiya Cement, Sugar And Industries Limited for the year ended March 31, 2021 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For Ramanatham&Rao
Chartered Accountants
(FRN:S-2934)

Place: Secunderabad
Date: 16th June, 2021

V. NarsimhaPhani
Partner
Membership No.204332
UDIN:21204332AAAABF2898



INDEPENDENT AUDITOR'S REPORT

To

The Members of Kakatiya Cement Sugar and Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Kakatiya Cement Sugar and Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters in our audit of the Company for the year ended 31st March, 2021.



| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|---|---|
| 1 | <p><u>Provision for Wheeling Charges</u></p> <p>Adequacy of the estimated provision made for wheeling charges for the energy generated at bagasse based cogen plant to the cement plant as per the orders of the Hon'ble Supreme Court of India. Refer Note 31(xiv) of the financial statements.</p> <p>Given the significance of the matter, there is a risk that provision made for wheeling charges could significantly vary from what is being estimated.</p> | <p><u>Principal Audit Procedures</u></p> <p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> Reviewed the wheeling agreement entered by the Company with Electricity Companies. Reviewed the wheeling charges tariff orders of State Electricity Regulatory Commission. Verified the workings such as number of units generated by the bagasse based cogen, wheeling charges tariff considered etc. in the respective years. Verified the adequate disclosures made as per Ind AS 1 and Schedule III of the Companies Act, 2013 |
| 2 | <p><u>Evaluation of uncertain tax positions</u></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 31 to the Financial Statements</p> | <p><u>Principal Audit Procedures</u></p> <ul style="list-style-type: none"> Obtained details of completed tax assessments and demands for the year ended 31st March, 2021 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties. |
| 3 | <p><u>Net Realizable Value of Finished Goods</u></p> <p>Finished goods inventory are valued at lower of cost and net realizable value (estimated selling price less estimated cost to sell). Considering that there is always volatility in the selling price of sugar which is dependent upon various market conditions, determination of the net realizable value involves significant management judgement and therefore has been considered as a key audit matter.</p> <p>The total value of finished goods of sugar as at 31st March, 2021 is Rs.3685.39 lakhs..</p> | <p><u>Principal Audit Procedures</u></p> <ul style="list-style-type: none"> Obtained an understanding of the determination of the net realizable values of the commodities and assessed and tested the reasonableness of the significant judgements applied by the management. Evaluated the design of internal controls relating to the valuation of finished goods (including commodities) and also tested the operating effectiveness of the aforesaid controls. 3. Compared the actual realization after the year end / latest realization to assess the |



reasonableness of the net realisable value that was estimated and considered by the management.

- Compared the actual costs incurred to sell after the year end / based on the latest sale transaction to assess the reasonableness of the cost to sell that was estimated and considered by the management.
- Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value.
- Assessed the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting frame work

Information Other than the Financial Statements (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Management Discussion & Analysis, and Report on Corporate Governance but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the year ended 31st March, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us we further report that:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note 31);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016, ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Ramanatham & Rao
Chartered Accountants
(FRN: S-2934)

V. Narsimha Phani
Partner

Place: Secunderabad
Date: 16th June, 2021

Membership No. 204332
UDIN:21204332AAAABE8179



Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal Regulatory Requirements’ section of our report to the Members of the Company on the financial statements for the year ended 31st March, 2021):

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Kakatiya Cement Sugar and Industries Limited** (“the Company”) as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ramanatham & Rao
Chartered Accountants
(FRN: S-2934)

Place: Secunderabad
Date: 16th June, 2021

V. Narsimha Phani
Partner
Membership No.204332
UDIN:21204332AAAABE8179



Annexure “B” to the Independent Auditor’s Report

With reference to Paragraph 2 under ‘Report on Other Legal Regulatory Requirements’ section of our report to the Members of the Company, on the financial statements for the year ended 31st March , 2021, we report that -

- (i) (a) The Company is in the process of updating proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (c) of the said Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans, investments, guarantees and securities made.
- (v) The company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under paragraph 3 (v) of the said Order is not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company as prescribed under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, goods and service tax and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, the particulars of income tax, value added Tax, customs duty as at 31st March, 2021 which have not been deposited on account of any dispute pending, are as under:

| Name of the Statute | Nature of dues | Amount (Rs. in Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|-----------------------------------|-----------------------|------------------------------|---|---|
| Income-Tax Act, 1961 | Income Tax | 12.42 | Assessment Years 1999-2000, 2000-2001 2001-2002 | High Court of Telangana |
| Income-Tax Act, 1961 | Income Tax | 969.26 | Assessment Year 2016-17 | ITAT Hyderabad |
| Income – Tax Act 1961 | Income Tax | 152.50 | Assessment Year 2011-12 | ITAT Hyderabad |
| Income – Tax Act 1961 | Income Tax | 120.68 | Assessment Year 2012-13 | ITAT Hyderabad |
| VAT Act, 2005 | Sales Tax | 29.53 | Financial Year 2012-13 | Appellate Tribunal, Hyderabad |
| VAT Act, 2005 | Sales Tax | 27.52 | Financial Year 2013-14 | Appellate Tribunal, Hyderabad |
| VAT Act ,2005 | Sales Tax | 173.33 | Financial Year 2014-15 | Additional Joint Commissioner Hyderabad |
| Customs Act, 1962 | Customs Duty | 65.77 | Financial year 2012-2013 | Additional Commissioner Customs |
| Telangana state Electricity Board | Electricity Duty | 752.97 | 2003-04 to 2012-13 | High Court of Telangana |



**KAKATIYA CEMENT SUGAR AND
INDUSTRIES LIMITED**

- (viii) The Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, Governments.
- (ix) The Company did not raise any money by way of initial public offer or further public offer during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained other than amounts temporarily invested pending utilization of the funds for the intended use.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

For Ramanatham&Rao
Chartered Accountants
(FRN:S-2934)

V. Narsimha

Phani

Place: Secunderabad
Date: 16th June, 2021

Partner
Membership No.204332
UDIN:21204332AAAABE8179



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

Balance Sheet As At 31st March, 2021

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Note | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|------|---------------------------------------|---------------------------------------|
| I. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 2 | 4,922.36 | 5,095.77 |
| (b) Financial Assets | | | |
| (i) Investments | 3 | 0.62 | 0.51 |
| (c) Other Non-Current Assets | 4 | 4,430.21 | 12,597.95 |
| (2) Current Assets | | | |
| (a) Inventories | 5 | 4,676.98 | 5,682.55 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 6 | 1,182.14 | 1,242.49 |
| (ii) Cash & Cash Equivalents | 7 | 101.02 | 77.66 |
| (iii) Other Bank Balances other than (ii) above | 8 | 12,328.87 | 4,257.78 |
| (iv) Other Financial Assets | 9 | 768.82 | 460.58 |
| (c) Current Tax Assets (net) | 10 | 751.45 | 1,562.46 |
| (d) Other Current Assets | 11 | 814.34 | 470.87 |
| TOTAL ASSETS | | 29,976.81 | 33,278.73 |
| II. EQUITY & LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 12 | 777.39 | 777.39 |
| (b) Other Equity | 13 | 21,077.39 | 21,185.23 |
| LIABILITIES | | | |
| (1) Non-Current Liabilities | | | |
| (a) Provisions | 14 | 31.26 | 9.75 |
| (b) Deferred Tax Liability (Net) | 15 | 948.91 | 978.63 |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 3,093.61 | 5,017.42 |
| (ii) Trade payables | 17 | | |
| (a) Total outstanding dues of Micro & Small Enterprises | | - | - |
| (b) Total outstanding dues of creditors other than Micro & Small Enterprises | | 594.74 | 689.32 |
| (iii) Other Financial Liabilities | 18 | 279.24 | 272.17 |
| (b) Other Current Liabilities | 19 | 3,174.28 | 2,518.71 |
| Total Equity and Liabilities | | 29,976.81 | 31,448.62 |
| Significant Accounting Policies | 1 | | |

The accompanying Notes form an integral part of the Financial Statements.

