


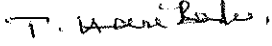

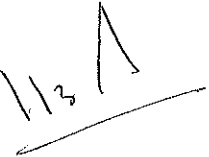
NAVA BHARAT VENTURES LIMITED

NAVA BHARAT CHAMBERS, RAJ BHAVAN ROAD, HYDERABAD-500 082, TELANGANA, INDIA

NAVA BHARAT

FORM A

Format of covering letter of the annual Audit Report
to be filed with the Stock Exchanges

1.	Name of the Company	M/s.Nava Bharat Ventures Limited
2.	Annual financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by:	
	(P.TRIVIKRAMA PRASAD) Managing Director	
	(T.HARI BABU) Chief Financial Officer	
	(P.CHANDRAMOULI) Auditor of the Company	
	(K.BALARAMA REDDI) Audit Committee Chairman	



VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ALSO AT CHENNAI, BANGALORE AND ADONI.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NAVA BHARAT VENTURES LIMITED, HYDERABAD.

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of NAVA BHARAT VENTURES LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

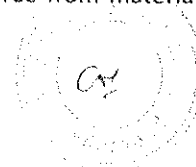
Management's Responsibility for the Standalone Financial Statements

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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

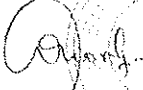


(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Hyderabad
Date : May 29, 2015

for BRAHMAYYA & CO;
Chartered Accountants
Firm's Registration Number: 000513S


(P. CHANDRAMOULI)
Partner
Membership Number: 025211

Annexure to the Auditor's Report:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of NAVA BHARAT VENTURES LIMITED, HYDERABAD, for the year ended March 31, 2015.,

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
2. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. a. During the year, the Company has granted unsecured loan to a Company covered in the register maintained under Section 189 of the Companies Act, 2013. The maximum amount involved during year was USD 6.00 M (equivalent to Rs. 3,749.70 Lakhs) and the year-end balance of such loan was USD 6.00 M (equivalent to Rs. 3,749.70 Lakhs).
b. In our opinion and according to the information and explanations given to us, receipt of the principal amount and interest are as per the terms of such unsecured loan.
4. We are informed that the prices charged to Subsidiary Companies cannot be compared with alternative quotations as most of the items / transactions are of special in nature. Read with the above, in our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete.

7. a. According to the records of the Company, the company regular in depositing undisputed statutory dues including provident fund, employees 'state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax , cess and any other statutory dues with the appropriate authorities.
- b. According to the records of the Company, no un disputed statutory dues including provident fund, employees 'state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax , cess and any other statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except the following:

Name of the Statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Due Date	Date of payment
AP-AL(CFNAP) Act , 2006	Land Conversion Tax	64,66,061	2010 -11		Not yet paid
Orissa Electricity Duty Act, 1961	Electricity Duty	10,91,227 3,25,551 90,239	2008-09 2009-10 2012-13	30.04.2009 30.04.2010 30.04.2013	Not yet paid
Customs Act,1962	Customs Duty	17,61,860	1985- 87		Not yet paid
GoAP (I& CAD Dept.)	Water Charges	3,04,945 1,56,781 1,56,867 2,60,127 1,31,924 1,52,700	2008-09 2009-10 2010-11 2011-12 2012-13 2013-14	30.04.2009 30.04.2010 30.04.2011 30.04.2012 30.04.2013 30.04.2014	Not yet paid
OSPCB	Water Cess	52,560 60,994 11,518	2008-09 2009-10 2011-12	30.04.2009 30.04.2010 30.04.2012	Not yet paid
GoAP, APPCB	Water Cess	12,484 15,976	2008-09 2013-14	31.03.2009 31.03.2014	Not yet paid
The A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	72,60,282	2003-04 to 2007-08	15.04.2008	Not yet paid
- do -	- do -	4,07,520	2008- 09	30.04.2009	Not yet paid
- do -	- do -	4,37,520 2,51,868 5,35,680 5,14,944 53,24,777	May 2010 Jun 2010 July 2010 Aug 2010 Sept 2010	30.06.2010 31.07.2010 31.08.2010 30.09.2010 31.10.2010	Not yet paid
- do -	- do -	52,39,126	2003-04 to 2010-11	30.04.2012	Not yet paid

The A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	48,979 6,45,905 4,95,380	April 2011 May 2011 March 2012	31.05.2011 30.06.2011 30.04.2012	Not yet paid
- do -	- do -	7,12,759 5,59,577	2012-13 2013-14	30.05.2013 30.05.2014	Not yet paid
AP Municipalities Act, 1965	Property Tax	1,52,854 1,81,234 2,52,451	2011-12 2012-13 2013-14	31.03.2012 31.03.2013 31.03.2014	Not yet paid
O S Govt.	Ground Rent	7,592 5,955	2009-10 2011-12	31.03.2010 31.03.2012	Not yet paid
East Coast Railways	Water way line Charges	1,80,932	2002-03 to 2009-10	31.03.2010	Not yet paid
Commissioner, Municipality, Samalkot	Welfare Cess	6,044	2014-15	--	Not yet Paid

- c. According to the records of the Company and the information and explanations given to us, the dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute are as follows.

Name of the Statute	Nature of Dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
AP (Ag. Produce & Live Stock) Marketing Act, 1966	Agricultural Market Cess	28,15,396	1980-81 to 1989-90	The Secretary, Agricultural Marketing Committee, Visakhapatnam
AP Municipalities Act, 1965	Property Tax	1,49,952 2,00,798	1995-96 to 2000-01 1995-96 to 2000-01	Hon'ble High Court of AP
Various Sales Tax Acts	Central Sales Tax	2,20,130	2004-05	Asst. Commissioner of Sales Tax, Range-II, Cuttack
		64,87,532	2000-01	STAT, Hyderabad
	APGST	79,35,607	2003-04	Asst. Commissioner of Commercial Taxes, Warangal
Central Excise Act, 1944	Excise Duty	1,75,08,459	2004-05 to 2009-10	CESTAT, Bangalore
		7,37,00,285	2012-13	CESTAT, Bangalore
		55,29,064	1997-98	CESTAT, New Delhi
		13,690,286	2000-01 to 2001-02	Hon'ble High Court of AP
		11,55,618	2000-01 to 2005-06	Commissioner of Central Excise (Appeals), Visakhapatnam
	Service Tax	36,90,416	Oct 2007 – March 2013	Commissioner of Central Excise (Appeals), Visakhapatnam

Central Excise Act, 1944	Service Tax	44,15,367	2000- 01 to 2010 -11	Hon'ble High Court of A.P.
		1,40,42,859	1996-97 to 2010-11	Hon'ble High Court of A.P.
		20,54,018	2009-12	Appeal yet to be filed
		1,05,44,620	2009-14	Appeal yet to be filed
		6,75,349	April 2012 – September 2013	Deputy Commissioner of Central Excise, Kakinada
		9,13,025	April 2011 – August 2013	Assistant Commissioner of Central Excise, Kakinada
The A.P. Electricity Duty Act, 2003.	Electricity Duty	260,70,764	2003-04 to 2012-13	Hon'ble High Court of AP
		43,085,412	2008- 09 to 2014-15	Appeal yet to be filed
The AP Non-Agricultural Land Assessment Act, 1963	NALA TAX	12,25,116	1993-94 to 1998-99	Hon'ble High Court of AP

- d. According to the records of the Company and the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.
 9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.
 10. In our opinion, the terms and conditions on which the Company has given guarantees for the loans taken by Others from banks and financial institutions are not prima facie prejudicial to the interest of the Company.
 11. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.
 12. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for BRAHMAYYA & CO;
Chartered Accountants
Firm's Registration Number: 0005135


(P. CHANDRAMOULI)
Partner

Membership Number: 025211

Place : Hyderabad
Date : May 29,2015



VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ALSO AT CHENNAI, BANGALORE AND ADONI.

INDEPENDENT AUDITOR'S REPORT

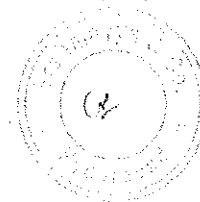
TO THE MEMBERS OF NAVA BHARAT VENTURES LIMITED, HYDERABAD.

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of NAVA BHARAT VENTURES LIMITED, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and Jointly controlled entities comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group including its associates and jointly controlled entities, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its Associates and Jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the presentation of the Consolidated financial statements by the Directors of the holding company as aforesaid.



Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the holding company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

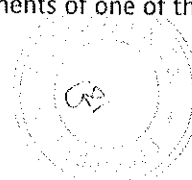
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group, its Associates and Jointly Controlled Entities as at 31st March, 2015, and their Consolidated Profit and their Consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- (a) Note 3 in the Consolidated Financial Statements on Development of Special Economic Zone and the arbitration award relating to the dispute with the Co-Developer.
- (b) Note 4 in the Consolidated Financial Statements on attachment of the investments of one of the subsidiaries.

Our opinion is not modified in respect of these matters.



Other Matters

We did not audit the Consolidated Financial Statements of one of the subsidiaries viz., Nava Bharat (Singapore) Pte. Ltd. Singapore (the group), whose financial statements reflect total assets of USD 516,381,227 equivalent to Rs. 322,712.45 Lakhs, total revenue of USD 69,939,096 equivalent to Rs. 43,708.45 Lakhs and net cash flows amounting to USD 352,104 equivalent to Rs. 220.05 Lakhs. The Consolidated Financial Statements as per the Indian GAAP, of the said subsidiary for the year ended 31st March, 2015 were certified and furnished to us by the Management. Out of the 6 Foreign subsidiaries considered for Consolidation 5 Companies have been audited by other auditors whose reports have been furnished to us and for other Company which is not material to the Group, the Management has certified the financial information.

The auditors of Nava Bharat (Singapore) Pte. Ltd. Singapore (the Company) without qualifying their opinion on the financial Statements drew the attention to the following.

(a) *Financial support from holding company for working capital and loans:*

The Company is dependent on its holding company to give financial support for its ongoing investments. In addition, the subsidiaries were in their preliminary stages of operations. Therefore, the validity of the going concern assumption on which the financial statements are prepared depends on the successful generation of income from these new businesses and continuous availability of the financial support from the holding company. The holding company undertakes to give continuous financial support to meet its obligation as and when required.

(b) *Amount due from subsidiaries:*

As mentioned above, the subsidiaries are in their initial stages of operations. The amounts due from subsidiaries are dependent on the outcome of their business and the directors are of the view that the business of these subsidiaries will be successful. In the event that these outcomes are not favorable, allowances for impairment for these receivables need to be done during subsequent years.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the Auditor's report of the Holding Company and Subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the records of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding company and the reports of the Statutory Auditors of its Subsidiary Companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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:
- The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position in its financial statements – Refer Note 42 to the Consolidated financial statements
 - The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries incorporated in India.

Place : Hyderabad
Date : 29.05.1015

for BRAHMAYYA & CO;
Chartered Accountants
Firm's Registration Number: 000513S

(P. CHANDRAMOULI)
Partner

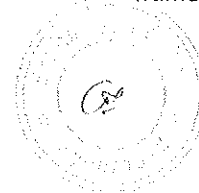
Membership Number: 025211

Annexure to the Auditor's Report:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of NAVA BHARAT VENTURES LIMITED, HYDERABAD, for the year ended March 31, 2015.,

Our report on the Order includes five Subsidiary Companies incorporated in India, to which the order is applicable. The Holding Company together with the Subsidiaries is hereinafter referred to as the Company in reporting.

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
2.
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3.
 - a. During the year, the Company has granted unsecured loan to a foreign Subsidiary covered in the register maintained under Section 189 of the Companies Act, 2013. The maximum amount involved during year was USD 6.00 M (equivalent to Rs. 3,749.70 crores) and the year-end balance of such loan was USD 6.00 M (equivalent to Rs. 3,749.70 Crores).
 - b. In our opinion and according to the information and explanations given to us, receipt of the principal amount and interest are as per the terms of such unsecured loan.
4. We are informed that the prices charged to Subsidiary Companies cannot be compared with alternative quotations as most of the items /transactions are of special in nature. Read with the above, In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.



6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete.
7. a. According to the records of the Company, the company regular in depositing undisputed statutory dues including provident fund, employees 'state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax , cess and any other statutory dues with the appropriate authorities.
- b. According to the records of the Company, no un disputed statutory dues including provident fund, employees 'state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax , cess and any other statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except the following:

Name of the Statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Due Date	Date of payment
AP AL(CFNAP) Act , 2006	Land Conversion Tax	64,66,061	2010 -11		Not yet paid
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Customs Act,1962	Customs Duty	17,61,860	1985 – 87		Not yet paid
GoAP (I & CAD Dept)	Water Charges	3,04,945 1,56,781 1,56,867 2,60,127 1,31,924 1,52,700	2008-09 2009-10 2010-11 2011-12 2012-13 2013-14	30.04.2009 30.04.2010 30.04.2011 30.04.2012 30.04.2013 30.04.2014	Not yet paid
OSPCB	Water Cess	52,560 60,994 11,518	2008-09 2009-10 2011-12	30.04.2009 30.04.2010 30.04.2012	Not yet paid
GoAP, APPCB	Water Cess	12,484 15,976	2008-09 2013-14	31.03.2009 31.03.2014	Not yet paid
The A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	72,60,282	2003-04 to 2007-08	15.04.2008	Not yet paid
- do -	- do -	4,07,520	2008- 09	30.04.2009	Not yet paid
- do -	- do -	4,37,520 2,51,868 5,35,680 5,14,944 53,24,777	May 2010 Jun 2010 July 2010 Aug 2010 Sept 2010	30.06.2010 31.07.2010 31.08.2010 30.09.2010 31.10.2010	Not yet paid

- do -	- do -	52,39,126	2003-04 to 2010-11	30.04.2012	Not yet paid
he A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	48,979 6,45,905 4,95,380	April 2011 May 2011 March 2012	31.05.2011 30.06.2011 30.04.2012	Not yet paid
- do -	- do -	7,12,759 5,59,577	2012-13 2013-14	30.05.2013 30.05.2014	Not yet paid
AP Municipalities Act, 1965	Property Tax	1,52,854 1,81,234 2,52,451	2011-12 2012-13 2013-14	31.03.2012 31.03.2013 31.03.2014	Not yet paid
O S Govt.	Ground Rent	7,592 5,955	2009-10 2011-12	31.03.2010 31.03.2012	Not yet paid
East Coast Railways	Water way line Charges	1,80,932	2002-03 to 2009-10	31.03.2010	Not yet paid
Commissioner, Municipality, Samalkot	Welfare Cess	6,044	2014-15	--	Not yet Paid


- c. According to the records of the Company and the information and explanations given to us, the dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute are as follows.

Name of the Statute	Nature of Dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
AP (Ag. Produce & Live Stock) Marketing Act, 1966	Agricultural Market Cess	28,15,396	1980-81 to 1989-90	The Secretary, Agricultural Marketing Committee, Visakhapatnam
AP Municipalities Act, 1965	Property Tax	1,49,952 2,00,798	1995-96 to 2000-01 1995-96 to 2000-01	Hon'ble High Court of AP
Various Sales Tax Acts	Central Sales Tax	2,20,130	2004-05	Asst. Commissioner of Sales Tax, Range-II, Cuttack
		64,87,532	2000-01	STAT, Hyderabad
	APGST	79,35,607	2003-04	Asst. Commissioner of Commercial Taxes, Warangal
Central Excise Act, 1944	Excise Duty	1,75,08,459	2004-05 to 2009-10	CESTAT, Bangalore
		7,37,00,285	2012-13	CESTAT, Bangalore
		55,29,064	1997-98	CESTAT, New Delhi
		13,69,286	2000-01 to 2001-02	Hon'ble High Court of AP
		11,55,618	2000-01 to 2005-06	Commissioner of Central Excise (Appeals), Visakhapatnam
	Service Tax	36,90,416	Oct 2007 – March 2013	Commissioner of Central Excise (Appeals), Visakhapatnam

Central Excise Act, 1944	Service Tax	44,15,367	2000- 01 to 2010 -11	Hon'ble High Court of A.P.
		1,40,42,859	1996-97 to 2010-11	Hon'ble High Court of A.P.
		20,54,018	2009-12	Appeal yet to be filed
		1,05,44,620	2009-14	Appeal yet to be filed
		6,75,349	April 2012 – September 2013	Deputy Commissioner of Central Excise, Kakinada
		9,13,025	April 2011 – August 2013	Assistant Commissioner of Central Excise, Kakinada
The A.P. Electricity Duty Act, 2003.	Electricity Duty	260,70,764	2003-04 to 2012-13	Hon'ble High Court of AP
		43,085,412	2008- 09 to 2014-15	Appeal yet to be filed
The AP Non-Agricultural Land Assessment Act, 1963	NALA TAX	12,25,116	1993-94 to 1998-99	Hon'ble High Court of AP

- d. According to the records of the Company and the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.
 9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.
 10. In our opinion, the terms and conditions on which the Company has given guarantees for the loans taken by Others from banks and financial institutions are not prima facie prejudicial to the interest of the Company.
 11. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.
 12. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for BRAHMAYYA & CO;
Chartered Accountants
Firm's Registration Number: 000513S



(P. CHANDRAMOULI)

Partner

Membership Number: 025211

Place : Hyderabad
Date : 29.05.2015



NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

43rd Annual Report 2014-15

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Corporate Information



BOARD OF DIRECTORS

WHOLETIME DIRECTORS

SRI ASHOK DEVINENI, Chairman
SRI P. TRIVIKRAMA PRASAD, Managing Director
SRI G.R.K. PRASAD, Executive Director
SRI C.V. DURGA PRASAD, Director (Business Development)

INDEPENDENT DIRECTORS

SRI K. BALARAMA REDDI
Dr. E.R.C. SHEKAR
Dr. M.V.G. RAO
Dr. D. NAGESWARA RAO
Dr. C.V. MADHAVI

CHIEF FINANCIAL OFFICER

SRI T. HARI BABU

COMPANY SECRETARY

SRI M. SUBRAHMANYAM

BOARD COMMITTEES

AUDIT COMMITTEE

Sri K.Balarama Reddi, Chairman
Dr. M.V.G.Rao
Dr. D.Nageswara Rao

NOMINATION AND REMUNERATION COMMITTEE

Sri K.Balarama Reddi, Chairman
Dr. M.V.G.Rao
Dr. D.Nageswara Rao

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sri D.Ashok, Chairman
Dr. D.Nageswara Rao
Dr. C.V. Madhavi

STAKEHOLDERS

RELATIONSHIP COMMITTEE

Sri K.Balarama Reddi, Chairman
Sri P.Trivikrama Prasad

AUDITORS

M/s. BRAHMAYYA & CO
Chartered Accountants, Hyderabad

COST AUDITORS

M/s. NARASIMHA MURTHY & CO
Cost Accountants, Hyderabad

SECRETARIAL AUDITORS

M/s. P.S. RAO & ASSOCIATES
Company Secretaries, Hyderabad

BANKERS

STATE BANK OF INDIA
ANDHRA BANK
BANK OF INDIA
STATE BANK OF HYDERABAD
UCO BANK
STANDARD CHARTERED BANK

REGISTERED OFFICE

6-3-1109/1
'Nava Bharat Chambers'
Raj Bhavan Road
Hyderabad – 500 082(TG), India

REGISTRARS & SHARE TRANSFER AGENTS

M/s. KARVY COMPUTERSHARE PRIVATE LIMITED
Karvy Selenium Tower B
Plot 31-32, Gachibowli Financial
District Nanakramguda
Hyderabad – 500 032, Telangana, India

WORKS

Ferro Alloy Plant (TG)
Paloncha – 507 154
Khammam Dist. (TG)

FERRO ALLOY DIVISION

Power Plant (TG)
Paloncha – 507 154
Khammam Dist. (TG)

POWER DIVISION

Power Plant (Odisha)
Kharagprasad Village – 759 121
Dhenkanal Dist. (Odisha)

Ferro Alloy Plant (Odisha)
Kharagprasad Village – 759 121
Dhenkanal Dist.(Odisha)

Dharmavaram – 534 430
Prathipadu Mandal
East Godavari Dist. (A.P.)

SUGAR DIVISION

Samalkot – 533 440
East Godavari Dist.(A.P.)

MACHINE BUILDING DIVISION

Nacharam
Hyderabad – 500 076 (TG)



NAVA BHARAT

About Us

Nava Bharat Ventures Limited, along with its subsidiaries, operates in different product-geography segments in the business verticals of power generation, ferro alloys, mining and agri-business.



The Company's asset base is spread over India, South East Asia and Africa. The Company has a successful track record spanning four decades. During this period, it has acquired expertise in design, engineering, project management, as well as the operation and maintenance of power, ferro alloy and sugar and downstream plants,

with a high degree of efficiency. This is complemented by a dedicated team of human resources. The Company's core values comprise conservation of natural resources, environment protection and community development, with a special focus on health, education and skill enhancement.



VISION

- We will be a diversified company with operations in different geographies and adding best value to the available natural resources.
- We will ensure that our operations benefit the local community and the nation, while rewarding the stakeholders.
- Minimising the impact on environment shall be a guiding principle in all our business endeavours.

Business Operations



DOMESTIC

POWER

Fuel	Capacity (MW)	Location
Coal	264	Paloncha, Telangana
	*158	Kharagprasad, Odisha
Bagasse	20	Dharmavaram, Andhra Pradesh
Total generating capacity	442	

*64 MW Power Plant synchronized with grid; commercial operation yet to commence.

FERRO ALLOYS

Product	Capacity (TPA)	Location
Manganese Alloys	1,25,000	Paloncha, Telangana
Chromium Alloys	75,000	Kharagprasad, Odisha
Total installed capacity	2,00,000	

SUGAR

Products: White Crystal Sugar, Rectified Spirit and Ethanol

Plant	Capacity	Location
Sugar Plant	4,000 tcd	Samalkot, Andhra Pradesh
Distillery	20 klpd	Samalkot, Andhra Pradesh
Ethanol Plant	30 klpd	Samalkot, Andhra Pradesh
Co-gen Plant	9MW	Samalkot, Andhra Pradesh



INTERNATIONAL

● Power ● Mining ● Agri-business

INTERNATIONAL PROJECT SNAPSHOT

Country	Activity	Status
Zambia	Mining and power generation	Coal Mine revamped and commercial production of coal commenced. 2 x 150 MW Power Plant under construction.
Tanzania	Commercial agro based investments	In development phase.
Laos	Development of hydro-electric power project	Feasibility studies completed. Shareholders' and Concession agreements executed.
South Africa	Exploring opportunities for coal and power	Exploratory stage.



Awards and Recognitions

The Company received the following awards and recognitions during 2014-15:

- **Silver Award for Best Distillery in Andhra Pradesh for the Season 2013-14** from The South Indian Sugarcane & Sugar Technologists' Association (Sugar Division received this award)
- **Certificate of Appreciation for Commendable Performance for the Season 2013-14** from The South Indian Sugarcane & Sugar Technologists' Association, Chennai (Sugar Division received this award)
- **15th National Award for Excellence in Energy Management 2014 as Excellent Energy Efficient Unit** from Confederation of Indian Industry (Sugar Division received this award)
- **15th National Award for Excellence in Energy Management 2014 as Energy Efficient Unit** from Confederation of Indian Industry (Odisha Works received this award).
- **Regional Export Award as Star Performer – Large Enterprise (Ferro Alloys) in recognition of outstanding contribution to Engineering Exports for 2012-13** from EEPICINDIA, Southern Region.



Three Decades of Excellence

1975

Commenced production of ferro silicon at Paloncha, A.P.

1980

Diversified into production of sugar and downstream products at Samalkot, A.P.

1989

Commenced commercial production of manganese and chrome alloys

1997

Diversified into power generation by catering to captive requirements and selling surplus power

2004

Spread its global footprints through Nava Bharat (Singapore) Pte. Limited

2006

Company renamed as Nava Bharat Ventures Limited to reflect its multi-vertical business

2010

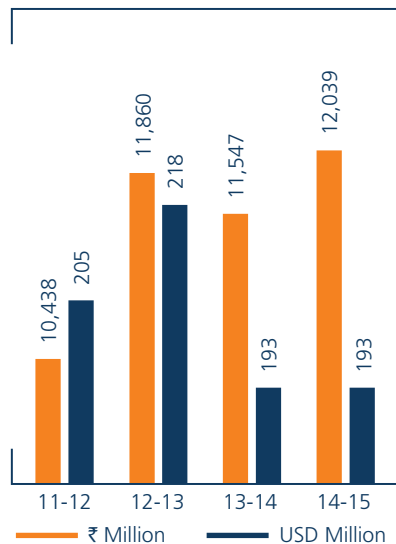
Acquired a large coal mining company (Maamba Collieries Limited) in Zambia



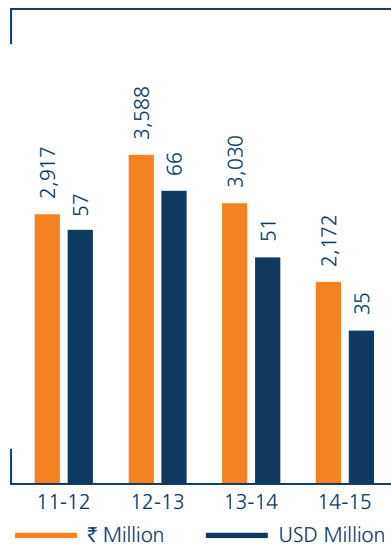


Financial Performance

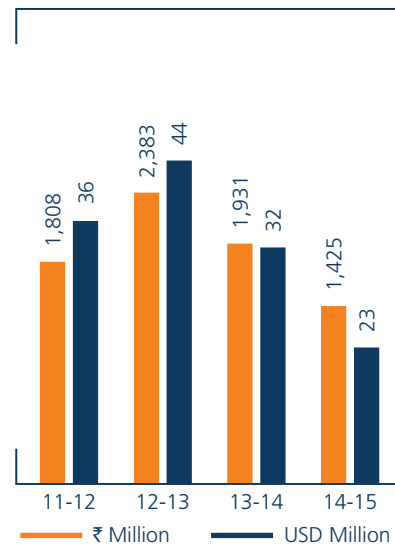
REVENUE



EBIDTA

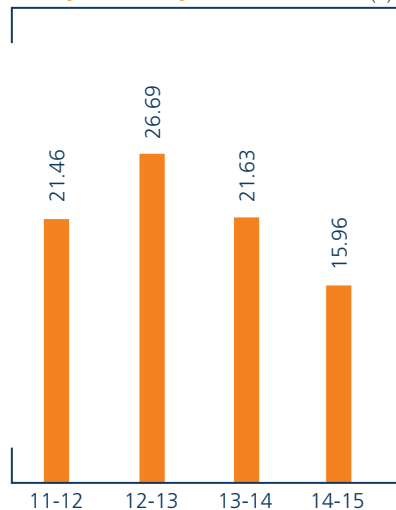


PAT

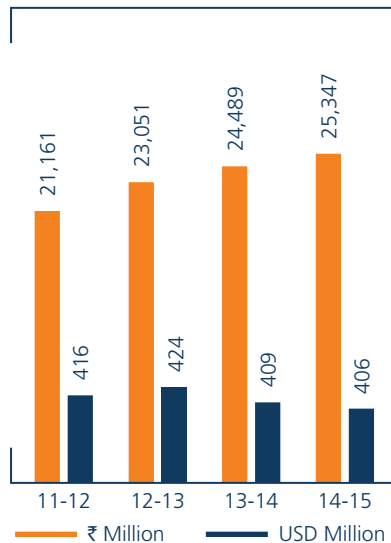


EPS (DILUTED)

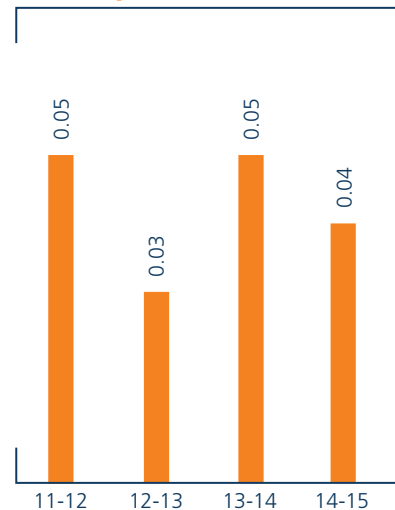
(₹)



NET WORTH



DEBT EQUITY



USD/INR-Exchange Rate

2011-12	2012-13	2013-14	2014-15
50.87	54.365	59.91	62.495

Report on Corporate Social Responsibility

PHILOSOPHY OF CSR AT NBVL

Nava Bharat Ventures Limited (NBVL) believes that corporate social responsibility is an integral part of its long-term business strategy. The Company aims to achieve holistic social development to ensure sustainable growth.

The Company has implemented various CSR initiatives for the development of communities around its manufacturing facilities, as well as the society in general.

The Company has made significant contributions to improve healthcare facilities, provide quality education and create livelihoods during the year under review.

CSR EXPENDITURE IN FY 2014-15

	(₹ Lakhs)
Healthcare	187.63
Education	59.34
Livelihoods	175.47
Others	42.74
Total	465.18

2.01 % of Avg. net profit for past three years.



HEALTHCARE

NAVA BHARAT EYE CENTRE (NBEC)

NBEC, established at Paloncha in Khammam district in association with L V Prasad Eye Institute, provides quality eye care to patients, irrespective of their financial status. During 2014-15, about 69% of eye surgeries were conducted free of charge and 42% of outpatients were treated free. The Company has provided further funds to upgrade facilities and to meet a part of the running expenses of NBEC.

Eye Testing at Nava Bharat Eye Centre





PRIMARY HEALTH CENTRE

A Primary Health Centre (PHC) was opened last year at Nava Bharat Eye Centre to cater to the basic medical needs of the neighbouring marginalised sections. The Company extended financial support to meet a part of the running expenditure of this medical facility.

Primary Health Centre, Paloncha



HEALTH CAMPAIGN

The Company conducted a health campaign at Jagguthanda, Yerragunta, Gandhinagar, Sekharam Banjara and Palakoyyathanda villages near Paloncha. This initiative was taken to create awareness on primary health care and preventive measures for various diseases. Spread over 123 visits, the campaign covered 9665 villagers.

Distribution of Free Medicines at Jagguthanda



An eye camp was organised at Kandrakota Village, Peddapuram Mandal, East Godavari Dist., near the Company's Sugar Division. The camp provided intensive eye check-up to identify patients for cataract surgery, Yag Capsulotomy, probing under GA and distribution of spectacles.

SPECIALISED MEDICAL CAMPS

Specialised medical camps were conducted in Charadagadia, Sibapur and Kochilamada villages in Dhenkanal district of Odisha for diagnosing diabetes and distributing medicines free of cost. A total of 110 villagers were examined and free medicines were distributed to 92 persons.

Diabetes Camp at Charadagadia



PROVIDING SAFE DRINKING WATER

The Company took the initiative to provide safe drinking water to control water borne diseases and improve the health of villagers. It installed RO water plants at Dontamuru village, Gorinta village, Ganapathi Nagaram and near Santha Market Centre, Samalkot Town in East Godavari district of Andhra Pradesh. Such water plants were also set up in Pusugudem, Nagaram, Singabhupalem, Koyyagudem, Tekulapally, Sanjayanagar villages in Khammam district of Telangana State. This initiative ensured pure drinking water at affordable cost.

Safe Drinking Water Plant at Pusugudem village



Additionally, the Company also supplies treated drinking water to Hussainpuram, Dharamvaram and other villages near the Sugar Division.

PROMOTING SANITATION

The Company took proactive steps to improve health and cleanliness through proper sanitation. It constructed hygienic toilet blocks at Kothagudem court (public toilet) in Khammam district, Telangana and government schools at Kattamuru, Dharmavaram and Adi Andhrapeta (public toilet) in East Godavari district, Andhra Pradesh and Kharagprasad, Dhenkanal district, in Odisha.

The Company procured and supplied 70 push carts to Municipal Corporation, Paloncha to improve sanitation. This has benefitted 80,000 people residing in Paloncha municipal limits.

Push Carts at Paloncha



EDUCATION

NAVA BHARAT HIGH SCHOOL

NBVL extended financial support to pay salaries of unaided teachers of Nava Bharat High School, Paloncha. This school promotes education in vernacular medium. About 300 students got educated in this school.

MOBILE SCIENCE LABORATORY

The Company enhanced the coverage of Mobile Science Laboratory under Nava Bharat Vijnana Dayini scheme by acquiring additional audio visual aids and a van. This initiative was taken to improve practical scientific knowledge of poor students in government schools. During 2014-15, it benefited 3000 students in 14 additional schools of Paloncha and Kothagudem mandals.

Vijnana Dayini Session at ZP High School, Kommugudem



FREE TUITIONS

The Company arranged free tuitions for the sixth consecutive year to inculcate the habit of studying and improve scholastic performance among children living below poverty line. Such tuitions were provided to children studying in 16 government schools around Paloncha. During 2014-15, the number of beneficiaries increased from the previous year's 530 to 800.

Free Tuitions at MPUP School, Yerragunta



HANDS-ON TRAINING IN COMPUTERS IN SCHOOLS

The Company recruited 11 computer instructors in 11 government schools around Paloncha to improve competence in using computers, a pressing need for overall development of students. This has benefitted a total of 1600 students.



Computer Training at MPUP School, Yerragunta

**PROVIDING INFRASTRUCTURE IN GOVERNMENT SCHOOLS**

The Company provided dual desks to Mandal Praja Parishad Schools at Borrapalem, Dharamvaram, Prathipadu and Vommangi villages near the Sugar Division in East Godavari district, Andhra Pradesh. This initiative was taken to promote congenial learning atmosphere in schools. It benefited a total of 546 students.

Dual Desks for Students at MPP School, Dharmavaram



Similar initiatives were taken by the Company at schools in Paloncha, Kothagudem and Mulakalapalli mandals of Khammam district, Telangana and at Kharagprasad village in Dhenkanal district, Odisha. This initiative helped 1575 students in Telangana and 270 students in Odisha.

CONSTRUCTION OF CLASS ROOMS

The Company constructed two new blocks, each consisting of eight class rooms at Brahmani Public School, Kharagprasad in Dhenkanal district, Odisha. This will help rationalisation of strength of sections for more effective learning.

SUPPLEMENTARY SPOKEN ENGLISH PROGRAMME

The Company introduced a Supplementary Spoken English Programme in seven schools around Paloncha to improve English communication skills among students in government schools. This helped 1500 students in 6th to 10th standards, despite their location in rural areas where daily communications are done in Telugu.

Role Play at ZP High School, Kommugudem

**LIVELIHOODS****NAVA BHARAT VOCATIONAL INSTITUTE (NBVI)**

There has been a widening gap between demand and supply for skilled manpower co-existing with unemployed youth. The Company established Nava Bharat Vocational Institute (NBVI), at Paloncha in Khammam district of Telangana in 2010 to impart employment enhancing vocational skills among youth. During 2014-15, NBVI has trained 663 youth

in various trades like welder, fitter, plumber, electrician, beautician and tailoring and embroidery.

The Company constructed a new building close to the existing facility to enhance the coverage of vocational training provided by NBVI.

The Sugar Division at Samalkot in East Godavari district, Andhra Pradesh provided vocational training in fitter and

electrical trades to ITI and intermediate passouts. The same division provided technical training on Micro Irrigation to rural youth. A total of 492 youth got benefited by this training programme.

Training in Electrician Trade at NBVI, Paloncha



COMPUTER COURSES

In view of the increasing employment opportunities for youth trained in desk top publishing and use of accounting packages, NBVI at Paloncha started DTP and Tally courses. In the first batch, 26 persons pursued DTP course, while 30 people got trained in Tally.

Computer Courses at NBVI, Paloncha



WOMEN EMPOWERMENT

VOCATIONAL EMPLOYMENT CENTRE FOR WOMEN

As part of women empowerment initiative, the Company established Vocational Employment Centre for Women at Paloncha. Thirty women trained by Nava Bharat Vocational Institute, Paloncha in tailoring and embroidery trade worked at this centre. They stitched 2300 school uniforms for 14 schools and the earnings were given away to them.

Stitching of School Uniforms



TRAINING IN PRODUCTION OF HOUSEHOLD ARTICLES

The Sugar Division at Samalkot provided training to women from Kommanapalli, Tuni, Velanki, Divili and Prattipadu villages in producing household items. Such items included phenyl, detergents, pain relief balms, candles, jute bags and paper plates, development of kitchen garden and processing of pulses, among others.

Production of Paper Plates





OTHER CSR ACTIVITIES

SETTING UP HOME FOR THE DISABLED

The Home for the Disabled was established at Bansilalpet in Secunderabad to provide a safe and secure habitat for disabled orphans of all ethnic origins. It is managed by a registered, charitable organisation. The Home embarked on setting up an extension unit at Sampanbole village in Shamirpet Mandal, RR District, Telangana to accommodate more people.

The Company extended financial support to construct one hostel building for boys and two dining halls – one each for boys and girls. This has helped 80 disabled orphans find a habitat.

Boys' Hostel at The Home for the Disabled, Sampanbole



MAINTAINING QUALITY OF SOIL

Absence or diminishing use of organic manure, coupled with repeated and indiscriminate use of chemical fertilisers is resulting in deterioration in soil health. This was corrected and the soil quality was maintained by applying organic manure, in-situ green manuring and recycling crop residue. The Sugar Division at Samalkot initiated 'Soil Health Maintenance & Improvement and Increasing Crop Productivity' programme in five villages - Talluru, Gorinta, Chebrolu, Rangampet and Kovillapuram (Tribal Area). It represented 35 farmers, covering 100 acres in East Godavari district, Andhra Pradesh. The programme included basal application of bulk and enriched organic manure, fortified with bio fertilisers and micro-nutrients. This has improved soil health, optimised yield and maximised returns to farmers.

Application of Organic Manure



INTEGRATED FARMERS' SERVICE CENTRE, SAMALKOT





Directors' Report

Dear Members,

Your Directors are pleased to present the 43rd Annual Report and the Company's Audited Financial Statements for the Financial Year ended 31st March, 2015.

FINANCIAL SUMMARY

The financial performance of the Company, for the Financial Year ended 31st March, 2015 is summarized below:

(₹ in lakhs)

	Standalone		Consolidated	
	12 months ended 31.03.2015	12 months ended 31.03.2014	12 months ended 31.03.2015	12 months ended 31.03.2014
Turnover/Income (Gross)	147471.82	140901.06	219358.38	207864.33
Profit before Finance charges, Depreciation and Taxation	21723.14	30303.13	42368.94	54992.80
Less: Finance charges (excluding amount capitalized)	2824.35	1823.99	11167.74	12627.16
Profit before Depreciation and Taxation	18898.79	28479.14	31201.20	42365.64
Less : Depreciation	3627.84	6157.82	7875.60	11194.14
Profit for the year after Depreciation	15270.95	22321.32	23325.60	31171.50
Less : Provision for taxation - Current tax	3310.00	4730.00	6535.82	7068.38
- Deferred tax	198.76	(751.82)	196.33	(754.78)
- Tax of earlier years	15.27	8.25	186.67	12.17
- MAT credit entitlement	(2500.00)	(975.00)	(4496.21)	(2776.60)
Profit after Tax	14246.92	19309.89	20902.99	27622.33
Balance brought forward from last year	133113.40	123735.68	157529.26	139470.71
Minority Share - (Profit)/Loss	--	--	(298.72)	368.39
	147360.32	143045.57	178133.53	167461.43
Less: Carrying amount of the assets whose remaining useful life is nil and the deferred tax thereon	594.96	--	594.96	--
Profit available for Appropriation	146765.36	143045.57	177538.57	167461.43
Appropriations				
Dividend on Equity Share Capital	4215.71	4215.71	4215.71	4215.71
Corporate Dividend Tax	858.22	716.46	858.22	716.46
General Reserve	5000.00	5000.00	5000.00	5000.00
Surplus carried to Balance Sheet	136691.43	133113.40	167464.64	157529.26
	146765.36	143045.57	177538.57	167461.43

ECONOMIC AND BUSINESS REVIEW

The Indian Economy grew at 7.4% during the year 2014-15 notwithstanding a marginal fall in the agricultural growth owing to erratic monsoon. The economic growth in 2014-15 was aided by comfortable external position, resulting from softening of global oil prices and markedly reduced inflation. The sentiment has generally been positive with a pro-reform approach taken by the Government, increased fiscal devolution to states and perceived commitment for higher infrastructure spending. Though discernible results are yet to materialize, it is expected structural bottlenecks will ease with a spurt in demand resulting in higher GDP growth in 2015-16. However, tangible growth in infrastructure spending and industrial consumption only would spur improved performance in the steel and power sectors to which your Company is exposed.

The year 2014-15 was marked by severe volatility in the commodity businesses. While it had helped in reigning in the prices of imported coal following reduction in crude prices, adverse impact on steel and steel intermediates was more pronounced in the backdrop of subdued infrastructure development. The measures initiated by the Central Government in terms of auction of coal blocks in a transparent manner and promised increased availability of domestic coal for power generation are yet to yield results. The Sugar Industry has a plethora of challenges with the FRP of the sugar cane and sugar prices resulting in serious mismatch.

REVIEW OF OPERATIONS

In the backdrop of severe economic and external challenges surrounding the commodity meltdown and given that operations are not integrated with mining of ore or coal relative to certain industry peers, the Company's performance should be considered satisfactory. You would have noted that the production of ferro alloys (manganese and chrome) was sustained a tad higher than that in the previous year and quantum of generation of power was almost on par. The only differential, therefore, was the drop in realizations for manganese alloys and stoppage of conversion of ferro chrome owing to regulatory impediments. The power generation in Telangana and Andhra Pradesh though sustained EBIDTA margins as in the year before, had to absorb a part of the unrecovered fixed cost in the ferro alloy and sugar businesses.

Turnover for the year 2014-15 stood at ₹ 14,747.18 million compared to that of ₹ 14,090.11 million in the previous year and the Profit after Tax stood at ₹ 1424.69 million, reduced from ₹ 1930.99 million in the previous year.

POWER DIVISION

The Company generated 1395.64 MU of which Auxiliaries (including unbilled and transmission losses), self-consumption and units sold respectively were 147.39 MU, 457.55 MU and 794.81 MU (including power purchased 4.11 MU). After balancing the scheduled and unscheduled outages, the power plants at Telangana and Andhra Pradesh performed reasonably well with average PLF standing at 91.12%. Odisha Power works were not able to emulate similar performance, on account of varying value addition out of limited captive consumption or on merchant sale of some surplus power resulting in sub-optimal plant performance and PLF @ 39.59%. Though your Company obtained succor in changing the fuel source to domestic coal in the new 64 MW power plant, commercial operations could not be started as some of last mile clearances from Gridco and CEIG were awaited. Even otherwise, the very subdued merchant power rates for power from Eastern Region precluded any viable operations in this new unit even with a domestic fuel blend. As such, the Company suffered from the lack of return on its investments in Odisha.

FERRO ALLOYS

Market for Manganese alloys was steady for almost three quarters and pressures from the primary steel producers brought the prices down later. As conversion of ferro chrome for Tata Steel was stopped due to impediments arising out of mining license and regulations, your Company tried to operate the furnaces for own production of Ferro Chrome and later Silico Manganese from June 2014. However, cost dynamics were not favouring such ferro chrome production thus while severe correction in Silico Manganese prices during the second half dented the profitability.

SUGAR

The Sugar business continued to be plagued by serious mismatch in the FRP for sugar cane and market prices of sugar. The benefits of integration came in handy to mitigate the pressure on overall margins of sugar.



DIVIDEND

Based on the performance of your Company as a whole, operations and projects of the subsidiaries, your Directors felt it prudent to recommend dividend at ₹ 5/- per Equity Share of ₹ 2/- each for the FY 2014-15, subject to Shareholders' approval at the ensuing Annual General Meeting. The aggregate dividend payout amounts to ₹ 42.15 crores, excluding corporate dividend tax of ₹ 8.58 crores.

RESERVES

The Board proposed to carry an amount of ₹ 50 crores out of profits to General Reserve and the balance amount of ₹ 41.73 crores is being carried to Balance Sheet.

FIXED DEPOSITS

The Company has not accepted any deposits from Public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of balance sheet.

LISTING OF EQUITY SHARES

The Securities of the Company are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The listing fee to these Stock Exchanges was paid.

The Company has not issued any Equity Shares during the year. Further, the Company has no Equity Shares carrying differential rights.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY COMPANIES

The Company has Indian and Overseas direct and step down Subsidiaries.

Consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 issued by Institute of Chartered Accountants of India (ICAI) and as per the provisions of the Companies Act, 2013. The audited Consolidated Financial Statements are provided in the Annual Report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited Financial Statements of its subsidiaries on its website www.nbventures.com and the Company shall furnish

a hard copy of Annual Reports of the subsidiaries to any shareholder on demand at any point of time.

The Annual accounts of the subsidiary companies shall also be available for inspection by any shareholder in the Registered Office of the holding Company and of the subsidiary companies concerned.

A Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is presented pursuant to Rule 8(1) of Companies (Accounts) Rules, 2014 as Annexure No.1 to this Report.

NAVA BHARAT (SINGAPORE) PTE. LIMITED (NBS)

NBS, a wholly owned subsidiary of the Company, continues to be the investment arm and holding company of the overseas strategic investments while rendering trading services for ferro alloys within the Group. Details of the step down overseas subsidiaries are given below:

MAAMBA COLLIERIES LIMITED (MCL)

MCL is a step down subsidiary of the Company with NBS holding about 65% of the equity stake while the balance is held by ZCCM Investments Holdings Plc. MCL has the largest coal concession in Zambia with two grades of coal; Metallurgical Grade Coal with applications in Cement, Steel and Breweries and Thermal Grade Coal which can be used as a feedstock for power generation. MCL has embarked upon a capital outlay of about USD 840 million for coal mining operations including mine development expenditure and for setting up a 300 MW (2 x 150 MW) coal fired power project. The coal mine related expenditure towards mine development and capital equipment has been substantially incurred while the power project implementation has been completed to the extent of 80%. The power project implementation is under EPC structure and the project is likely to be commissioned in the first half of CY 2016. The Zambian Company has been exploring to increase further the high grade coal sales in the FY 2015-16.

KOBE GREEN POWER CO. LTD. (KGP)

Following the formation of Namphak Power Company Limited as the Hydel Power Project Company wherein

70% of the equity stake remains to be controlled by NBS, investment in KGP ceased to be relevant.

Accordingly, Kobe Green Power Company ceased to be a subsidiary of NBS with effect from 27th February, 2015.

NB TANAGRO LIMITED (NBTL)

The proposed commercial agriculture project of NBTL for oil palm did not take off as allocation of initial 4000 Hectares of land is still awaited. NB Tanagro Limited is entitled for allocation of another 6000 Hectares, though not contiguous to the initial 4000 Hectares, which will take another 12 months from the allocation under Phase - I.

NB RUFJI PVT.LTD. (NBRPL)

NBRPL was formed in Tanzania to pursue another Oil Palm Project under Rufiji Basin Development Authority (RUBADA). There is no further development in this Company during the year.

NAVA BHARAT AFRICA RESOURCES PVT. LTD. (NBAR)

As reported previously, the Singapore Subsidiary took steps to wind up NBAR during the year under review and accordingly NBAR ceased to function.

PT NAVA BHARAT INDONESIA (NBI) AND PT NAVA BHARAT SUNGAI CUKA (NBSC)

As there has been no tangible development on the initiatives of NBI and NBSC, it has been decided to close the operations in Indonesia. The Singapore subsidiary has initiated steps to wind up NBI and NBSC and accordingly necessary provisioning has been made in the accounts of NBS for the investment expenditure.

NAVA ENERGY PTE. LIMITED (NEPL)

NEPL is a wholly owned subsidiary of NBS incorporated in Singapore, to carry on the business of Operation & Maintenance works for Power Plants. NEPL is designated to be the long term O & M Contractor for the proposed 300 MW power plant of Maamba Collieries Limited, Zambia. Detailed agreements to conclude the O& M service arrangement with back up support agreements with Nava Bharat Ventures and overseas supplier are under way.

NAVA BHARAT LAO ENERGY PVT. LIMITED (NBLEPL)

NBLEPL is a Wholly Owned Subsidiary of NBS incorporated in Singapore, and holds 70% stake in Namphak Power Company Limited, the Hydel Power Project Company, in Laos. Aside from contributing the initial paid up capital, NBLEPL has also been funding the initial development expenditure over and above that incurred under KGP which has since been transferred to NPCL.

NAMPHAK POWER COMPANY LIMITED (NPCL)

Namphak Power Company Limited (NPCL) is the Project Company formed to implement the 150 MW Hydel power project on BOOT basis in Laos and executed the Concession Agreement with the Government of Laos. A shareholders' Agreement was executed on 31st July, 2014 among Nava Bharat Lao Energy Pte.Limited (NBLEPL) holding 70%, Kobe Green Power Co. Limited, Japan holding 15% and Electricite du Lao (EDL), the power utility in Laos, holding the balance 15%.

NPCL's shareholders and directors have agreed that the ongoing Development costs and working capital for the project shall be funded via shareholder's loan. NBLEPL being the majority shareholder, has agreed to provide such loan and accordingly NPCL and NBLEPL entered into a Development costs Loan Agreement.

KARIBA INFRASTRUCTURE DEVELOPMENT LIMITED (KIDL)

KIDL is a step down subsidiary of the Company and is pursuing the development of a Multi Facility Economic Zone (MFEZ) at Maamba in Zambia. The MFEZ will, inter alia, comprise the infrastructure development surrounding Maamba including MCL in the Southern Province of Zambia and is aimed at spurring downstream and ancillary industrialization in and around Maamba.

INDIAN SUBSIDIARIES

NAVA BHARAT PROJECTS LIMITED (NBPL)

NBPL has been engaged in project management and O&M services. These cover a wide spectrum of services such as project conceptualization, project management including financial planning, contract documentation, contract



management, trading of equipment, O & M activity, technical services etc. Presently, such services are being rendered to M/s. Maamba Collieries Limited, Zambia.

As regards the on-going investigation of CBI/ED of the coal block allotment to M/s. Navabharat Power Private Limited, and subsequent sale of stake in NPPL to M/s. Essar Power Limited, also involving the director of the company (in his erstwhile position as Non-Executive Chairman of the NPPL), the charge sheet filed by CBI in the II ACMM Court, New Delhi, was transferred to the Honourable Special Court constituted pursuant to the orders of the Hon'ble Supreme Court of India. The Special Court on examining the closure reports filed by the CBI against the Public Servants had directed the CBI to further investigate against the involvement of Public Servants while directing the CBI to place all the records of the case before the Sanctioning Authority for taking a decision. The charge sheet filed by the CBI is not taken cognizance by the Honourable Special Court as on date.

The Enforcement Directorate vide order dated 22.07.2014 had issued the Provisional Attachment Order (PAO) against 74 crores Equity Shares of ₹ 2/- each of NBEIL held by NBPL to the extent of ₹ 138.59 crores. The ED filed a complaint before the Adjudicating Authority seeking confirmation of the PAO. The Adjudicating Authority confirmed the Provisional Attachment on 20th May, 2015 and the Subsidiary, NBPL will approach the Appellate Authority by filing appeal seeking appropriate relief.

NAVA BHARAT ENERGY INDIA LIMITED (NBEIL)

NBEIL operated its 150 MW Power Plant with average PLF of 86.52%, gross generation of 1136.88 MU and delivered energy of 1015.81 MU in 2014-15.

The entire energy generated was dispatched to TS Grid (966.78 MU) excepting 40.59 MU for sale through India Energy Exchange and 8.44 MU for sale through Kerala State Electricity Board.

BRAHMANI INFRATECH PRIVATE LIMITED (BIPL)

During the year, BIPL acquired interests in certain properties while aiming to diversify its portfolio further and is exploring Joint Development options for infrastructural development.

Award in Arbitration Case No.2 of 2013 between M/s. Mantri Technology Parks Private Limited and BIPL.

Members are aware that, M/s. Mantri Technology Parks Private Limited made a security deposit of ₹ 30 crores on 28.01.2008. On account of delay in execution of the IT/ITES SEZ Project in 150 acres at Mamidipally Village, Shamshabad, BIPL issued notice to forfeit the security deposit of ₹ 30 crores paid by M/s. Mantri Technology Parks Private Limited, due to which certain disputes/issues arose between M/s. Mantri Technology Parks Private Limited and BIPL. The Hon'ble High Court appointed the Sole Arbitrator for resolution of disputes by Arbitration.

The Hon'ble Sole Arbitrator in Arbitration Case No.2 of 2013 (the Arbitral Tribunal) passed the Award on 31.01.2015, inter alia, to the following effect:

MTPPL is held entitled to ₹ 30 crores towards Interest Free Security Deposit; ₹ 4,82,04,854/- being the amount paid to the respondent towards reimbursement of expenses and ₹ 4,36,90,047/- towards expenses for development of the allotted land. All these amounts shall carry interest @12% p.a. from 02.05.2012 till 31.01.2015 (date of the Award).

BIPL is held entitled to receive from the Claimant ₹ 18,13,33,333/- together with interest @12% p.a. from 02.05.2012 till 31.01.2015 and the remaining claims are rejected.

The awarded amount will carry interest at the rate of 18% p.a. from the date of the Award till the date of realization of the awarded amount.

BIPL filed an application in the Hon'ble City Civil Court, Hyderabad, under Section 34 of the Arbitration and Conciliation Act, 1996 to set aside the Award to the extent it is aggrieved and to allow its claims. Further, M/s.MTPPL has also filed an application under Section 9 of the Arbitration and Conciliation Act, 1996. The above applications are pending before the Hon'ble City Civil Court, Hyderabad.

NAVA BHARAT REALTY LIMITED (NBRL)

NBRL is a wholly owned subsidiary of the Company and proposes to be engaged in the development of realty focused investments. There have been no operations in this Company.

NAVA BHARAT SUGAR AND BIO FUELS LIMITED (NBSBL)

NBSBL is a wholly owned subsidiary of the Company and proposes to be engaged in sugar, bio-fuel and agri based investments. There have been no operations in this Company.

KINNERA POWER COMPANY PVT. LTD.(KPCPL)

The Company has off loaded part of equity stake in KPCPL in favour of Meenakshi Infra Group and KPCPL ceased to be a subsidiary. The Company continues with 26% of the equity stake in KPCPL as specified by NHAI in 2012-13. As per the professed intention and there being no economic interest, the Company plans to fully off-load its stake in KPCPL in favour of Meenakshi Infra Group in due course as per the regulations.

CHANGES IN THE SUBSIDIARIES OF THE COMPANY

The following Companies have become or ceased to be the Company's Subsidiaries, Joint Ventures or Associate Companies during the financial year.

COMPANIES WHICH HAVE BECOME SUBSIDIARIES

Namphak Power Company Limited, a Special Project Company, which was established in Laos in 2014 to undertake the development of Hydro Power Project, 150 MW (3 x 50 MW) on BOOT basis has become a Subsidiary.

COMPANIES WHICH HAVE CEASED TO BE SUBSIDIARIES

During the Financial Year, the Company has fully impaired its investments in PT Nava Bharat Sungai Cuka and PT Nava Bharat Indonesia of USD 475000 each as the subsidiaries are dormant since the date of incorporation. Hence, the Company intended to close its Subsidiaries, PT Nava Bharat Sungai Cuka and PT Nava Bharat Indonesia.

On 27.02.2015, Nava Bharat (Singapore) Pte. Limited sold 80% equity interest in the subsidiary, Kobe Green Power Co. Ltd.(KGPL) for a sale consideration of USD 16,000. Hence, KGPL ceased to be a subsidiary of the Company.

PROPOSED RESTRUCTURING OF ODISHA WORKS

The Corporate Restructuring Plan initiated by the Company is awaiting response from the strategic investors identified by the Company. Some of the key issues include percentage of shareholding to be offered to the Investors and Management Role aside from enterprise valuation.

ITEM FOR ESTABLISHMENT OF 3500 TCD SUGAR PLANT AT DHARMAVARAM VILLAGE, PRATHIPADU MANDAL, EAST GODAVARI DIST., A.P.

The Company filed a petition in Hon'ble High Court of A.P. praying for vacation of Interim Suspension Order of Zone declaration issued by the Commissioner and Director of Sugar & Cane Commissioner, Govt. of A.P., Hyderabad. However, the cane development activities are being continued.

OUTLOOK AND FUTURE PLANS

The outlook and future plans of the Company have been mentioned in detail under the "Management Discussion and Analysis" section that forms part of this report.

CHANGE IN THE NATURE OF BUSINESS

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

In accordance with the provisions of Section 134 (3)(m) of the Companies Act, 2013, the required information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo have been annexed as Annexure No.2 to this Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE AND POLICY

In compliance with Section 135 of the Companies Act, 2013 read with the (Corporate Social Responsibility Policy) Rules, 2014, the Board constituted CSR Committee consisting of three Directors namely, Sri D. Ashok, Chairman, Dr. D. Nageswara Rao, Independent Director and Dr. C. V. Madhavi, Independent Director.



The Board approved the CSR Policy as recommended by the CSR Committee with various CSR initiatives falling within the purview of the Schedule VII of the Act.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has prioritized and implemented several initiatives that have a significant impact on the communities around its manufacturing facilities and the society in general.

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of education, livelihood, health, drinking water and sanitation, enhancing vocational skills, empowering women, etc. These projects are in accordance with Schedule VII of the Companies Act, 2013.

In Education, the Company's endeavour is to spread, facilitate and supplement quality education at primary and secondary levels in areas around the Company's manufacturing plants. In Health, the goal is to provide quality eye care at affordable cost, promote health awareness, extend free diagnostic services and medicines, make safe drinking water available in villages, promote sanitation, etc. In Livelihoods, the Company strives to provide employment enhancing skills to unemployed youth through vocational training in various trades for both men and women.

The Company has spent ₹ 465.18 lakhs towards CSR activities in 2014-15 i.e. above 2% of the average net profits of the Company for the three immediately preceding financial years.

The CSR Policy is placed on the Company's website under the weblink: http://www.nbventures.com/pdf/corporate_policies/03_pdf_2014-15_csrpolicy.pdf.

The Annual Report on CSR activities is annexed as Annexure No. 3 to this Report.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is annexed as Annexure No.4 to this Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related

parties referred to in sub-section(1) of Section-188 in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 are provided in Annexure No. 5 to this Report.

The policy on materiality of related party transactions and also on dealing with the related party transactions as approved by the Audit Committee and the Board of Directors was placed on the website of the Company under the weblink: http://www.nbventures.com/pdf/corporate_policies/06_pdf_13jan2015_related_party_transactions.pdf.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of Loans given, Guarantees provided and Investments made during the Financial Year ended on March 31, 2015 are given in Annexure No. 6 to this Report in compliance with the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014. The particulars of aggregate loans, guarantees and investments under Section 186 of the Companies Act, 2013 are disclosed in Financial Statements which may be read as part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is presented in a separate section forming part of this Report.

CORPORATE GOVERNANCE

Your Company is committed to achieving the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set by the Regulators/applicable laws.

A separate Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached hereto as a part of this report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

DIRECTORS

The Board of Directors of the Company has a combination

of Executive, Non-Executive and Independent Directors. The Board comprises nine Directors of which five constituting more than half of the total strength are Non-Executive and Independent Directors.

INDEPENDENT AND NON-EXECUTIVE DIRECTORS

As prescribed under Clause 49 of the Listing Agreement entered with Stock Exchanges and as per Section 149(6) of the Companies Act, 2013, the particulars of Non-Executive and Independent Directors are as under:

Sri K. Balarama Reddi
Dr. E. R. C. Shekar
Dr. M. V. G. Rao
Dr. D. Nageswara Rao
Dr. C. V. Madhavi

They were appointed as Independent Directors by the shareholders at 42nd AGM on 08.08.2014 for a term of 5 (five) years.

WHOLETIME DIRECTORS

Sri D. Ashok
Sri P. Trivikrama Prasad
Sri G. R. K. Prasad
Sri C. V. Durga Prasad

None of the Directors on the Board is a Member of more than ten Committees across all the Companies in which Directorship is held. Necessary disclosures regarding committee positions in other public companies as on 31st March, 2015 have been made by the Directors.

DECLARATIONS OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their declarations, pursuant to Section 149(7) of the Companies Act, 2013 affirming that they meet the criteria of independence as provided in sub-section (6) of Section 149.

APPOINTMENTS OF KEY MANAGERIAL PERSONNEL

Sri D. Ashok was re-appointed as Chairman (Executive) with effect from 14.08.2014 for a period of 5 years by the Members at the 42nd AGM held on 08.08.2014. There were no other changes during the Financial Year under review.

DIRECTORS RETIRING BY ROTATION

Pursuant to the provisions of the Companies Act, 2013, Sri D. Ashok retires at the AGM and, being eligible, offered himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board/Committee meetings are circulated to the Directors in advance to enable them to plan their schedule for participation in the meetings.

The Board met seven (7) times during the FY 2014-15 viz., on 30.05.2014, 08.08.2014, 20.10.2014, 30.10.2014, 17.01.2015, 09.02.2015 and 07.03.2015.

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the working of its Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee. A structured set of criteria was adopted after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Evaluation of the Board Members is conducted on an annual basis by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The Nomination and Remuneration Committee and the Board of Directors had laid down criteria for performance evaluation of Directors, Committees and Board as a whole.

Performance indicators for evaluation of Independent Directors:

Independent Directors have three key roles – governance, control and guidance. Some of the performance indicators based on which the Independent Directors are evaluated are:



Ability to contribute to and monitor corporate governance practices.

Ability to contribute by introducing international best practices to address top management issues.

Active participation in long term strategic planning.

Commitment to the fulfillment of a Director's obligations and fiduciary responsibilities.

Attendance: The performance evaluation of Independent or Non-Executive Members is done by the Board annually based on criteria of attendance and contributions at Board/ Committee Meetings as also the role played other than at Meetings.

The evaluation process also considers the time spent by each of the Board Members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

REMUNERATION POLICY

The Company adopted a policy relating to the remuneration. This Policy covers the remuneration and other terms of employment for the Company's Executive Team. The remuneration policy for Members of the Board and for Management, aims at improving the performance and enhancing the value of the Company by motivating and retaining them and to attract the right persons to the right jobs in the Company.

The object of this Remuneration Policy is to make your Company a desirable workplace for competent employees and thereby secure competitiveness, future development and acceptable profitability. In order to achieve this, it is imperative that the Company is in a position to offer competitive remuneration in all its operational locations.

Neither the Managing Director nor any Whole-time Director of the Company received any remuneration or commission from any of its Subsidiaries.

A detailed policy on remuneration of the Directors and Senior Management is placed on the Company's website

under the weblink: http://www.nbventures.com/pdf/corporate_policies/08_pdf_Remuneration_policy.pdf and also annexed as Annexure No.7 to this Report.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

The Nomination and Remuneration Committee identifies persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

THE CRITERIA FOR THE APPOINTMENT OF DIRECTORS, KMPs AND SENIOR MANAGEMENT

A person for appointment as Director, KMP or in Senior Management should possess adequate qualification, expertise and experience for the position considered for appointment. The Committee decides whether qualification, expertise and experience possessed by a person are sufficient for the concerned position. The Committee ascertains the credentials and integrity of the person for appointment as Director, KMP or Senior Management Level and recommends to the Board his / her appointment.

The Committee, while identifying suitable persons for appointment to the Board, will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment, re-appointment and the Board shall assess the same annually. The Board shall re-assess determination of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence are determined as laid in the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Independent Directors shall abide by the Code for Independent Directors as specified in Schedule IV of the Companies Act, 2013.

COMMITTEES OF THE BOARD

Currently the Board has four committees: The Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

A detailed note on the Board and its Committees is provided under the Corporate Governance Report section in this Report. The Composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee	Remarks
Audit Committee	Sri K. Balarama Reddi, Chairman Dr. M. V. G. Rao, Member Dr. D. Nageswara Rao, Member	The Audit Committee of the Board of Directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. All recommendations made by the Audit Committee during the year were accepted by the Board.
Nomination and Remuneration Committee	Sri K. Balarama Reddi, Chairman Dr. M. V. G. Rao, Member Dr. D. Nageswara Rao, Member	The Committee identifies persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and carries out evaluation of every Director's performance. The Committee formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
Corporate Social Responsibility Committee	Sri D. Ashok, Chairman Dr. D. Nageswara Rao, Member Dr. C. V. Madhavi, Member	The Committee monitored the implementation of the CSR Policy from time to time.
Stakeholders Relationship Committee	Sri K. Balarama Reddi, Chairman Sri P. Trivikrama Prasad, Member	The Committee reviews investor grievances periodically and ensures their expeditious redressal. All the grievances of the investors received during the year have been resolved.



PARTICULARS OF EMPLOYEES

The names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure No. 8 to this Report.

Particulars of every employee employed throughout the financial year and in receipt of remuneration of ₹ 60 lakhs or more, or employed for part of the year and in receipt of ₹ 5 lakhs or more per month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure No.9 to this Report.

NAVA BHARAT VENTURES EMPLOYEE WELFARE TRUST AND ITS HOLDINGS IN THE COMPANY

Nava Bharat Ventures Employee Welfare Trust through its Trustee, M/s Barclays Wealth Trustees (India) Private Limited, acquired 14 lakhs equity shares of the Company from the secondary market (1.57%) on 9th March, 2012. The Company extended a loan of ₹ 28.79 crores to the Trustee till 31st March, 2015. The Company proposed to implement several schemes relating to welfare measures including incentives, benefits and amenities for the employees under Employee Welfare plans to be set up by the Company.

SEBI issued new Employees Stock Option Regulations permitting Share Based Employee Benefits Schemes on 28th October, 2014 according to which, the acquisition in secondary market under the General Employee Benefits Scheme (GEBS) shall not exceed 2% of the paid up equity share capital of the Company.

The Regulations have provided detailed definitions, procedures and restrictions to be complied with, within one year from the issue of aforesaid guidelines.

According to the new Regulations:

At no point in time, the shares of the Company or shares of its holding company shall exceed ten per cent of the book value or market value or fair value of the total assets of the scheme, whichever is lower, as appearing in its latest balance sheet for the purposes of GEBS. [26.(2)].

Trusts holding shares, for the purposes of implementing GEBS or RBS, which exceed ten percent of the total value of the total assets of the trust(s) as provided under these regulations, shall have a period of five years to bring down its holding in shares to such limits; [Reg.31.(2)(b)(ii)].

SEBI mandated that the regulations should be complied with by aligning the existing Welfare Schemes / Trusts with the Regulations within one year from the issue of the Regulations i.e. one year from 28.10.2014.

Hence, the Company has initiated necessary action including;

Amendment to the Trust;

Formation of Welfare Schemes;

Retention of equity to the extent of 10% of the total assets of the Trust towards General Employee Benefits Schemes (GEBS); and

Exiting from the balance equity within a period of 5 years as stipulated under the Regulations.

The Board of Directors approved to amend the Trust Deed and file the amended Trust Deed with Stock Exchanges.

Subject to the approval of the shareholders, the Board considered and recommended Nava Bharat Ventures General Employee Benefits Scheme, 2015, inter alia, to provide welfare benefits such as medical, housing and education related assistance to employees of the Company ("Employees"); and utilizing and applying the assets of existing trust settled by the Company called Nava Bharat Employee Welfare Benefit Trust ("Trust") for the purposes of implementing the Scheme in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("Regulations").

The details of General Employee Benefits Scheme being implemented are posted on the Website of the Company under the web link http://www.nbventures.com/pdf/corporate_policies/08_pdf_General_Employee_Benefit_Scheme.pdf.

The Board further decided, subject to the approval of the shareholders, to undertake such steps and actions to enable

the Company and the Trust to conform to the Regulations in its entirety within the five year period as envisaged in the Regulations.

The Trustee shall not be eligible to exercise voting rights in General Meetings on the shares of the Company held by the Trust. Pursuant to Rule 16 of Companies (Share Capital and Debentures) Rules, 2014, it is disclosed that the Trustee abstained from voting at the AGM held on 08.08.2014 and Postal Ballot held on 26.07.2014.

EMPLOYEES' STOCK OPTION SCHEME

During the year under review, no employee stock options were granted. No ESOPs were also exercised as there were no outstanding options as at the beginning of the year.

No shares including Sweat Equity Shares were issued to employees or others during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors confirm that:

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

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

STATUTORY AUDITORS & AUDITORS' REPORT

M/s. Brahmayya & Co., Chartered Accountants, Hyderabad, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. They were appointed as Auditors of the Company during the transitional period of 3 years at the 42nd Annual General Meeting held on 8th August, 2014 subject to ratification by the Members at every AGM held after 42nd AGM. The Statutory Auditors have confirmed that their appointment, if made, would be in accordance with the provisions of Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

They are eligible for ratification/re-appointment from the ensuing AGM till the conclusion of next AGM as provided in Section 139(2) of the Companies Act, 2013.

The Auditors' Report on the financial statements of the Company for financial year ended 31st March, 2015 does not contain any reservation, qualification or adverse remarks and their report together with notes to Financial Statements are self explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

COST AUDIT

The Board has appointed M/s. Narasimha Murthy & Co., Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for Sugar, Industrial Alcohol Electricity and Steel (Ferro Alloys) for the Financial Year 2014-15 on the recommendations of the Audit Committee. The same was ratified by the Members at the 42nd Annual General Meeting held on 8th August, 2014.

The Cost Audit Reports for FY 2013-14 were filed with Ministry of Corporate Affairs on 19th September, 2014.

Further, the Board has appointed M/s. Narasimha Murthy & Co., Cost Accountants, as Cost Auditors on 8th May, 2015 for conducting the audit of cost records of the Company for Sugar, Industrial Alcohol, Electricity and Steel (Ferro Alloys)



for the Financial Year 2015-16 on the recommendations of the Audit Committee. The same is placed before the Members at the ensuing AGM for ratification.

INTERNAL AUDITORS FOR COSTING SYSTEMS AND COST ACCOUNTING RECORDS

M/s. Sagar & Associates, Internal Auditors, conducted internal audit of cost records for the Financial Year 2014-15.

The Board appointed M/s Sagar & Associates, as Internal Auditors, for conduct of internal Audit of Cost Records for the Financial Year 2015-16.

SECRETARIAL AUDIT

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s.P.S.Rao & Associates, Practicing Company Secretaries to conduct Secretarial Audit pursuant to the recommendations of the Audit Committee for the Financial Year 2014-15 for the Company.