As per our Report of even date

For and on behalf of the Board of Directors

For Ramanatham & Rao

Chartered Accountants

FR NO. S - 2934

V. Narsimha Phani

Partner

M.No: 204332

Place: Hyderabad

Date : 16.06.2021

P.Veeraiah

Chairman & Managing Director

DIN: 00276769

M.Bhavani Dattu

Chief Financial Officer

B.Kameswara Prasad

General Manager and
Company Secretary



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

Statement of Profit and Loss for the Year ended 31st March, 2021

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Note | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|---|------|--|--|
| I Revenue from Operations | 20 | 12,280.07 | 15,646.80 |
| II Other Income | 21 | 1,086.39 | 1,150.93 |
| III Total Income (I+II) | | 13,366.46 | 16,797.73 |
| IV Expenses | | | |
| Cost of Materials Consumed | 22 | 3,055.93 | 4,435.12 |
| Changes in Inventories of Finished Goods and Work-in-Progress | 23 | 610.66 | 2,264.83 |
| Employee Benefit Expenses | 24 | 2,004.13 | 1,903.34 |
| Finance Cost | 25 | 225.12 | 312.65 |
| Depreciation Expense | 26 | 252.45 | 242.94 |
| Other Expenses | 27 | 5,761.75 | 7,005.12 |
| Total Expenses (IV) | | 11,910.02 | 16,163.99 |
| V Profit before exceptional items and tax (III - IV) | | 1,456.44 | 633.74 |
| VI Exceptional items | | | |
| Wheeling charges | | 545.83 | 650.00 |
| VII Profit Before Tax (V-VI) | | 910.61 | (16.26) |
| VIII Tax Expenses: | | | |
| 1) Current Tax | | 436.00 | 150.00 |
| 2) Earlier Year's Tax | | 378.00 | 7.70 |
| 3) Deferred Tax | | (29.73) | (101.36) |
| IX Profit / (Loss) for the Year (VII-VIII) | | 125.35 | (72.60) |
| X Other Comprehensive Income (OCI) | | | |
| Items that will not be reclassified to profit or loss " | | | |
| (a) Remeasurement of defined benefit plans | | 0.04 | 211.62 |
| (b) Income tax relating to the item (a) above | | (0.01) | (61.62) |
| Other comprehensive income for the year (net of tax) " | | 0.03 | 150.00 |
| XI Total Comprehensive Income for the year (IX+X) | | 125.38 | 77.40 |
| Earning per equity share (Face Value of Rs.10/- each) | | | |
| (i) Basic | 28 | 1.61 | (0.93) |
| (ii) Diluted | | 1.61 | (0.93) |

Significant Accounting Policies 1

The accompanying Notes form an integral part of the Financial Statements.

As per our Report of even date

For Ramanatham & Rao

Chartered Accountants

FR NO. S - 2934

V. Narsimha Phani

Partner

M.No: 204332

Place: Hyderabad

Date : 16.06.2021

For and on behalf of the Board of Directors

P.Veeraiah

Chairman & Managing Director

DIN: 00276769

M.Bhavani Dattu
Chief Financial Officer

B.Kameswara Prasad
General Manager and
Company Secretary



Cash Flow Statement for the Year ended 31st March, 2021

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| A Cash flow from operating activities | | |
| Profit before adjustments | 910.61 | (16.26) |
| Adjustments for: | | |
| Depreciation and amortisation expense | 252.45 | 242.94 |
| Finance costs | 225.12 | 312.65 |
| Loss/Gain in the value of investments | (0.11) | 0.99 |
| Interest income | (1,086.39) | (1,150.93) |
| Operating Profit before working capital changes | 301.66 | (610.61) |
| Change in operating assets and liabilities | | |
| (Increase)/ Decrease in Inventories | 1005.57 | 2511.29 |
| (Increase)/ Decrease in Trade Receivables | 60.35 | (174.70) |
| (Increase)/ Decrease in other financial assets | (308.24) | (83.71) |
| (Increase)/ Decrease in Current Tax assets | 258.14 | (95.28) |
| (Increase)/ Decrease in Other Current assets | (265.58) | 201.52 |
| Increase/ (Decrease) in Trade payables | (94.58) | 409.38 |
| Increase / (Decrease) in other financial liabilities | 28.57 | 289.78 |
| Increase/ (Decrease) in Other Current liabilities | 655.53 | 811.40 |
| Cash Generated from Operations | 1641.43 | 3259.08 |
| Less: Income taxes paid | (340.00) | (557.71) |
| Net cash inflow (outflow) from operating activities | 1301.43 | 2701.37 |
| B Cash flows from investing activities | | |
| Payments for property plant and equipment | (83.61) | (40.08) |
| Proceeds from sale of Assets | 1.01 | - |
| Loss/Gain on sale of Assets | 3.63 | - |
| (Increase)/ Decrease in Fixed deposits | (8071.09) | (414.77) |
| Interest received | 1086.39 | 1150.93 |
| (Increase)/ Decrease in Other Non-Current Assets | 8,167.74 | (0.15) |
| Net cash inflow (outflow) from investing activities | 1104.07 | 695.93 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| C. Cash flow from financing activities | | |
| Repayment of current borrowings including interest | (2148.93) | (3198.19) |
| Dividend paid to company's shareholders (Including corporate dividend tax) | (233.21) | (281.16) |
| Net cash inflow (outflow) from financing activities | (2382.14) | (3479.35) |
| Net increase (Decrease) in cash and cash equivalents | 23.36 | (82.06) |
| Cash and Cash equivalents at the beginning of the year | 77.66 | 159.72 |
| Cash and Cash equivalents at the end of the year | 101.02 | 77.66 |
| Notes to cash flow statement | | |
| 1 Components of cash and cash equivalents | | |
| Balances with banks | 97.81 | 73.29 |
| Cash on hand | 3.21 | 4.37 |
| Cash and cash equivalents considered in the cash flow statement | 101.02 | 77.66 |

2 The above cash flow statement has been prepared under the 'Indirect method' as set out in Indian Accounting Standard - 7 Statement of Cash Flows.

The accompanying Notes form an integral part of the Financial Statements.

Significant Accounting Policies

Note 1

As per our Report of even date

For Ramanatham & Rao

Chartered Accountants

FR NO. S - 2934

For and on behalf of the Board of Directors

P.Veeraiah

Chairman & Managing Director

DIN: 00276769

V. Narsimha Phani

Partner

M.No: 204332

M.Bhavani Dattu
Chief Financial Officer

B.Kameswara Prasad
General Manager and
Company Secretary

Place: Hyderabad

Date : 16.06.2021



**KAKATIYA CEMENT SUGAR AND
INDUSTRIES LIMITED**

Statement of Changes in Equity for the year ended 31st March, 2021

A Equity Share Capital

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Balance at the beginning of the year | 777.39 | 777.39 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of the reporting period | 777.39 | 777.39 |

B Other Equity

| Particulars | Reserves and Surplus | | | | Total |
|---|-----------------------|--------------------|-------------------------|----------------------|-----------------|
| | Securities Premium | General Reserve | Amalgamation Reserve | Retained Earnings | |
| Balance as at 1st April, 2019 | 1391.62 | 2379.92 | 1075.89 | 16541.55 | 21388.99 |
| Profit / (Loss) for the Year | | | | (72.60) | (72.60) |
| Dividends (including corporate dividend tax) | | | | (281.00) | (281.00) |
| Other Comprehensive Income - Remeasurement of defined benefit plans | | | | 150.00 | 150.00 |
| Balance as at 31st March, 2020 | 1391.62 | 2379.92 | 1075.89 | 16337.79 | 21185.23 |
| Profit / (Loss) for the Year | | | | 125.35 | 125.35 |
| Dividend paid | | | | (233.21) | (233.21) |
| Other Comprehensive Income - Remeasurement of defined benefit plans | | | | 0.03 | 0.03 |
| Balance as at 31st March, 2021 | 1391.62 | 2379.92 | 1075.89 | 16229.96 | 21077.39 |

As per our Report of even date

For Ramanatham & Rao

Chartered Accountants

FR NO. S - 2934

V. Narsimha Phani

Partner

M.No: 204332

Place: Hyderabad

Date : 16.06.2021

For and on behalf of the Board of Directors

P.Veeraiah

Chairman & Managing Director

DIN: 00276769

M.Bhavani Dattu
Chief Financial Officer

B.Kameswara Prasad
General Manager and
Company Secretary



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2021

1. Significant Accounting Policies

1. Background

Kakatiya Cement, Sugar and Industries Limited (the "Company") was incorporated in 1979 having its Registered office in Hyderabad. The Company's activities are organized into three operating divisions namely Cement, Sugar and Power. The major activity of the company is to produce, manufacture, refine, sell and generally to deal in all kinds of Portland Cement, sugar, generation and distribution of power.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of Compliance with Ind AS and Basis of Preparation

The Financial Statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

These Financial Statements of the Company as at and for the year ended 31st March, 2021 (including comparatives) were approved and authorised for issue by the Board of Directors of the Company on 16th June, 2021.

New and amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 115, Revenue from contracts with customers
- Uncertainty over Income Tax Treatments- Appendix C to Ind AS 12, Income Taxes
- Amendment to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19, Employee benefits

The amendments listed above did not have any material impact on the amounts recognised in prior periods and to the current period.

2.2 Functional and Presentation Currency

The Financial Statements are presented in Indian Rupees (Rs.) which is also functional currency.

All the values have been rounded off to the nearest rupee in lakhs, unless otherwise indicated.

2.3 Basis of Preparation

Previous year figures have been re-grouped in the Financial Statements wherever required.

The Financial Statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value as under

Employee Defined Benefit Plans :

Plan Assets measured at fair value less present value of defined benefit obligation Certain Financial Assets and Liabilities : Fair Value

2.4 Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable (excluding taxes), net of returns and reduced by any rebates and trade discount allowed.

i) Sale of products

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods and/or services has transferred from the Company to the buyer. Revenue is measured based on consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties.

Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer, and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the goods.

ii) Interest, Dividends and Other Income

Interest and dividend income is recognised when the right to receive payment has been established, it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate.

2.5 Property, Plant and Equipment

Tangible Assets

i) Recognition and Measurement

Items of property, plant and equipment are measured at cost, which include capitalised borrowing costs, less



accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

ii) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

iv) Depreciation/ Amortization

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight line method in respect of plant and machinery and electric plant and installation and using the written down value method in respect of other assets. Depreciation is generally recognised in the Statement of Profit and Loss.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

Depreciation on additions / disposals is provided on a pro rata basis that is from /upto the date on which asset is ready for use /disposed of.

v) Impairment of Assets

Intangible assets and Property, Plant and Equipment (PPE)

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

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

Capital work-in-progress

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation on Capital work-in-progress commences when assets are ready for their intended use and transferred from Capital work-in-progress to Tangible Fixed Assets.

Intangible Assets

i) Initial Recognition and Classification

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii) Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in statement of profit and loss as incurred.



iii) Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives and is included in depreciation and amortisation in Statement of Profit and Loss. The estimated useful lives of computer software are considered not exceeding three years. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

iv) Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

Impairment of Non-Financial Assets.

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.6 Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred and reported in finance costs.

2.7 Current versus Non Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset/ liability is treated as current when it is :-

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- Held primarily for the purpose of trading.
- Expected to be realised/ settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The company has identified 12 months as its operating cycle.

2.8 Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Excess/ shortages, if any, arising on physical verification are absorbed in the respective consumption accounts.

Material in Transit

Valuation of inventories of Material in Transit is done at cost

2.9 Taxes on Income

Income tax comprises Current and Deferred Tax. It is recognised in the Statement of Profit or Loss except to the extent



that it relates to business combination or to an item recognised directly in equity or in other comprehensive income.

I) Current Tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

II) Deferred Tax

Deferred tax liabilities are provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognized in full.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date. Tax relating to items recognised directly in equity/ other comprehensive income is recognised in respective head and not in the Statement of Profit & Loss.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.10 Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in the case of :

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed in the Financial Statements.

2.13 Earnings Per Share

Basic earnings per equity share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

2.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease transaction. The arrangement is, or contains, a lease if fulfillment of the arrangement is



dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in Finance Costs in the Statement of Profit and Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.15 Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined Contribution Plans

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

Defined Benefit Plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include salaries, wages, performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term Employee Benefits

Compensated absences and other benefits like gratuity which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a non-current liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

Bonus Plans

The company recognizes a liability and expenses for business. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.16 Equity, Reserves and Dividend Payments

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.



Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

Dividend distributions payable to equity shareholders is included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

2.17 Significant Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

c) Impairment of Non-financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

d) Estimation of Defined Benefit Obligations

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e) Financial Instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions



of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f) Estimation of Current Tax and Deferred Tax

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

g) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates (ECL). The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowances at the reporting date to the amount that is required is recognised as an impairment gain or loss in statement of profit or loss.

2.18 Fair Value Measurement

The Company measures financial instruments such as investments in mutual funds, certain other investments etc. at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value Measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value Measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Segment Reporting:

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind As 108, the chief operating decision maker evaluates the company's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments.

Standards issued but not yet effective:

There is no such notification which would have been applicable from April 1, 2020



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

2 (a) Property, Plant and Equipment

Changes in thh carrying value property, plant and equipment for the year ended 31.03.2021 (All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Gross carrying amount | | | Accumulated depreciation | | | Net carrying amount |
|------------------------|-----------------------|--------------|-------------|--------------------------|---------------------|---------------------------|---------------------|
| | As at 01.04.2020 | Additions | Deletions | 31.03.2021 | As at 01.04.2020 | For the Year Disposals | As at 31.03.2021 |
| Owned Assets | | | | | | | |
| Cement Division | | | | | | | |
| Freehold Land | 101.23 | - | - | 101.23 | 0.00 | - | 101.23 |
| Buildings | 326.21 | - | - | 326.21 | 39.96 | - | 276.88 |
| Plant & Equipment | 1560.59 | | 0.74 | 1559.85 | 229.96 | - | 1263.93 |
| Other Equipment | 5.87 | | | 5.87 | 5.87 | | 0.00 |
| Furniture and Fixtures | 1.33 | 3.15 | | 4.48 | 0.19 | - | 4.10 |
| Office Equipment | 14.60 | 13.28 | | 27.88 | 7.45 | - | 17.09 |
| Vehicles | 18.24 | 9.25 | 2.91 | 24.58 | 14.81 | - | 6.27 |
| Total | 2028.07 | 25.68 | 3.65 | 2050.10 | 298.23 | 82.37 | 1669.49 |
| Sugar Division | | | | | | | |
| Freehold Land | 156.82 | - | - | 156.82 | - | - | 156.82 |
| Buildings | 1066.65 | - | - | 1066.65 | 228.28 | 57.07 | 781.30 |
| Plant & Equipment | 870.15 | 0.46 | - | 870.61 | 136.93 | 34.81 | 698.87 |
| Other Equipment | 37.63 | | - | 37.63 | 1.24 | 3.52 | 32.87 |
| Furniture and Fixtures | 0.93 | | - | 0.93 | 0.08 | 0.06 | 0.79 |
| Office Equipment | 5.27 | 1.21 | - | 6.48 | 1.71 | 0.73 | 4.04 |
| Vehicles | 1.83 | 18.49 | 0.91 | 19.41 | -5.47 | 6.61 | 18.27 |
| Total | 2139.28 | 20.16 | 0.91 | 2158.53 | 362.77 | 102.80 | 1692.96 |
| Power Division | | | | | | | |
| Factory Buildings | 247.50 | | - | 247.50 | 54.30 | 13.58 | 179.62 |
| Plant & Equipment | 1606.40 | 37.77 | - | 1644.17 | 210.18 | 53.70 | 1380.29 |
| Total | 1853.90 | 37.77 | - | 1891.67 | 264.48 | 67.28 | 1559.91 |
| Grand Total | 6021.25 | 83.61 | 4.56 | 6100.30 | 925.48 | 252.45 | 4922.36 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