The Secretarial Audit Report for the financial year ended 31st March, 2015 issued by Practicing Company Secretary is annexed as Annexure No.10 to this Report and the Report does not contain any reservation, qualification or adverse remarks.

MATERIAL CHANGES AND COMMITMENTS

There are no Material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2015 to the date of the signing of the Director's Report.

MATERIAL ORDERS PASSED BY THE REGULATORS

No significant and material orders were passed by the Regulators or courts or tribunals impacting the going concern status and company's operations in future.

Pursuant to the ongoing investigation into the allotment of coal blocks to M/s. Navabharat Power Private Limited (NPPL) and subsequent sale of stake in NPPL to M/s. Essar Power Limited also involving the Director of the Company in his erstwhile position as Non-Executive Chairman of NPPL, and the Charge Sheet filed by CBI, the Enforcement Directorate vide order dated 22.07.2014 had issued the Provisional

Attachment Order (PAO) against 74 crores Equity Shares of ₹ 2/- each of NBEIL held by NBPL to the extent of ₹ 138.59 crores. The ED filed a complaint before the Adjudicating Authority seeking confirmation of the PAO. The Adjudicating Authority confirmed the provisional attachment and the Subsidiary of the Company will prefer an appeal before the appropriate authority.

INSURANCE

All the properties of the Company including buildings, plant and machinery and stocks have been adequately insured.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company maintains all its records in SAP system and the work flow and approvals are routed through SAP.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, the Units undertake corrective action in their respective areas and strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower policy, policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding 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.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A of the Companies Act 1956 (Section 124 (5) of the Companies Act, 2013), an amount of ₹ 15,51,380/- which remained unclaimed for a period of 7 years had been transferred by the Company

on 27th August 2014 to the Investor Education and Protection Fund.

TRANSFER OF PHYSICAL SHARE CERTIFICATES TO UNCLAIMED SUSPENSE ACCOUNT IN ELECTRONIC MODE

Pursuant to Clause 5A (II) of the Listing Agreement, Postal Return cases as per the records of the Registrars were initially transferred to Suspense Account. A demat account under the name and style 'Nava Bharat Ventures Limited - Unclaimed Suspense Account' was opened by the Company. The account showed a balance of 6,71,215 equity shares belonging to 1,319 shareholders as at the beginning of the year. During the year, the Company and its Registrars, M/s. Karvy Computershare Pvt. Ltd., have received certain claims from the shareholders which were verified by the Registrars as per their records and procedures. The claims of rightful owners, after collection of all the required documents and due processing by the Registrars, had been placed before the Stakeholders Relationship Committee and after its approval, 28,220 shares belonging to 38 shareholders were transferred from the Unclaimed Suspense Account during the year to the Shareholders / Successors / Nominees/rightful claimants. The unclaimed suspense account has a closing balance of 6,42,995 equity shares in respect of 1,281 shareholders as at the close of the financial year 2014-15.

VIGIL MECHANISM

The Company established a vigil mechanism for Directors and Employees to report genuine concerns pursuant to Section 177 of the Companies Act, 2013. The vigil mechanism provided for adequate safeguards against victimisation of employees who use such mechanism and for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

The policy lays down the mechanism for making enquiry into whistle blower complaint received by the Company. Employees who may become aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee.

The details of such mechanism are communicated to all the Directors and Employees and it was also disclosed

on the website of the Company under the weblink: http://www.nbventures.com/pdf/corporate_policies/04_pdf_13jan/2015_whistle_blower.pdf.

RISK MANAGEMENT POLICY

The Board formulated and implemented Risk Management Policy for the Company which identifies various elements of risks which in its opinion may threaten the existence of the Company and measures to contain and mitigate risks. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedures are reviewed by the Audit Committee and the Board on quarterly basis at the time of review of quarterly financial results of the Company.

INDUSTRIAL SAFETY AND ENVIRONMENT

Utmost importance continues to be given to the safety of personnel and equipment in all the plants of the Company. The Company reviews thoroughly the various safety measures adopted and takes effective steps to avoid accidents. Safety drills are also conducted at regular intervals to train the employees for taking timely and appropriate action in case of accidents.

AWARDS

Your Company received the following awards/recognitions during 2014-15:

The Company's Sugar Division received "Silver Award for Best Distillery in Andhra Pradesh for the Season 2013-14" in the form of a Certificate from The South Indian Sugarcane & Sugar Technologists' Association, on 25th July, 2014.

Further, a "Certificate of Appreciation" for Commendable Performance for the Season 2013-14 was received from The South Indian Sugarcane & Sugar Technologists' Association, Chennai on 25th July, 2014. The same Division won the "15th National Award for Excellence in Energy Management 2014" in the form of a Shield and a Certificate as "Excellent Energy Efficient Unit" from Confederation of Indian Industry in the month of October, 2014. The Sugar Division received this award for the 7th time.

The Company's Odisha Works won the "15th National Award for Excellence in Energy Management 2014" in



the form of a Shield and a Certificate as “Energy Efficient Unit” from Confederation of Indian Industry in the month of October, 2014.

The Company's Paloncha Works won the Regional Export Award as Star Performer – Large Enterprise (Ferro Alloys) in recognition of outstanding contribution to Engineering Exports for the Year 2012-13 in the form of a Certificate and Shield from EEPICINDIA, Southern Region.

GREEN INITIATIVE IN CORPORATE GOVERNANCE BY HON'BLE MINISTRY OF CORPORATE AFFAIRS

The Ministry of Corporate Affairs (MCA) has taken a green initiative in Corporate Governance by allowing paperless compliances by the Companies and permitted the service of Annual Reports and documents to the shareholders through electronic mode subject to certain conditions and the Company continues to send Annual Reports and other communications in electronic mode to the members having email ids.

INDUSTRIAL RELATIONS

Industrial relations have been cordial during the year under review and your Directors appreciate the sincere and efficient services rendered by the employees of the Company at all levels towards successful working of the Company.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance, patronage and co-operation received from the Financial Institutions, the Company's Bankers, Insurance Companies, the Govt. of India, Governments of various countries, Govt. of Telangana, Govt. of Andhra Pradesh and Govt. of Odisha, the State utilities and Shareholders, during the year under review.

For and on behalf of the Board

P. Trivikrama Prasad

Managing Director

Place : Hyderabad

Date : 29th May, 2015

G. R. K. Prasad

Executive Director

Annexure – 1

Performance and Financial position of each of subsidiaries under Rule 8 of Companies (Accounts) Rules, 2014 for the Financial Year ended 31st March, 2015

(₹ In lakhs)

Sl. No.	Name of Subsidiary Company	Share Capital	Turnover/ Total Income	Profit/(loss) after Taxation
1	Nava Bharat (Singapore) Pte. Limited	96,617.27	31,732.59	(5,561.52)
2	Maamba Collieries Limited	1,20,951.17	9,263.75	43.03
3	Namphak Power Company Limited	149.99	-	-
4	Nava Energy Pte. Limited	0.62	-	(1.36)
5	Nava Bharat Lao Energy Pte. Limited	231.23	-	(2.22)
6	NB Tanagro Limited	0.62	-	-
7	Nava Bharat Energy India Limited	20,000.00	55,254.47	10,251.24
8	Nava Bharat Projects Limited	9,080.40	1,303.73	312.25
9	Brahmani Infratech Private Limited	6,312.50	864.01	465.62
10	Nava Bharat Realty Limited	22.00	-	(0.89)
11	Nava Bharat Sugar and Bio Fuels Limited	5.00	-	(0.65)

Note: Indian Rupee equivalent figures have been arrived at by applying the year end interbank exchange rate of USD = ₹ 62.4950.



Annexure – 2

Particulars of Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo pursuant to the Provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

(A) CONSERVATION OF ENERGY:

(i) The steps taken or impact on conservation of energy

I) Sugar Division:

- i. Improvement in milling efficiency by increasing the juice drainage area, resulting in energy savings of 7,05,000 kWh per year.
- ii. Utilization of existing shell and tube type juice heater for further raw juice heating with III Vapor, resulting in energy savings of 29,375 kWh per year.
- iii. Installation of Plate type Heat Exchanger to raise the temperature of wash water with I Vapor for 'A' Range centrifugal machines, resulting in energy savings of 44,300 kWh per year.

II) Power Division:

Power Plant (Telangana)

- i. Sonic soot blowers were arranged in one of the HP modules of waste heat recovery unit, resulting in energy savings of 62,41,500 kWh per year.
- ii. Variable frequency drive provided for air conditioning – Vapor absorption system at PP office and CPP control room, resulting in energy savings of 5,110 kWh per year.

Power Plant (Odisha)

- i. Optimising the pumping of cooling water by varying the speed of the Cooling Water Pumps in Unit-1 during single boiler operation, resulting in energy savings of 816 kWh per day.
- ii. Optimising the running hours of Cooling Tower fans in Unit-1 during part load operation, resulting in energy

savings of 1,008 kWh per day.

- iii. Optimising the compressed air flow for boiler bed thermocouples, resulting in energy savings of 312 kWh per day.
- iv. Switching off the first field ESP hopper heaters during normal operating conditions, resulting in energy savings of 336 kWh per day.
- v. Performance evaluation of HP Heater-1 in Unit-2 and plugging of identified leakage tubes, resulting in heat rate improvement.
- vi. Performance evaluation of Boiler-1, Air Pre Heater in Unit-1 and replacing the identified eroded tubes, resulting in reduction of fan consumptions and improved APH performance.

III) Ferro Alloy Division

Telangana

- i. Optimized the lighting loads basing on lux level at casing work shop, RM yards, FP yards and sinter plant area, resulting in energy savings of 9,600 kWh per year.
- ii. Extension of VAM system to Battery Bank and UPS room to eliminate the 1.5Ton capacity Window Air Conditioner, resulting in energy savings of 12,000 kWh per year.
- iii. Replacement of 1st furnace 15kW shell cooling pump with 7.5kW pump, resulting in energy savings of 24,000 kWh per year.
- iv. Optimizing the operating time of Lime Splashes and Agitators at CCM, resulting in energy savings of 36,000 kWh per year.

- v. Arrangement of light sensors instead of manual controlling for auto switching of outdoor lighting at RM yards and FP yards.
- vi. Installation of energy meters at Compressors, EOT & Grab Cranes, old Batch Weighing system, Ground Floor DB, 15mtr floor MCC, Production Office and Administrative Office for close monitoring and measurement of power consumption.
- vii. Installation of energy efficient Inverter type Air Conditioners in the place of old type Air conditioners at Conference Hall and Guest House.

Odisha

- i. Impeller trimming of Furnace Circulation Pumps, resulting in energy savings of 595,680 kWh per year.
- ii. Impeller trimming of Furnace Transformer Cooling Pump, resulting in energy savings of 52,560 kWh per year/annum.
- iii. Installation of Godrej Control Air System (IFC) for controlling plant air supply, resulting in energy savings of 39,168 kWh per year.
- iv. DP based operation of Reverse Air Fans in GCPs, resulting in energy savings of 584,000 kWh per year.
- v. Replacement of Welding Transformers with Welding Rectifiers, resulting in energy savings of 30,000 kWh per year.
- vi. Conversion of operation of identified motors from delta mode to star mode, resulting in energy savings of 260,000 kWh per year.

(ii) The steps taken by the Company for utilizing alternate sources of energy

I) Sugar Division/Power Division/Ferro Alloy Division:

NIL

(iii) The capital investment on energy conservation equipments

I) Sugar Division:

₹ 3.06 lakhs on Plate Type Heat Exchanger for A Range Centrifugals.

II) Power Division:

Power Plant (Telangana)
₹ 8,00,000/- on sonic soot blowers

Power Plant (Odisha)
NIL

III) Ferro Alloy Division:

Telangana
NIL

Odisha
₹ 4.30 lakhs on Intelligent Flow Control for compressed air line.

(B) TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption

I. Sugar Division:

NIL

II. Power Division:

Power Plant (Telangana)
Reverse engineering for indigenous manufacture of reduction gear box of 32 MW Unit-1.

Power Plant (Odisha)

- i. Inspection of all the Steam traps in Unit-1 and replacement of damaged steam traps.



- ii. Providing energy meters for Boiler-1 ID fan, Boiler-1 PA fans, Instrument Air Compressor-1 in Unit-2 and for AHPC-1 and AHPC-2 in Unit-1.
- iii. Performance evaluation of Unit-2 air compressors by conducting Free Air Delivery (FAD) test and operating energy efficient compressors.
- iv. Development of Level based open-close logic for all LP and HP Heaters in Unit-3.
- v. Developing Tie breaker ON to capacitor bank auto ON logic.
- vi. Modification of existing Unit-2, Bed Ash System-4 and ash conveying line, near Bed ash silo.
- vii. Providing liners at outlet chute of VS-2 in CHP to prevent erosion of mother plate.
- viii. Erection and commissioning of Ammonia dosing system for Unit-2 ESPs.
- ix. Conducting insulation survey and repairing the damaged insulated areas at different places in Unit-1 and 2.
- x. Installation of 100 cum/day Eco-friendly Sewage Treatment Plant using Bio-Digester and Phytorid Technology.

III. Ferro Alloy Division:

Telangana

- i. Installation of Opacity Monitors at Gas Cleaning Plants 3 and 4.
- ii. Installation of Vibration Transmitters at ID Fan of Gas Cleaning Plant-3.
- iii. Installation of Pressure Transmitters at suction ducts of ID Fans for Gas Cleaning Plants 3 & 4.

- iv. Fixing limit switches at the RMHS day bunkers to indicate the raw material level and to stop the feeding when feeding reaches the top position in the day bunkers.
- v. Installation of rain guns at raw material yards.

Odisha

Installation of Godrej Intelligence Flow Control system(IFC) for plant air compressors for the control of air flow.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

I. Sugar Division:

NIL

II. Power Division:

Power Plant (Telangana)

The Reduction Gear Box was procured indigenously instead of importing which saved huge cost and time.

Power Plant (Odisha)

- i. Eliminating of steam escape through traps.
- ii. Monitoring of energy consumption.
- iii. Evaluation of actual Free Air Delivery (FAD) of the compressors.
- iv. Safe, efficient and convenient operation.
- v. Reduced MVAR import.
- vi. Increased mean time of conveying line erosions and reduced compressed air consumption.
- vii. Increased mean time of Vibrating Screen-2, mother plate erosion.
- viii. Performance optimization of ESPs of Unit-2 and reduced emission level.

- ix. Minimized heat loss due to radiation.
- x. Reusing of effluent water.

III. Ferro Alloy Division:

Telangana

- i. On line monitoring of SPM levels as per the norms of State Pollution Control Board.
- ii. Continuous monitoring of vibrations from control room.
- iii. Monitoring of pressure levels in SCADA.
- iv. Improved maintenance of RMHS.
- v. Waste water utilization and dust suppression.

Odisha

Reduction in energy costs by ₹ 2,17,000/- per year.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

I. Sugar Division/Power Division/Ferro Alloy Division:

- (a) The details of technology imported: NIL
- (b) The year of import: Not Applicable
- (c) Whether the technology been fully absorbed: Not Applicable
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

(iv) The expenditure incurred on Research and Development

- I. Sugar Division/Power Division/Ferro Alloy Division:
NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in lakhs)

	Current Year 31.03.2015	Previous Year 31.03.2014
Foreign Exchange Outgo:		
i. CIF value of Imports	21,392.64	16,228.74
ii. Interest	18.68	44.47
iii. Others	12.98	30.09
Foreign exchange Earnings at FOB Value		
i. Export of Goods	32,803.51	22,865.61
ii. Others	1,529.49	1,576.04



Annexure – 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Rule 8 of Companies [Corporate Social Responsibility Policy] Rules, 2014)

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	<p>The Company endeavours to</p> <ul style="list-style-type: none"> • provide learning and acquiring knowledge through measures including formal schools; • provide health care services through measures including preventive health care; and • provide livelihood through measures including vocational training. 		
	Web-link:	http://www.nbventures.com/pdf/corporate_policies/03_pdf_2014-15_csrpolicy.pdf		
2.	Composition of the CSR Committee	Sri D. Ashok	Chairman of the Company	Chairman
		Dr. D. Nageswara Rao	Independent Director	Member
		Dr. C. V. Madhavi	Independent Director	Member
3.	Average net profit of the Company for last three financial years	₹ 23,113.29 lakhs		
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 462.27 lakhs		
5.	Details of CSR spend during the financial year	<p>a. Total amount spent for the financial year: ₹ 465.18 lakhs</p> <p>b. Amount unspent, if any : Nil</p> <p>c. Manner in which the amount spent during the financial year : Attached</p>		
6.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report	Please refer to Item No.5(b) above.		
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company	We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.		

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director

D. Ashok
Chairman
CSR Committee

CSR Projects / Programmes, budget allocation together with modalities of execution for 2014-15
Status as on 31.03.2015

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken		Amount Outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads	Cumulative Expenditure up to the date of reporting period	Amount spent direct or through implementing agency
			Project or Program	Local Area or other District and State				
PROMOTING HEALTH CARE								
1	Upgrading facilities at Nava Bharat Eye Center (NBEC)	(i) Promoting health care	Project	Paloncha Khammam Dist., Telangana	23.82 11.18	23.82 11.22	23.82 11.22	Hyderabad Eye Institute, Hyderabad
2	Primary Health Center at NBEC	(i) Promoting health care	Program	Paloncha Khammam Dist., Telangana	6.50	6.50	6.50	Hyderabad Eye Institute, Hyderabad
3	Health Campaign in surrounding areas	(i) Promoting health care	Program	Paloncha, Erragunta, Jagguthanda, Palakoyyathanda, Sekharambanjara, Gandhinagar, Sanjaynagar, Kothagudem School of Mines	4.11	4.55	4.55	Direct
4	Health Campaign in rural areas	(i) Promoting health care	Program	Kandrakota Village East Godavari Dist., A.P.	2.14	2.14	2.14	Direct
5	Specialized Medical Camps	(i) Promoting health care	Program	Charadagadia, Sibapur & Kochilamada Villages Dhenkanal Dist., Odisha	5.00	5.96	5.96	Direct
						52.75	54.19	54.19
PROVISION OF SAFE DRINKING WATER								
6	Safe Drinking Water Plants	(i) Making available safe drinking water	Project	Dontamuru village, Gorinta village, Ganapathi Nagaram & near Santha Market Centre, Samalkot Town	28.00	28.44	28.44	Direct
7	Supply of treated drinking water	(i) Making available safe drinking water	Program	Hussain Puram village, Dharmavaram village	2.00	3.08	3.08	Direct
8	Safe Drinking Water Plants	(i) Making available safe drinking water	Project	Pusugudem, Nagaram, Singabhupalem, Koyyagudem, Tekulapally, Sanjay Nagar villages	68.60	65.74	65.74	5 Nos - Naandi Foundation 1 No. – Direct
						98.60	97.26	97.26



Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken			Amount Outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads	Cumulative Expenditure up to the date of reporting period	Amount spent direct or through implementing agency
			Project or Program	Local Area or other	District and State				
PROMOTING SANITATION									
9	Toilets at Kothagudem Court for public	(i) Promoting sanitation	Project	Kothagudem, Khammam, Palakoya Thanda, Gandhinagar	Khammam Dist., Telangana	3.25	4.88	4.88	Direct
10	Sanitation in local area	(i) Promoting sanitation	Project	Paloncha	Khammam Dist, Telangana	13.50	14.54	14.54	Direct
11	Toilets for girl students in Govt. Schools. (toilet blocks at Adi Andhrapeta taken up instead of item no.33)	(i) Promoting sanitation	Project	ZPH.School, Kattamuru, Z P P High School, Dharmavaram village, Adi Andhrapeta, Samalkot Town	East Godavari District, A.P.	4.00	10.76	10.76	Direct
12	Toilet Blocks at Brahmani Public School	(i) Promoting sanitation	Project	Kharagprasad	Dhenkanal Dist., Odisha	6.00	6.00	6.00	Direct
						26.75	36.18	36.18	
PROMOTING EMPLOYMENT ENHANCING VOCATIONAL SKILLS									
13	New building for NBVI	(ii) Promoting employment enhancing vocational skills	Project	Paloncha	Khammam Dist, Telangana	91.19	93.61	93.61	Direct
14	Nava Bharat Vocational Institute (NBVI)	(ii) Promoting employment enhancing vocational skills	Program	Paloncha	Khammam Dist, Telangana	50.00	47.92	47.92	Direct
15	Developing vocational skills	(ii) Promoting employment enhancing vocational skills	Program	Students of East Godavari Dist.	East Godavari District, A.P.	10.00	6.90	6.90	Direct
						151.19	148.43	148.43	
PROMOTING EDUCATION									
16	Computer course in NBVI	(ii) Promoting special education	Project	Paloncha	Khammam Dist, Telangana	25.41	26.49	26.49	Direct
						1.20	0.55	0.55	
17	Nava Bharat High School	(ii) Promoting education	Program	Paloncha	Khammam Dist, Telangana	12.00	12.87	12.87	Direct

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken			Amount Outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads		Cumulative Expenditure up to the date of reporting period	Amount spent direct or through implementing agency
			Project or Program	Local Area or other	District and State					
18	Mobile Science Laboratory for conducting science practicals in Govt. schools, with audio visual aids	(ii) Promoting education	Project	Paloncha & Kothagudem Mandals	Khammam Dist, Telangana	6.76	6.10	6.10	6.10	Direct
			Program			1.50	1.20	1.20	1.20	
19	Free tutorials for economically backward students	(ii) Promoting education	Program	Paloncha & Kothagudem Mandals	Khammam Dist, Telangana	3.00	2.91	2.91	2.91	Sevabharati, Paloncha, Khammam Dist. & NBRDS, Paloncha, Khammam Dist.
20	Computer faculty in Govt. Schools	(ii) Promoting education	Program	Paloncha & Kothagudem Mandals	Khammam Dist, Telangana	2.75	1.87	1.87	1.87	Direct
21	Providing infrastructure in Govt. Schools	(ii) Promoting education	Project	MPP Schools in the Villages of Vommangi, Prathipadu and Dharmavaram, MPP school Borrapalem village	East Godavari District, A.P.	1.95	2.06	2.06	2.06	Direct
22	Providing infrastructure in Govt. Schools	(ii) Promoting education	Project	Paloncha, Kothagudem & Mulakalapally Mandals	Khammam Dist., Telangana	9.00	9.06	9.06	9.06	Direct
23	Providing Infrastructure support to Schools	(ii) Promoting education	Project	Kharagprasad & Charadagadia Villages	Dhenkanal Dist., Odisha	8.00	8.13	8.13	8.13	Direct
24	Grant-in-Aid to Brahmani Public School	(ii) Promoting education	Program	Kharagprasad	Dhenkanal Dist., Odisha	6.00	5.63	5.63	5.63	Direct
25	Development of Brahmani Public School Play-ground	(ii) Promoting education	Project	Kharagprasad	Dhenkanal Dist., Odisha	3.00	2.95	2.95	2.95	Direct
26	Supplementary Spoken English Programme	(ii) Promoting education/ livelihood enhancement	Project	Paloncha & Kothagudem Mandals	Khammam Dist., Telangana	5.33	5.12	5.12	5.12	Direct
			Program			1.90	1.44	1.44	1.44	
						87.80	86.38	86.38	86.38	



(₹ in lakhs)									
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken			Amount Outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads	Cumulative Expenditure up to the date of reporting period	Amount spent direct or through implementing agency
			Project or Program	Local Area or other	District and State				
BUILDING OF CSR CAPACITY OF PERSONNEL									
27	Administrative expenses		Program	Paloncha	Khammam Dist., Telangana	8.30	8.54	8.54	Direct
						8.30	8.54	8.54	
PROMOTING WOMEN EMPOWERMENT									
28	Vocational Employment Centre for Women	(iii) Empowering women	Program	Paloncha	Khammam Dist., Telangana	3.00	3.25	3.25	Direct
29	Entrepreneurial development of Women	(iii) Empowering women	Program	Villages around Samalkot	East Godavari Dist., A.P.	5.00	4.37	4.37	Direct
						8.00	7.62	7.62	
SETTING UP HOMES FOR THE DISABLED									
30	Contribution to Home for Disabled to provide care for disabled persons	(iii) Setting up homes for orphans	Project	Sampanbole	Ranga Reddy Dist., Telangana	15.00	15.00	15.00	Home For Disabled, Secunderabad
						15.00	15.00	15.00	
MAINTAINING QUALITY OF SOIL									
31	Maintaining & improving quality of soil	(iv) Maintaining quality of soil	Program	5 villages around Samalkot	East Godavari Dist., A.P.	10.00	9.33	9.33	Direct
						10.00	9.33	9.33	
DEVELOPING AGRO FORESTRY									
32	Agro Forestry	(iv) Agro Forestry	Program	Pulimeru & Burugupudi villages	East Godavari Dist., A.P.	2.00	2.25	2.25	Direct
						2.00	2.25	2.25	
RURAL DEVELOPMENT PROJECTS									
33	Construction of culverts*	(x) Rural development	SD	Project		3.00	-	-	-
	* (Item deferred and replaced with additional toilet blocks in Item No.11)								
GRAND TOTAL						3.00	-	-	-
						463.39	465.18	465.18	-

Annexure – 4

FORM NO. MGT-9 Extract of Annual Return as on the financial year ended on 31.03.2015

[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	:	L27101TG1972PLC001549
ii)	Registration Date	:	07.11.1972
iii)	Name of the Company	:	Nava Bharat Ventures Limited
iv)	Category/Sub-category of the Company	:	Company limited by shares/Indian non-government
v)	Address of the Registered office and contact details	:	6-3-1109/1, Nava Bharat Chambers, Raj Bhavan Road Hyderabad – 500 082, Telangana Tel: 91 40 23403501 Fax: 91 40 23403013 E-mail: nbvl@nbv.in Website:www.nbventures.com
vi)	Whether listed company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Computershare Private Limited (Unit: Nava Bharat Ventures Limited) Karvy Selenium Tower B, Plot No. 31 & 32 Gachibowli, Financial District, Nanakramguda Hyderabad – 500 032, Telangana Tel: 91 40 6716 1500, 91 40 6716 1562 Fax: 91 40 2300 1153 Sri M. S. Madhusudhan/Sri Mohd. Mohsinuddin E-mail: mohsin.mohd@karvy.com Website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company as follows:

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% of total turnover of the Company
1	Ferro Alloys	24104	45.09
2	Power	35102	45.01
3	Sugar	10721	9.89



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
1	Nava Bharat Projects Limited 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082 (Telangana)	U70102TG2007PLC052362	WOS	100.00	2 (87)
2	Nava Bharat Realty Limited Road No.7, IDA Nacharam Survey Nos.617/3 – 617/13 Next to Nacharam Telephone Exchange Hyderabad – 500 076 (Telangana)	U70102TG2006PLC049888	WOS	100.00	2 (87)
3	Nava Bharat Sugar and Bio Fuels Limited 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082 (Telangana)	U74999TG2008PLC058559	WOS	100.00	2 (87)
4	Nava Bharat Energy India Limited 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082 (Telangana)	U40106TG2008PLC058560	Subsidiary	26.00	2 (87)
5	Brahmani Infratech Private Limited 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082 (Telangana)	U40109TG1999PTC032289	Subsidiary	65.74	2 (87)
6	Nava Bharat (Singapore) Pte. Limited 120, Lower Delta Road, #05-14 Cendex Centre Singapore - 169208	Not Applicable	WOS	100.00	2 (87)
7	Maamba Collieries Limited Head Office: P.O.Box 99, Maamba Zambia	Not Applicable	Subsidiary	65.00	2 (87)
8	NB Tanagro Limited 8th Floor, Amani Place, Ohio Street Dar es Salam, Tanzania	Not Applicable	Subsidiary	100.00	2 (87)
9	Nava Energy Pte. Ltd. 120, Lower Delta Road, #05-14 Cendex Centre Singapore -169208	Not Applicable	Subsidiary	100.00	2 (87)
10	Nava Bharat Lao Energy Pte. Ltd 120, Lower Delta Road, #05-14 Cendex Centre Singapore -169208	Not Applicable	Subsidiary	100.00	2 (87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
11	Namphak Power Company Limited House No. 045, Unit 4 Ban Thongphantong Sisattanak District, P.O. Box 2108 Vientiane, Lao PDR	Not Applicable	Subsidiary	100.00	2 (87)
12	Kinnera Power Company Pvt Ltd 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082 (Telangana)	U40100TG1993PTC016204	Associate	26.00	2 (6)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Shareholding

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) Individual / HUF	15283188	0	15283188	17.11	15478686	0	15478686	17.34	0.23	
b) Central Govt.	0	0	0	0	0	0	0	0	0	
c) State Govt (s)	0	0	0	0	0	0	0	0	0	
d) Bodies Corp.	18425813	0	18425813	20.64	18886044	0	18886044	21.15	0.51	
e) Banks/FI	0	0	0	0	0	0	0	0	0	
f) Any other - Trust M/s. Nav Energy Pvt. Ltd. (Holding shares of the Company (NBVL) for the benefit of the Company (NBVL))	4973510	0	4973510	5.57	4973510	0	4973510	5.57	0	
SUB-TOTAL (A) (1)	38682511	0	38682511	43.32	39338240	0	39338240	44.06	0.74	
(2) Foreign										
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0	
b) Other individuals	0	0	0	0	0	0	0	0	0	
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	
d) Banks/FI	0	0	0	0	0	0	0	0	0	
e) Any other	0	0	0	0	0	0	0	0	0	
SUB-TOTAL (A) (2)	0	0	0	0	0	0	0	0	0	
TOTAL SHAREHOLDING OF PROMOTERS (A)=(A) (1) + (A) (2)	38682511	0	38682511	43.32	39338240	0	39338240	44.06	0.74	



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	
B PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	204608	0	204608	0.23	186508	0	186508	0.21	(0.02)
b) Banks / FI	4855	14825	19680	0.02	9548	1705	11253	0.01	(0.01)
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	29273313	0	29273313	32.79	26853011	0	26853011	30.07	(2.72)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
SUB-TOTAL (B) (1)	29482776	14825	29497601	33.04	27049067	1705	27050772	30.30	(2.74)
(2) Non-Institutions									
a) Bodies Corporate									
i. Indian	1489657	1647	1491304	1.67	1501480	1340	1502820	1.68	0.01
ii. Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	6978827	1016376	7995203	8.95	6888149	821326	7709475	8.63	(0.32)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8466193	135000	8601193	9.63	8516840	0	8516840	9.54	(0.09)
c) Others (specify)									
i. Unclaimed Shares Suspense Account – Clause 5A.II	671215	0	671215	0.75	642995	0	642995	0.72	(0.03)
ii. Directors and Relatives	282631	0	282631	0.32	282631	0	282631	0.32	0
iii. Nava Bharat Ventures Employee Welfare Trust – Held by the Trustee - Barclays Wealth Trustees (India) Pvt. Ltd.*	1400000	0	1400000	1.57	1400000	0	1400000	1.57	0
iv. Clearing Members	56658	0	56658	0.06	9100	0	9100	0.01	(0.05)
v. Hindu Undivided Family	436719	0	436719	0.49	416297	0	416297	0.47	(0.02)
vi. Trusts	7444	0	7444	0.01	12346	0	12346	0.01	0

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	
vii. Non Resident Indians	159152	6110	165262	0.19	170470	6110	176580	0.20	0.01
viii. Foreign Portfolio Investors	0	0	0	0	2229645	0	2229645	2.50	2.50
SUB-TOTAL (B) (2)	19948496	1159133	21107629	23.64	22069953	828776	22898729	25.65	2.01
Total Public Shareholding (B)=(B) (1) + (B) (2)	49431272	1173958	50605230	56.68	49119020	830481	49949501	55.94	(0.74)
C SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C)	88113783	1173958	89287741	100.00	88457260	830481	89287741	100.00	

* Nava Bharat Ventures Employee Welfare Trust – Shares held by the Trustee - Barclays Wealth Trustees (India) Pvt. Limited - held 14,00,000 Equity Shares (1.57%). It is continued to be shown in the category of Public Shareholding as per the current format and it shall be construed as 'non-promoter' and 'non-public' for the purpose of Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

(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 or encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged or encumbered to total shares	
1	Sri Devineni Ashok	1082268	1.21	0	1113000	1.25	0	0.04
2	Smt. Devineni Ramaa	261615	0.29	0	261615	0.29	0	0
3	Sri Ashwin Devineni	1594703	1.79	0	1619469	1.81	0	0.02
4	Sri Nikhil Devineni	1240000	1.39	0	1275000	1.43	0	0.04
5	Dr. Devineni Rajasekhar	2880905	3.23	0	2880905	3.23	0	0
6	Dr. Devineni Rajasekhar & Sri D.Ashok	7815	0.01	0	7815	0.01	0	0
7	Smt. Devineni Bhaktapriya	2020545	2.26	0	2020545	2.26	0	0
8	Smt. Alluri Nilima	505000	0.57	0	505000	0.57	0	0
9	Sri Pinnamaneni Trivikrama Prasad	1708836	1.91	0	1813836	2.03	0	0.12
10	Sri Pinnamaneni Trivikrama Prasad (HUF)	351315	0.39	0	351315	0.39	0	0
11	Smt. Pinnamaneni Rajashree	3518778	3.94	0	3518778	3.94	0	0
12	Smt. Pinnamaneni Shruthi	111408	0.12	0	111408	0.12	0	0
TOTAL		15283188	17.11	0	15478686	17.34	0	0.23



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 or encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged or encumbered to total shares	
Bodies Corporate:								
13	M/s. Nav Developers Ltd.	7467845	8.36	0	7817845	8.76	0	0.40
14	M/s. A. N. Investments Pvt. Ltd.	4323118	4.84	0	4408349	4.94	0	0.10
15	M/s. S. R. T. Investments Pvt. Ltd.	3400000	3.81	0	3400000	3.81	0	0
16	M/s. A9 Homes Pvt. Ltd.	1132000	1.27	0	1132000	1.27	0	0
17	M/s. V9 Avenues Pvt. Ltd.	1084990	1.22	0	1109990	1.24	0	0.02
18	M/s. AV Dwellings Pvt. Ltd.	1017860	1.14	0	1017860	1.14	0	0
TOTAL		18425813	20.64	0	18886044	21.15	0	0.51
TRUST:								
19	M/s. Nav Energy Pvt. Ltd. (Holding shares of the Company (NBVL) for the benefit of the Company (NBVL))	4973510	5.57	0	4973510	5.57	0	0
TOTAL		4973510	5.57	0	4973510	5.57	0	0
GRAND TOTAL		38682511	43.32	0	39338240	44.06	0	0.74

The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.

iii) Change in Promoters' shareholding

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri D. Ashok				
	At the beginning of the year	1082268	1.21	1082268	1.21
	Acquisition on 24.09.2014	30732	0.04	1113000	1.25
	At the end of the year*			1113000	1.25
2	Sri D. Nikhil				
	At the beginning of the year	1240000	1.39	1240000	1.39
	Acquisition on 24.09.2014	35000	0.04	1275000	1.43
	At the end of the year*			1275000	1.43
3	M/s. V9 Avenues Private Limited				
	At the beginning of the year	1084990	1.22	1084990	1.22
	Acquisition on 24.09.2014	25000	0.03	1109990	1.24
	At the end of the year*			1109990	1.24

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Sri P.Trivikrama Prasad				
	At the beginning of the year	1708836	1.91	1708836	1.91
	Acquisition on 18.11.2014	36701	0.04	1745537	1.95
	Acquisition on 28.11.2014	39394	0.05	1784931	2.00
	Acquisition on 31.03.2015	28905	0.03	1813836	2.03
	At the end of the year*			1813836	2.03
5	M/s.Nav Developers Limited				
	At the beginning of the year	7467845	8.36	7467845	8.36
	Acquisition on 11.03.2015	186341	0.21	7654186	8.57
	Acquisition on 18.03.2015	163659	0.18	7817845	8.75
	At the end of the year*			7817845	8.75
6	Sri D. Ashwin				
	At the beginning of the year	1594703	1.79	1594703	1.79
	Acquisition on 31.03.2015	24766	0.03	1619469	1.81
	At the end of the year*			1619469	1.81
7	M/s. A.N. Investments Private Limited				
	At the beginning of the year	4323118	4.84	4323118	4.84
	Acquisition on 31.03.2015	85231	0.09	4408349	4.94
	At the end of the year*			4408349	4.94

* The reason for increase in promoters shareholding during the year is due to acquisition from the market.



iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
i.	M/s. Highfields Capital Management LP A/c: HC Mauritius Ltd				
	At the beginning of the year	8482989	9.50	8482989	9.50
	At the end of the year			8482989	9.50
ii.	M/s. J. Caird BMD MB				
	At the beginning of the year	2952604	3.31	2952604	3.31
	Sale on 23.03.2015	(955617)	(1.07)	1996987	2.24
	At the end of the year			1996987	2.24
iii.	M/s. J. Caird MB				
	At the beginning of the year	2386589	2.67	2386589	2.67
	Sale on 23.03.2015	(526047)	(0.59)	1860542	2.08
	At the end of the year			1860542	2.08
iv.	M/s. Retail Employees Superannuation PTY Ltd. as Trustee for Retail Employees Superannuation Trust				
	At the beginning of the year	2170169	2.43	2170169	2.43
	At the end of the year			2170169	2.43
v.	M/s. Deutsche Securities Mauritius Limited				
	At the beginning of the year	1845356	2.07	1845356	2.07
	At the end of the year			1845356	2.07
vi.	M/s. Copthall Mauritius Investment Limited				
	At the beginning of the year	1664733	1.86	1664733	1.86
	At the end of the year			1664733	1.86
vii.	M/s. Wellington Management Company LLP A/C. Bay Pond MB				
	At the beginning of the year	1458471	1.63	1458471	1.63
	At the end of the year			1458471	1.63
viii.	M/s. Nava Bharat Ventures Employee Welfare Trust through Barclays Wealth Trustees (India) Pvt. Ltd.				
	At the beginning of the year	1400000	1.57	1400000	1.57
	At the end of the year			1400000	1.57
ix.	M/s. Morgan Stanley Asia (Singapore) Pte.				
	At the beginning of the year	1385690	1.55	1385690	1.55
	Acquisition on 23.03.2015	582369	0.65	1968059	2.20
	At the end of the year			1968059	2.20
x.	M/s. Credit Suisse (Singapore) Limited				
	At the beginning of the year	1161600	1.30	1161600	1.30
	At the end of the year			1161600	1.30

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sri D. Ashok				
	At the beginning of the year	1082268	1.21	1082268	1.21
	Acquisition on 24.09.2014	30732	0.04	1113000	1.25
	At the end of the year*			1113000	1.25
2	Sri P. Trivikrama Prasad				
	At the beginning of the year	1708836	1.91	1708836	1.91
	Acquisition on 18.11.2014	36701	0.04	1745537	1.95
	Acquisition on 28.11.2014	39394	0.05	1784931	2.00
	Acquisition on 31.03.2015	28905	0.03	1813836	2.03
	At the end of the year*			1813836	2.03
	Sri P.Trivikrama Prasad (HUF)				
	At the beginning of the year	351315	0.39	351315	0.39
	At the end of the year			351315	0.39
3	Sri G.R.K.Prasad				
	At the beginning of the year	32586	0.04	32586	0.04
	At the end of the year			32586	0.04
4	Sri C. V. Durga Prasad				
	At the beginning of the year	70915	0.08	70915	0.08
	At the end of the year			70915	0.08
5	Sri T. Hari Babu – KMP				
	At the beginning of the year	2600	0.00	2600	0.00
	At the end of the year			2600	0.00

* The reason for increase in Directors/KMP shareholding during the year is due to acquisition from the market.



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,408,527,351	303,000,000	-	1,711,527,351
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11,531,671	-	-	11,531,671
TOTAL (i+ii+iii)	1,420,059,022	303,000,000	-	1,723,059,022
Change in Indebtedness during the financial year				
Addition	921,637,265	-	-	921,637,265
Reduction	(963,549,200)	(3,000,000)	-	(966,549,200)
Net Change	(41,911,935)	(3,000,000)	-	(44,911,935)
Indebtedness at the end of the financial year				
i) Principal Amount	1,378,147,087	300,000,000	-	1,678,147,087
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	1,378,147,087	300,000,000	-	1,678,147,087

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹)						
Sl. No.	Particulars of Remuneration	Name of MD/WTM/Manager				Total
		Sri D. Ashok	Sri P. Trivikrama Prasad	Sri G. R. K. Prasad	Sri C. V. Durga Prasad	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14925000	14932165	20288385	14526295	64671845
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1283377	1275086	1843014	1645842	6047319
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission					
	- as % of profit	29262438	29262438	0	0	58524876
	- others, specify...					
5	Others, please specify					
	Personal accident insurance premium	21000	21000	12600	12600	67200
	Employer's PF Contribution	1008000	1008000	1008000	1008000	4032000
	Gratuity provision	611332	403846	610931	403846	2029955
	EL provision	117383	--	117993	--	235376
6	Total (A)	47228530	46902535	23880923	17596583	135608571
	Ceiling as per the Act	73156095	73156095	73156095	73156095	146312190

B. Remuneration to other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total
		Sri K. Balarama Reddi	Dr. M. V. G. Rao	Dr. E. R. C. Shekar	Dr. D. Nageswara Rao	Dr. C. V. Madhavi	
1.	Independent Directors						
	Fee for attending board / committee meetings	112500	112500	37500	142500	75000	480000
	Commission	400000	400000	400000	400000	400000	2000000
	Others, please specify	0	0	0	0	0	0
	Total (1)	512500	412500	437500	542500	475000	2480000
2.	Other Non-Executive Directors						
	Fee for attending board / committee meetings						
	Commission	NA	NA	NA	NA	NA	NA
	Others, please specify						
	TOTAL (2)	0	0	0	0	0	0
	TOTAL (B)=(1+2)	512500	412500	437500	542500	475000	2480000
	Total Managerial Remuneration	-	-	-	-	-	138088571
	Overall Ceiling as per the Act	-	-	-	-	-	160943409

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Sri T. Hari Babu Chief Financial Officer	Sri M. Subrahmanyam Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,53,000	47,75,548	82,28,548
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,26,000	1,75,600	3,01,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others, please specify	0	0	0
	TOTAL	35,79,000	49,51,148	85,30,148

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty			NIL		
Punishment					
Compounding					
C. Other Officers in default					
Penalty					
Punishment					
Compounding					

Annexure – 5

Disclosure of Particulars of Contracts/Arrangements entered into by the Company with Related Parties referred to in Sub Section (1) of Section 188 of the Companies Act, 2013

AOC 2

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

1. Details of contracts or arrangements or transactions:

Sl. No.	The Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements /transactions	Duration of the contract	Salient terms of contracts/ arrangements /transactions	Justification for entering into contracts	Amount paid as Advance, if any
1	Sri. D. Ashwin S/o Sri. D. Ashok, Chairman	Revision of remuneration	5 years	Remuneration of USD 875,000 per annum with an annual increment not exceeding 25%	The Company has been undertaking various new ventures in overseas through Nava Bharat (Singapore) Pte. Limited.	NIL
2	Sri. D. Nikhal S/o Sri. D. Ashok, Chairman	Appointment as Manager	5 years	Remuneration of USD 4000 per month with an annual increment not exceeding 25%	Appointment and remuneration commensurate with the qualification and experience of the Appointee.	NIL
3	Nava Bharat (Singapore) Pte.Limited Wholly owned Subsidiary	Exports of Ferro Alloys aggregated to ₹ 27,191.11 Lakhs	N.A.	Exports of Ferro Alloys would not exceed ₹ 600 crores in a Financial Year	The Company raises Invoices on Nava Bharat (Singapore) Pte.Limited for shipments on receipt of export orders.	NIL
4	Maamba Collieries Limited Step down Subsidiary	a) Guarantee on Corporate Guarantees @0.875% i.e ₹ 121.21 lakhs b) Project Management and Support Services income was ₹ 1,310.21 lakhs.	N.A.	The income on account of guarantee commission may not exceed ₹ 6 crores in a financial year.	The guarantee commission charged on the corporate guarantees provided by the Company to Banks on Loans taken by Maamba Collieries Limited is similar to that of the commission charged by commercial banks in case Bank Guarantees are extended to the Company.	NIL
5	Nava Bharat Energy India Limited Step down Subsidiary	Lease rent received, sale of fly ash bricks, utility charges received, sale of fixed assets for ₹ 548.12 lakhs.	N.A.	The provision of certain goods, material services or facility extended to the Company's Subsidiary, Nava Bharat Energy India Limited for operation of its 150 MW Power Plant at Paloncha. The aggregate value not exceeding ₹ 50 crores in a Financial Year.	Fee for providing project support services is based upon the prevailing rate per man hour charged by a third party offering similar services to Maamba Collieries Limited. Nava Bharat Energy India Limited is fully owned by the Company, the Unit of which was located in the same Company's premises and hence the terms and conditions will be decided mutually.	NIL

The Board approved the above transactions at its meeting held on 30.05.2014 and the same were also approved by the shareholders at the AGM held on 08.08.2014.

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

Sl. No.	The Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements /transactions	Duration of the contract	Salient terms of contracts/ arrangements /transactions	Justification for entering into contracts	Amount paid as Advance if any
1	Brahmani Infotech Private Limited Subsidiary Company	Payment of interest on the deposit received from M/s. Mantri Technology Parks Pvt.Ltd., of ₹ 30 crores.	N.A.	Payment of interest at a rate of 9% per annum i.e. interest of ₹ 2.70 crores.	Interest is reasonable and also would be the same as may be earned by the Company on an average. Interest may not exceed 10% in any financial year i.e. ₹ 3 crores in a financial year.	NIL
2	Smt.G.S.P.Kumari W/o. Sri G.R.K.Prasad Executive Director	House Rent to an extent of ₹ 12,60,000/- from April, 2014 to June, 2014	N.A.	₹ 12,60,000/- as rent to his spouse towards accommodation.	Provision of accommodation or House Rent Allowance (60% of basic salary) during the present tenure of the Executive Director is as a part of total remuneration approved by the General Body by Special Resolution on 16.08.2013.	NIL
3	Smt.C.Umamaheswari W/o. Sri C.V.Durga Prasad Director (Business Development)	House Rent to an extent of ₹ 12,60,000/- from April, 2014 to June, 2014	N.A.	₹ 12,60,000/- as rent to his spouse towards accommodation.	Provision of accommodation or House Rent Allowance (60% of basic salary) during the present tenure of the Director (Business Development) is as a part of total remuneration approved by the General Body by Special Resolution on 16.08.2013.	NIL
4	Dr.D.Rajasekar Brother of Sri D.Ashok Chairman	Rent paid per Month ₹ 1,26,683/- (including Service Tax of ₹ 13,283/-)	N.A.	Rent paid for the Registered Office of the Company at 3rd Floor of 'Nava Bharat Chambers' for 3000 Sft. at a rate of ₹ 37/- per sft. i.e ₹ 1,26,683/- (including Service Tax).	The Company has let out 2nd Floor of the Premises at a rent of ₹ 5,08,406/- (including Service Tax of ₹ 53,787/-) per month admeasuring an area of 8539 Sft at a rent of ₹ 53/- per Sft. The rent paid by the Company is lower than the rent received by the Company in the same premises. Hence, rent paid is below the arm's length price and in the ordinary course of business.	NIL
5	Nava Bharat (Singapore) Pte. Limited	a) Guarantee on Corporate Guarantees @0.875% i.e ₹ 62.66 lakhs b) Interest on Loan 5% per annum i.e ₹ 35.41 lakhs	N.A.	The income on account of guarantee commission is ₹ 62.66 lakhs. The Interest income on loan is ₹ 35.41 lakhs.	The Commission on guarantees and interest on loan are similar to the charges by others and on an arm's length basis.	NIL

The Board approved the above transactions 1,2,3, 4 at its meeting held on 30th May, 2014, 5(a) on 20th October, 2014 and 5(b) on 17th January, 2015.

G. R. K. Prasad
Executive Director

P. Trivikrama Prasad
Managing Director

Annexure – 6

Particulars of Loans, Guarantees or Investments during the FY 2014-15 under Section 186 of the Companies Act, 2013

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Purpose	Date of making loan/ acquisition/ giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (listed/unlisted entities)	Amount of loan/security/ acquisition / guarantee (₹)	Time period for which it is made/given	Date of passing of Board Resolution	For Loans	
							Rate of Interest	Date of maturity
Corporate Guarantee	For making investments in ongoing projects, taken up by the Subsidiaries.	30.10.2014	Standard Chartered Bank	171,86,12,500	30.10.2014 to 30.04.2016	20.10.2014	NA	30.04.2016
Loan	For making investments in ongoing projects, taken up by the Subsidiaries.	21.01.2015	Nava Bharat (Singapore) Pte. Limited	37,49,70,000	NA	17.01.2015	5%	NA
Towards Equity Share Capital	For making investments in ongoing projects, taken up by the Subsidiaries.	15.04.2014 12.05.2014 23.02.2015 23.03.2015	Nava Bharat (Singapore) Pte. Limited	103,61,82,500	NA	02.05.2013 02.05.2013 17.01.2015 17.01.2015	NA	NA

Note: The aggregate investments made, guarantees and loans given as on 31.03.2015 have been provided in the financial statements (Note Nos. 17, 18, 23 and 41).



Annexure – 7

Remuneration Policy

PREAMBLE:

This Policy covers the remuneration and other terms of employment for the Company's Executive Team. The remuneration policy for members of the Board and for Management aims at improving the performance and enhancing the value of the Company by motivating and retaining them and to attract the right persons to the right jobs in the Company.

1. The Objective:

The object of this Remuneration Policy is to make the Company a desirable workplace for competent employees and thereby secure competitiveness, future development and acceptable profitability. In order to achieve this, it is imperative that the Company is in a position to offer competitive remuneration in all operational locations. Remuneration of executives and other key employees shall take into consideration the remuneration of other employees of the Company and thereby aim to secure coordinated and fair Remuneration Policy for the Company.

2. Nomination and Remuneration Committee:

The Board of Directors appoints a Nomination and Remuneration Committee which shall consist of three members of the Board of Directors. The Committee shall work in accordance with a special mandate of the Board. The Nomination and Remuneration Committee shall be advisory to the Board of Directors and the Managing Director regarding terms of employment for the executives of the Company and setting a Remuneration Policy. The Committee shall also supervise that terms of employment of employees are in line with the Remuneration Policy.

3. Remuneration of the Board of Directors:

The Promoter Directors should be paid a profit related commission apart from salary and perquisites. The Working Directors shall be paid a monthly salary, according to decision taken by the Annual General Meeting in that respect, as specified in the Act. The Board of Directors shall take into account the time spent by the Board Members on their duties, their responsibilities, as well as the operational and economical performance of the Company. Additional

payments may be effected to individual Board Members for specific projects which cannot be classified as ordinary tasks for Board Members, as well as for work in Sub-Committees of the Board, as applicable subject to necessary approvals as per the Companies Act, 2013. Payments for such tasks shall be subject to approval by the other Board Members. The Company shall secure immunity for the Board of Directors and the KMP for all claims that can eventually be made against them, connected to their work on behalf of the Company.

4. Senior Executives – Terms of Employment:

The amount of basic salaries and other remuneration shall take into account education, working experience and previous employment. Other details of remuneration and other benefits, as well as terms of notice, shall be mentioned in the employment contract. Bonuses and stock incentives shall also be included in the employment contract, as specified in the Remuneration Policy.

When stipulating the period of notice for termination of the employment contract, the period may be directly related to the nature or duration of the employment of the Senior Executives. The employment contract shall also stipulate the terms of notice.

The basic salary of the Senior Executives shall be revised periodically and shall be based on evaluation of the performance of the Senior Executives, the development of salaries for similar positions in comparable companies and the general performance and operations of the Company.

The employment contract should include and stipulate all payments due to the Senior Executives upon termination of the contract.

5. Incentives:

The employees may be paid incentives or offered stock incentives, based on specific plans prepared by the Board of Directors. Incentives shall be directly related to the working performance of the individual employees, their status and responsibility, the economical performance of the Company, the achievements of certain operational goals, including reaching certain

budget targets. Such incentives can only be paid out to employees who are still working for the Company or when the incentives are due for payment for the period of service.

6. Stock Incentives:

The Nomination and Remuneration Committee is authorized to make proposal to the Board of Directors, offering individual key employees of the Company stock incentives in the Company, in addition to the set terms in the individual employment contracts.

When evaluating, whether key employees shall be offered stock incentives, the status and responsibilities, working performance and future prospects of each individual shall be taken into consideration. Such stock incentives can only be granted if the individuals are still working for the Company at the time when the incentives are awarded.

If the Board of Directors decides to offer stock incentives to key employees of the Company, a stock incentive plan shall be presented to shareholders meeting, for approval. The Board shall present to the Annual General Meeting the prescribed details of such stock incentive plan.

The Company shall enter into written stock incentive agreements with employees. The agreements shall always be subject to the conditions laid down in the relevant guidelines.

7. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee, inter alia, consist of reviewing the overall compensation policy, service agreements, performance incentive and other employment conditions of Executive Director(s) and Senior Management Personnel.

The recommendations of the Nomination and Remuneration Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever necessary. Additionally, the Nomination and Remuneration Committee has

been vested with the powers for administration of Remuneration policy:

- (a) The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (b) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director from time to time. The Committee recommends to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Other Employees.
- (c) The Nomination and Remuneration Committee, while formulating the policy under (b) above will ensure that:
 - i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
 - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. Remuneration to Directors, Key Managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.

Provided that such Policy shall be disclosed in the Board's Report.

The role and responsibilities of the position are the criteria for determining the qualification and positive attributes. The criteria for independence of



Independent Directors are as specified under Section 149(6) of the Companies Act, 2013.

The Committee prescribes the details of qualifications, skills, etc., required as per the needs and also determines the remuneration with breakup at the time of appointment of Directors and all members of the Senior Management, one level below the Executive Directors including the functional heads.

The criteria for the appointment of Directors, KMPs and Senior Management Personnel are as follows:

A person for appointment as Director, KMP or in Senior Management should possess adequate qualification, expertise and experience for the position considered for appointment. The Committee decides whether qualification, expertise and experience possessed by a person are sufficient for the concerned position. The Committee ascertains the credentials and integrity of the person for appointment as Director, KMP or Senior Management level and recommends to the Board his / her appointment.

The Committee, while identifying suitable persons for appointment to the Board, will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

The Nomination and Remuneration Committee presently comprises three (3) Directors who are all independent.

The details of composition of the Nomination and Remuneration Committee along with attendance of the Committee Members at the meetings held during the year would be disclosed in the Annual Report of the Company.

8. Remuneration – General Principles:

I. Guiding principles for remuneration and other terms of employment:

The guiding principle is that the remuneration and the other terms of employment for the Executives shall be reasonable, adequate and competitive in order to ensure that the Company could attract and retain competent Executives.

The annual report of the Company also sets out details of the total remuneration and benefits allowed to the Senior Executives drawing a total remuneration of above ₹ 60 lakhs per annum or such higher stipulated sum under the Companies Act, 2013.

The Nomination and Remuneration Committee considers a) the financial position and profitability of the Company; b) nature and responsibility of the position; and c) remuneration packages prevailing in industry or other organisations comparable in regard to the size and complexity of operations.

II. The principles for fixed salaries:

The Executives' fixed salary shall be competitive and based on the individual Executive's responsibilities and performance.

III. The principal terms of variable salary and incentive schemes, including the relation between fixed and variable components of the remuneration and the linkage between performance and remuneration:

The Executives may receive variable salaries in addition to fixed salaries.

The variable salary may be based on inter alia the performance of the Company or the Unit where the Executive is employed. The performance will be related to the fulfilment of various improvement targets or the attainment of certain financial objectives.

Such targets will be set by the Board and may relate to inter alia operating income, operating margin or cash flow. The Board may under certain conditions decide to cancel or limit variable salary to be paid to the Executives.

IV. The principal terms of non-monetary benefits, superannuation, notice of termination and severance pay:

a) Non-monetary benefits:

The Executives may be provided customary

non-monetary benefits such as Company cars and Company health care or medical allowance. In addition thereto in individual cases Company housing and other benefits may also be offered.

b) Long Term Incentives:

Long Term Incentives ("LTI's") may be provided to certain senior executives and eligible employees to reward creation of shareholder value, and provide incentives to create further value as well as to attract and retain executives.

The Company believes that the most significant value that can be created for shareholders will occur by way of Senior Executives' delivering on the strategic outcomes and goals set by the Board from time to time.

c) Additional Arrangements:

In addition to the main conditions of employment, a number of additional arrangements apply to members of the Board of Management. These additional arrangements, such as expense and relocation allowances, medical insurance, accident insurance and Company car arrangements are broadly in line with those of other competitive companies. In the event of disablement, the employees are entitled to benefits in line with other companies. They also benefit from coverage under the Company's Directors and Officers (D&O) policies. The Company policy forbids personal loans to Non-Executive Directors and the loans to Working Directors would be as permitted by the Companies Act, 2013.

9. Performance Evaluation:

Legal Provisions:

1. Section 134(3)(p): The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors shall be disclosed in the Board's Report (self evaluation).

2. Section 178(2): The Nomination and Remuneration Committee shall carry out evaluation of every Director's performance.

3. Schedule IV appended to the Companies Act stipulates that the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Directors being evaluated.

On the basis of the report of performance evaluation it shall be determined whether to extend or continue the term of appointment of the Independent Director.

The re-appointment of Independent Director shall be on the basis of report of performance evaluation.

4. Clause 49 IV B.2 of the Listing Agreement stipulates that the Nomination and Remuneration Committee has to formulate the criteria for evaluation of Independent Directors and Board.

Performance indicators for evaluation:

Independent Directors have three key roles – governance, control and guidance. Some of the performance indicators based on which the Independent Directors may be evaluated are:

- Ability to contribute to and monitor corporate governance practices.
- Ability to contribute by introducing international best practices to address top management issues.
- Active participation in long term strategic planning.



- Commitment to the fulfilment of a Director's obligations and fiduciary responsibilities-

Attendance: The performance evaluation of Independent or non-executive members is done by the Board annually based on criteria of attendance and Contributions at Board/Committee Meetings as also for the role played other than at Meetings.

Criteria formulated by Nomination Committee for evaluation of Independent Directors and Board Committees and Individual Directors:

In line with corporate governance guidelines, evaluation of all Board Members is done on an annual

basis. This evaluation is done by the entire Board led by the Chairman of the Board with specific focus on the performance and effective functioning of the Board, Committees of the Board and individual Directors and report the recommendation to the Board. The evaluation process also considers the time spent by each of the Board Members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

10. Authority to decide on deviations from this Policy:

The Board of Directors may deviate from this Policy, if there are reasons to do so in individual cases.

Annexure – 8

Particulars of Employees

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration) Rules, 2014:

Sl. No.	Requirements	Disclosure	
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	Name of the Director	Ratio
		Sri D. Ashok, Chairman	127.2x
		Sri P. Trivikrama Prasad, MD	126.3x
		Sri G. R. K. Prasad, ED	64.3x
		Sri C. V. Durga Prasad, Director (Bus. Dev.)	47.4x
		Dr. E. R. C. Shekar, Director	1.18x
		Sri K. Balarama Reddi, Director	1.38x
		Dr. D. Nageswara Rao, Director	1.46x
		Dr. M. V. G. Rao, Director	1.38x
		Dr. C. V. Madhavi, Director	1.28x
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Name of Director	% increase in remuneration
		Sri D. Ashok, Chairman	Nil
		Sri P. Trivikrama Prasad, MD	Nil
		Sri G. R. K. Prasad, ED	Nil
		Sri C. V. Durga Prasad, Director (Bus. Dev.)	Nil
		Dr. E. R. C. Shekar, Director	Nil
		Sri K. Balarama Reddi, Director	Nil
		Dr. D. Nageswara Rao, Director	Nil
		Dr. M. V. G. Rao, Director	Nil
		Dr. C. V. Madhavi, Director	Nil
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees increased by 9.34%. The employees of the unit where no increment was considered have been excluded while arriving at the median remuneration.	
IV	The number of permanent employees on the rolls of the Company	There were 984 employees on the rolls as on 31st March, 2015.	



Sl. No.	Requirements	Disclosure																													
V	The explanation on the relationship between average increase in remuneration and Company performance	<p>Factors considered for increase in remuneration:</p> <table><tr><td>1.</td><td>Industry benchmarking</td></tr><tr><td>2.</td><td>Increase in DA points</td></tr><tr><td>3.</td><td>Financial Performance of the Company</td></tr><tr><td>4.</td><td>Increase given in comparable organisations</td></tr></table> <p>The average increase in remuneration (Cost to Company basis) was 17.94%, which contains salary increases of senior staff who are given increases once in two years.</p>	1.	Industry benchmarking	2.	Increase in DA points	3.	Financial Performance of the Company	4.	Increase given in comparable organisations																					
1.	Industry benchmarking																														
2.	Increase in DA points																														
3.	Financial Performance of the Company																														
4.	Increase given in comparable organisations																														
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	For the FY 2014-15, Key Managerial Personnel were paid remuneration of about 10.29% of the net profits for the year.																													
VII	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	<table><tr><th>Sl. No.</th><th>Particulars</th><th>As on 31st March, 2015</th><th>As on 31st March, 2014</th></tr><tr><td>1</td><td>Market Capitalisation (₹ in Lakhs)</td><td>NSE 1,58,842 BSE 1,59,601</td><td>NSE 1,40,806 BSE 1,41,878</td></tr><tr><td>2</td><td>Price Earnings Ratio (Considering Standalone EPS)</td><td>11.15</td><td>7.29</td></tr><tr><td>3</td><td>EPS on Standalone (₹)</td><td>15.96</td><td>21.63</td></tr><tr><td>4</td><td>Net Worth of the Company (₹ in Lakhs)</td><td>2,53,465</td><td>2,44,887</td></tr></table> <p>The Deccan Sugar & Abkhari Co. Ltd. was amalgamated with the Company in 1982 and there was no Initial Public Offer by the Company.</p> <p>The Company came out with a Rights Issue in 1996 at the price of ₹ 60/- [₹ 10/- (face value) + ₹ 50/- {premium}] per equity share. As on 31st March, 2015, the Market Quotation of the Company's Share Price [face value: ₹ 2/-] (closing price) is as follows:</p> <table><tr><th>Stock Exchange</th><th>As on 31.03.2015</th><th>As on 31.03.2014</th></tr><tr><td>NSE</td><td>177.90</td><td>157.70</td></tr><tr><td>BSE</td><td>178.75</td><td>158.90</td></tr></table>	Sl. No.	Particulars	As on 31st March, 2015	As on 31st March, 2014	1	Market Capitalisation (₹ in Lakhs)	NSE 1,58,842 BSE 1,59,601	NSE 1,40,806 BSE 1,41,878	2	Price Earnings Ratio (Considering Standalone EPS)	11.15	7.29	3	EPS on Standalone (₹)	15.96	21.63	4	Net Worth of the Company (₹ in Lakhs)	2,53,465	2,44,887	Stock Exchange	As on 31.03.2015	As on 31.03.2014	NSE	177.90	157.70	BSE	178.75	158.90
Sl. No.	Particulars	As on 31st March, 2015	As on 31st March, 2014																												
1	Market Capitalisation (₹ in Lakhs)	NSE 1,58,842 BSE 1,59,601	NSE 1,40,806 BSE 1,41,878																												
2	Price Earnings Ratio (Considering Standalone EPS)	11.15	7.29																												
3	EPS on Standalone (₹)	15.96	21.63																												
4	Net Worth of the Company (₹ in Lakhs)	2,53,465	2,44,887																												
Stock Exchange	As on 31.03.2015	As on 31.03.2014																													
NSE	177.90	157.70																													
BSE	178.75	158.90																													

Sl. No.	Requirements	Disclosure																								
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>The average percentage increase already made in the salaries of employees other than managerial personnel was 17.94%, which contains salary increases of senior staff who are given increases once in two years. Further, no increase was made in the salaries of Directors during the last financial year.</p> <p>Since, no increase was made in the managerial remuneration, exceptional circumstances for increase in the managerial remuneration does not arise.</p>																								
IX	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	<table><tr><th>Name of the Director & Key Managerial Personnel</th><th>Remuneration as % of net profit of the Company</th></tr><tr><td>Sri D. Ashok, Chairman</td><td>3.32</td></tr><tr><td>Sri P. Trivikrama Prasad, MD</td><td>3.29</td></tr><tr><td>Sri G. R. K. Prasad, ED</td><td>1.68</td></tr><tr><td>Sri C. V. Durga Prasad, Director (Bus. Dev.)</td><td>1.24</td></tr><tr><td>Dr. E. R. C. Shekar, Director</td><td>0.03</td></tr><tr><td>Sri K. Balarama Reddi, Director</td><td>0.04</td></tr><tr><td>Dr. D. Nageswara Rao, Director</td><td>0.04</td></tr><tr><td>Dr. M. V. G. Rao, Director</td><td>0.04</td></tr><tr><td>Dr. C. V. Madhavi, Director</td><td>0.03</td></tr><tr><td>Sri T. Hari Babu, CFO</td><td>0.25</td></tr><tr><td>Sri M. Subrahmanyam, CS</td><td>0.35</td></tr></table>	Name of the Director & Key Managerial Personnel	Remuneration as % of net profit of the Company	Sri D. Ashok, Chairman	3.32	Sri P. Trivikrama Prasad, MD	3.29	Sri G. R. K. Prasad, ED	1.68	Sri C. V. Durga Prasad, Director (Bus. Dev.)	1.24	Dr. E. R. C. Shekar, Director	0.03	Sri K. Balarama Reddi, Director	0.04	Dr. D. Nageswara Rao, Director	0.04	Dr. M. V. G. Rao, Director	0.04	Dr. C. V. Madhavi, Director	0.03	Sri T. Hari Babu, CFO	0.25	Sri M. Subrahmanyam, CS	0.35
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Sri T. Hari Babu, CFO	0.25																									
Sri M. Subrahmanyam, CS	0.35																									
X	The key parameters for any variable component of remuneration availed by the Directors	The salary and allowances drawn by the Directors are in accordance with the approval of the Shareholders.																								
XI	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	No employee received remuneration in excess of the highest paid Director.																								
XII	Affirmation that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration is as per the remuneration policy of the Company																								



Annexure – 9

Statement of Particulars of Employees pursuant to the Provisions of Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014

Sl. No.	Name & Designation	Remuneration received (₹ in lakhs)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of Commencement of employment	Age	The last employment held before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether the employee is a relative of any Director or Manager of the Company
1	Sri D.Ashok Chairman	472.28	Contractual	M.B.A. (U.S.A.) 33 Years	28.08.1981	58	--		Yes
2	Sri P.Trivikrama Prasad Managing Director	469.02	- DO -	M.B.A. (U.S.A.) 33 Years	01.08.1981	62	--		Yes
3	Sri G.R.K.Prasad Executive Director	238.81	- DO -	B.Sc., F.C.A. & F.C.S. 34 Years	16.08.1995	57	General Manager DCL Polysters Ltd.	Not Applicable (No employee was in receipt of remuneration above the remuneration of Managing Director/ Whole-time Director)	No
4	Sri C.V. Durga Prasad Director(Business Development)	175.97	- DO -	B.Com 42 Years	01.07.1973	64	--		No
5	Sri J.Ramesh Executive Vice President (FAP-O)	158.79	As per Company's Rules	B.Com., M.B.A. 32 Years	01.04.1997	57	Director Nav Chrome Ltd.		No
6	Sri P.J.V.Sarma Senior Executive Vice President (Strategy & Planning)	91.30	- DO -	B.Tech., AICWA, PSDFM 34 Years	02.08.2010	56	Regional Director ICICI Lombard General Insurance Co. Ltd.		No
7	Sri A.Venkata Rao Executive Vice President	78.73	- DO -	B.E. (Mechanical) 41 Years	01.07.1974	68	--		No

Notes: Gross Remuneration includes salary, taxable allowances, commission, value of perquisites as per the Income-tax Rules, 1962 and Company's contribution to provident fund/superannuation fund.

Annexure – 10

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

[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]
for the Financial Year Ended 31st March, 2015

To
The Members
Nava Bharat Ventures Limited
Hyderabad

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Nava Bharat Ventures Limited, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) (applicable Sections as on date) and the Rules made under that Act;
 - (ii) The Companies Act, 1956, and the Rules made under that Act;
 - (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
 - (vi) Listing Agreements entered with the Stock Exchanges;
 - (vii) 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (since repealed); and
 - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
2. 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 under the financial year under report:-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;



- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
3. The industry specific laws that are applicable to the Company are as follows:
- (a) Electricity Act, 2003;
 - (b) National Tariff Policy;
 - (c) Sugar Factories Control Act, 1950;
 - (d) Sugar Cess Act, 1982;
 - (e) Food Safety And Standards Act, 2006;
 - (f) The Essential Commodities Act, 1955;
 - (g) Mines Act, 1952;
 - (h) Mines and Mineral (Regulation and Development) Act, 1957;
 - (i) Explosives Act, 1884; and
 - (j) Indian Boilers Act, 1923.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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.

As a general practice of the Board, decisions are taken on unanimous consent.

We further report that 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.

We further report that during the year under review, consent of the Members has been sought, through Postal Ballot, for the Special Resolutions under Section 180(1) (a), 180(1) (c) and 186(3) of the Companies Act, 2013.

for **P. S. Rao & Associates**
Company Secretaries

P. S. RAO
Company Secretary
ACS No:9769
C P No:3829

Place : Hyderabad
Date : 29.05.2015

Management Discussion and Analysis

The Management Discussion and Analysis provides an overview of the financial, operational and strategic progress made by your Company in the year 2014-15. The discussion shared below should be read together with the Directors' Report and the audited Financial Statements that form part of the Annual Report.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power

India's market for power is unique because not only of the large potential it holds, but also due to the powerful impediments that befall it. On an installed capacity base of 258.7 GW, the annual growth in generation for the year 2014-15 stood 9.29% higher at 880.7 BU (as of January 2015). Thermal power is by far the preferred method of producing power given the abundance of coal availability in the country and accounts for 69.7% of the installed generating capacity (as on January 31, 2015). India's stated policy on power encourages competition in the sector while aiming to provide electricity to all its citizens on a 24X7 basis, over the next couple of years.