2 (a) Property, Plant and Equipment

Changes in the carrying value of property, plant and equipment for the year ended 31.03.2020 (All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Gross carrying amount | | | Accumulated depreciation | | | Net carrying amount |
|------------------------|-----------------------|--------------|-----------|--------------------------|---------------------|------------------------------|---------------------|
| | As at 01.04.2019 | Additions | Deletions | 31.03.2020 | As at 01.04.2019 | For the Year On Disposals | As at 31.03.2020 |
| Owened Assets | | | | | | | |
| Cement Division | | | | | | | |
| Freehold Land | 101.23 | - | - | 101.23 | - | - | 101.23 |
| Buildings | 326.21 | - | - | 326.21 | 30.38 | - | 286.25 |
| Plant & Equipment | 1560.59 | - | - | 1560.59 | 164.00 | - | 1330.63 |
| Other Equipment | 5.87 | - | - | 5.87 | 5.87 | - | 0.00 |
| Furniture and Fixtures | 1.33 | - | - | 1.33 | 0.16 | - | 1.14 |
| Office Equipment | 14.60 | - | - | 14.60 | 5.26 | - | 7.15 |
| Vehicles | 18.24 | - | - | 18.24 | 11.76 | - | 3.43 |
| Total | 2028.07 | - | - | 2028.07 | 217.43 | 80.80 | 1729.84 |
| Sugar Division | | | | | | | |
| Freehold Land | 156.82 | - | - | 156.82 | - | - | 156.82 |
| Buildings | 1066.65 | - | - | 1066.65 | 171.21 | 57.07 | 838.37 |
| Plant & Equipment | 869.53 | 0.62 | - | 870.15 | 102.14 | 34.79 | 733.22 |
| Other Equipment | 0.99 | 36.64 | - | 37.63 | 0.00 | 1.24 | 36.39 |
| Furniture and Fixtures | 0.84 | 0.09 | - | 0.93 | 0.04 | 0.04 | 0.85 |
| Office Equipment | 4.43 | 0.84 | - | 5.27 | 0.93 | 0.78 | 3.56 |
| Vehicles | 1.83 | - | - | 1.83 | -7.33 | 1.86 | 7.30 |
| Total | 2101.09 | 38.19 | - | 2139.28 | 266.99 | 95.78 | 1776.51 |
| Power Division | | | | | | | |
| Factory Buildings | 247.50 | - | - | 247.50 | 40.72 | 13.58 | 193.20 |
| Plant & Equipment | 1604.51 | 1.89 | - | 1606.40 | 157.41 | 52.77 | 1396.22 |
| Total | 1852.01 | 1.89 | - | 1853.90 | 198.13 | 66.35 | 1589.42 |
| Grand Total | 5981.17 | 40.08 | - | 6021.25 | 682.55 | 242.93 | 5095.77 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

Notes to the financial statements for the year ended 31st March, 2021

3 Investments

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Investments in Equity Instruments (Quoted) | | |
| Fair value through Profit and Loss (FVTPL) | | |
| Union Bank of India | 0.62 | 0.51 |
| 1830 (Previous Year 5631) shares of INR 10 each face value | | |
| Total | 0.62 | 0.51 |

* Decrease in number of shares is due to merging Andhra Bank into Union Bank of India. Union Bank of India issued 325 Equity Shares of Rs.10 each fully paid/up for every 1000 Equity Shares of Rs.10 each fully paid/up held in Andhara Bank.

| | | |
|--|------|------|
| Aggregate market value of quoted investments | 0.62 | 0.51 |
| Aggregate amount of unquoted investments | - | - |
| Aggregate amount of impairment in value of investments | - | - |

4 Other Non Current assets

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| (i) Advances other than Capital Advances | | |
| - Deposits with Government | 673.59 | 673.60 |
| - Deposits with others | 3,756.62 | 11,924.35 |
| Total | 4,430.21 | 12,597.95 |

5 Inventories

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Valued at lower of cost and net realizable value | | |
| (i) Raw materials | 53.89 | 105.34 |
| (ii) Work-in-progress | 209.90 | 732.76 |
| (iii) Finished goods | 3,750.71 | 3,838.51 |
| (iv) Stores & Spares(includes Material in Transit of Rs.10.14 Lakhs(P.Y.Rs.03.14 Lakhs) | 712.63 | 1,056.10 |
| Less: Provision for obsolete Items | (50.16) | (50.16) |
| Net Stores and Spares | 662.48 | 1,005.94 |
| Total | 4,676.98 | 5,682.55 |

6 Trade receivables

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Unsecured, Considered Good | 2210.47 | 2010.25 |
| Less: Allowance for expected credit loss | (1,028.32) | (767.76) |
| Total | 1,182.14 | 1,242.49 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

7 Cash and cash equivalents

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|------------------------|---------------------------------------|---------------------------------------|
| a) Balances with banks | | |
| - in current accounts | 97.81 | 73.29 |
| b) Cash on hand | 3.21 | 4.37 |
| Total | 101.02 | 77.66 |

8 Other Bank Balances

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|----------------------------------|---------------------------------------|---------------------------------------|
| a) Earmarked balances with banks | | |
| Unpaid dividend account | 65.30 | 69.24 |
| b) Balances with banks | | |
| Margin money deposit | 12,263.57 | 4,188.54 |
| Total | 12,328.87 | 4,257.78 |

Note 8.a): The Company has transferred unclaimed dividend of INR 9.36 lakhs pertaining to year 2012-13 to the Investor Education Protection Fund on expiry of seven years

9 Other Financial Assets (Current)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|-------------------------------|---------------------------------------|---------------------------------------|
| Employees Advances | 2.21 | 2.91 |
| Interest Accrued on Deposits. | 766.61 | 457.66 |
| Total | 768.82 | 460.58 |

10 Current Tax Assets (Net)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Opening balance | 1,562.46 | 1067.18 |
| Add: Taxes paid | 81.86 | 652.98 |
| Less: Earlier Year's tax expense for the year | (456.87) | (7.70) |
| Less: Current tax expense for the year | (436.00) | (150.00) |
| Total | 751.45 | 1,562.46 |

11 Other Current Assets

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|-----------------------|---------------------------------------|---------------------------------------|
| Prepaid Expenses | 24.45 | 14.66 |
| Advances to suppliers | 586.42 | 349.25 |
| Other Advances | 203.46 | 106.96 |
| Total | 814.34 | 470.87 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

12. Equity share capital

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|---------------|---------------|
| AUTHORIZED: | | |
| 90,00,000 (2020 - 90,00,000) Equity Shares of 10/- each | 900.00 | 900.00 |
| TOTAL | 900.00 | 900.00 |
| ISSUED, SUBSCRIBED & PAID-UP CAPITAL | | |
| 77,73,858 (2020- 77,73,858) Equity Shares of 10/- each | 777.39 | 777.39 |
| TOTAL | 777.39 | 777.39 |

12.1 Movement in Equity Share Capital

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|-------------|------------------------|-------------|
| | Number of shares | Rs. In Lakh | Number of shares | Rs. In Lakh |
| Shares outstanding at the beginning of the year | 77,73,858 | 777.39 | 77,73,858 | 777.39 |
| Add: Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 77,73,858 | 777.39 | 77,73,858 | 777.39 |

12.2 Details of shareholders holding more than 5% shares in the Company

| Name of the shareholder | As at 31 March 2021 | | As at 31 Mar 2020 | |
|-------------------------|------------------------|-----------|----------------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding |
| P Veeraiah | 35,79,975 | 46.05 | 35,67,873 | 45.89 |

12.3 Terms/Rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the distribution will be in proportion to the number of equity shares held by the shareholders.



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

13. Other equity

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | 31-03-2021 | 31-03-2020 |
|----------------------|------------------|------------------|
| Reserves and surplus | | |
| Securities Premium | 1391.62 | 1391.62 |
| General reserve | 2379.92 | 2379.92 |
| Amalgamation Reserve | 1075.89 | 1075.89 |
| Retained earnings | 16229.96 | 16337.79 |
| TOTAL | 21,077.39 | 21,185.23 |

(a) Securities Premium

| Particulars | 31-03-2021 | 31-03-2020 |
|-----------------|------------|------------|
| Opening balance | 1391.62 | 1391.62 |
| Closing balance | 1391.62 | 1391.62 |

(b) General Reserve

| Particulars | 31-03-2021 | 31-03-2020 |
|-----------------|------------|------------|
| Opening balance | 2379.92 | 2092.73 |
| Closing balance | 2379.92 | 2379.92 |

(c) Amalgamation Reserve

| Particulars | 31-03-2021 | 31-03-2020 |
|-----------------|------------|------------|
| Opening balance | 1075.89 | 1075.89 |
| Closing balance | 1075.89 | 1075.89 |

(d) Retained earnings

| Particulars | 31-03-2021 | 31-03-2020 |
|---|------------------|------------------|
| Opening balance | 16,337.79 | 16,541.55 |
| Profit/Loss for the year | 125.35 | (72.60) |
| Dividend including Corporate dividend tax | (233.21) | (281.16) |
| Other comprehensive income | 0.03 | 150.00 |
| Closing balance | 16,229.96 | 16,337.79 |

1. Security premium will be utilised in accordance with the provisions of the Companies Act, 2013
2. General reserve will be utilised for strengthening the financial position and meeting the future contingencies and losses.
3. Amalgamation reserve which was created at the time of amalgamation, will be utilised as per the Companies Act, 2013
- “4. The retained earnings represents the cumulative profits of the Company and effects of the remeasurement of defined benefit obligations. This Reserve will be utilised in accordance with the provisions of the Companies Act, 2013.”