Shortages of fuel, predominantly coal, continue to pose a challenge to the health of the sector. Reform measures initiated by the new central government have ushered in a new target for coal production domestically, viz., 100 crore tonnes by the year 2019-20, which is double the present production level. Concurrently, coal blocks are being offered to end users primarily in the power sector (along with sponge iron and aluminium sectors) through the e-auction route. This is being done with the intention of spearheading the development of the said coal blocks by engaging the private sector and ultimately bringing down the cost of generation under the reverse bidding process. Although the ongoing coal auction may not necessarily increase the overall coal availability immediately, it will have a strong long-term positive impact on business models of state utilities and private generators alike. Falling international coal prices should further support the supplies.

India has a small but vibrant market for merchant trading of power as compared to the more mature markets. During the year under review, the market was subject to an economy that as of yet is stagnating. Tariffs faced downward pressure due to greater number of projects getting commissioned and State Electricity Boards (SEBs) continued backing out from purchase agreements owing

to their weak financial position. Consequently, merchant rates have tended to bottom out. The share of major traders has witnessed a fall to approx. 30% in FY14 from approx. 40% in FY10 and a similar trend has prevailed during FY15. Many merchant players are now re-balancing their existing portfolio in favour of long term power purchase agreements (PPAs) to ensure stable cash flow and earnings.

Ferro Alloys

Ferro alloys find primary application in the steel industry to impart useful properties like resistance to corrosion, hardness and tensile strength at high temperature, wear and abrasion resistance, better creep strength, etc. Ferro alloys are manufactured by combining Iron with Manganese, Silicon, Chromium and Aluminium in varying proportions to arrive at the desired end product.

Your Company operates smelters for the production of Manganese alloys (Ferro Manganese & Silico Manganese) and Chromium alloys (Ferro Chrome) in Telangana and Odisha States respectively.

These plants are self-sufficient in power requirements owing to far-sighted investments by your Company in captive thermal power plants. The majority of the coal is obtained through linkages while the rest is procured through e-auctions domestically or by imports. The boilers of these power plants are designed to use a range of coal varieties including washery rejects, thereby ensuring sustained captive power generation.

Traditionally the top producers of ferro alloys globally are China, South Africa, Norway, Russia and Ukraine. The leading suppliers of Ferro Manganese & Silico Manganese in the world are South Africa, Australia, Kazakhstan and Mexico, with the largest consumer of the two Manganese alloys being China. In the case of Ferro Silicon, China again comes up as the leading producer followed by Norway and Russia. Ferro Chrome is largely manufactured in South Africa, China, Finland, India, Kazakhstan, Russia and Zimbabwe. One emergent trend taking root has been that of a strategic alliance between the Stainless Steel and Ferro Chrome producers.

In India, production of ferro alloys is concentrated in the States of Telangana, Andhra Pradesh, Chattisgarh, West Bengal, Kerala, Jharkhand and Meghalaya - post liberalisation of the industry. Our country is said to possess



the required quantum of Manganese ore and Chromite to meet the needs of the domestic bulk ferro alloy industry adequately, though mining and transport logistic challenges exist.

High-grade Manganese Ore supplies are controlled by a Public Sector Undertaking (PSU) miner and balance supplies are met by way of imports. Chromite supplies too are controlled by a single PSU entity and allocations to producers of ferro alloys have been inadequate in the recent years, driving the local industry towards imports for blended usage.

Sugar

Sugar is an important agri-commodity worldwide. The market for sugar and sweeteners is projected to touch US\$ 97 bn by the year 2017. Meanwhile, in the year 2014-15, global production is estimated to stand at 173-181 mn tonnes whereas consumption will stand at 171-179 mn tonnes, as per industry trends. Prices of sugar tend to be governed by numerous factors including ethanol-crude oil dynamics in Brazil, agro-climatic conditions for major agri-producing countries, buffer stocks within national markets and trade control policies.

In India, the consumption and production of sugar are expected to be closely matched in the year 2014-15, at 27 mn tonnes and 27.3 mn tonnes respectively. The top sugar producing States are Maharashtra, Uttar Pradesh and Karnataka whereas Tamil Nadu, Karnataka and Andhra Pradesh are leaders in terms of yield.

Although it has been partially deregulated, sugar is not entirely subject to the dynamics of the free market. Every season, millers are expected to follow the Fair and Remunerative Price (FRP), which is fixed by the Central government—towards the purchase of sugarcane. Sugarcane is the primary raw material for the production of sugar (and allied products like bagasse, alcohol and co-generation) in the country. FRP stands at ₹ 220/quintal for the year 2014-15, resulting in a mismatch affecting the paying capacity of millers. Moreover, States are free to prescribe higher State Advised Prices (SAP), over and above the FRP; at present SAP for Uttar Pradesh stands at ₹ 280/quintal.

Consequently, it makes better economic sense for millers to have integrated operations in the form of distilleries

and co-generation units in addition to their cane crushing facilities.

Owing to sustained surpluses in the past 2 years, the prices of sugar have been very subdued, thereby impacting the finances of the millers who, on one hand are accumulating arrears towards cane cost and on the other, are witnessing receding sugar prices. In such a situation, farmers typically switch to other crops leading to boom-bust cycles every 2-3 years. Being partially regulated, the exports of sugar are usually capped whereas in the case of imports they do not follow a pattern. The available subsidy towards exports is rendered ineffective as international prices of sugar are depressed because of a progressive fall in crude oil prices prompted Brazil, the largest exporter of sugar, to produce more sugar instead of ethanol.

OPPORTUNITIES AND THREATS

Power

The development of the power sector is important for economic development of any Country and in the case of India, has been receiving policy priority for a number of years. Generation capacity, led by private investment, is anticipated to double every 10 years over the next 3 decades. Large investments are also being channelled into public private initiatives in the form of the Ultra Mega Power Projects (UMPPs). Backed by abundant coal resources, these projects will add approx. 4,000 MW each, while costing an estimated investment of about ₹ 25,000 crore per project. UMPPs are expected to substantially reduce the power deficit in the Country when fully commissioned. At the same time, there are several new initiatives of the government for generation of renewable energy, where again the opportunity is attractive.

Together with expansion in generation capacities, there is a requirement for strengthening the transmission network in our country. Power Grid Corporation, the nodal authority on grid connectivity, has identified 7 high-capacity transmission corridors to evacuate power from projects coming up, predominantly from the resource rich Eastern and Southern States to the power-hungry Northern and Western regions. This addition in transmission capacity would bring in a normalised flow of electricity in the country and address the problems of sudden outages and forced curtailments by power utilities.

The investment inflow notwithstanding the power sector is chronically subject to an under remunerative tariff structure. Although the tariff is statutorily fixed, political expediency has made power available at concessional rates to certain sectors, especially the agricultural and domestic sectors. Thus there is a consequential revenue shortfall recognised by the utilities as they are not reimbursed by local/State governments. Only partial support is provided through cross subsidisation of tariff, by imposing higher charges on commercial and industrial consumers. Tariff reforms initiated by the government require the utilities to improve their efficiencies first and simultaneously reduce leakages as a pre-condition to relaxing the financial burden on their balance sheets.

Fuel shortage is yet another threat faced by the Indian power sector. The Union Budget 2015 has outlined comprehensive steps for enhancing coal production, which is the primary fuel used by the majority of the power plants in the country. Additionally, ensuring an adequate quantity of coal to all power plants already commissioned or to be commissioned till 2015 is to be the thrust area in order to reduce the scarcity of fuel.

Over the last few months, the government has promoted a transparent mechanism for allocating coal blocks via e-auction. The aggressive bids for operational and near operational mines by the power and non-power centric players underlines the success of the reform measures and highlights the urgency of the power generators to secure fuel in the long term.

Reforms are also being undertaken to reduce transmission and distribution losses while ensuring the availability of a reliable power supply to the consumers. This involves incentivising of private distribution companies in a market dominated by weak utilities. The entry of private investors is being encouraged and a phased approach is being adopted to carry out the reforms.

A substantial portion of the incomplete capacity addition of the 12th Plan is expected to be commissioned in FY16E and FY17E, resulting in a fall in demand for merchant power beyond FY15E. Furthermore, the weak financial position of SEBs, which is not likely to show any major improvement over the next few years, would restrict their ability to buy merchant power and in turn keep the prices low. Accordingly, for FY16E and FY17E, the

average merchant power rates should remain between ₹ 4- ₹ 5/unit and settle at these levels as newer capacities come up.

A strong pick-up in momentum in industrial activity, however, is likely to boost demand thereby favouring the merchant market for power in the immediate term. Merchant power tariff is expected to increase on account of the traditional deficits in the availability of power thereby benefiting all the merchant power companies.

Overseas investments

Maamba Collieries Limited (MCL) has the largest coal concession in Zambia and is developing an integrated 300 MW Thermal Power Plant in Zambia with a total investment outlay of about USD 840 million. The Singapore Subsidiary of your Company holds 65% equity in MCL and the rest is owned by ZCCM-IH, which is the mineral investments holding Company of the government of the Republic of Zambia.

Your Company via its subsidiary has provided about USD 175 million towards equity contribution in the project besides providing interim bridge finance and guarantees to enable the Zambian Company to obtain debt finance, implement and operate the Project. During the year, MCL completed a major part of the financing documentation for targeted loan of USD 590 million, from Development Financial Institutions and Commercial Banks against Export Credit Agency (ECA) Insurance cover from Sinasure, China and commercial PRI cover. The ECA insurance cover from Sinasure is first of its kind-being issued for a private project in Africa. The Zambian Company targets full financial closure in the forthcoming months to avail debt disbursement thereafter.

The project has achieved 80% progress with funding through sponsors, bridge loans and credits extended by the suppliers. It has successfully conducted the hydro test for the steam generator of the first unit of 150 MW in January 2015. It targets the commercial operations from both units of the 300 MW power plant in the first half of 2016.

The sale of high grade coal which is currently about 350,000 tonnes per annum, is expected to improve on the back of higher demand from the local industry. Low-grade coal continues to be compacted and stored meanwhile.



Namphak Power Company Ltd., the project company implementing the 150 MW hydro-electric power project in Laos with an investment of close to USD 235 million on a Build Own Operate and Transfer Schemes (BOOT) basis has executed the Concession Agreement and has initiated selection of an EPC contractor, long term finance plan and a power offtake arrangement with the local utility.

There has been no progress in the proposed Commercial Agricultural activity in Tanzania with the initial block of land yet to be allocated.

Ferro Alloys

The ferro alloy industry by design is intertwined closely with the prospects of steel. The year 2014 saw weaker demand for steel from emerging and developing countries, more pronounced from China. Factors endemic to South America and CIS nations, namely, fluctuating commodity prices, structural constraints and geopolitical tensions are also contributing to a curbed outlook from these regions. Whereas developed markets of the E.U., the U.S. and Japan are not suitably poised to balance out the tepid demand from the rest of the world.

Ferro alloys remain susceptible to substitution and in the last few decades the industry has seen the emergence of alloy scrap and oxides replacing ferro alloys. Meanwhile, the steel industry is progressively working towards containing the requirement of raw materials including ferro alloys.

On the other hand, newer grades of steel are being developed with lower alloying metal content where the steel exhibits an equal or even a better performance. Given the nature of the aggregate demand however any dip in unit consumption will be more than offset by the robust demand from primary consuming industries such as chemicals, transportation and household appliances. Notwithstanding the usage of substitutes for steel within the automotive industry, the proportion of lightweight, high-strength grades is expected to render steel and, by extension, ferro alloys competitive for years to come.

Your Company follows a long tradition of manufacturing quality ferro alloys for merchant sales. With both the 125,000 TPA Unit at Paloncha, Telangana (for Manganese

alloys) and the 75,000 TPA Unit at Kharagprasad, Odisha (for Chromium alloys), being present in mineral rich belts, Nava Bharat has enjoyed prominence in the ferro alloy industry. Your Company's conversion agreement with Tata Steel has been kept in abeyance owing to mining restriction. The Company's efforts to switch between manganese and chromium alloys in the 2nd half did not yield the desired results owing to sharp correction in prices of manganese alloys too.

Sugar

India enjoys the distinction of being the largest consumer of sugar in the world. By the year 2019-20, Indians are slated to consume 29.4 mn tonnes of sugar, which suggests a Compounded Annual Growth Rate (CAGR) of approx. 2% from the current year. As the Indian economy develops, the per capita consumption trends for sugar will approach those of developed countries. Factors such as changes in food habits, greater urbanisation and overall improvement in the standard of living across the country will determine the pace of this change. Industrial consumption is also destined to rise given the growth shown by the food processing industry.

While the acreages under sugarcane cultivation have risen in the period 2001-02 to 2012-13 to 5.1 mn ha, the recoveries have dropped from 10.27% to 9.99%. Factors supporting an improvement in throughput (better yields and recoveries) include focused cane development, innovation in seed varieties and sophisticated farming techniques/mechanisations. Traditionally, the land holdings of farmers in India have remained stunted and so there are inherent limitations on the extent to which a farmer can incorporate better farming practices.

Your Company has an integrated sugar facility at Samalkot, Andhra Pradesh with crushing capability of 4,000 TCD of sugarcane. In addition, it operates a 20 klpd distillery for producing rectified spirit, which is utilised in the production of ethanol.

SEGMENT-WISE PERFORMANCE

Your Company's strategy to develop the power business is captured by its performance in FY15. The table below gives the operational details of the respective business segments.

Sl. No.	Particulars	Ferro Alloys		Power		Sugar	
		31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014
1	Production (MT)/(MU)*	107,597	103,298	1,252	1,297	38,860	38,853
2	Sales (MT)/(MU)*	101,801	104,705	1,252	1,297	38,367	43,091
3	Revenue (₹ in lakhs)	67,609	56,549	64,569	67,624	14,632	16,204
4	PBIDT (₹ in lakhs)	405	3,047	20,440	25,554	311	1,192

* Ferro Alloys include 14,022 MT (previous year: 41,103 MT) on account of conversion to Tata Steel Ltd.

OUTLOOK

Power

India's electricity generation touched the 1 trillion unit mark during 2014-15 for the first time, showing a growth of 8.4% over the previous year. Since 1991-92, the compounded annual growth rate of electricity generation has been around 5 to 6.6%. The biggest contributor was coal-based power generation, which recorded an annual growth rate of 12.1%. Similarly, out of the capacity expansion of 22,566 MW during the year 2014-15, the contribution of thermal power was very significant at 20,830 MW (92% of the total). These trends are expected to continue in the next fiscal year as well.

Hitherto, Central and State utilities had a dominant share in the Country's overall generation capacity. However, there has been a paradigm shift in the participation of the private sector players such as your Company, in power generation. The fillip traces its origins to the Electricity Act of 2003 and the National Tariff Policy of 2006. The private sector, which contributed a mere 11% to the total installed capacity in FY10, is at 28% currently and is expected to account for approx. 55% of the total capacity addition planned by FY17E. Installed capacity is set to increase from 230,508 MW in FY14 to 275,970 MW in FY17E.

Figure 1 – Power Capacity addition during the 12th Plan (2012-2017)

Type (MW)	Central	State	Private	Total
Thermal	14,878	13,922	43,540	72,340
Hydro	6,004	1,608	3,285	10,897
Nuclear	5,300	0	0	5,300
TOTAL	26,182	15,530	46,825	88,537

The government's focus has sharpened both in the field of power transmission and distribution. A total of 22,101 circuit kilometres (ckm) of transmission lines have been commissioned during the year 2014-15 against 16,748 ckm commissioned during the same period last year, thus registering a growth of 32%. Large scale capacity addition along with higher generation and improved transmission capacity is driving a reduction in power shortages from 7-11% during the last two decades, to 3.6% at present.

Availability of coal in the power sector has improved substantially over the last six months due to enhanced production in the mines of Coal India Limited and last year's 20% growth in imports of the fuel. Supply-side issues have been resolved somewhat and as a result the stock position at thermal power plants has improved despite persisting problems of coal evacuation.

Your Company's power plants in Telangana and Andhra Pradesh continued to thrive on stable merchant realisations



with normalising input costs, while its Odisha power operations were impacted by relatively lower merchant realisations and lower volumes. The new 64 MW unit in Odisha has now been cleared to use domestic coal which would bring competitiveness in the cost of generation. The new unit awaits a stabilisation study by GRIDCO and an increase in realisations for indulging in merchant power trade. The under recovery of fixed costs, while the plant was idle for want of amenable conditions, impacted the performance of the power division in Odisha during the year under review.

Ferro Alloys

The global market for ferro alloys is slated to expand at a CAGR of 5.4% between the years 2014 and 2020 to a size of US\$53.6 bn. Growth in the construction industry in emerging economies will continue to be a major driver. China, already the largest consumer, is expected to show a 4.6% CAGR in the same period. Automotive demand from the E.U. will drive sales in that region whereas growth is forecast to be flattish in the U.S.

In the long-term, the Company plans to restructure Odisha facility into 2 verticals (for ferro alloys and power), whereby strategic investors can be inducted into each as a SPV. Hence, the twin SPVs can be run as captive units.

Sugar

Production of sugar in the top producing markets – Brazil, Thailand and China is expected to stand lower compared to the previous season. In Brazil particularly, production is expected to be curtailed at 35.8 mn tonnes on account of lower trend for yields, drought conditions and a preference for producing ethanol over sugar owing to favourable dynamics in the former. Thailand is similarly poised to report lower crushing as drought conditions are likely to result in truncated yields. The country however is expected to export record quantities to neighbouring nations, where consumption is booming.

RISKS AND CONCERNS

Power

In the face of its vibrant growth potential, the Indian power sector is facing challenges such as the weak health of SEBs and fuel shortages. Acting as the primary customer of merchant power, SEBs have started to cut power purchases to minimise losses thereby stymieing prospects for growth in the sector. Over the past few years, the rising gap between cost of generation and realisation, higher purchases from open market at dearer

terms and an absence of (as well as inability to carry out) tariff revisions have dented balance sheets of the SEBs significantly. With a reforms model in place for streamlining coal availability, the primary challenge to the power sector continues to be that of reviving the SEBs financially.

Ferro Alloys

Ferro alloys move in tandem with the dynamics of the steel industry. China, which is the largest consumer, is witnessing gradual tapering in demand as its economy changes its orientation from investment driven (that requires more steel) to consumption driven (that doesn't require more steel). Conversely, demand from neighbouring India is expected to rise, given the pick-up in investment activity in the economy.

Demand in developed economies is likely to moderate, with the U.S. showing a rise on the back of growing demand from the automotive and energy sectors. Japan is expected to show a decline in demand in line with its policies whereas South America will see poor demand trends owing to falling commodity prices (which drive economic growth in the region largely) and delayed structural reforms. The E.U. is likely to show a general improvement in sentiment for steel with major steel consuming industries reporting a greater requirement.

The CIS countries are expected to show lower demand on account of delayed/weaker investments in infrastructure and localised geopolitical tensions.

Overall, the apparent steel usage in developed economies will show a growth of 1.7% in the year 2015. Emerging and developing economies (excluding China) meanwhile are expected to show a 4.7% growth in the same period.

Sugar

Typical to agri-commodities, sugar will continue to be impacted by government policies, weather and demand-supply dynamics. Within India, the sector is getting besotted by regulation amongst other factors. In light of the insurmountable arrears, the farmers are widely expected to switch to other crops in the upcoming season. The government has initiated conditional measures to provide relief that includes: providing interest-free loans of ₹ 4,400 crores for 2 years, retaining export subsidy of ₹ 3,300 per tonne, increasing import duty on sugar from 15% to 40% and doubling the amount of ethanol blending in petrol to 10% (subject to millers paying off the arrears).

The international markets are likely to witness a shortfall in production in key exporting countries, thereby lifting prices by a certain extent.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

By design the internal control systems of your Company are kept abreast with the evolving face of the business. There is a pre-defined set of rules overviewed by the Board and the top management. There are sufficient risk-mitigation measures in place, which facilitate continuity in operations, protection of assets and other resources and compliance with the legal & regulatory procedures so as to adhere to the internal policies that have been articulated.

The Company's internal control system has been developed in order to:

- Follow up-to-date policies, procedures, management guidelines, listing requirements and various circulars from regulatory and statutory authorities;
- Protect the assets of your Company from fraud, loss or misuse;
- Put the corporate strategy into action;

- Adopt complete accuracy in measurement and follow best practices for both internal and external reporting;
- Quick response to risks emerging from the Group to which your Company belongs; and
- Suitable action and rapid execution of correctional measures, depending on the situation.

Whereas internal control systems and procedures are an important component of the overall corporate governance for the organisation, the continuity of operations along with veracity of financial information and disciplined compliance have equal significance.

In line with the stated internal policies and procedures, the Audit Committee of your Company has taken on board the internal audit reports submitted regularly during the year 2014-15. The observations have received due cognisance and implementation of remedial measures have been overseen continually.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

	FY2015 ₹ in Crore	FY2014 ₹ in Crore	% change
Net sales/Income from operations	1152.94	1100.55	4.76
Other income	51.01	54.11	(5.73)
Total income (1+2)	1203.95	1154.66	4.27
Total expenditure	1050.82	927.07	13.55
Operating profit	190.08	269.47	(29.46)
Operating margin %	16.49	24.49	
Finance charges	28.24	18.24	54.82
Gross profit after finance charges but before depreciation and tax	188.99	284.79	(33.64)
% of Gross profit after finance charges but before depreciation and tax to total income	15.70	24.66	-
Depreciation	36.28	61.58	(41.08)
Profit/Loss after exceptional items and before tax	152.71	223.21	(31.58)
Provision for			
-Current tax	33.10	47.30	(30.02)
-Deferred tax	1.99	(7.52)	(126.46)
-Tax of earlier years	0.15	0.08	87.50
-MAT credit entitlement	(25.00)	(9.75)	156.41
TOTAL	10.24	30.11	(65.99)
Profit/Loss after tax	142.47	193.10	(26.22)
Return on capital employed %	6.86	9.36	



The fully-diluted book value of every equity share belonging to your Company was ₹ 283.90 as on March 31, 2015. The price of the equity shares of your Company ranged from ₹ 152.85 per share to ₹ 299.00 per share on National Stock Exchange of India Limited and ₹ 155.15 per share to ₹ 300.00 per share on the Bombay Stock Exchange Limited during the FY 2014-15.

HUMAN RESOURCES

A thriving human resource function is an important component of the business plan of your Company. Methodical training, periodic reviews and broader career planning are hallmarks of the employee engagement initiative. Industrial relations are nurtured along the same pattern.

Knowledge Workforce

A self-motivated employee force is your Company's biggest ally. Processes have been instituted to formalise career planning for deserving candidates and providing adequate opportunities for them to shine. Training is accorded both internally as part of a structured approach to promote achievers as well as through engagement of sector specialists/consultants.

Your Company has long-embarked on a path to internationalise its operations, wherein the integrated power facility in Zambia is intended to be commissioned during the second half of FY16. It is imperative to have a capable management cadre to steer success as Nava Bharat takes the next steps in its growth story. Emphasis is paid on harnessing knowledge across the enterprise at all times and systems and processes have been prescribed and adhered to, to ensure the same. Employees are encouraged to liaison with industry specialists to complement training that is imparted through formal channels.

Talent Management

Whereas your Company essays the role of a facilitator, every employee is free to choose his/her own path to self-growth. Adequate opportunities are given to upcoming talent to sharpen their business acumen and technical capabilities so that one day they can head a demanding role within the enterprise. Exposure to international working environment is provided at your Company's various units overseas. There is a formal Performance Management System in place that continually and transparently tracks their progress.

Compensation standards meet industry benchmarks and are developed with the objective of nurturing a capable and eager workforce.

A holistic approach to employee welfare over the years has yielded a healthy ecosystem of good educational, housing, recreational and sports facilities in the residential colonies around your Company's plants and facilities. Employees have invested their careers in Nava Bharat and several of them enjoy long-lasting tenures across the organisation.

Industrial Relations

Your Company is very cognisant of the importance of a safe, healthy and efficient working atmosphere. The managers are continually ingrained in the welfare of the workforce and this is evident from the cordial industrial relations that your Company has enjoyed in the past year.

Every worker is entitled to fair wages which are often pegged above the prevailing rates for minimum wages. The attrition rate in your Company is low with net reduction of 63 employees during the year. The total employee strength stands at 984 as on March 31, 2015.

CAUTIONARY FORWARD-LOOKING STATEMENTS

Some of the statements included in this document could be forward looking in nature. These statements may include forecasts for financial growth, future plans & strategies, intentions and viewpoints which may concern the regular course of business from time to time.

These statements are made based on the information available and the Management takes no obligation to periodically update these statements given the change in market dynamics. The actual events may unfold differently than these forward-looking statements, given the risks and uncertainties associated with the business.

Some of these risks may include uncertain market conditions that may lead to reduced spending on the products and services that your Company deals in, the ability to build, create and acquire new businesses and also grow the existing businesses, availability of skilled manpower and retention of qualified professionals, exchange-rate fluctuations and other common risks associated with industry as a whole.

Report on Corporate Governance

CORPORATE GOVERNANCE

The Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement as stipulated by Securities and Exchange Board of India and Stock Exchanges.

The Company presents its report on compliance of conditions specified in Clause 49 of the Listing Agreement.

1. Company's Philosophy on Code of Governance:

The core philosophy of the Company on the code of governance is conducting business in a fair and transparent manner and enhancing stakeholders' value.

The Company will continue to focus on its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and interests.

The Company believes in maintaining high standards of corporate behavior towards the communities it is in touch with and the environment on which it has an impact, for orderly and responsible growth and creating long term value for its shareholders.

The Company is committed to fair and ethical business practices with transparency, accountability for performance, compliance with applicable laws and timely disclosure of reliable information.

The Company implemented the norms of governance as provided in Clause 49 of the Listing Agreement in such a manner as to achieve the objectives of the principles enshrined therein, including specifically –

- a) Protection of Rights of Shareholders;
- b) Recognition of the Rights of Stakeholders;
- c) Ensuring disclosure and transparency; and

- d) Fulfilling the responsibilities and functions of the Board including overseeing of succession planning, monitoring of Board Evaluation framework and training of Directors.

2. Board of Directors:

The Board of Directors of the Company has a combination of Executive, Non-Executive and Independent Directors. The Board comprises nine Directors, of which five are Non-Executive and Independent (including a Woman Director) and more than half of the total strength of the Board comprises Independent Directors (5 out of 9). None of the Directors on the Board, is a Member of more than ten Committees or Chairman of more than five Committees across all the Companies in which Directorship is held. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2015 have been made by the Directors.

None of the Directors of the Company is serving on the Boards of more than seven Listed Companies and no Whole-time Director is serving as Independent Director in more than three Listed Companies. The Board was constituted as prescribed. The Non-Executive Directors' compensation was fixed by the Board of Directors and approved by the Shareholders in General Meeting.

Disclosure of relationships between Directors inter-se.

Sri P. Trivikrama Prasad, Managing Director, is related to Chairman (as Chairman's sister's husband) and Sri D. Ashok, Chairman, as such is related to Managing Director. In respect of the other Directors, there is no Inter-se relation as per Section 2 (77) of Companies Act, 2013 read with Rule 4 of Companies (Specification of definitions details) Rules, 2014 or in any other manner.

The details of composition of the Board along with category of Directors, attendance of Directors at Board



Meetings and Annual General Meeting and also the details of other directorships and chairmanships/memberships of Audit and stakeholders relationship committees in other companies [other than in Nava Bharat Ventures Limited] are as follows:

Name of the Director & Designation	Director Identification Number	Attendance in FY 2014-15		No. of Directorships in other Companies		Committee Chairmanships and Memberships in other Companies	
		Board Meetings	AGM	Pvt.	Public	Chairmanship	Membership
Sri D. Ashok Chairman Executive (Promoter)	00006903	7/7	Yes	5	5	-	-
Sri P. Trivikrama Prasad Managing Director Executive (Promoter)	00006887	7/7	Yes	8	6	-	-
Dr. E.R.C. Shekar Independent Director Non-Executive	00013670	4/7	Yes	1	3	2	-
Dr. M.V.G. Rao Independent Director Non-Executive	00012704	6/7	Yes	3	4	3	-
Sri K. Balarama Reddi Independent Director Non-Executive	00012884	6/7	Yes	5	7	2	5
Dr.D.Nageswara Rao Independent Director Non-Executive	02009886	7/7	Yes	3	2	-	-
Dr. C.V.Madhavi Independent Director Non-Executive	06472632	7/7	Yes	-	-	-	-
Sri C. V. Durga Prasad Director (Business Development) Executive	00006670	7/7	Yes	1	1	-	-
Sri G. R. K. Prasad Executive Director Executive	00006852	7/7	Yes	1	5	-	1

Details of Board Meetings

In compliance with the provisions of Clause 49 of the Listing Agreement, in every quarter and the intervening period between two Board meetings was well within the maximum gap of four months. During the Financial Year, seven Board Meetings were held: on 30th May, 2014; 8th August, 2014; 20th October, 2014; 30th October, 2014; 17th January, 2015; 9th February, 2015 and 7th March, 2015.

The agenda items covering all the required information with notes prepared by functional departments or Units, are circulated to all the Directors well before the meeting for consideration. Minutes of Board Meetings are circulated to all Directors before the next meeting and confirmed at the subsequent Board Meetings. Copies of minutes of Board meetings of subsidiaries of the Company are also circulated as part of the agenda.

Review of statutory compliance report

The Board periodically reviewed the statutory compliance reports of all Laws applicable to the Company at its quarterly Board Meetings.

Succession Policy

The Board of Directors formulated a Policy for orderly Succession for appointments to the Board and Senior Management and also prepares contingency plans for succession in case of any exigencies.

3. Audit Committee:

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

i. Brief description of terms of reference

The role of the Audit Committee is as prescribed under the Act and Listing Agreement and includes the following:

- a. 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. Recommendation of appointment etc., of the Statutory Auditors and their fee for audit and other services;
- c. Review of Annual Financial Statements with particular reference to Directors' Responsibility Statement, changes in accounting policies, major accounting entries involving estimates, disclosure of related party transactions, qualifications in the draft audit report, etc.;
- d. Discussions with Internal Auditors on significant findings and with Statutory Auditors of the nature and scope of audit and on areas of concern;
- e. Review of quarterly financial statements, uses and application of funds raised, performance of Statutory and Internal Auditors, adequacy of internal control system and internal audit function;
- f. Review of Management Discussion and Analysis report on financial condition, operations, significant related party transactions, internal control weaknesses reported by the Statutory Auditors and Internal Auditors and the appointment and remuneration of Internal Auditors;
- g. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h. Approval or any subsequent modification of transactions of the Company with Related Parties;
- i. Scrutiny of inter-corporate loans and investments;
- j. Evaluation of internal financial controls and risk management systems; and
- k. Review of the functioning of the Whistle Blower mechanism.

**ii. Composition, Names of Members and Chairperson**

The Audit Committee consisted of three Independent Directors. All the members of the Committee including the Chairman have adequate financial and accounting knowledge.

The Composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of the Director	Category	Chairman/Member	Number of Meetings during the FY 2014-15	
			Held	Attended
Sri K. Balarama Reddi	Independent Director	Chairman	5	5
Dr. M. V. G. Rao	Independent Director	Member	5	5
Dr. D. Nageswara Rao	Independent Director	Member	5	5

iii. Meetings of the Audit Committee held during FY 2014-15

During the year, five meetings of the Audit Committee were held on: 29th May, 2014; 7th August, 2014; 20th October, 2014; 30th October, 2014; and 7th February, 2015. Necessary quorum was present at all the meetings.

Related Party Transactions

All Related Party Transactions are approved by the Audit Committee and Board.

The Audit Committee and Board also reviewed quarterly, the statement of related party transactions together with basis, at their meetings.

A statement of all transactions entered into with

Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year was annexed to the Directors' Report as Annexure No.5.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website under the web link: http://www.nbventures.com/pdf/corporate_policies/06_pdf_13jan2015_related_party_transactions.pdf.

Subsidiary Companies

Independent Directors viz., Sri K. Balarama Reddi and Dr. M. V. G. Rao are the Directors on the Boards of the non-listed Indian Subsidiary Companies as at the end of the financial year 2014-15, as detailed below:

Name of the Independent Director	Names of Subsidiary Companies
Sri K. Balarama Reddi	1. Nava Bharat Projects Limited
	2. Nava Bharat Energy India Limited
	3. Brahmani Infratech Private Limited
	4. Nava Bharat Realty Limited
Dr. M. V. G. Rao	1. Nava Bharat Projects Limited
	2. Nava Bharat Energy India Limited
	3. Brahmani Infratech Private Limited
	4. Nava Bharat Sugar and Bio Fuels Limited

The company had formulated a policy for determining 'material' subsidiaries and the same was disclosed on the Company's website at web link: http://www.nbventures.com/pdf/corporate_policies/05_pdf_13jan2015_determining_material_subsidiaries.pdf.

The financial statements and the minutes of the board meetings of the subsidiary companies are considered at the meetings of the Board of Directors of the Company.

Risk Management

The Board laid down the risk assessment and minimisation procedures, which are reviewed periodically at its meetings, to ensure that executive management controls risk through a properly defined framework. The Risk Management Policy was placed on the Website of the Company under the web link: http://www.nbventures.com/pdf/corporate_policies/01_pdf_13jan2015_risk_management.pdf.

Proceeds from fresh/further issues

No further issues were made by the Company during the FY 2014-15.

4. Nomination and Remuneration Committee:

i. Brief Description of Terms of Reference

The functioning and terms of reference of the

ii. Composition, names of Members and Chairperson

The Nomination and Remuneration Committee comprised three Independent Directors. The composition of the Remuneration Committee and particulars of meetings attended by the Members of the Nomination and Remuneration Committee are given below:

Name of the Director	Category	Chairman/Member	Number of Meetings during the FY 2014-15	
			Held	Attended
Sri K. Balarama Reddi	Independent Director	Chairman	3	3
Dr. M. V. G. Rao	Independent Director	Member	3	3
Dr. D. Nageswara Rao	Independent Director	Member	3	3

Nomination and Remuneration Committee (NRC) are as prescribed under the Listing Agreement and NRC determines the Company's policy on all elements of the remuneration packages of the Directors and Senior Management.

Role of the Committee includes the following

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment and removal; and
5. The Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.



iii. Meetings held during the FY 2014-15

During the period from 1st April, 2014 to 31st March, 2015, Nomination and Remuneration Committee met on 29th May, 2014; 7th February, 2015; and 7th March, 2015.

The Nomination and Remuneration Committee in its Meeting held on 7th May, 2015 reviewed the performance of Directors and Senior Management. Further, the Committee evaluated the role played by each Director together with their attendance at various meetings, pursuant to Section 178 of the Companies Act, 2013, and also reviewed the Succession Plan for Senior and Top Management and Board Diversity Policy.

Performance Evaluation

The Nomination and Remuneration Committee laid down the evaluation criteria for performance evaluation of Independent Directors as follows:-

Independent Directors have three key roles – governance, control and guidance. Some of the performance indicators based on which the Independent Directors evaluated are:

The performance evaluation of Independent or non-executive members is done by the Board annually based on criteria of attendance and contributions at Board/Committee Meetings as also the role played other than at Meetings.

Contribution to and monitoring Corporate Governance practices.

Ability to contribute to address top management issues.

Active participation in long term strategic planning.

Commitment to the fulfillment of obligations and responsibilities.

Criteria formulated by Nomination and Remuneration Committee for evaluation of Board Committees and Individual Directors;

In line with Corporate Governance guidelines, evaluation of all Board Members is done on an annual basis. This evaluation is done by the entire Board led by the Chairman of the Board with specific focus on the performance and effective functioning of the Board, Committees of the Board and individual Directors and reported to the Board. The evaluation process also considers the time spent by each of the Board Members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

The entire Board of Directors (excluding the Director being evaluated) held the performance evaluation of Independent Directors and on the basis of performance evaluation, the Board decided to continue the term of appointment of Independent Directors.

Familiarization Programme for Independent Directors

The Company conducted Familiarization Programme for the Independent Directors to familiarize them of their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The Company also conducted a separate programme on the latest SEBI Regulations to promote training to the Directors to ensure that the Board Members are kept up to date.

The details of the programme were disclosed on the Company's website under the web link: http://www.nbventures.com/pdf/corporate_policies/07_pdf/07_pdf_24jan2015_familiarization_program.pdf.

Appointment of Independent Directors

All the existing 5 Independent Directors were appointed by the General Body at its previous AGM held on 08.08.2014 for a period of 5 years who were issued the letters of appointment with terms and conditions which were also

disclosed on the website of the Company: www.nbventures.com

Separate Meetings of Independent Directors

The Independent Directors of the Company held one separate meeting in the year on 7th March, 2015 without attendance of Non-Independent Directors. All the Independent Directors were present at this meeting.

The Independent Directors in the meeting reviewed the performance of Non-Independent Directors and the Board as a whole. Further, they reviewed the performance of the Chairman of the Company and also assessed the quality, quantity and timeliness of flow of information from the Management to the Board for effective functioning of the Board and performance of its duties.

iv. Remuneration Policy

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed to the Directors' Report vide Annexure No.7. Further, the Company has adopted specific criteria for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

v. Details of Remuneration and other payments to all Directors including Non-Executive Directors during the Financial Year 2014–2015

Name of the Director	Sitting Fee (Board & Committees)	Salaries	Perquisites and Allowances	Commission and incentive as approved by General Body	Total
	(₹)	(₹)	(₹)	(₹)	(₹)
Sri D. Ashok, Chairman	0	8400000	9566092	29262438	47228530
Sri P. Trivikrama Prasad, Managing Director	0	8400000	9240097	29262438	46902535
Dr. E. R. C. Shekar	37500	0	0	400000	437500
Dr. M. V. G. Rao	112500	0	0	400000	512500
Sri K. Balarama Reddi	112500	0	0	400000	512500
Dr. D. Nageswara Rao	142500	0	0	400000	542500
Dr. C. V. Madhavi	75000	0	0	400000	475000
Sri C. V. Durga Prasad, Director (Business Development)	0	8400000	9196583	-	17596583
Sri G. R. K. Prasad, Executive Director	0	8400000	9480923	6000000	23880923

**vi. Service Contract, Notice period, severance fees**

There are no specific contracts nor any severance fees. Terms of appointment are as decided by the Board and General Body.

Stock Options: The Company has no Options outstanding as at the beginning of the year and has not granted any Stock Options during the FY 2014-15.

vii. Remuneration to the Non-Executive Directors and criteria

The Board, at its meeting held on 29th May, 2010 and Annual General Meeting on 16th August, 2010 approved payment of remuneration/ commission to the Non-Executive Directors for each year for a period of 5 years commencing from 1st April, 2011, as the Board may from time to time determine (to be divided equally amongst the Non-Executive Directors) not exceeding 1% of the net profits of the Company in any financial year subject to an overall ceiling of ₹ 20.00 lakhs per year to be paid and distributed equally among all the Non-Executive Directors of the Company for each year, in addition to the sitting fees for every meeting of the Board or Committee not exceeding ₹ 7,500/- per meeting as may be determined by the Board from time to time keeping in view the size, scale and complexity of the Company's operations and the level of involvement of the Non-Executive Directors.

Your Board of Directors reviewed the commission payable to the Non-Executive Directors / Independent Directors effective from 01.04.2016 keeping in view of their enhanced role, responsibilities and duties and the level of their commitment and contribution, revised the commission not exceeding 1% of the net profits of the Company in any financial year subject to an overall ceiling of ₹ 25 lakhs for every financial year

for a period of 5 years to be divided among all the Non-Executive Directors equally and recommended the same to the members for approval. The Board further revised the sitting fees to ₹ 15,000/- per meeting in respect of all Committees or Board Meetings held after the forthcoming AGM.

viii. Details of shares held by Non-Executive Directors as on 31st March, 2015

Sl. No.	Name	Equity Shares of ₹ 2/- each held
1.	Sri K. Balarama Reddi	Nil
2.	Dr. E. R. C. Shekar	Nil
3.	Dr. M. V. G. Rao	Nil
4.	Dr. D. Nageswara Rao	Nil
5.	Dr. C. V. Madhavi	Nil

ix. Details of shares held by Chairman, Managing Director and Directors in the Whole-time employment of the Company as on 31st March, 2015

Sl. No.	Name	Equity Shares of ₹ 2/- each held in their name
1.	Sri D. Ashok	11,13,000
2.	Sri P. Trivikrama Prasad	18,13,836
	Sri P. Trivikrama Prasad (HUF)	3,51,315
3.	Sri G. R. K. Prasad	32,586
4.	Sri C. V. Durga Prasad	70,915

Management disclosure

The Senior Management personnel disclosed to the Board, the transactions for the year under review wherever they have personal interest, such as dealings in the Company's shares.

5. Stakeholders Relationship Committee:

- i. The Company has Stakeholders Relationship Committee at the Board level, which consists of two Directors namely Sri K. Balarama Reddi and Sri P Trivikrama Prasad.

Sri K. Balarama Reddi, Non-Executive and Independent Director, Chairs the Stakeholders Relationship Committee. It deals with the complaints of the Shareholders on a regular basis. All the complaints have been resolved to the satisfaction of the members concerned.

- ii. Name and Designation of Compliance Officer:
Sri M. Subrahmanyam
Company Secretary & Vice President
- iii. Number of Shareholders' complaints received and resolved during the year ended 31st March, 2015 : 14
- iv. Number not solved to the satisfaction of Shareholders : Nil
- v. Number of pending complaints : Nil

for the Company. The Officers at the Company's manufacturing divisions interact with the neighbouring communities on regular basis. The Company's contributions are in the areas of health, education, livelihood and environment protection.

The Board of Directors of the Company constituted a CSR Committee comprising three (3) Directors viz., 1) Sri D. Ashok (Chairman); 2) Dr. D. Nageswara Rao, Independent Director (Member) and 3) Dr. C. V. Madhavi, Independent Director (Member). The Committee recommended a CSR Policy with the projects and programs which the Company plans to undertake falling within the purview of Schedule VII to the Companies Act, 2013 and the same was approved by the Board specifying modalities of execution and implementation schedules for the same. The Committee also instituted a monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.

During the year from 01.04.2014 to 31.03.2015, the CSR Committee meetings were held on 01.10.2014, 22.01.2015 and 22.03.2015.

CSR Committee

Social development is at the core of the Company's philosophy and this continues to be a priority

The composition of the CSR Committee and particulars of meetings attended by the Members of the CSR Committee are given below:

Name of the Director	Category	Chairman/ Member	Number of Meetings during the FY 2014-15	
			Held	Attended
Sri D. Ashok	Executive Chairman	Chairman	3	3
Dr. D. Nageswara Rao	Independent Director	Member	3	3
Dr. C. V. Madhavi	Independent Director	Member	3	3



6. General Body Meetings:

- i. The location, time and venue of the last three Annual General Meetings were as under:

Nature of Meeting	Date and Time	Venue of Meeting	Special Resolutions passed
42nd Annual General Meeting	8th August, 2014 at 10.00 a.m	Hotel Marigold, by and beside Green Park Hotel Hyderabad – 500 016	Five
41st Annual General Meeting	16th August, 2013 at 10.00 a.m	Hotel Marigold, by and beside Green Park Hotel Hyderabad – 500 016	Four
40th Annual General Meeting	8th August, 2012 at 10.00 a.m	Hotel Marigold, by and beside Green Park Hotel Hyderabad – 500 016	One

- ii. No Extra-Ordinary General Meeting of the shareholders was held during the year.
- iii. Postal Ballot was conducted during the financial year 2014-15 and three Special Resolutions were passed by Postal Ballot.

Mode of Voting	Postal Ballot / e-voting
Date of Postal Ballot Notice	30th May, 2014
Cut-off date for reckoning voting rights	13th June, 2014
Date of dispatch of Notice	23rd June, 2014
Total no. of Shareholders on cut-off date	14651

The Scrutinizer, Mrs. P. Renuka, Practicing Company Secretary, was appointed by the Board who has conducted the Postal Ballot and voting process in a fair and transparent manner.

The procedure for Postal Ballot is as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

The Scrutinizer submitted a report to the Chairman confirming that the resolutions have been duly passed by the Members with requisite majority.

The details of Resolutions passed by Postal Ballot are as under:

1) Result of Postal Ballot for Creation of Security under Section 180 (1) (a) of the Companies Act, 2013:

Details of the voting result as per Clause 35A of the Listing Agreement in respect of Resolution passed for Creation of Security under Section 180 (1) (a) of the Companies Act, 2013.

Promoter / Public	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of Votes - in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)] 100	(4)	(5)	(6)= [(4)/(2)] 100	(7)= [(5)/(2)] 100
Promoter and Promoter Group	38724664	33751154	87.16	33751154	0	100.00	0.00
Public – Institutional holders	29647415	21213476	71.55	21213476	0	100.00	0.00
Public – Others	20915662	6637073	31.73	6635666	1407	99.98	0.02
TOTAL	89287741	61601703	68.99	61600296	1407	99.99	0.01

The Number of votes polled in favour of the Special Resolution is 61600296 (99.99% of the total valid votes). Thus, the Special Resolution has been passed by the Shareholders with the requisite majority.

2) Result of Postal Ballot under Section 180(1)(c) of the Companies Act, 2013 for limits of borrowing:

Details of the voting result as per Clause 35A of the Listing Agreement in respect of Resolution passed for Limits of Borrowing under Section 180 (1) (c) of the Companies Act, 2013.

Promoter / Public	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of Votes - in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)] 100	(4)	(5)	(6)= [(4)/(2)] 100	(7)= [(5)/(2)] 100
Promoter and Promoter Group	38724664	33751154	87.16	33751154	0	100.00	0.00
Public – Institutional holders	29647415	21213476	71.55	21213476	0	100.00	0.00
Public – Others	20915662	6636448	31.73	6634841	1607	99.98	0.02
TOTAL	89287741	61601078	68.99	61599471	1607	99.99	0.01

The Number of votes polled in favour of the Special Resolution is 61599471 (99.99% of the total valid votes). Thus, the Special Resolution has been passed by the Shareholders with the requisite majority.



3) Result of Postal Ballot under Section 186 of the Companies Act, 2013 for making investments, giving loans and providing guarantees with limits:

Details of the voting result as per Clause 35A of the Listing Agreement in respect of Resolution passed for making investments, giving loans and providing guarantees with limits under Section 186 of the Companies Act, 2013.

Promoter / Public	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of Votes - in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)] 100	(4)	(5)	(6)= [(4)/(2)] 100	(7)= [(5)/(2)] 100
Promoter and Promoter Group	38724664	33751154	87.16	33751154	0	100.00	0.00
Public – Institutional holders	29647415	21213476	71.55	19935203	1278273	93.97	6.03
Public – Others	20915662	6636438	31.73	6632936	3502	99.95	0.05
TOTAL	89287741	61601068	68.99	60319293	1281775	97.91	2.09

The Number of votes polled in favour of the Special Resolution is 60319293 (97.91% of the total valid votes). Thus, the Special Resolution has been passed by the Shareholders with the requisite majority.

It is therefore declared that all the 3 Special Resolutions proposed through the Postal Ballot were approved and passed by the Shareholders with requisite majority.

- iv. No resolutions are proposed to be conducted now through Postal Ballot.

7. Disclosures:

- i. Materially significant related party transactions though not having potential conflict with the interests of the Company at large:

These transactions are disclosed in the financial statements for the year ended 31st March, 2015 at Note no. 46 to the annual accounts.

- ii. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years: Nil.

- iii. Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:

The Company has established a vigil mechanism during financial year 2014-15. No personnel had been denied access to the Audit Committee prior to or after the formulation of the vigil mechanism. The Policy was placed on the website of the Company with a web link - http://www.nbventures.com/pdf/corporate_policies/04_pdf_13jan2015_whistle_blower.pdf. The mechanism is also disclosed in the Board's Report.

- iv. Details of compliance with the mandatory requirements and adoption of non-mandatory requirements:

All mandatory requirements are scrupulously complied with and non-mandatory requirements are partially adopted.

a. Mandatory Requirements

The Company complied with all the mandatory requirements enumerated in Clause 49 as prescribed relating to the matters specified therein, i.e., i. principles of governance; ii. Board of Directors; iii. Audit Committee; iv. Nomination and Remuneration Committee; v. Subsidiary Companies; vi. Risk Management; vii. Related Party Transactions; viii. Disclosures; ix. CEO/CFO Certification; x. Report on Corporate Governance; and xi. Compliance.

b. Non-mandatory Requirements

- i. **The Board:** The Chairman of the Board is Executive Chairman.
- ii. **Shareholders' Rights:** The Half-yearly financial performance was published in the Newspapers and placed on the Company's Website. The same was also sent individually to each Shareholder through e-mail or by post. All the Quarterly Financial results are also placed on the Company's Website: www.nbventures.com apart from publishing the same in the Newspapers.
- iii. **Audit Qualifications:** There are no audit qualifications in the Company's financial statements.
- iv. **Separate Posts of Chairman and CEO:** The Company has separate posts of Chairman and Managing Director.
- v. **Reporting of Internal Auditor:** The Internal Auditor submitted his reports directly to the Chairman of the Audit Committee.

Accounting Standards and Treatment

The accounting treatment, as prescribed in the Accounting Standards has been followed in letter and spirit in the preparation of financial statements.

CEO / CFO Certification

The CEO (Managing Director) and the CFO certified to the Board on the prescribed matters as required under Clause 49 of the Listing Agreement and the said Certificate was considered by the Board at its meeting held on 29th May, 2015.

Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters relating to capital markets during the last three years.

Code of Conduct

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the Senior Management Personnel and Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Code covers duties of Independent Directors also, gives guidance and support needed for ethical conduct of business and compliance of Law.

A copy of the Code has been put on the Company's website with a web link: http://www.nbventures.com/pdf/corporate_governance/code_of_conduct/pdf_code_of_conduct.pdf. The Code has been circulated to Directors and Senior Management Personnel, and its compliance is affirmed by them annually. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. A declaration signed by the Company's Managing Director is appended to this Report.

**8. Means of Communication:**

The quarterly, half-yearly and annual results of the Company were normally published by the Company in the newspapers (Business Line/Business Standard) in English version, circulating in the whole of India and in regional newspaper (Andhra Prabha) in the language of Region Telugu in Telangana and Andhra Pradesh.

The results were also displayed on the Company's website: www.nbventures.com. Half-yearly results were sent to the members along with a message from the Chairman on the Company's performance during the half-year ended 30th September, 2014. Press releases made by the Company from time to time were also displayed on the Company's website.

Official news items were sent to the Stock Exchanges i.e. National Stock Exchange of India Limited and Bombay Stock Exchange Limited, where shares of the Company were listed and the Exchanges displayed the same on their websites. The presentations to Institutional Investors or to the analysts are covered in the Company's website.

9. General Shareholder Information:**i. Ensuing Annual General Meeting**

Date	27th August, 2015
Time	10.00 A.M
Venue	Hotel Marigold By and beside Green Park Hotel Hyderabad – 500 016 Telangana State

ii. Financial Calendar for AGM/Dividend Payment (For the Financial year April, 2014 to March, 2015)

Board Meeting for consideration of Audited Accounts and recommendation of Dividend for 2014-15	29th May, 2015
Posting of Annual Report	1st August, 2015
Book Closure dates	22nd August, 2015 to 27th August, 2015
Last date for receipt of Proxy forms	25th August, 2015
Date of the 43rd Annual General Meeting	27th August, 2015
Dividend on Equity Shares	₹ 5/- per share (250%) of face value of ₹ 2/- each
Dividend pay-out date	3rd September, 2015

As required under Clause 49 VIII (E)(1) of the Listing Agreement with the Stock Exchanges, particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting (AGM) were given in the Notes to the Notice of the AGM to be held on 27th August, 2015.

iii. Financial Calendar

FINANCIAL YEAR 2014-15 (1st April, 2014 to 31st March, 2015)	
1. First Quarter Results	8th August, 2014
2. Second Quarter and Half Year Results	30th October, 2014
3. Third Quarter Results	9th February, 2015
4. Annual Results (Audited)	29th May, 2015

iv. Listing on Stock Exchanges

The Securities of the Company are listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Listing fee for these Stock Exchanges was paid.

v. Website

The Company's website www.nbventures.com contains a separate dedicated section: 'Investors', where shareholders' information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

vi. Reminder to Investors

Reminders for unclaimed physical share certificates and unpaid dividend were sent to the shareholders periodically.

vii. (a) NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web based application designed by NSE for Corporates. The Shareholding Pattern, Corporate Governance Report and various other Reports are filed electronically on NEAPS. Your Company is also filing various Reports through NEAPS.

(b) BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding

pattern, corporate governance report, financial results, among others are also filed electronically on the Listing Centre.

viii. SEBI Complaints Redress System (SCORES)

The Investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

ix. Stock Codes/Symbol

Bombay Stock Exchange Scrip Code/Trading Symbol : '513023'/'NBVENTURE'

National Stock Exchange Trading Symbol : 'NBVENTURES'

x. International Securities Identification Number (ISIN)

ISIN is a unique identification number allotted to dematerialised scrip. The ISIN has to be quoted in each transaction relating to dematerialised shares of the Company. The ISIN number for the equity shares of the Company is INE 725A01022.

xi. Corporate Identify Number (CIN)

The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, the Government of India is L27101TG1972PLC001549 and the Company's Registration Number is 1549 of 1972-73.

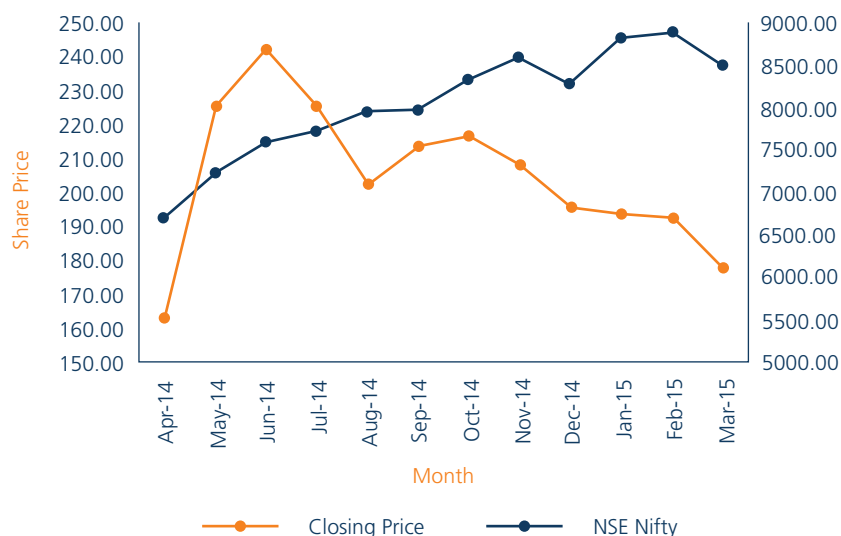


xii. Market Price Data: High/Low (daily closing prices) on National Stock Exchange of India Limited during each month in the FY 2014-15

	Equity Shares of ₹ 2/-each				
Month	High (₹)	Low (₹)	Closing (₹)	Volume (No.)	Closing NSE S & P CNX NIFTY
2014					
April	176.60	157.90	163.20	161008	6696.40
May	240.40	156.85	225.45	682001	7229.95
June	269.45	240.30	242.25	558445	7611.35
July	275.20	226.05	226.05	971170	7721.30
August	231.85	202.05	202.90	310340	7954.35
September	234.30	209.40	213.95	459759	7964.80
October	220.90	215.45	217.00	188965	8322.20
November	217.25	205.60	208.40	396646	8588.25
December	214.85	195.45	195.55	222225	8282.70
2015					
January	201.55	192.10	193.50	139759	8808.90
February	196.90	180.45	192.90	230388	8901.85
March	190.95	172.45	177.90	1599809	8491.00

xiii. The Company is not forming part of NSE S&P CNX NIFTY. Overall performance of the scrip of the Company in comparison to NSE S&P CNX NIFTY is as follows

Performance of Company's closing share price on NSE in comparison to NSE S & P CNX NIFTY

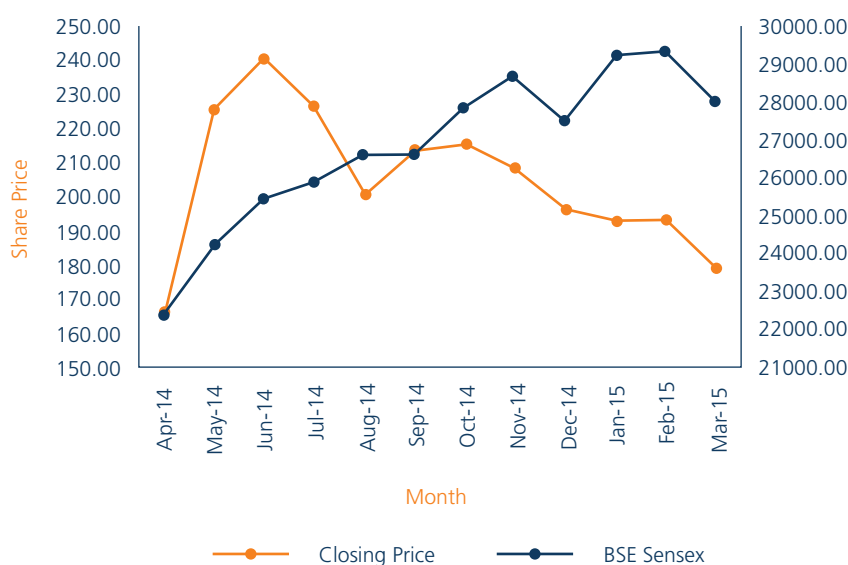


xiv. Market Price Data: High/Low (daily closing prices) on Bombay Stock Exchange Limited during each month in the FY 2014-15

Month	Equity Shares of ₹ 2/-each					
	High (₹)	Low (₹)	Closing (₹)	Volume (No.)	Closing S & P BSE SENSEX	Closing S & P BSE MIDCAP
2014						
April	176.30	159.00	164.90	53038	22417.80	7323.46
May	240.05	157.00	225.80	168200	24217.24	8467.22
June	268.35	238.15	240.35	131662	25413.78	9378.95
July	275.80	226.50	226.50	256195	25894.97	9188.19
August	231.45	200.85	200.85	97562	26638.11	9298.20
September	233.35	209.60	213.85	82248	26630.51	9530.35
October	221.60	215.15	215.40	58360	27865.83	9834.60
November	217.05	207.65	209.00	72106	28693.99	10270.61
December	215.75	195.50	196.45	69378	27499.42	10372.58
2015						
January	200.20	192.05	193.10	53807	29182.95	10738.59
February	195.55	181.10	193.20	86622	29361.50	10810.85
March	190.95	172.65	178.75	572611	27957.49	10592.22

xv. The Company is not forming part of BSE Sensex. Overall performance of the scrip of the Company in comparison to BSE Sensex is as follows

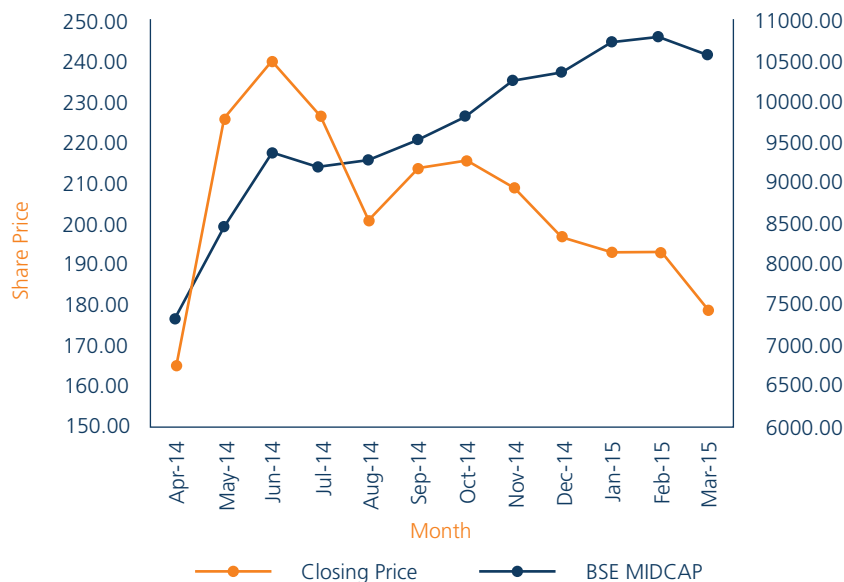
Performance of Company's Closing Share price on BSE in comparison to BSE Sensex





xvi. The Company is forming part of BSE MIDCAP. Overall performance of the scrip of the Company in comparison to BSE MIDCAP is as follows

Performance of Company's closing share price on BSE in comparison to BSE MIDCAP INDEX



xvii. Registrars & Transfer Agents (for Shares held in both Physical and Demat mode)

Registrars & Transfer Agents (for Shares held in both Physical and Demat mode)	:	M/s. Karvy Computershare Private Limited (Unit: Nava Bharat Ventures Limited) Karvy Selenium Tower B, Plot 31-32 Gachibowli Financial District, Nanakramguda Hyderabad – 500 032, Telangana
Telephone Numbers	:	91 40 6716 1500 / 67162222
Direct	:	91 40 6716 1562
Fax No.	:	91 40 2300 1153
Contact Person	:	Sri M. S. Madhusudhan / Sri Mohd. Mohsinuddin
E-mail id	:	madhusudhan.ms@karvy.com; mohsin.mohd@karvy.com
Website	:	www.karvycomputershare.com

xviii. Share Transfer System

M/s. Karvy Computershare Private Limited, Hyderabad, is the Company's Registrars and Share Transfer Agents. Share Transfers are registered and returned in the normal course within a period of less than 15 days from the date of receipt, if the documents are in order in all respects. Request for dematerialisation of shares are processed and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. The Registrars and Share Transfer Agents were delegated the power of share transfer to expedite the transfer formalities.

xix. a. Distribution of shareholding

Range of equity shares held	As on 31st March, 2015				As on 31st March, 2014			
	Shareholders		Shareholding		Shareholders		Shareholding	
	Number	%	Number	%	Number	%	Number	%
1	559	4.09	559	0.00	523	3.51	523	0.00
2 - 10	1293	9.45	8951	0.01	1365	9.15	9648	0.01
11 – 50	3051	22.30	105685	0.12	3411	22.87	118279	0.13
51 – 100	2084	15.24	189454	0.21	2156	14.45	195353	0.22
101 – 200	2007	14.67	356844	0.40	2285	15.32	407422	0.46
201 – 500	2593	18.96	933429	1.05	2954	19.80	1067892	1.20
501 – 1000	840	6.14	676227	0.76	919	6.16	740879	0.83
1001 – 5000	834	6.10	2016132	2.26	880	5.90	2092150	2.34
5001 – 10000	148	1.08	1105071	1.24	155	1.04	1154210	1.29
10001 and above	269	1.97	83895389	93.96	268	1.80	83501385	93.52
TOTAL	13678	100.00	89287741	100.00	14916	100.00	89287741	100.00

b. Shareholding Pattern

Category	As on 31st March, 2015			As on 31st March, 2014		
	Share-holders (No.)	No. of Shares of ₹ 2/- each held	Voting strength (%)	Share-holders (No.)	No. of Shares of ₹ 2/- each held	Voting strength (%)
A. Promoter Group:						
i. Individuals	12	15478686	17.34	12	15283188	17.11
ii. Bodies Corporate	6	18886044	21.15	6	18425813	20.64
iii. Trust *	1	4973510	5.57	1	4973510	5.57
Total Shareholding of Promoter Group	19	39338240	44.06	19	38682511	43.32
B. Public Shareholding:						
i. Mutual Funds	3	186508	0.21	3	204608	0.23
ii. Financial Institutions/Banks	8	11253	0.01	7	19680	0.02
iii. Foreign Institutional Investors	38	26853011	30.07	48	29273313	32.79
iv. Bodies Corporate	380	1502820	1.68	420	1491304	1.67
v. Individuals						
a. Shareholders holding nominal share capital up to ₹ 1 Lakh	12483	7709475	8.63	13669	7995203	8.95
b. Shareholders holding nominal share capital in excess of ₹ 1 Lakh	54	8516840	9.54	55	8601193	9.63



Category	As on 31st March, 2015			As on 31st March, 2014		
	Share-holders (No.)	No. of Shares of ₹ 2/- each held	Voting strength (%)	Share-holders (No.)	No. of Shares of ₹ 2/- each held	Voting strength (%)
vi. Unclaimed Shares Suspense Account – Clause 5A.II	1	642995	0.72	1	671215	0.75
vii. Directors and Relatives	8	282631	0.32	8	282631	0.32
viii. Nava Bharat Ventures Employee Welfare Trust through Barclays Wealth Trustees (India) Private Ltd.	1	1400000	1.57	1	1400000	1.57
ix. Clearing Members	33	9100	0.01	36	56658	0.06
x. Hindu Undivided Family	359	416297	0.47	381	436719	0.49
xi. Trusts	5	12346	0.01	7	7444	0.01
xii. Non Resident Indians	276	176580	0.20	261	165262	0.19
xiii. Foreign Portfolio Investors	10	2229645	2.50	--	--	--
Total Shareholding of Public	13659	49949501	55.94	14897	50605230	56.68
GRAND TOTAL (A+B)	13678	89287741	100.00	14916	89287741	100.00

Holding shares of the Company (NBVL) for the benefit of the Company (NBVL).

Company's Shares held by Promoter Group pledged or otherwise encumbered : NIL

Note: Nava Bharat Ventures Employee Welfare Trust through Barclays Wealth Trustees (India) Private Limited held 14,00,000 Equity Shares (1.57%). It is continued to be shown in the Category of Public Shareholding as per the current format and it shall be construed as "non-promoter" and "non-public" for the purpose of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

c. Particulars of the Shareholders (non-promoter group) holding more than 1% of the shares of the Company as on 31st March, 2015

Sl. No.	Name of the Shareholder	No. of Shares of ₹ 2/-each	(%) holding
1.	Highfields Capital Management LP A/c: HC Mauritius Ltd	8482989	9.50
2.	Retail Employees Superannuation PTY Ltd. as Trustee for Retail Employees Superannuation Trust	2170169	2.43
3.	J. Caird BMD MB	1996987	2.24
4.	Morgan Stanley Asia (Singapore) Pte.	1968059	2.20
5.	J. Caird MB	1860542	2.08
6.	Deutsche Securities Mauritius Limited	1845356	2.07
7.	Copthall Mauritius Investment Limited	1664733	1.86
8.	Bay Pond MB	1458471	1.63
9.	Nava Bharat Ventures Employee Welfare Trust through Barclays Wealth Trustees (India) Pvt. Ltd.	1400000	1.57
10.	Credit Suisse (Singapore) Limited	1161600	1.30
11.	Smt. Sunitha Vemulapalli	1008315	1.13
12.	East Bridge Capital Master Fund Limited	900000	1.01

d. Unclaimed Equity Dividend

Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013) mandates the Companies to transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). The dividend for the respective years mentioned below, if unclaimed, within a period of seven years as stated above, will be transferred to the IEPF in accordance with the following schedule:

Sl. No.	Financial Year	Date of Declaration of Equity Dividends	Dividend per share (₹)	% of Dividend (Equity Dividend)	Date of transfer to Unpaid Dividend A/c	Amount outstanding as on 31.03.2015 (₹)	Due for transfer to Central Government's Investor Education & Protection Fund on
1	2013 - 2014	08.08.2014	5.00	250%	08.09.2014	3,890,735/-	08.09.2021
2	2012 - 2013	16.08.2013	5.00	250%	16.09.2013	3,757,185/-	16.09.2020
3	2011 - 2012	08.08.2012	4.00	200%	07.09.2012	1,780,180/-	07.09.2019
4	2010 - 2011	28.07.2011	6.00	300%	27.08.2011	2,359,686/-	27.08.2018
5	2009 - 2010	16.08.2010	9.00	450%	16.09.2010	3,285,063/-	16.09.2017
6	2008 - 2009	31.07.2009	8.00	400%	31.08.2009	2,839,496/-	31.08.2016
7	2007 - 2008	25.07.2008	6.00	300%	25.08.2008	2,158,014/-	25.08.2015

The Company is sending periodic communication to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividend. Shareholders are informed that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

xx. Reconciliation of Share Capital Audit

In accordance with Regulation 55A of SEBI (Depositories & Participants) Regulations, 1996, a quarterly audit is conducted by a Company Secretary in Practice for reconciliation of share capital of the Company.

The Reconciliation of Share Capital Audit Report, inter alia, covers and certifies that the total shares held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and those in physical form tally with the paid-up and listed capital of the Company, the Register of Members is duly updated, demat requests are confirmed within stipulated time etc. Details of changes in share capital of the Company during the quarter are also covered in this report.

The Reconciliation of Share Capital Audit Report is submitted to BSE and NSE and is also placed before the meetings of the Board of Directors.

xxi. Company's Policy on prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place a Code of Conduct for regulating, monitoring and reporting of trading by Insiders and code of practices and procedures for fair disclosure of unpublished price sensitive information. The Code was also placed on the Website of the Company under the web link: http://www.nbventures.com/pdf/corporate_policies/02_pdf_09may/2015_insider_trading_regulations.pdf.

xxii. Dematerialised shares as on 31st March, 2015

Number of shares	% of total shares	Number of shareholders	% of total shareholders
88457260	99.07	13090	95.70



Shareholders, who continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic/ dematerialised form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL). The system for getting the shares dematerialised is as under:

Share Certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the Depository Participant(DP) with whom he/ she has opened a Depository Account;

DP processes the DRF and generates a unique number viz. DRN;

DP forwards the DRF and share certificates to the Company's Registrar & Share Transfer Agent;

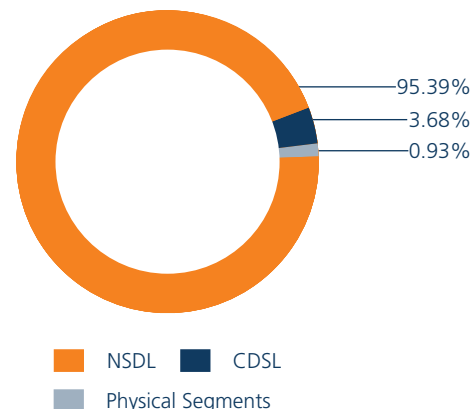
The Company's Registrar & Share Transfer Agent after processing the DRF, confirms the request to the Depositories by cancellation of physical share certificates; and

Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

The break-up of shares in demat and physical form as on 31st March, 2015 is as follows:

Particulars	No. of Shares of ₹ 2/-each	% of Shares
Demat Segment		
NSDL	85168423	95.39
CDSL	3288837	3.68
Sub-total	88457260	99.07
Physical Segment	830481	0.93
TOTAL	89287741	100.00

Equity Shares



xxiii. Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date and likely impact on equity

No GDRs/ADRs/Warrants or any Convertible instruments have been issued by the Company during the year under review or outstanding as at the end of the Financial Year.

xxiv. Equity Shares in the Suspense Account

The Company has, in accordance with the procedure laid down in Clause 5A (II) of the Listing Agreement, dematerialized Unclaimed Physical Share Certificates into Company's dematerialisation account namely, 'Nava Bharat Ventures Limited – Unclaimed Suspense Account'.