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

14 Provisions (Non-current)

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------------------------------|---------------------------------------|---------------------------------------|
| Provision for employee benefits | | |
| - Leave Encashment | 15.37 | 14.10 |
| - Gratuity | 15.89 | (4.35) |
| Total | 31.26 | 9.75 |

15 Deferred tax liabilities (net)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Deferred tax assets | | |
| Expenses allowable on payment basis | 5.90 | 5.90 |
| Deferred tax liabilities | | |
| On WDV Difference and Actuarial post employment benefits | 954.81 | 984.53 |
| Deferred tax liabilities (net) | 948.91 | 978.63 |

16 Borrowings

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|----------------------------------|---------------------------------------|---------------------------------------|
| a) Secured loans | | |
| Repayable on Demand | | |
| Working capital loans from banks | 3,093.61 | 5,017.42 |
| Total | 3,093.61 | 5,017.42 |

Note 16.1: The Company has taken overdraft facilities from Union Bank of India and State Bank of India against pledge of fixed deposits valuing INR 11,836.92 lakhs (Previous year INR 12,472.80 lakhs) of the company at an average rate of 6.10% p.a.

16.2 Net Debt Reconciliation

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---------------------------------------|---------------------------------------|
| Opening balance of borrowings | 5,017.42 | 7,901.59 |
| Add:- Proceeds from non-current borrowings | | - |
| Less:- Repayment of non-current borrowings | (1,923.81) | - |
| Proceeds/ (repayment) from current borrowings | | (2,884.17) |
| Fair Value Adjustment | | |
| Closing balance of borrowings | 3,093.61 | 5,017.42 |

17 Trade payables

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Dues to micro enterprises and small enterprises | | - |
| Dues to creditors other than micro enterprises and small enterprises | 594.74 | 689.32 |
| Total | 594.74 | 689.32 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

18 Other financial liabilities (Current)

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---------------------------|---------------------------------------|---------------------------------------|
| Employee benefits payable | 201.68 | 190.68 |
| Unpaid dividends* | 65.30 | 69.24 |
| Deposits from stockists | 12.26 | 12.26 |
| Total | 279.24 | 272.17 |

* There are no amounts due to be remitted to Investor Education and Protection Fund out of these amounts.

19 Other Current Liabilities

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|----------------------------------|---------------------------------------|---------------------------------------|
| Provisions | 4.87 | 3.70 |
| Statutory Liabilities and others | 2,879.48 | 2,220.30 |
| Advance from customers | 289.93 | 294.72 |
| Total | 3,174.28 | 2,518.72 |

Note 20.1: The Company filed a writ petition before the Hon'ble High Court of Andhra Pradesh vide W.P.no. 20536 of 2009 against levy of electricity duty @0.25 paise per unit of captive consumption of the electricity generated by the company. The writ petition was dismissed by the hon'ble High Court of judicature of Telangana and Andhra Pradesh on 19.05.2016 and accordingly a provision upto 31.03.2021 of Rs. 943.15 lakhs (Previous year Rs. 934.29 lakhs) is included in the Statutory liabilities.

20 Revenue from operations

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|---------------------------------------|--|--|
| Revenue from contracts with customers | | |
| Sale of products | 12,280.07 | 15,646.80 |
| Total | 12,280.07 | 15,646.80 |
| Details of Products Sold | | |
| Cement | 10,351.26 | 8,749.16 |
| Sugar | 1,722.94 | 6,600.20 |
| Power | 205.86 | 297.44 |
| Total | 12,280.07 | 15,646.80 |

21 Other income

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Interest income on deposits with banks | 1,086.39 | 1,150.93 |
| Total | 1,086.39 | 1,150.93 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

22 Cost of Material consumed

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Cost of Raw materials consumed: | | |
| (i) Limestone | 534.15 | 641.40 |
| (ii) Gypsum | 140.12 | 158.77 |
| (iii) Others | 34.39 | 50.78 |
| (iv) Sugar cane | 1,985.15 | 3,121.52 |
| (v) Laterite | 198.36 | 241.83 |
| (vi) Coal | 163.75 | 220.81 |
| Total | 3,055.93 | 4,435.12 |

23 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|------------------------|--|--|
| Opening balance | | |
| Finished goods | 3,838.51 | 6,302.26 |
| Work-in-progress | 732.76 | 533.84 |
| (A) | 4,571.27 | 6,836.10 |
| Closing balance | | |
| Finished goods | (3,750.71) | (3,838.51) |
| Work-in-progress | (209.90) | (732.76) |
| (B) | (3,960.61) | (4,571.27) |
| Total (A-B) | 610.66 | 2,264.83 |

24 Employee benefits expense

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|---|--|--|
| Salaries, wages and bonus | 1,750.67 | 1,663.39 |
| Contribution to provident and other funds | 105.08 | 99.57 |
| Staff welfare expenses | 148.39 | 140.38 |
| Total | 2,004.13 | 1,903.34 |

25 Finance costs

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Interest on borrowings and Financial Charges | 225.12 | 312.65 |
| Total | 225.12 | 312.65 |

26 Depreciation

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|---|--|--|
| Depreciation on Property, Plant and Equipment | 252.45 | 242.94 |
| Total | 252.45 | 242.94 |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

27 Other expenses

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Consumption of Stores & Spares | 525.43 | 526.49 |
| Consumption of packing materials | 449.13 | 467.89 |
| Power & Fuel | 3,686.61 | 5,222.58 |
| Repairs and Maintenance | | |
| - Building | 4.89 | 0.60 |
| - Plant & Machinery | 18.50 | 9.96 |
| - Others | 40.53 | 31.72 |
| Other Manufacturing Expenses | 228.34 | 232.23 |
| Donations | 30.59 | 35.36 |
| Travelling & Conveyance | 19.72 | 28.40 |
| Professional Fee | 18.97 | 14.99 |
| Payment to Auditors [Refer Note-27(a)] | 6.55 | 6.55 |
| Insurance | 9.27 | 6.80 |
| Communication & Printing Expenses | 8.77 | 13.27 |
| Advertisement & Sales Promotion | 9.60 | 13.43 |
| Selling & Marketing Expenses | 25.71 | 23.82 |
| Rent, Rates & Taxes | 98.91 | 99.60 |
| Provision for Bad and Doubtful debts | 260.57 | - |
| Miscellaneous Expenses | 227.05 | 203.11 |
| Corporate social responsibility expenditure [Refer Note- 27(b)] | 92.63 | 68.30 |
| Total | 5,761.75 | 7,005.10 |

27 a. Payment to auditor

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|---|--|--|
| (a) To statutory auditors | | |
| -Statutory audit fee | 3.90 | 3.90 |
| -For other services (including fees for quarterly audits) | 1.20 | 1.20 |
| (b) To others | | |
| -Cost audit fee | 1.45 | 1.45 |
| Total | 6.55 | 6.55 |

b. Corporate Social Responsibility expenditure

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|---|--|--|
| Amount required to be spent as per Section 135 of the Act | 12.24 | 42.52 |
| Amount spent during the year on : | | |
| 1. Construction/ acquisition of any assets | 91.63 | 67.30 |
| 2. On purposes other than (1) above | 1.00 | 1.00 |



28 Earnings Per share

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Net Profit/(Loss) attributable to the equity Shareholders (A) | 125.35 | (72.60) |
| Weighted average number of Equity Shares outstanding during the period (B) | 77.73 | 77.73 |
| Nominal value of Equity Shares (Rs.) | 10.00 | 10.00 |
| Basic/Diluted Earnings per Share (Rs.) (A/B) | 1.61 | (0.93) |