The following are the details of unclaimed shares transferred to Unclaimed Suspense Account:

Sl. No.	Particulars	No. of Shareholders	No. of Equity Shares of ₹ 2/-each
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the FY 2014 -15.	1319	671215
(ii)	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year.	38	28220
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account.	38	28220
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the FY 2014-15.	1281	642995

The dividend on the shares in the Unclaimed Suspense Account will be remitted to the Shareholders on their claiming the shares, till which time, the dividend will be available in the Unpaid Dividend Bank Account.

The voting rights on the shares outstanding in the Unclaimed Suspense Account as on 31st March, 2015 shall remain frozen till the rightful owner of such shares claims the shares.

xxv. Plant Locations

The Company's plants are located at:

Paloncha - 507 154 Khammam District Telangana	Samalkot - 533 440 East Godavari District Andhra Pradesh	Dharmavaram - 534 430 Prathipadu Mandal East Godavari District Andhra Pradesh	Kharagprasad Village - 759 121 Dhenkanal District Odisha
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xxvi. Address for Correspondence

Registered Office	M/s. Nava Bharat Ventures Limited 6-3-1109/1, 'Nava Bharat Chambers' Raj Bhavan Road, Hyderabad – 500 082 Telangana, India
Telephone Numbers	91 40 2340 3501/2340 3540
Fax Number	91 40 2340 3013
Website	www.nbventures.com
e-mail	nbvl@nbv.in; secretarial@nbv.in
Grievance Redressal Division e-mail id	grd@nbv.in

for and on behalf of the Board

G. R. K. Prasad
Executive Director

Place : Hyderabad
Date : 29th May, 2015

P. Trivikrama Prasad
Managing Director



CEO / CFO CERTIFICATE UNDER CLAUSE 49(IX)

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

For Nava Bharat Ventures Limited

T. Hari Babu
Chief Financial Officer

G. R. K. Prasad
Executive Director

P. Trivikrama Prasad
Managing Director

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the provisions of Clause 49 of the Listing Agreement.

The Board laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company at its meeting held on 29th January, 2005. The Code of Conduct was also posted on the Website of the Company.

All the Board Members and Senior Management Personnel affirmed that they have complied with the said Code of Conduct on an annual basis in respect of the financial year ended 31st March, 2015.

I hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and Senior Management Personnel, that the Code of Conduct has been complied with.

On behalf of the Board
For Nava Bharat Ventures Limited

Place : Hyderabad
Date : 29th May, 2015

P. Trivikrama Prasad
Managing Director

CERTIFICATE

To the Members of
Nava Bharat Ventures Limited
HYDERABAD

We have examined the compliance of conditions of Corporate Governance by NAVA BHARAT VENTURES LIMITED, Hyderabad, for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration No.000513S

Place : Hyderabad
Date : 29th May, 2015

P. Chandramouli
Partner
Membership No.025211



Independent Auditor's Report

To
The Members of
Nava Bharat Ventures Limited,
Hyderabad

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying Standalone Financial Statements of NAVA BHARAT VENTURES LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the

accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of

the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) 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:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

P. Chandramouli
Partner

Place : Hyderabad
Date : May 29, 2015

Membership Number: 025211



Annexure to the Auditor's Report

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of NAVA BHARAT VENTURES LIMITED, HYDERABAD, for the year ended March 31, 2015.

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
2. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. a. During the year, the Company has granted unsecured loan to a Company covered in the register maintained under Section 189 of the Companies Act, 2013. The maximum amount involved during year was USD 6.00 Million (equivalent to ₹ 3,749.70 Lakhs) and the year end balance of such loan was USD 6.00 Million (equivalent to ₹ 3,749.70 Lakhs).
 - b. In our opinion and according to the information and explanations given to us, receipt of the principal amount and interest are as per the terms of such unsecured loan.
4. We are informed that the prices charged to Subsidiary Companies cannot be compared with alternative quotations as most of the items/transactions are of special in nature. Read with the above, in our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a. According to the records of the Company, the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
 - b. According to the records of the Company, no undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other

statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except the following:

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Due Date	Date of payment
AP AL(CFNAP) Act, 2006	Land Conversion Tax	64,66,061	2010 -11		Not yet paid
Orissa Electricity Duty Act, 1961	Electricity Duty	10,91,227	2008-09	30.04.2009	Not yet paid
		3,25,551	2009-10	30.04.2010	
		90,239	2012-13	30.04.2013	
Customs Act, 1962	Customs Duty	17,61,860	1985 – 87		Not yet paid
GoAP (I & CAD Dept)	Water Charges	3,04,945	2008-09	30.04.2009	Not yet paid
		1,56,781	2009-10	30.04.2010	
		1,56,867	2010-11	30.04.2011	
		2,60,127	2011-12	30.04.2012	
		1,31,924	2012-13	30.04.2013	
		1,52,700	2013-14	30.04.2014	
OSPCB	Water Cess	52,560	2008-09	30.04.2009	Not yet paid
		60,994	2009-10	30.04.2010	
		11,518	2011-12	30.04.2012	
GoAP, APPCB	Water Cess	12,484	2008-09	31.03.2009	Not yet paid
		15,976	2013-14	31.03.2014	
The A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	72,60,282	2003-04 to 2007-08	15.04.2008	Not yet paid
- do -	- do -	4,07,520	2008- 09	30.04.2009	Not yet paid
- do -	- do -	4,37,520	May 2010	30.06.2010	Not yet paid
		2,51,868	Jun 2010	31.07.2010	
		5,35,680	July 2010	31.08.2010	
		5,14,944	Aug 2010	30.09.2010	
		53,24,777	Sept 2010	31.10.2010	
- do -	- do -	52,39,126	2003-04 to 2010-11	30.04.2012	Not yet paid
The A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	48,979	April 2011	31.05.2011	Not yet paid
		6,45,905	May 2011	30.06.2011	
		4,95,380	March 2012	30.04.2012	



Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Due Date	Date of payment
The A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	7,12,759 5,59,577	2012-13 2013-14	30.05.2013 30.05.2014	Not yet paid
AP Municipalities Act, 1965	Property Tax	1,52,854 1,81,234 2,52,451	2011-12 2012-13 2013-14	31.03.2012 31.03.2013 31.03.2014	Not yet paid
O S Govt.	Ground Rent	7,592 5,955	2009-10 2011-12	31.03.2010 31.03.2012	Not yet paid
East Coast Railways	Water way line Charges	1,80,932	2002-03 to 2009-10	31.03.2010	Not yet paid
Commissioner, Municipality, Samalkot	Welfare Cess	6,044	2014-15	-	Not yet Paid

- c. According to the records of the Company and the information and explanations given to us, the dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute are as follows.

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
AP (Ag.Produce & Live Stock) Marketing Act, 1966	Agricultural Market Cess	28,15,396	1980-81 to 1989-90	The Secretary, Agricultural Marketing Committee, Visakhapatnam
AP Municipalities Act, 1965	Property Tax	1,49,952 2,00,798	1995-96 to 2000-01 1995-96 to 2000-01	Hon'ble High Court of A.P.
Various Sales Tax Acts	Central Sales Tax	2,20,130	2004-05	Asst. Commissioner of Sales Tax, Range-II, Cuttack
		64,87,532	2000-01	STAT, Hyderabad
	APGST	79,35,607	2003-04	Asst. Commissioner of Commercial Taxes, Warangal
Central Excise Act, 1944	Excise Duty	1,75,08,459	2004-05 to 2009-10	CESTAT, Bangalore
		7,37,00,285	2012-13	CESTAT, Bangalore
		55,29,064	1997-98	CESTAT, New Delhi
		13,690,286	2000-01 to 2001-02	Hon'ble High Court of A.P.
		11,55,618	2000-01 to 2005-06	Commissioner of Central Excise (Appeals), Visakhapatnam
	Service Tax	36,90,416	Oct 2007 – March 2013	Commissioner of Central Excise (Appeals), Visakhapatnam

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Service Tax	44,15,367	2000- 01 to 2010 -11	Hon'ble High Court of A.P.
		1,40,42,859	1996-97 to 2010-11	Hon'ble High Court of A.P.
		20,54,018	2009-12	Appeal yet to be filed
		1,05,44,620	2009-14	Appeal yet to be filed
		6,75,349	April 2012 – September 2013	Deputy Commissioner of Central Excise, Kakinada
		9,13,025	April 2011 – August 2013	Assistant Commissioner of Central Excise, Kakinada
The A.P. Electricity Duty Act, 2003.	Electricity Duty	260,70,764	2003-04 to 2012-13	Hon'ble High Court of A.P.
		43,085,412	2008-09 to 2014-15	Appeal yet to be filed
The AP Non-Agricultural Land Assessment Act, 1963	NALA TAX	12,25,116	1993-94 to 1998-99	Hon'ble High Court of A.P.

- d. According to the records of the Company and the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.
10. In our opinion, the terms and conditions on which the Company has given guarantees for the loans taken by Others from banks and financial institutions are not prima facie prejudicial to the interest of the Company.
11. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.
12. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

P. Chandramouli
Partner

Place : Hyderabad
Date : May 29, 2015

Membership Number: 025211



NAVA BHARAT

Balance Sheet

as at 31st March, 2015

₹ in lakhs

Particulars	Notes	31st March, 2015	31st March, 2014
EQUITY AND LIABILITIES			
Share Holders Funds			
Share Capital	04	1,787.01	1,787.01
Reserves and Surplus	05	251,678.24	243,100.21
		253,465.25	244,887.22
Non - Current Liabilities			
Long term borrowings	06	2,848.83	5,429.32
Deferred tax liabilities (Net)	07	2,925.41	2,641.92
Other Long term liabilities	08	42.55	221.06
Long term provisions	09	1,788.70	1,029.79
		7,605.49	9,322.09
Current Liabilities			
Short term Borrowings	10	6,316.65	4,185.27
Trade Payables	11	7,554.92	7,478.81
Other Current liabilities	12	12,803.36	9,887.02
Short term provisions	13	5,073.93	5,701.76
		31,748.86	27,252.86
TOTAL		292,819.60	281,462.17
ASSETS			
Non - Current Assets			
Fixed assets			
Tangible assets	14	82,176.17	84,581.26
Intangible assets	15	442.07	533.90
Capital Work in Progress	16	675.56	633.40
Non current investments	17	105,781.33	95,409.36
Long term loans and advances	18	4,999.12	4,852.46
Other non current assets	19	20,536.15	17,764.12
		214,610.40	203,774.50
Current Assets			
Inventories	20	34,383.76	32,170.94
Trade receivables	21	22,013.27	15,969.90
Cash and cash equivalents	22	3,711.65	11,710.66
Short term loans and advances	23	16,930.83	16,262.72
Other current assets	24	1,169.69	1,573.45
		78,209.20	77,687.67
TOTAL		292,819.60	281,462.17
Notes forming part of financial statements	01 - 48		

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 29.05.2015

Statement of Profit and Loss

for the year ended 31st March, 2015

₹ in lakhs

Particulars	Notes	31st March, 2015	31st March, 2014
INCOME			
Revenue from operations	25	115,293.88	110,054.82
Other Income	26	5,100.81	5,410.79
Total Revenue		120,394.69	115,465.61
EXPENSES			
Cost of Materials Consumed	27	75,139.23	58,918.05
Purchase of traded goods	28	270.59	357.62
(Increase)/Decrease in Inventories	29	(3,056.57)	1,622.09
Other Manufacturing expenses	30	7,885.27	7,617.86
Employee benefits expense	31	7,281.67	7,472.46
Finance Costs	32	2,824.35	1,823.99
Depreciation and amortisation expense	33	3,627.84	6,157.82
Other expenses	34	11,109.70	8,737.23
Total Expenses		105,082.08	92,707.12
Profit Before Exceptional Items and Tax		15,312.61	22,758.49
Exceptional Items :	35		
Adjustments relating to earlier years (net)		41.66	437.17
Profit Before Tax		15,270.95	22,321.32
Tax Expense			
Current Tax		3,310.00	4,730.00
Deferred Tax		198.76	(751.82)
Earlier years		15.27	8.25
MAT Credit Entitlement (net)		(2,500.00)	(975.00)
		1,024.03	3,011.43
Profit for the year after tax		14,246.92	19,309.89
Earnings per Equity Share of ₹ 2/- Each			
Basic		15.96	21.63
Diluted		15.96	21.63
Notes forming part of financial statements	01 - 48		

per our report of even date

for **Brahmayya & Co.,**

Chartered Accountants

Firm's Registration Number: 0005135

for and on behalf of the Board

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director

Place : Hyderabad
Date : 29.05.2015



Cash Flow Statement

for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	15,270.95	22,321.32
Adjustments for:		
Excess Provisions written back	(245.31)	(221.33)
Input tax Credit written off	41.05	37.01
Bad debts and Advances written off	7.26	28.58
Depreciation and amortisation expense	3,627.84	6,157.82
Assets discarded	0.30	2.52
Profit on sale of Assets (net)	(22.04)	(10.40)
Net Gain on Sale of investments	(639.69)	(522.67)
Adjustment to the carrying amount of investments	(0.74)	(1.34)
Dividend from investments	(21.91)	(8.69)
Interest (net)	1,250.52	(697.22)
Operating Profit before Working Capital Changes	19,268.23	27,085.60
Adjustments for:		
Increase/(decrease) in other long term liabilities	(178.51)	(21.41)
Increase/(decrease) in long term provisions	758.91	61.79
Increase/(decrease) in trade payables	76.11	193.27
Increase/(decrease) in other current liabilities	3,154.93	(597.03)
Increase/(decrease) in short term provisions	(769.59)	46.26
(Increase)/decrease in long term loans and advances	(163.66)	89.11
(Increase)/decrease in other non-current assets	(12.89)	(14.61)
(Increase)/decrease in inventories	(2,212.82)	(2,906.88)
(Increase)/decrease in receivables	(6,050.63)	598.18
(Increase)/decrease in short term loans and advances	3,221.65	(4,111.01)
(Increase)/decrease in other current assets	(76.11)	(300.51)
	17,015.62	20,122.76
Direct Taxes paid	(3,506.37)	(4,879.13)
Net Cash from Operating Activities (A)	13,509.25	15,243.63
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Loans (received)/given	(3,749.70)	-
Purchase of fixed assets including tangible assets and Capital work-in-progress	(1,684.14)	(1,286.48)
Proceeds from sale of fixed assets	28.26	43.63
Purchase of Investments	(37,994.14)	(101,472.85)
Proceeds from sale of Investments	28,273.91	54,016.93
Interest received	980.59	2,214.35
Dividend received	21.91	8.69
Net Cash used in Investing Activities (B)	(14,123.31)	(46,475.73)

Cash Flow Statement

for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings	2,131.38	(3,984.38)
Proceeds from long term borrowings	7,085.00	13,015.32
Repayment of long term borrowings (net)	(9,665.49)	(6,749.60)
Interest paid	(2,010.38)	(793.18)
Dividend paid	(4,925.45)	(4,916.18)
Net Cash generated in Financing Activities (C)	(7,384.94)	(3,428.02)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(7,999.00)	(34,660.12)
Cash and Cash equivalents at the beginning of the year	11,710.65	46,370.77
Cash and Cash equivalents at the end of the year	3,711.65	11,710.65
Notes:		
Cash and Cash equivalents include:		
Cash on hand	6.08	3.90
Balances with Banks:		
On Current Accounts	2,243.29	3,550.45
On Unpaid Dividend Accounts	200.70	193.98
On Cash Credit Accounts	51.66	1,918.27
Fixed Deposits	297.84	5,252.63
Margin Money Deposits	912.08	791.42
Cash and Cash equivalents considered for cash flow	3,711.65	11,710.65

per our report of even date
for **Brahmayya & Co.**,
Chartered Accountants
Firm's Registration Number: 000513S

for and on behalf of the Board

P. Chandramouli
Partner
Membership Number: 025211

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director

Place : Hyderabad
Date : 29.05.2015

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director



Notes

to financial statements for the year ended 31st March, 2015

01 NATURE OF OPERATIONS:

Nava Bharat Ventures Limited (the Company) has been incorporated on 7th November, 1972. At present the Company is engaged in the business of manufacture of ferro alloys, sugar and generation of power.

02 BASIS OF ACCOUNTING:

The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, and in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

03 SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and other attributable costs to bring the asset to its working condition for its intended use.

Direct overhead expenditure incurred and other attributable revenue costs on projects under implementation is treated as unallocated capital

expenditure pending allocation to the assets and are included under Capital work-in-progress.

Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for their intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation

- i. Depreciation is provided considering the useful lives of respective assets, as provided and prescribed under Schedule II of the Companies Act, 2013.
- ii. Fixed Assets costing rupees five thousand or less are fully depreciated in the year of acquisition.
- iii. The cost of leasehold Land is amortised over the lease period.
- iv. Improvements to premises taken on lease are amortised over the primary lease period.

d) Intangible Assets

- i. Costs incurred towards purchase of computer software is amortised over the useful lives of such software as estimated by the management which is of three years.
- ii. Expenditure incurred to acquire water drawing rights from Government/Local authorities or other parties is amortised over the primary period of right to use the facilities which is ten years for the time being.

e) Impairment

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated

Notes

to financial statements for the year ended 31st March, 2015

future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

f) Prior period items

All items of income/expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments" and the others are shown under respective heads of account in the Profit and Loss.

g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognise a decline other than temporary in nature.

h) Inventories

- i. Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined at moving weighted average basis.
- ii. Goods in transit are valued at Cost.
- iii. Finished goods, Work in progress, Scrap, by-products, loose tools and other stock in trade are valued at lower of cost and net realisable value.

- iv. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis and Cost of finished goods includes excise duty. Cost of traded goods includes purchase and allied costs incurred to bring the inventory to its present condition and location, determined on weighted average basis.
- v. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

i. Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. Sales are inclusive of excise duty and value added tax/sales tax and is net of sales returns and discounts. Revenue from export sales is recognised on the date of bill of lading, based on the terms of export.

ii. Income from Services:

Revenue is recognised as and when the conversion job is completed irrespective of the billing.

iii. Interest and Guarantee Commission:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv. Dividends:

Dividend is recognised when the right to receive payment is established by the balance sheet date.



Notes

to financial statements for the year ended 31st March, 2015

v. Export Benefits:

Export Entitlements in the form of Duty Drawback on accrual and Focus Product Scheme (FPS) Schemes on realisation are recognized in the Statement of Profit and Loss.

vi. Other Sundry Incomes

Insurance claims and conversion escalations are accounted for on realisation.

j) Foreign Currency Transactions

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

ii. Conversion

Foreign currency monetary items not covered by forward contracts are restated at the exchange rates prevailing at the year end.

iii. Exchange differences

Exchange differences arising, on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

iv. Forward Exchange Contracts (Derivative Instruments) not intended for trading or speculation purposes.

The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the

contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

k) Government Grants and Subsidies

Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset. Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.

l) Retirement and Other Employee Benefits

i. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

ii. The Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Trusts.

iii. Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an actuary as at the end of the year.

Notes

to financial statements for the year ended 31st March, 2015

- iv. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.
- v. In respect of employees stock options, the excess of fair price on the date of grant, over the exercise price, is recognised as deferred compensation cost and amortised over the vesting period.
- vi. Compensation paid under the company's voluntary retirement scheme is charged to the Statement of Profit and Loss in the year of payment.

m) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalised. Other Borrowing costs are recognised as an expense in the year in which they are incurred.

n) Segment Reporting Policies

i. Identification of Segments:

The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets.

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

ii. Allocation of Common Costs:

Common allocable costs are allocated to each segment based on the relative contribution of each segment to the total common costs.

iii. Unallocated Items:

Includes general corporate income and expense items which are not allocated to any business segment.

o) Earnings per Share (Basic and Diluted)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.

Where the Company is the lessee:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss.

q) Taxes on Income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.



Notes

to financial statements for the year ended 31st March, 2015

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

r) Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

s) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

t) Cash Flow Statement

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and Fixed Deposits with Banks.

u) Dividends

Dividend as recommended by the Board of Directors is provided for in the accounts pending shareholders/lending institutions approval wherever applicable.

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
04 SHARE CAPITAL:		
Authorised		
25,00,00,000 Equity Shares of ₹ 2/- each	5,000.00	5,000.00
TOTAL	5,000.00	5,000.00
Issued and Subscribed		
8,95,39,216 Equity Shares of ₹ 2/- each	1,790.78	1,790.78
TOTAL	1,790.78	1,790.78
Paid Up		
8,92,87,741 Equity Shares of ₹ 2/- each fully paid up	1,785.75	1,785.75
Add: Forfeited Shares (amount originally paid up)	1.26	1.26
TOTAL	1,787.01	1,787.01

Notes

to financial statements for the year ended 31st March, 2015

a. Rights attached to equity Shares:

The company has only one class of equity shares having a face value of ₹ 2/- per share with one vote per each equity 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.

The amount of dividend proposed to be distributed for the year ended 31st March 2015, to equity shareholders is ₹ 5.00 per share (31st March 2014 ₹ 5.00 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Details of shareholders holding more than 5% shares in the company

Particulars	31st March, 2015		31st March, 2014	
	No. of shares	% in the class	No. of shares	% in the class
Equity Shares of ₹ 2/- each fully paid: Wellington Management Company, LLP with its PACs.	9,986,619	11.18	11,468,283	12.84
Highfields Capital Management LP A/c. HC Mauritius Limited	8,482,989	9.50	8,482,989	9.50
Nav Developers Limited	7,817,845	8.76	7,467,845	8.36

c. Aggregate number of shares bought back during the period of five years immediately preceeding the reporting date:

Financial year	31st March, 2015	31st March, 2014
	No. of shares	No. of shares
2009-10	12,500	12,500
TOTAL	12,500	12,500

- d. The paid up share capital includes 49,73,510 equity shares of ₹ 2/- each fully paid-up, owned by the company, pursuant to the order of Hon'ble High Court of Andhra Pradesh dated 30.12.1996 in the Scheme of amalgamation of Nav Chrome Limited with the Company, which are vested in a Trustee for the benefit of the Company which are to be sold and net sale proceeds are to be paid to the Company and such shares are not considered for dividend.



Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
05 RESERVES AND SURPLUS:		
Capital Reserves:		
At the beginning and at the end of the year	60.20	60.20
Capital Redemption Reserve:		
At the beginning and at the end of the year	826.39	826.39
Securities Premium Reserve:		
At the beginning and at the end of the year	26,214.22	26,214.22
General Reserve:		
At the beginning of the year	82,852.40	77,852.40
Add: Additions during the year	5,000.00	5,000.00
At the end of the year	87,852.40	82,852.40
Other Reserves:		
Subsidies:		
At the beginning and at the end of the year	33.60	33.60
Surplus i.e. balance in Statement of Profit and Loss:		
Opening Balance	133,113.40	123,735.68
Add: Net profit after tax transferred from Statement of Profit and Loss	14,246.92	19,309.89
	147,360.32	143,045.57
Less: Carrying amount of the assets whose remaining useful life is nil and the deferred tax thereon	594.96	-
Amount available for appropriation	146,765.36	143,045.57
Appropriations:		
General Reserve	5,000.00	5,000.00
Dividend on Equity Capital	4,215.71	4,215.71
Corporate Dividend Tax	858.22	716.46
Closing balance	136,691.43	133,113.40
TOTAL	251,678.24	243,100.21

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
06 LONG TERM BORROWINGS:		
Term Loans from Banks [Secured] *		
State Bank of India (i) **	9,379.84	13,015.32
Less: Current maturities	7,616.00	7,616.00
	1,763.94	5,399.32
State Bank of India (ii)	1,084.99	-
Less: Current maturities	-	-
	1,084.99	-
Other Loans and Advances [Unsecured]		
From other Body Corporate	-	30.00
TOTAL	2,848.83	5,429.32

Notes

to financial statements for the year ended 31st March, 2015

* The above loans are secured by first charge by way of equitable mortgage by deposit of title deeds to cover all immovable properties of the Company and hypothecation of all movable properties including movable Plant and Machinery, spares, tools and accessories, both present and future and a second charge by way of hypothecation of all movable properties both present and future (except book debts) subject to prior charges created/to be created in favour of Company's bankers on its stocks of raw materials, semi-finished and finished goods, consumable stores for securing borrowings for working capital requirements. The mortgage/charge created above shall rank pari-passu with the charges created/to be created in favour of other Financial Institutions/Banks.

** Loan from State Bank of India is secured by pledge of 51% shares held by the Company in its subsidiary, M/s. Nava Bharat (Singapore) Pte. Limited.

- i) Carries floating rate of interest (at present 11.80% p.a.) payable monthly. The principal is repayable in quarterly instalments of ₹ 1,904.00 lakhs commencing from 1st April, 2014
- ii) Carries floating rate of interest (at present 12.10% p.a.) payable monthly. The principal is repayable in 12 quarterly instalments of ₹ 90.42 lakhs commencing from 1st December, 2016.

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
07 DEFERRED TAX LIABILITIES (NET):		
Liability:		
Difference between book and tax depreciation	4,157.63	3,732.60
Gross liability	4,157.63	3,732.60
Asset:		
Provision for : Employee benefits	334.53	362.59
: Other expenses	886.86	717.01
: Diminution in the value of investments	10.83	11.08
Gross Asset	1,232.22	1,090.68
TOTAL	2,925.41	2,641.92

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
08 OTHER LONG TERM LIABILITIES:		
Security deposits	42.55	221.06
TOTAL	42.55	221.06



Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
09 LONG TERM PROVISIONS:		
Provision for Employee Benefits:		
Provision for Gratuity	984.21	515.67
Provision for Leave Encashment	804.49	514.12
TOTAL	1,788.70	1,029.79

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
10 SHORT TERM BORROWINGS:		
Working Capital Loans from Banks (secured) *	3,316.65	1,185.27
Inter Corporate Deposit (unsecured) #	3,000.00	3,000.00
TOTAL	6,316.65	4,185.27

* Working Capital Loans from Banks are secured by hypothecation of raw materials, work-in-progress, finished goods, stores and spares and book debts to the extent of ₹ 22,000 lakhs and a second charge on fixed assets of the Company.

From a related party.

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
11 TRADE PAYABLES:		
Creditors for supplies and services (Refer Note 39)	6,048.91	5,673.51
Creditors for accrued wages and salaries *	1,506.01	1,805.30
TOTAL	7,554.92	7,478.81
* Includes dues to Directors	605.25	963.64

Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
12 OTHER CURRENT LIABILITIES:		
Current maturities of long term borrowings	7,616.00	7,616.00
Unpaid Dividends	200.70	193.98
Security deposits	388.97	159.47
Advance from Customers	-	24.22
Bills Discounted with Banks	2,162.44	-
Other liabilities:		
Central Excise Duty	991.71	582.35
Withholding taxes	81.34	36.17
Sales tax	47.12	53.35
Contribution to Provident Fund	70.95	49.31
Other Statutory dues	514.89	545.99
Other payables	729.24	626.18
TOTAL	12,803.36	9,887.02

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
13 SHORT TERM PROVISIONS:		
Provision for Employee Benefits:		
Provision for Gratuity	-	551.09
Provision for Leave Encashment	-	218.50
Other Provisions:		
Provision for Dividend	4,215.71	4,215.71
Provision for Corporate Dividend Tax	858.22	716.46
TOTAL	5,073.93	5,701.76



Notes

to financial statements for the year ended 31st March, 2015

14 TANGIBLE ASSETS:

Particulars	Gross Block			Depreciation			Net Block		
	As at 1st April, 2014	Additions	Deductions	As at 31st March, 2015	Upto 1st April, 2014	For the year	Adjusted against retained earnings	On deductions	Upto 31st March, 2015
1. Land- Freehold	2,813.00	40.37	-	2,853.37	-	-	-	-	2,853.37
- Leasehold	153.16	-	-	153.16	10.91	1.59	-	-	12.50
2. Buildings- Factory	12,532.85	187.25	4.47	12,715.63	2,894.46	610.63	93.57	4.09	3,594.57
- Others	6,111.84	280.59	-	6,392.43	647.00	185.37	77.55	-	909.92
3. Plant and Equipment	102,840.34	1,030.62	34.96	103,836.00	37,802.88	2,302.91	242.53	33.50	40,314.82
4. Furniture and Fixtures	492.75	17.40	-	510.15	333.67	83.09	4.54	-	421.30
5. Vehicles	520.12	0.69	40.74	480.07	351.98	59.46	3.64	36.06	379.02
6. Office Equipment	711.28	34.44	7.93	737.79	557.88	88.68	47.65	7.93	686.28
7. Air conditioners and Coolers	241.34	9.40	5.55	245.19	130.98	61.86	29.23	5.55	216.52
8. Railway Sidings	541.86	-	-	541.86	145.43	37.71	-	-	183.14
9. Other Assets	347.22	31.22	-	378.44	141.62	83.21	9.07	-	233.90
10. Power Lines ***	423.19	-	-	423.19	130.88	8.26	-	-	139.14
TOTAL	127,728.95	1,631.98	93.65	129,267.28	43,147.69	3,522.77	507.78	87.13	47,091.11
Previous Year	101,130.71	26,686.78	88.54	127,728.95	37,179.25	6,021.24	-	52.80	43,147.69

*** Cost incurred by the Company, ownership of which vests with a State Owned Power Distribution Company.

- The Company's land of about 5.08 acres was given possession to M/s. Hyderabad Vanaspathi Limited. The sale price of the same is yet to be adjusted pending permission from the Government of Andhra Pradesh.
- The title in respect of the land costing ₹ 15.71 lakhs (previous year ₹ 15.71 lakhs) admeasuring 14.06 acres and 23 guntas (previous year 14.06 acres 23 guntas) is yet to be transferred in the name of the Company.
- The title in respect of land costing ₹ 26.06 lakhs admeasuring 5.05 acres allotted by APIC Ltd during the year 2009-10, is yet to be transferred in the name of the Company.
- Cost of leasehold land amounting to ₹ 153.16 lakhs represents the premium paid to the State Government of Orissa for alienation of 56.91 acres in favour of the Company by virtue of lease deeds for 90/99 years and the said land can be resumed by the Government by giving 6 months notice in writing during the tenure of lease.
- The long term lease period relating to the land situated at Samalkot, East Godavari Dist. on which Plant and Machinery and Buildings of Sugar manufacturing facility costing ₹ 9,055.18 lakhs (previous year: ₹ 8,530.96 lakhs) and ₹ 1,506.37 lakhs (previous year: ₹ 1,357.89 lakhs) respectively, expired on 12th August, 1996. The Company is negotiating with the landlords to get the lease renewed or sell the same to the Company.

15. INTANGIBLE ASSETS:

Particulars	Gross Block			Depreciation			Net Block		
	As at 1st April, 2014	Additions	Deductions	As at 31st March, 2015	Upto 1st April, 2014	For the year	Adjusted against retained earnings	On deductions	Upto 31st March, 2015
1. Computer Software	485.86	10.00	-	495.86	434.36	39.16	2.46	-	475.98
2. Water drawing Rights	898.70	-	-	898.70	416.30	60.21	-	-	476.51
TOTAL	1,384.56	10.00	-	1,394.56	850.66	99.37	2.46	-	952.49
Previous Year	1,362.51	22.05	-	1,384.56	716.92	133.74	-	-	850.66

Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
16 CAPITAL WORK-IN-PROGRESS:		
Direct costs	675.56	633.40
TOTAL	675.56	633.40

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
17 NON - CURRENT INVESTMENTS:		
Investment in Property (at cost less accumulated depreciation)		
Land at cost	101.91	101.91
	101.91	101.91
Cost of buildings given on operating leases	173.93	173.93
Less: Accumulated depreciation	11.46	5.76
	162.47	168.17
TOTAL	264.38	270.08
i. Trade investments (at cost unless otherwise stated)		
a. Investment in Subsidiaries		
Investment in Equity instruments, fully paid up (unquoted)		
4,14,99,998 shares of ₹ 10/- each in Brahmani Infratech Private Limited	4,150.00	4,150.00
11,00,000 (Previous year:2,50,000) shares of ₹ 2/- each in Nava Bharat Realty Limited	22.00	5.00
45,40,20,000 shares of ₹ 2/- each in Nava Bharat Projects Limited	9,080.40	9,080.40
26,00,00,000 shares of ₹ 2/- each in Nava Bharat Energy India Limited **	5,200.00	5,200.00
2,50,000 shares of ₹ 2/- each in Nava Bharat Sugar and Bio Fuels Limited	5.00	5.00
16,870 shares of S\$ 1/- each in Nava Bharat (Singapore) Pte. Limited	4.36	4.36
15,45,90,000 (previous year 13,75,90,000) shares of US\$ 1/- each in Nava Bharat (Singapore) Pte. Limited	86,917.54	76,555.72



Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
17 NON - CURRENT INVESTMENTS: (CONTD.)		
b. Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
200 shares of ₹ 10/- each in Kothari Sugars & Chemicals Limited #	0.01	0.01
2,857 shares of ₹ 10/- each in The Jeypore Sugar Company Limited	1.16	1.16
Investment in Equity Instruments, fully paid up (unquoted)		
17 shares of ₹ 10/- each in A P Gas Power Corporation Limited	0.00	0.00
6,46,600 shares of ₹ 10/- each in Malaxmi Highway Private Limited	64.66	64.66
25,844 shares of ₹ 10/- each in Kinnera Power Company Private Limited	2.58	2.58
ii. Other investments (at cost unless otherwise stated)		
a. Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
63,300 Shares of ₹ 10/- each in Avanthi Leathers Limited #	0.63	0.63
76,830 Shares of ₹ 10/- each in NB Footwear Limited #	1.81	3.96
1,500 shares of ₹ 10/- each in Avanthi Feeds Limited	0.15	0.15
8,000 shares of ₹ 10/- each in IDBI Bank Limited #	5.68	5.22
22,800 shares of ₹ 10/- each in Andhra Bank	2.28	2.28
12,284 shares of ₹ 1/- each in Tata Consultancy Services Limited	26.10	26.10
9,651 shares of ₹ 10/- each of MOIL Limited #	26.69	24.27
Investment in Equity Instruments, fully paid up (unquoted)		
75,000 shares of ₹ 10/- each in Srinivasa Cystine Limited	5.00	5.00
- (Previous year 8,000) Shares of ₹ 10/- each in GSR Advisory Services Private Limited	-	0.28

Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
b. Investments in Government Securities (unquoted)		
6 years National Savings Certificates *	0.90	2.50
TOTAL	105,516.95	95,139.28
TOTAL	105,781.33	95,409.36

At cost less diminution (current and previous years).