29. Notes to Employee Benefits

Defined Benefit Plans

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of Rs.20 Lakhs at the time of separation from the company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the fund status and amounts recognised in the balance sheet for the respective plans:"

Changes in the present value of the defined benefit obligation are as follows

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|---|------------------------------|------------------------------|
| Defined benefit obligation at the beginning | 237.68 | 376.72 |
| Current service cost | 16.57 | 14.35 |
| Interest expense | 15.73 | 28.63 |
| Benefits paid | - | (16.50) |
| Actuarial (gain)/ loss on obligations - OCI | 4.88 | (165.52) |
| Defined benefit obligation at the end | 274.87 | 237.68 |

Components of Other Comprehensive Income

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|---|------------------------------|------------------------------|
| Acturtial (gain) / loss on employee benefits | 4.88 | (165.52) |
| Less: Deferred Tax @ 29.12% | (1.42) | 48.20 |
| Acturtial (gain) / loss on employee benefits (net of tax) | 3.46 | (117.32) |



Reconciliation of fair value of plan assets and defined benefit obligation

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|---|------------------------------|------------------------------|
| Fair value of plan assets at the beginning | 242.03 | 242.44 |
| Defined benefit obligation at the beginning | 237.68 | 376.72 |
| Amount recognised in the Balance Sheet at the beginning | 4.35 | (134.28) |
| Fair value of plan assets at the end | 258.98 | 242.03 |
| Defined benefit obligation at the end | 274.87 | 237.68 |
| Amount recognised in the Balance Sheet at the end | (15.89) | 4.35 |

The principal assumptions used in determining gratuity are shown below:

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|------------------------|------------------------------|------------------------------|
| Discount rate | 6.82% | 6.62% |
| Salary escalation rate | 4% | 4% |

Economic and Demographic Assumptions

Economic Assumptions

Estimates of future compensation increases taking into account the inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government securities as at 31st March 2021 for the estimated term of the obligations.

Demographic Assumptions

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|-----------------|--|--|
| Retirement Age | 58 | 58 |
| Mortality table | IALM (2012-14) | IALM (2012-14) |
| Attrition rate | 3% | 3% |

Amount recognised in Statement of Profit and Loss

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Current service cost | 16.57 | 14.35 |
| Net interest expense | 15.73 | 28.63 |
| Remeasurement of Net Benefit Liability/ Asset | (12.07) | (179.57) |
| Amount recognised in Statement of Profit and Loss for year ended | 20.24 | (136.59) |

Amount recognised in Other Comprehensive Income

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Actuarial (gain)/ loss on obligations | 4.88 | (165.52) |
| "Return on plan assets (excluding amounts included in net interest expense)" | (0.92) | - |
| Amount recognised in Other Comprehensive Income for year ended | 3.96 | (165.52) |



The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

| Particulars | Year ended 31 st March, 2021 | Year ended 31 st March, 2020 |
|--|--|--|
| Discount rate (in %) | 6.82 | 6.62 |
| Salary Escalation (in %) | 4.00 | 4.00 |
| Rate of return in plan assets (in %) | 0.00 | 0.00 |
| Expected average remaining working lives of employees (in years) | 9.89 | 10.20 |

A quantitative sensitivity analysis for significant assumption as at 31st March, 2021 is as shown below:

| Particulars | As at 31 st March, 2021 | | As at 31 st March, 2021 | | As at 31 st March, 2021 | |
|--------------------------------------|---------------------------------------|----------------|---------------------------------------|----------------|---------------------------------------|----------------|
| Assumptions | Discount rate | | Salary escalation | | Assumed Attrition Rate | |
| Sensitivity Level | 1% increase | 1% increase | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | 262.36 | 288.75 | 288.26 | 262.61 | 276.93 | 272.57 |

A quantitative sensitivity analysis for significant assumption as at 31st March, 2020 is as shown below:

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | As at 31 st March, 2020 | | As at 31 st March, 2020 | | As at 31 st March, 2020 | |
|--------------------------------------|---------------------------------------|----------------|---------------------------------------|----------------|---------------------------------------|----------------|
| Assumptions | Discount rate | | Salary escalation | | Assumed Attrition Rate | |
| Sensitivity Level | 1% increase | 1% increase | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation | 225.93 | 250.72 | 250.13 | 226.29 | 239.47 | 235.69 |

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

v) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.



Note.31 Provisions, Contingent Liabilities and Contingent Assets:

Disclosures required by Ind AS-37 "Provisions, Contingent Liabilities and Contingent Assets"

- i) Sales tax paid under protest for the Asst. years 2001-02, 2002-03 of Rs.188.56 lakhs against a demand of Rs.188.56 lakhs regarding disputed sales tax on Molasses sales. The matter is pending before the High Court of Telangana.
- ii) The Company had filed an appeal before the Appellate Tribunal (CT) against order of ADC on restriction of ITC for the Year 2012-13 of Rs.29,52,639 and for the year 2013-14 of Rs.27,52,164 pending with Appellate Tribunal.
- iii) The Company had filed an appeal before the Appellate Tribunal (CT) against Penal Charges orders of ADC on restriction of ITC for the Years 2012-13 & 2013-14 for an amount of Rs.2,89,243/- & Rs.2,70,322/- respectively and applied for Stay with The Appellate Tribunal (CT) by paying 70% of the demand.
- iv) For the year 2014-15 the Assessing Officer has raised a demand for an amount of Rs.198.09 Lakhs for non submission of C-Forms and Way Bills against which the company filed an appeal against the above demand before AJC(A) and paid an amount of Rs.24.76 Lakhs being 12.5% on the disputed Tax. Subsequently AJC(A) has passed orders favouring and instructed the Assessing Officer for remand the orders for disposal. The Order is pending with the Assessing Officer for disposal.
- v) The Company has paid Rs.1.00 crore as per the directions of Hon'ble High Court against demand of Rs.850.22 lakhs from the forest department towards Net Present Value (NPV) in respect of diverted forest land for renewal of Mining lease under Forest (Conservation) Act, 1980. The matter is pending in appeal before the High Court of Telangana.
- vi) Company had appealed to Addl.Commissioner of Customs vide appeal no.72/2014 dated 05/06/2014 and 28/2014 dated 25/06/2014 against the demand of the department amounting to Rs. 65.77 Lakhs excluding interest and Penalty for the year 2012-13.
- vii) For the Asst. years 1999-00, 2000-01 and 2001-02 Income tax paid Rs.123.98 lakhs under protest against the demand of Rs.136.40 lakhs towards disallowance of un-absorbed depreciation / losses. The matter pending in appeal before the High Court of Telangana.
- viii) For the Asst.Year 2009-10 penalty has been imposed and the same was adjusted against the refund due and pending in ITAT Hyderabad. for the Asst.Year 2014-15, CIT(A) disposed of the case in favour of the company allowing 80IA deduction, against which the IT department had filed an appeal in ITAT, Hyderabad against the Demand of Rs.2581.75 lakhs, which is pending.
- ix) For the Asst. Year 2011-12 there was a demand of Rs. 152.50 lakhs towards denial of exemption u/s. 80-IA to Company's Power Division. Against ITAT, Hyderabad Orders in favoring to Company 154 Orders to be disposed by the Assessing Officer.
- x) For the Asst. Year 2012-13 there was a demand of Rs. 120.68 lakhs towards denial of exemption u/s. 80-IA to Company's Power Division and the same was adjusted against refund due. The matter is pending before ITAT, Hyderabad.
- xi) For the A.Y.2016-17, the company has filed an appeal before the CIT(A) against the orders passed by the Assessing Officer disallowing 80IA deduction under IT Act. The tax amount is in dispute is Rs.969.26 Lakhs. The CIT(A) disposed of the case in favour of the company allowing 80IA deduction, against which the IT department had filed an appeal in ITAT, Hyderabad, Which is pending.
- xii) The Company had filed a Writ Petition registered as W.P.No.20536 of 2009 before the Hon'ble High Court of Telangana questioning levy of Electricity Duty @ 0.25 per unit by the State Government on captive consumption of the electricity generated by the company. The Writ Petition was dismissed by the Hon'ble High Court on 19.05.2016. The Company preferred a Special Leave Petition before the Hon'ble Supreme Court of India registered as SLP No.22936 of 2016 on 29.07.2016. As per the Interim Orders of the Supreme Court, the Company had paid an amount of Rs.481.32 Lakhs to the Credit of Government of Telangana & Andhra Pradesh. The Appeal before the Supreme Court is yet to come up for hearing and accordingly a provision of Rs. 934.29 Lakhs (Previous year Rs.909.54 Lakhs) has been made.



- (xiii) During the year, the company has received a judgement order from the Hon'ble Supreme Court for the payment of wheeling charges on the power generated by the company and received a demand notices dated 27.06.20, 24.08.2020 and 10.11.2020 from TSSPDCL claiming an amount of Rs.43.83 Crores which also includes the interest element for the period commencing from 2002 and ending with 2017 towards the difference in wheeling and transmission charges on bagasse based Cogen plant.

Accordingly the Company has made the provisions in the financial year ending 2019-2020 & 2020-2021 for an aggregate sum of Rs.1195.83 Lakhs (upto 31.03.2020 Rs.650 Lakhs towards the principal amount in the books of account under the head 'exceptional' items.

In its replies furnished vide letters dt. 25.07.2020 and 12.12.2020, the Company has relied upon the point that the demand for payment of interest is unsustainable in law and therefore no provision has been made in the books of account for the year ended 31.03.2021 towards the interest."

- (xiv) The Company has received a demand notice dated. 01.06.2020 from TSSPDCL, Suryapet claiming an amount of Rs.132.95lakhs towards additional consumption deposit (ACD). The company has filed an appeal vide WP No. 9477/2020 before the Hon'ble High Court of Telangana State. The Hon'ble High Court stayed the above said demand notice vide its interim orders dt. 05.08.2020. Hence, no provision has been made in the books of account during the year.

- (xv) The Company has received Demand notices dated 07.01.2021, 11.02.2021 from TSNPDCL, Warangal directing the Company to pay a sum of Rs.2053.86 lakhs towards Grid Support Charges for the period commencing from 12.04.2002 and ending with 31.03.2009.

The Company has disputed the claim of TSNPDCL in its letters dt. 15.01.2021 and 03.03.2021 on the ground that it is barred by law of limitation. The Company has relied upon the opinion of the Legal Advisors in this regard.

Based on the above legal advice, the Company has not made any provision in the books of account for the year ending 31.03.2021."

- (xvi) A demand notice dated. 07.01.2021 was received by the Company from TSSPDCL, Suryapet, Telangana demanding an amount of Rs.4,25,91,107/- towards differential C.C. charges commencing from April 2014 and ending with February 2020.

The Company vide its reply dated. 22.01.2021 stated that it had entered into an HT agreement with TSSPDCL wherein it has declared its CMD as 4980 KVA for obtaining supply under 132 KV voltage category. TSSPDCL having agreed for the same in the agreement shall not revise the CC Bills. The Company requested the authority to withdraw the said notice. No further developments took place since serving of the representation dt.22.01.2021 to TSSPDCL. No provision has been made in the books of account during the year."

- (xvii) As per interim orders of Hon'ble High Court in WP No.26105/08, wheeling and banking facilities were continued till December 2018. Subsequently the authority had stopped extending these facilities. Aggrieved by this the company had filed an appeal vide WP No.18179/2019 before the Hon'ble High Court of Telangana State. The Hon'ble High Court vide its interim orders dt.09.09.2019 directed TSSPDCL not to take any coercive action against the company. The company on the advice of TSSPDCL had also furnished a letter dt. 09.03.2021 to TSLDC to take appropriate action for continuation of these facilities as per the interim orders of the Hon'ble High Court. In view of the position stated above, the company has been accounting for the wheeled energy to its cement division during the year.

Note :31A Capital and other commitments Rs Nil (P.Y Rs Nil)



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

32. Related party transactions

Names of related parties and nature of relationships:

| Names of the related parties | Nature of relationship |
|---|--------------------------------------|
| i) Key Managerial Personnel (KMP) | |
| Sri P.Veeraiah | Managing director |
| Dr.P.Anuradha | Chief Executive Officer |
| Sri B K Prasad | "General Manager & Company Secretary |
| Sri M Bhavani Dattu | Chief Financial Officer |
| ii) Non-whole-time Directors | |
| Sri J S Rao | Director |
| Sri TRC Bose | Director |
| Sri BV Subbaiah | Director |
| Sri K Venkata Rao | Director |
| Smt. M Varalaxmi | Director |
| iii) Relatives of key managerial personnel | |
| Smt. P.Samrajyam | Mother of Sri P.Veeraiah |
| iv) Enterprises in which key managerial personnel and/or their relatives have control: | |

Details of transactions during the year where related party relationship existed:

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Nature of Transactions | Year ended 31 st March 2021 | Year ended 31 st March 2020 |
|----------------------|---------------------------|---|---|
| Sri P.Veeraiah | Remuneration | 127.65 | 130.08 |
| Dr.P.Anuradha | Remuneration | 28.98 | 28.98 |
| Sri B K Prasad | Remuneration | 11.16 | 10.91 |
| Sri M Bhavani Dattu | Remuneration | 10.80 | 9.87 |
| Sri P.Veeraiah (HUF) | Rent paid | 24.00 | 24.00 |
| T R C Bose | Sitting fees | 0.04 | 0.04 |
| B V Subbaiah | Sitting fees | 0.04 | 0.04 |
| J S Rao | Sitting fees | 0.02 | 0.02 |
| K Venkat Rao | Sitting fees | 0.02 | 0.02 |
| M Varalakshmi | Sitting fees | 0.01 | 0.01 |
| T R C Bose | Reimbursement of expenses | 0.87 | 0.87 |
| B V Subbaiah | Reimbursement of expenses | 0.91 | 0.91 |
| J S Rao | Reimbursement of expenses | 0.63 | 0.63 |
| K Venkat Rao | Reimbursement of expenses | 0.58 | 0.58 |
| M Varalakshmi | Reimbursement of expenses | 0.34 | 0.34 |
| P.Veeraiah | Dividend paid | 107.04 | 105.05 |
| P.Samrajyam | Dividend paid | 9.70 | 9.70 |



**KAKATIYA CEMENT SUGAR AND
INDUSTRIES LIMITED**

33 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Carrying value | | Fair value | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 | As at 31st March, 2021 | As at 31st March, 2020 |
| Financial Assets | | | | |
| Other financial assets | 768.82 | 460.58 | 768.82 | 460.58 |
| Trade receivables | 1,182.14 | 1,242.49 | 1,182.14 | 1,242.49 |
| Cash and cash equivalents | 101.02 | 77.66 | 101.02 | 77.66 |
| Other Bank Balances | 12,328.87 | 16,177.92 | 12,328.87 | 16,177.92 |
| Total | 14,380.86 | 17,958.65 | 14,380.86 | 17,958.65 |
| Financial Liabilities | | | | |
| Long term borrowings | - | - | - | - |
| Short term borrowings | 3,093.61 | 5,017.42 | 3,093.61 | 5,017.42 |
| Trade Payables | 594.74 | 689.32 | 594.74 | 689.32 |
| Current Maturities of long term borrowings | - | - | - | - |
| Other Financial liabilities | 279.24 | 272.17 | 279.24 | 272.17 |
| Total | 3,967.59 | 5,978.91 | 3,967.59 | 5,978.91 |



34. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2021: (All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Date of valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets measured at amortised cost: | | | | | |
| Other financial assets | 31st March, 2021 | 768.82 | - | - | 768.82 |
| Trade receivables | 31st March, 2021 | 1,182.14 | - | - | 1,182.14 |
| Cash and cash equivalents | 31st March, 2021 | 101.02 | - | - | 101.02 |
| Other Bank Balances | 31st March, 2021 | 12,328.87 | - | - | 12,328.87 |

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2020:

| Particulars | Date of valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets measured at amortised cost: | | | | | |
| Other financial assets | 31st March, 2020 | 460.58 | - | - | 460.58 |
| Trade receivables | 31st March, 2020 | 1,242.49 | - | - | 1,242.49 |
| Cash and cash equivalents | 31st March, 2020 | 77.66 | - | - | 77.66 |
| Other Bank Balances | 31st March, 2020 | 16,177.92 | - | - | 16,177.92 |

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March, 2021:

| Particulars | Date of valuation | Total | Fair value measurement using | | |
|--|-------------------|----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets measured at amortised cost: | | | | | |
| Long term borrowings | 31st March, 2021 | - | - | - | - |
| Short term borrowings | 31st March, 2021 | 3,093.61 | - | - | 3,093.61 |
| Trade Payables | 31st March, 2021 | 594.74 | - | - | 594.74 |
| Current Maturities of long term borrowings | 31st March, 2021 | - | - | - | - |
| Other Financial liabilities | 31st March, 2021 | 279.24 | - | - | 279.24 |



Quantitative disclosures fair value measurement hierarchy for liabilities as at 31st March, 2020:

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | Date of valuation | Total | Fair value measurement using | | |
|--|-------------------|----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Liabilities measured at amortised cost: | | | | | |
| Long term borrowings | 31st March, 2020 | - | - | - | - |
| Short term borrowings | 31st March, 2020 | 5,017.42 | - | - | 5,017.42 |
| Trade Payables | 31st March, 2020 | 689.32 | - | - | 689.32 |
| Current Maturities of long term borrowings | 31st March, 2020 | | - | - | - |
| Other Financial liabilities | 31st March, 2020 | 272.17 | - | - | 272.17 |

The management assessed that fair value of financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. . Further, the subsequent measurements of all assets and liabilities is at amortised cost, using effective interest rate method.

The following methods and assumptions were used to estimate fair values:-

- The fair value of the Company's interest bearings borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.

For other non-current financial assets and liabilities the fair value is the same as the amortized cost, measured using the discount rate at the time of initial recognition of financial assets and liabilities

A one percent change in the unobserved inputs used in fair valuation of level 3 Assets and liabilities does not have a significant impact in its value.

Fair value of financial assets and financial liabilities

The carrying value of the current financial assets and current financial liabilities are considered to be same as their values, due to their short-term nature. The non-current borrowings and securities deposits are carried at amortized cost which is considered as their fair value.



35. Financial risk management objectives and policies

Financial Risk Management Framework

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is as follows:

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------|--|--|
| Other financial assets | 768.82 | 460.58 |
| Trade receivables | 1,182.14 | 1,242.49 |
| Cash and cash equivalents | 101.02 | 77.66 |
| Other bank balances | 12,328.87 | 16,177.92 |

Trade receivables:

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a Company of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The company is not expecting any credit loss allowance which is calculated on life time expected credit losses for trade receivables. Credit loss provision on security deposits is taken as 12 months expected credit loss and no loss is expected as at 31st March, 2021, 31st March, 2020

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.



B. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | >5 years | Total |
|------------------------------------|-----------|--------------------|----------------|--------------|----------|--------|
| Year ended 31st March, 2021 | | | | | | |
| Borrowings | | | | | | |
| Trade and other payables | - | - | 594.74 | - | - | 594.74 |
| Other financial liabilities | 279.24 | - | - | - | - | 279.24 |
| Year ended 31st March, 2020 | | | | | | |
| Borrowings | | - | - | - | - | - |
| Trade and other payables | - | - | 689.32 | - | - | 689.32 |
| Other financial liabilities | 272.17 | - | - | - | - | 272.17 |

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

Collateral : Nil

C. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits etc.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowings. The company has borrowed funds on fixed rate of interest, there is no impact on the entity due to any interest fluctuations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The exposure of entity to foreign currency risk is very limited on account of limited transactions in foreign currency.



36 Capital Management

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

Capital includes equity attributable to the equity holders of the Parent. The primary objective of the Companies capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Non-current Borrowings | - | - |
| Current Borrowings | 3,093.61 | 5,017.42 |
| Current Maturities of Long-term borrowings | - | - |
| Less: Cash & Bank balances | (12,429.89) | (4,335.44) |
| Net Debt | (9,336.28) | 681.98 |
| Equity | 777.39 | 777.39 |
| Other Equity | 21,077.39 | 21,185.23 |
| Total Capital | 21,854.78 | 21,962.62 |
| Capital and net debt | 12,518.49 | 22,644.60 |
| Gearing ratio (%) | -74.58% | 3.01% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2021 and 31st March, 2020.

37. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | As at 31 st March, 2021 | As at 31 st March, 2020 |
|--|---------------------------------------|---------------------------------------|
| Principal amount due and remaining unpaid | - | - |
| Interest due on above and the unpaid interest | - | - |
| Interest Paid | - | - |
| Payment made beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable in succeeding years | - | - |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

38. Segment information

The Company's activities are organised into three operating segments namely Cement, Sugar and Power. The Segments are the basis on which the company reports its segment information

Cement division - produce, manufacture, refine and prepare the portland cement

Sugar division - It deals mainly with the crushing of sugar-cane

Power division - It generates and distributes the power

They primarily uses a measure of profit before tax to assess the performance of the operating segments.

Information about Products:

Revenue from external customers- sale of cement sugar and Power is ₹ 15,646.80 lakhs

The company has not made external sales to the customers in excess of 10% or more of the entities revenue.

Segment revenue and expenses:

The Company has an established basis of allocating Joint/Corporate expenses to the segments, which is reasonable, and followed consistently. All other segment revenue and expenses are attributable to the segments.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions that are reported as direct offsets in the balance sheet. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. In such cases, the entire revenue and expenses of these assets including depreciation are also allocated to the same segments. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

Inter segment transfers:

The Company accounts for inter segment sales and transfer at average Market price

Summary of segment information (All amount ₹. in lakhs, unless otherwise stated)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|---------------------------|------------------------------|------------------------------|
| A.Revenue | | |
| Segment revenue | | |
| Cement | 10351.26 | 8749.16 |
| Sugar | 2020.63 | 7058.38 |
| Power | 919.39 | 1014.93 |
| | 13291.28 | 16822.47 |
| Less: Inter Segment sales | 1011.21 | 1175.67 |
| Total revenue | 12280.07 | 15646.80 |
| B.Segment profit | | |
| Cement | 2734.45 | 1168.43 |
| Sugar | (685.37) | (662.30) |
| Power | (913.35) | (209.74) |



KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

(All amount ₹. in lakhs, unless otherwise stated)

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|---------------------------------|------------------------------|------------------------------|
| Segment operating profit | 1135.73 | 296.39 |
| Operating profit | 1135.73 | 296.39 |
| Finance costs | 225.12 | 312.65 |
| Profit before tax | 910.61 | (16.26) |
| Income tax expense | 785.26 | 56.34 |
| Profit/(Loss) after tax | 125.35 | (72.60) |

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|----------------------------|------------------------------|------------------------------|
| Segment Assets | | |
| Cement | 8105.23 | 9937.57 |
| Sugar | 12595.07 | 11824.62 |
| Power | 9276.51 | 9686.43 |
| Total assets | 29976.81 | 31448.62 |
| Segment liabilities | | |
| Cement | 1993.25 | 2094.20 |
| Sugar | 3690.41 | 5507.02 |
| Power | 2438.38 | 1884.78 |
| Total liabilities | 8122.04 | 9486.00 |

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|--|------------------------------|------------------------------|
| Geographical segment revenue by location of customers | | |
| India | 12,280.07 | 15,646.80 |
| Outside India | - | - |
| TOTAL | 12280.07 | 15646.80 |

| Particulars | 31 st March, 2021 | 31 st March, 2020 |
|------------------------------------|------------------------------|------------------------------|
| Geographical segment assets | | |
| India | 29976.81 | 31448.62 |
| Outside India | - | - |
| TOTAL | 29976.81 | 31448.62 |

As per our Report of even date

For Ramanatham & Rao

Chartered Accountants

FR NO. S - 2934

V. Narsimha Phani

Partner

M.No: 204332

Place: Hyderabad

Date : 24.06.2020

For and on behalf of the Board of Directors

P.Veeraiah

Chairman & Managing Director

DIN: 00276769

M.Bhavani Dattu
Chief Financial Officer

B.Kameswara Prasad
General Manager and
Company Secretary

If undelivered, please return to:



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

1-10-140/1, "GURUKRUPA"

ASHOKNAGAR,

HYDERABAD - 500 020.

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