Aggregate amount of quoted investments	96.40	96.40
Aggregate market value of quoted investments	391.68	320.82
Aggregate amount of unquoted investments	105,452.44	95,075.50
Aggregate provision for diminution in the value of investments	31.87	32.61

* 6 year National Savings Certificates are in the names of employees of the Company and the certificates in respect of face value of ₹ 0.90 lakhs (Previous year ₹ 2.50 lakhs) were pledged with various Government Departments as security.

** Pledged as security for the loans availed by Nava Bharat Energy Limited, a subsidiary Company.

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
18 LONG TERM LOANS AND ADVANCES:		
(Unsecured, considered good)		
Capital Advances		
Share application money to a subsidiary	-	17.00
Other advances	56.03	16.05
Security Deposits	1,177.94	1,043.16
Other receivables	735.12	753.77
Other loans and advances		
Loan to a non-corporate body	2,879.34	2,879.34
Advance for purchases and expenses	11.81	-
Staff loans	138.88	134.83
(Secured, considered good)		
Other loans and advances:		
Loans to others	-	8.31
TOTAL	4,999.12	4,852.46



Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
19 OTHER NON-CURRENT ASSETS:		
Prepaid expenses	12.89	-
Payments made under protest	115.58	115.58
Interest receivable	795.13	535.99
Other receivables	206.34	206.34
MAT Credit Entitlement	19,406.21	16,906.21
TOTAL	20,536.15	17,764.12

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
20 INVENTORIES:		
At cost:		
Raw Materials	12,578.17	14,477.00
Raw Material-in-transit	1,588.26	645.11
Work in Progress	390.83	360.94
Finished Goods	2,318.71	10,458.73
Stock-in-trade	49.57	53.62
Stores and Spares	5,865.52	5,755.64
Others	5.04	2.99
At realisable value:		
Work in Progress	22.95	-
Finished Goods	11,564.71	416.91
TOTAL	34,383.76	32,170.94

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
21 TRADE RECEIVABLES:		
(Unsecured, considered good)		
Due over six months	1,478.34	1,357.21
Due for less than six months:		
from a subsidiary Company	11,300.43	9,818.54
from Others	9,234.50	4,794.15
TOTAL	22,013.27	15,969.90

Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
22 CASH AND CASH EQUIVALENTS:		
Balances with Banks:		
On Current accounts	2,243.29	3,550.45
On Cash Credit accounts	51.66	1,918.27
Cash on Hand	6.08	3.90
Other bank balances:		
Fixed Deposits	297.84	5,252.64
Margin Money Deposits	912.08	791.42
On Unpaid Dividend Accounts	200.70	193.98
TOTAL	3,711.65	11,710.66

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
23 SHORT TERM LOANS AND ADVANCES:		
Loans and Advances to related parties:		
(Unsecured, considered good)		
Inter Corporate Deposit	3,749.70	-
Other receivables	2,688.17	2,453.33
	6,437.87	2,453.33
Other loans and advances:		
(Secured, considered good)		
Loans to others	1.40	-
(Unsecured, considered good)		
Advances for purchases and expenses	6,178.25	10,706.82
Other receivables	532.00	682.11
Security deposits	-	5.00
Staff Advances	47.96	57.37
Balance with Statutory Authorities	3,733.35	2,358.09
	10,492.96	13,809.39
TOTAL	16,930.83	16,262.72



Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
24 OTHER CURRENT ASSETS:		
Prepaid Expenses	250.19	219.25
Accrued Conversion Charges	-	135.94
Interest Accrued	48.62	528.49
Advance Income Tax (net of provision)	870.88	689.77
TOTAL	1,169.69	1,573.45

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
25 REVENUE FROM OPERATIONS:		
Sale of Products		
Finished Goods		
Ferro Alloys	58,741.67	40,126.19
Sugar	12,062.17	13,319.51
Electric Power	63,090.73	65,443.03
Others	1,439.16	1,992.96
	135,333.73	120,881.69
Less: Inter Divisional transfers	23,993.13	23,164.60
	111,340.60	97,717.09
Traded goods		
Fertilizers	225.83	311.47
PVC Pipes	39.09	22.86
Others	108.10	92.48
Sale of Services		
Ferro Alloys Conversion Charges	4,964.46	12,316.09
Other Operating Revenue		
Export Incentives	1,699.80	1,865.68
Revenue from Operations (Gross)	118,377.88	112,325.67
Less: Excise Duty	3,084.00	2,270.85
Revenue from Operations (Net)	115,293.88	110,054.82

Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
26 OTHER INCOME:		
Interest Income:		
Bank Deposits	258.34	994.67
Non Current Investments	0.08	16.99
Others	501.44	476.61
Dividend Income from Investments	21.91	8.69
Net Gain on Sale of investments	639.69	522.67
Other Non Operating Income (net of expenses):		
Adjustments to the carrying amount of investments	0.74	1.34
Claims	4.28	319.55
Gain on Sale of Tangible Assets	22.52	11.49
Rents earned	70.02	72.25
Excess provisions/credit balances written back	245.31	221.33
Miscellaneous Receipts	2,515.28	2,472.42
Foreign Exchange Fluctuations	821.20	292.78
TOTAL	5,100.81	5,410.79

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
27 COST OF MATERIALS CONSUMED:		
Inventory at the beginning of the year	14,477.00	11,277.69
Add: Purchase of materials	73,240.40	62,117.36
	87,717.40	73,395.05
Less: Inventory at the end of the year	12,578.17	14,477.00
Cost of materials consumed *	75,139.23	58,918.05

* Includes 4,600 MT of Ferro Chrome costing ₹ 825.34 lakhs consumed for ferro alloys conversion (job work) during the year 2014-15



Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
Details of materials consumed:		
Coal	37,613.81	33,569.56
Quartz	449.14	326.30
Dolomite	202.16	88.20
Chrome Ore	3,413.34	529.19
Chrome Ore for conversion (job work)	825.34	-
Manganese Ore	18,936.75	12,786.68
Ferro Manganese Slag	1,067.81	930.38
Coke	2,470.48	487.04
Anthracite Coal	-	11.65
Cane	9,405.20	9,179.07
Others	755.20	1,009.98
TOTAL	75,139.23	58,918.05
Details of Inventory:		
Coal	6,781.29	8,655.15
Quartz	67.40	174.99
Dolomite	46.85	75.66
Chrome Ore	511.91	1,011.21
Manganese Ore	4,582.75	3,871.38
Ferro Manganese Slag	176.15	212.48
Coke	228.53	214.01
Others	183.30	262.12
TOTAL	12,578.18	14,477.00

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
28 PURCHASE OF TRADED GOODS:		
Fertilizers	191.90	274.04
PVC Pipes	31.53	30.22
Others	47.16	53.36
TOTAL	270.59	357.62

Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
29 (INCREASE)/DECREASE IN INVENTORIES:		
Inventories at the end of the year		
Traded goods	49.57	53.62
Finished Goods	13,883.42	10,875.64
Work in Progress	413.78	360.94
	14,346.77	11,290.20
Inventories at the beginning of the year		
Traded goods	53.62	45.95
Finished Goods	10,875.64	12,650.91
Work in progress	360.94	214.22
Scrap	-	1.21
	11,290.20	12,912.29
(INCREASE)/DECREASE IN INVENTORIES	(3,056.57)	1,622.09

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
30 OTHER MANUFACTURING EXPENSES:		
Stores Consumed	3,046.22	2,960.46
Power, Fuel and Water	1,030.27	966.86
Briquetting expenses	187.66	412.50
Fly Ash Bricks manufacturing	13.04	37.05
Organic Manure expenses	39.97	77.08
Raw Material Handling expenses	1,326.10	1,250.86
Finished Product Handling expenses	803.37	683.44
Cane Development expenses	1,020.08	843.73
Testing and Analysis charges	45.92	44.74
Other expenses	372.64	341.14
TOTAL	7,885.27	7,617.86



Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
31 EMPLOYEE BENEFITS EXPENSE:		
Salaries, Wages and Bonus	6,259.85	6,290.63
Contribution to Provident and Other Funds	381.58	386.93
Staff Welfare Expenses	422.86	436.63
Retirement Benefits	217.38	358.27
TOTAL	7,281.67	7,472.46

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
32 FINANCE COSTS:		
Interest	2,010.38	791.05
Bank Charges and Commission	157.85	295.86
Prompt Payment Rebate	656.12	737.08
TOTAL	2,824.35	1,823.99

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
33 DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation on Tangible Assets	3,522.77	6,021.24
Amortisation of Intangible Assets	99.37	133.74
Depreciation on Investment Property	5.70	2.84
TOTAL	3,627.84	6,157.82

Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
34 OTHER EXPENSES:		
Rent	130.93	202.09
Central Excise Duty *	405.04	(102.44)
Rates and Taxes	1,743.49	1,604.01
Freight and Transportation	2,391.56	1,612.83
Insurance	352.21	418.00
Advertisement and sales promotion	25.79	20.24
Communications	78.03	73.10
Travelling and Conveyance	243.61	276.25
Vehicle Maintenance	66.80	74.40
Legal and Professional Charges	585.36	615.84
Payments to Auditors :		
as auditors	29.21	26.97
for tax audit	10.11	8.99
for other matters	11.93	42.39
for expenses	0.25	0.25
Cost Auditor fees	5.96	5.96
Repairs and Maintenance to:		
Machinery	2,242.77	1,726.23
Buildings	558.88	463.49
Other Assets	62.38	71.24
General Charges	1,692.92	1,465.91
CSR expenses	465.18	127.87
Obsolete Inventory written off	6.51	-
Assets discarded	0.30	2.52
Loss on Sale of Tangible Assets	0.48	1.09
TOTAL	11,109.70	8,737.23

* Excise Duty represents the aggregate of Excise Duty borne by the Company and the difference between Excise Duty on opening and closing stock of finished/saleable goods.



Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
35 EXCEPTIONAL ITEMS:		
Adjustments relating to earlier years (net):		
Power price difference	-	8.73
Input tax credit	-	37.01
Unscheduled Inter-Change Charges	19.96	62.45
Interest	21.70	-
Miscellaneous expenses	-	0.47
Difference in conversion charges	-	280.15
Transport subsidy	-	48.36
TOTAL	41.66	437.17

36 Depreciation for the year is provided as per Schedule II of the Companies Act, 2013, accordingly ₹ 510.24 lakhs being the remaining carrying amount of the assets whose remaining useful life is nil and the deferred tax thereon amounting to ₹ 84.72 lakhs are recognised in the opening balance of retained earnings.

37 In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

38 Considering the projects being implemented and in view of expected cash inflows in subsidiaries in coming years, the management is of the opinion that there is no need to provide for the losses so far incurred by the subsidiaries.

39 i) Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors.

ii) Details of total outstanding dues to Micro and Small Enterprises as per "Micro, Small and Medium Enterprises Development Act, 2006".

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	908.62	524.08
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day each accounting year.	Nil	Nil

Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

40 The Company uses derivative financial instruments such as forward contracts and currency swap to hedge currency exposures, present and anticipated, denominated mostly in US Dollars and all financial and derivative contracts entered into by the Company are for hedging purpose only.

The information on derivative instruments are as follows:

- Derivative contracts outstanding as at the year end: USD 25.00 lakhs (previous year: nil)
- Foreign currency exposure not hedged by derivative instruments:

lakhs

Particulars	Amount in USD		Amount in INR	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Receivable on account of:				
Sale of goods	188.86	166.81	11,802.71	9,993.67
Services	20.97	22.17	1,310.21	1,327.91
Guarantee Commission	2.94	4.14	183.87	248.13
Interest	0.57	-	35.41	-
Loan	60.00	-	3,749.70	-
Payables on account of import of goods	8.98	0.45	560.93	26.96



Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
41 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
i) Contingent liabilities:		
a) Claims against the Company not acknowledged as debts	2,863.22	2,625.29
b) Guarantees	62,415.92	50,720.20
c) Other money for which the Company is contingently liable:		
i) Demand from Income Tax department disputed	926.63	660.08
ii) Showcause notices received from Central Excise Dept.*	1,313.80	1,339.05
iii) Others	198.81	198.81
d) As per the "Renewal Power Purchase obligation (Compliance by Purchase of Renewal Energy/Renewable Energy Certificates) Regulations 2012" of APERC, the Company is under obligation for the year to comply with the said regulations. However as the Company contested the applicability of regulations to the Company in the Hon'ble High Court of A.P., compliance cost is not provided to the extent of	849.69	548.46
ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	124.55	104.68

* Represent showcause notices received to issue demands and pending for final consideration. The Company has already submitted its objections in writing against the said notices.

₹ in lakhs

Particulars	31st March, 2015		31st March, 2014	
	Percentage	Value	Percentage	Value
42.1 VALUE OF MATERIAL CONSUMED				
Indigenous	67.92	53,101.96	75.57	46,763.85
Imported	32.08	25,083.50	24.43	15,114.66
TOTAL	100.00	78,185.46	100.00	61,878.51

Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
42.2 VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS IN RESPECT OF		
Raw Materials	20,841.11	14,290.38
Components and spare parts	419.01	1,938.36
Capital goods	132.52	-

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
42.3 EXPENDITURE IN FOREIGN CURRENCY DURING THE YEAR ON ACCOUNT OF (ON ACCRUAL BASIS)		
Interest	18.68	44.47
Others	12.98	30.09

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
42.4 EARNINGS IN FOREIGN EXCHANGE ON ACCOUNT OF		
Export of goods calculated on F.O.B. basis	32,803.51	22,865.61
Interest earned	35.41	-
Guarantee commission earned	183.87	248.13
Project support services	1,310.21	1,327.91

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
43 EMPLOYEE DEFINED BENEFITS AS PER AS-15 (REVISED): GRATUITY		
a) The amounts recognised in the Balance Sheet:		
Present value of obligation	1,539.90	1,582.42
Fair value of Plan Assets	555.69	515.67
Net Assets/(liability) recognised in Balance Sheet as provision	(984.21)	(1,066.75)
b) Changes in the present value of defined obligation:		
Present value of obligation as at the beginning of the year	1,582.42	1,466.36
Interest cost	140.98	111.83
Current Service Cost	174.80	175.18



Notes

to financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
43 EMPLOYEE DEFINED BENEFITS AS PER AS-15 (REVISED): GRATUITY (CONTD.)		
Benefits paid	(32.06)	(136.98)
Actuarial (gain)/loss on obligation	(326.24)	(33.97)
Present value of obligation as at the end of the year	1,539.90	1,582.42
c) Reconciliation of Opening and Closing balances of fair value of Plant Assets:		
Fair value of plan assets as at the beginning of the year	515.67	458.00
Return on plan assets	45.76	38.92
Contributions	46.73	57.85
Benefits paid	(32.06)	(38.47)
Actuarial gain/(loss)	(20.41)	(0.63)
Fair value of plan assets as at the end of the year	555.69	515.67
d) The amounts recognised in the Statement of Profit and Loss:		
Current Service Cost	174.80	175.18
Interest cost	140.98	111.83
Expected return on Plan Assets	(45.76)	(38.92)
Actuarial (gain)/loss on benefits paid	(305.83)	(33.34)
Expenses recognised in the Statement of Profit and Loss	(35.81)	214.75
e) Principal actuarial assumptions:		
Discount rate per annum	7.77%	9.00%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Rate of return (expected) on plan assets	8.75%	8.75%
Retirement age	58 years	58 years

The rate of escalation in salary considered in actuarial valuation is estimated taking into account inflation, seniority, promotion and other relevant factors. The above information is certified by an actuary.

Notes

to financial statements for the year ended 31st March, 2015

44 SEGMENT INFORMATION AS PER AS 17:

A. PRIMARY DISCLOSURES:

The company has identified the reportable primary business segments considering:

- the nature of products and services;
- the differing risks and returns;
- the organisation structure; and
- the internal financial reporting system.

Particulars	31st March, 2015					31st March, 2014				
	Ferro Alloys	Power	Sugar	Others	Total	Ferro Alloys	Power	Sugar	Others	Total
1. Segment Revenue (gross)	67,608.69	64,569.13	14,631.65	-	146,809.47	56,548.65	67,623.86	16,203.82	7.08	140,383.41
Less: Inter segment revenue	263.42	23,808.22	647.04	-	24,718.68	391.61	22,753.70	813.75	-	23,959.06
Segment Revenue (net)	67,345.27	40,760.91	13,984.61	-	122,090.79	56,157.04	44,870.16	15,390.07	7.08	116,424.35
2. Segment Result	(270.94)	18,036.89	(234.76)	(98.23)	17,432.96	2,206.84	20,798.40	632.97	(42.58)	23,595.63
3. Segment Result excluding inter segment margin	6,409.30	11,349.11	(227.22)	(98.23)	17,432.96	10,756.95	12,307.80	573.46	(42.58)	23,595.63
Add: Other unallocable Income					662.34					549.68
Less: Finance Charges					2,824.35					1,823.99
Profit before tax					15,270.95					22,321.32
Taxation for the year					1,024.03					3,011.43
Net Profit					14,246.92					19,309.89
4. Segment Assets	47,161.49	87,018.69	17,476.49	92.92	151,749.59	37,839.79	94,222.71	18,930.65	28.54	151,021.69
Unallocated					141,070.01					130,440.48
Total Assets					292,819.60					281,462.17
5. Segment Liabilities	7,065.65	4,192.96	4,636.34	4.55	15,899.50	3,332.60	2,783.28	3,381.38	34.64	9,531.90
Unallocated					276,920.10					271,930.27
Total liabilities					292,819.60					281,462.17
6. Capital expenditure	233.22	740.70	604.06	106.16	1,684.14	245.21	488.36	519.61	53.30	1,286.48
Depreciation	675.67	2,403.59	546.14	2.44	3,627.84	840.62	4,755.54	559.30	2.35	6,157.81
Non-cash expenses other than depreciation	28.67	1.19	25.45	0.30	55.61	9.58	17.30	5.17	0.15	32.20



Notes

to financial statements for the year ended 31st March, 2015

B. SECONDARY DISCLOSURES:

Total Carrying amount of Segment Assets by geographical location of Assets, for each geographical Segment whose Segment Assets are 10 per cent or more of the total Assets of all geographical Segments.

₹ in lakhs

Geographical Segment	31st March, 2015			31st March, 2014		
	Cost incurred to acquire Assets (Tangible and Intangible)		Carrying amount of Segment Assets	Cost incurred to acquire Assets (Tangible and Intangible)		Carrying amount of Segment Assets
	Put to use	Capital Work-in-progress		Put to use	Capital Work-in-progress	
Ferro Alloy Plant Paloncha, Khammam Dist. Telangana	99.20	182.38	31,095.71	508.84	243.22	29,062.22
Ferro Alloy Plant Kharagprasad, Dhenkanal Dist. Odisha	24.98	14.98	16,065.78	58.91	16.13	8,777.57
Power Plant Paloncha, Khammam Dist. Telangana	305.06	541.24	28,295.54	3.23	68.35	33,237.74
Power Plant Kharagprasad, Dhenkanal Dist. Odisha	231.41	-	47,175.04	24,927.51	346.44	49,909.12
Power Plant Dharmavaram, East Godavari Dist. A.P.	144.83	-	11,548.12	50.09	-	11,075.85

Note: As it is not practicable to identify the expenditure relatable to export turnover, the revenue from sales to customers located outside India is not considered as a reportable geographical segment.

- 45** As required by Accounting Standard (AS 28) "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognised during the year other than the assets discarded/ dismantled and written off.

Notes

to financial statements for the year ended 31st March, 2015

46 THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS:

a) Names of related parties and relation with the Company :

i)	Key Management Personnel:	<p>Sri D. Ashok, Chairman</p> <p>Sri P. Trivikrama Prasad, Managing Director</p> <p>Sri G.R.K. Prasad, Executive Director</p> <p>Sri C.V. Durga Prasad, Director (Business Development)</p>
ii)	Relatives of key management personnel:	<p>Smt. D. Ramaa - wife of Sri D Ashok</p> <p>Sri D. Ashwin - son of Sri D Ashok</p> <p>Sri D. Nikhil - son of Sri D Ashok</p> <p>Dr. D. Rajasekhar - brother of Sri D Ashok</p> <p>Smt. D. Bhaktapriya - mother of Sri D Ashok</p> <p>Smt. A. Nilima - sister of Sri D Ashok</p> <p>Smt. P. Rajashree - wife of Sri P Trivikrama Prasad</p> <p>Smt. P. Sruthi - daughter of Sri P Trivikrama Prasad</p> <p>Smt. G. S. P. Kumari - wife of Sri G R K Prasad</p> <p>Smt. C. Umamaheswari - wife of Sri C V Durga Prasad</p>
iii)	Enterprises controlling the reporting Enterprise:	
	Subsidiaries:	<p>M/s.Nava Bharat Energy India Limited</p> <p>M/s.Nava Bharat Projects Limited</p> <p>M/s.Nava Bharat Realty Limited</p> <p>M/s.Nava Bharat Sugar and Bio Fuels Limited</p> <p>M/s.Brahmani Infratech Private Limited</p> <p>M/s.Nava Bharat (Singapore) Pte Limited</p> <p>M/s.PT Nava Bharat Sungai Cuka</p> <p>M/s.PT Nava Bharat Indonesia</p> <p>M/s.Maamba Collieries Limited</p> <p>M/s.Kobe Green Power Co. Ltd</p> <p>M/s.Nava Bharat Africa Resources Pvt Limited</p> <p>M/s.Kariba Infrastructure Development Limited</p> <p>M/s.NB Rufiji Private Limited</p> <p>M/s.NB Tanagro Limited</p> <p>M/s.Nava Energy Pte. Limited</p> <p>M/s.Nava Bharat Lao Energy Pte. Limited</p> <p>M/s.Namphak Power Company Limited</p>



Notes

to financial statements for the year ended 31st March, 2015

46 THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS:

a) Names of related parties and relation with the Company : (Contd.)

Enterprises over which key management personnel/ their relatives exercise significant influence:	M/s.Nava Bharat Natural Resources India Limited
	M/s.Nav Developers Limited
	M/s.S R T Investments Private Limited
	M/s.A N Investments Private Limited
	M/s.V9 Avenues Private Limited
	M/s.A9 Homes Private Limited
	M/s.AV Dwellings Private Limited
	M/s.Brahmani Skyline Constructions Private Limited
	M/s.Brahmani Infrastructure Projects Private Limited
	M/s.Brahmani Infotech Private Limited
	M/s.V9 Infra Ventures Private Limited
	M/s.Pinnamaneni Healthcare Private Limited
	M/s.Malaxmi Highway Private Limited
	M/s.Kinnera Power Company Private Limited
	Dr. Devineni Subba Rao Trust
	M/s. Gunnam Subbarao and Ramayamma Trust

b) Particulars of transactions during the year:

₹ in lakhs		
Particulars	31st March, 2015	31st March, 2014
i) Transactions with Key Management personnel:		
Sri D Ashok		
Remuneration	472.29	670.06
Sri P Trivikrama Prasad		
Remuneration	469.03	669.75
Sri G R K Prasad		
Remuneration	238.81	242.51
Sri C V Durga Prasad		
Remuneration	175.97	186.93

Notes

to financial statements for the year ended 31st March, 2015

b) Particulars of transactions during the year: (contd.)

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
ii) Transactions with relatives of Key Management personnel:		
Dr. D. Rajasekhar		
Rent	15.20	15.20
Smt. G. S. P. Kumari		
Rent	12.60	47.79
Smt. C. Umamaheswari		
Rent	12.60	47.79
iii) Transactions with Subsidiaries:		
M/s.Nava Bharat (Singapore) Pte Limited		
Sale of ferro alloys	27,191.11	22,983.72
Loan given	3,749.70	-
Interest income	35.41	-
Guarantee provided	17,186.13	-
Guarantee Commission charged	62.66	-
Finance provided (Equity Contributions in Cash)	10,361.82	48,490.85
M/s.Maamba Collieries Limited		
Guarantee Commission charged	121.21	248.13
Project Support Services rendered	1,310.21	1,327.91
M/s.Brahmani Infratech Private Limited		
Interest expense	270.00	270.00
M/s.Nava Bharat Energy India Limited		
Lease rent earned	1.87	1.84
Utility charges received	537.86	455.70
Sale of Fly Ash Bricks	4.31	30.60
Purchase of fixed assets	4.08	-
Security provided by pledge of Shares (face value)	5,200.00	-



NAVA BHARAT

Notes

to financial statements for the year ended 31st March, 2015

c) Amount due from/(due to) related parties as at the year end:

		₹ in lakhs	
Name of the party	31st March, 2015	31st March, 2014	
1. Key Management personnel:			
Sri D Ashok	(292.62)	(471.82)	
Sri P Trivikrama Prasad	(292.62)	(471.82)	
2. Subsidiaries: *			
M/s.Brahmani Infratech Private Limited	(3,000.00)	(3,000.00)	
M/s.Nava Bharat (Singapore) Pte. Limited	15,503.08	10,057.62	
M/s.Nava Bharat Realty Limited	-	17.00	
M/s.Nava Bharat Energy India Limited	616.73	458.36	
M/s.Maamba Collieries Limited	1,618.49	1,755.89	

* Excluding the guarantees given and the securities provided.

Particulars	31st March, 2015	31st March, 2014
47 EARNINGS PER SHARE (E.P.S.)		
a) Net Profit as per Statement of Profit and Loss available for Equity Shareholders (₹ in lakhs)	14,246.92	19,309.89
b) Weighted average number of Equity Shares for Basic and diluted EPS	89,287,741	89,287,741
c) Nominal value of the share (₹)	2.00	2.00
d) Basic earnings per share (₹)	15.96	21.63
e) Diluted earnings per share (₹)	15.96	21.63

48 Previous year figures have been re-grouped and/or reclassified wherever necessary to make them comparable with those of current year.

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

P. Chandramouli
Partner
Membership Number: 025211

Place : Hyderabad
Date : 29.05.2015

for and on behalf of the Board

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director

AOC 1

Form AOC-1: Statement containing salient features of the financial statements of Subsidiaries and Associate Companies for the year ending 31st March, 2015 (Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part A: Subsidiaries

Name of the subsidiary	Reporting Currency	Exchange rate on the last date of the relevant financial year	Share Capital	Reserves and surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Share holding
			₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	
Nava Bharat Energy India Limited	₹	-	20,000.00	18,091.78	88,003.06	88,003.06	-	55,254.47	10,462.59	211.35	10,251.24	-	100.00
Nava Bharat Projects Limited	₹	-	9,080.40	14,855.80	23,997.56	23,997.56	15,801.50	1,303.73	658.87	346.62	312.25	-	100.00
Nava Bharat Realty Limited	₹	-	22.00	(22.22)	0.54	0.54	-	-	(0.89)	-	(0.89)	-	100.00
Nava Bharat Sugar and Bio Fuels Limited	₹	-	5.00	(4.20)	1.15	1.15	-	-	(0.65)	-	(0.65)	-	100.00
Brahmani Infratech Private Limited	₹	-	6,312.50	1,579.83	10,915.29	10,915.29	4,107.63	864.01	725.56	259.94	465.62	-	65.74
Nava Bharat (Singapore) Pte. Limited	US \$	62.4950	96,617.27	(3,110.77)	1,54,016.38	1,54,016.38	1,45,305.01	31,732.59	(4,985.76)	575.76	(5,561.52)	-	100.00
Maamba Colliers Limited	US \$	62.4950	1,20,951.17	(56,163.74)	2,75,603.06	2,75,603.06	-	9,263.75	47.93	4.90	43.03	-	64.49
Nava Energy Pte. Limited	US \$	62.4950	0.62	(1.36)	0.02	0.02	-	-	(1.36)	-	(1.36)	-	100.00
Nava Bharat Lao Energy Pte. Limited	US \$	62.4950	231.23	(2.22)	2,867.77	2,867.77	2,867.40	-	(2.22)	-	(2.22)	-	100.00
Namphak Power Company Limited	US \$	62.4950	149.99	-	4,257.09	4,257.09	-	-	-	-	-	-	70.00
NB Tanagro Limited	US \$	62.4950	0.62	-	0.62	0.62	-	-	-	-	-	-	100.00

Notes:

- Names of subsidiaries which are yet to commence operations
 - Nava Bharat Realty Limited
 - Nava Bharat Sugar and Bio Fuels Limited
 - Nava Energy Pte. Limited
 - Nava Bharat Lao Energy Pte. Limited
 - Namphak Power Company Limited
 - NB Tanagro Limited
- Names of subsidiaries which have been liquidated or sold during the year
 - PT Nava Bharat Sungai Cuka
 - PT Nava Bharat Indonesia
 - Kobe Green Power Co. Ltd.
 - Nava Bharat Africa Resources Pvt. Ltd

**Part B: Associates**

Name of Associate	Kinnera Power Company Private Limited
1. Latest Audited Balance Sheet Date	31st March, 2015
2. Shares of the Associate held by the company on the year end:	
Number of shares	25,844
Amount of Investment in Associate	₹ 2.58 lakhs
Extent of Holding	26.00%
3. Description of how there is significant influence	Not applicable
4. Reason why the associate is not consolidated	There is no economic interest as it is intended to dispose off the stake in this Company in the near future.
5. Networth attributable to Shareholding as per latest audited Balance Sheet	(₹ 5.23 lakhs)
6. Loss for the year	
(i) Considered in Consolidation	nil
(ii) Not considered in Consolidation	(₹ 0.11 lakhs)
1. Name of associate which is yet to commence operations	: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year	: Nil

for and on behalf of the Board

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director

Place : Hyderabad
Date : 29.05.2015

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director

Independent Auditor's Report

To
The Members of
Nava Bharat Ventures Limited,
Hyderabad

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Financial Statements of NAVA BHARAT VENTURES LIMITED, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and Jointly controlled entities comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group including its associates and jointly controlled entities, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its Associates and Jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the presentation of the Consolidated financial statements by the Directors of the holding company as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the holding company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of



their reports referred to in sub paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group, its Associates and Jointly Controlled Entities as at 31st March, 2015, and their Consolidated Profit and their Consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the following matters in the Notes to the financial statements:

- (a) Note 3 in the Consolidated Financial Statements on Development of Special Economic Zone and the arbitration award relating to the dispute with the Co-Developer.
- (b) Note 4 in the Consolidated Financial Statements on attachment of the investments of one of the subsidiaries.

Our opinion is not modified in respect of these matters.

OTHER MATTERS

We did not audit the Consolidated Financial Statements of one of the subsidiaries viz., Nava Bharat (Singapore) Pte. Limited, Singapore (the group), whose financial statements reflect total assets of USD 516,381,227 equivalent to ₹ 322,712.45 Lakhs, total revenue of USD 69,939,096 equivalent to ₹ 43,708.45 Lakhs and net cash flows amounting to USD 352,104 equivalent to ₹ 220.05 Lakhs. The Consolidated Financial Statements as per the Indian GAAP, of the said subsidiary for the year ended 31st March, 2015 were certified and furnished to us by the Management. Out of the 6 Foreign subsidiaries considered for Consolidation 5 Companies have been audited by other

auditors whose reports have been furnished to us and for other Company which is not material to the Group, the Management has certified the financial information.

The auditors of Nava Bharat (Singapore) Pte. Limited, Singapore (the Company) without qualifying their opinion on the financial Statements drew the attention to the following .

(a) Financial support from holding company for working capital and loans:

The Company is dependent on its holding company to give financial support for its ongoing Investments. In addition, the subsidiaries were in their preliminary stages of operations. Therefore, the validity of the going concern assumption on which the financial statements are prepared depends on the successful generation of income from these new businesses and continuous availability of the financial support from the holding company. The holding company undertakes to give continuous financial support to meet its obligation as and when required.

(b) Amount due from subsidiaries:

As mentioned above, the subsidiaries are in their initial stages of operations. The amounts due from subsidiaries are dependent on the outcome of their business and the directors are of the view that the business of these subsidiaries will be successful. In the event that these outcomes are not favorable, allowances for impairment for these receivables need to be done during subsequent years.

Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the Auditor's report of the Holding Company and Subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Independent Auditor's Report

2. As required by Section 143 (3) of the Act, we report to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the records of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding company and the reports of the Statutory Auditors of its Subsidiary Companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position in its financial statements – Refer Note 43 to the Consolidated financial statements
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries incorporated in India.

for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

P. Chandramouli
Partner

Place : Hyderabad
Date : 29.05.2015

Membership Number: 025211



Annexure to the Auditor's Report

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of NAVA BHARAT VENTURES LIMITED, HYDERABAD, for the year ended March 31, 2015.

Our report on the Order includes five Subsidiary Companies incorporated in India, to which the order is applicable. The Holding Company together with the Subsidiaries is hereinafter referred to as the Company in reporting.

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
2.
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3.
 - a. During the year, the Company has granted unsecured loan to a foreign Subsidiary covered in the register maintained under Section 189 of the Companies Act, 2013. The maximum amount involved during year was USD 6.00 Million (equivalent to ₹ 3,749.70 lakhs) and the year end balance of such loan was USD 6.00 Million (equivalent to ₹ 3,749.70 lakhs).
 - b. In our opinion and according to the information and explanations given to us, receipt of the principal amount and interest are as per the terms of such unsecured loan.
4. We are informed that the prices charged to Subsidiary Companies cannot be compared with alternative quotations as most of the items/transactions are of special in nature. Read with the above, in our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete.
7.
 - a. According to the records of the Company, the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
 - b. According to the records of the Company, no undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty

of excise, value added tax, cess and any other statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except the following:

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Due Date	Date of payment
AP AL(CFNAP) Act, 2006	L a n d Conversion Tax	64,66,061	2010-11		Not yet paid
Orissa Electricity Duty Act, 1961	Electricity Duty	10,91,227	2008-09	30.04.2009	Not yet paid
		3,25,551	2009-10	30.04.2010	
		90,239	2012-13	30.04.2013	
Customs Act, 1962	Customs Duty	17,61,860	1985-87		Not yet paid
GoAP (I & CAD Dept)	Water Charges	3,04,945	2008-09	30.04.2009	Not yet paid
		1,56,781	2009-10	30.04.2010	
		1,56,867	2010-11	30.04.2011	
		2,60,127	2011-12	30.04.2012	
		1,31,924	2012-13	30.04.2013	
		1,52,700	2013-14	30.04.2014	
OSPCB	Water Cess	52,560	2008-09	30.04.2009	Not yet paid
		60,994	2009-10	30.04.2010	
		11,518	2011-12	30.04.2012	
GoAP, APPCB	Water Cess	12,484	2008-09	31.03.2009	Not yet paid
		15,976	2013-14	31.03.2014	
The A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	72,60,282	2003-04 to 2007-08	15.04.2008	Not yet paid
- do -	- do -	4,07,520	2008-09	30.04.2009	Not yet paid
- do -	- do -	4,37,520	May 2010	30.06.2010	Not yet paid
		2,51,868	Jun 2010	31.07.2010	
		5,35,680	July 2010	31.08.2010	
		5,14,944	Aug 2010	30.09.2010	
		53,24,777	Sept 2010	31.10.2010	
- do -	- do -	52,39,126	2003-04 to 2010-11	30.04.2012	Not yet paid
The A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	48,979	April 2011	31.05.2011	Not yet paid
		6,45,905	May 2011	30.06.2011	
		4,95,380	March 2012	30.04.2012	



Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Due Date	Date of payment
- do -	- do -	7,12,759	2012-13	30.05.2013	Not yet paid
		5,59,577	2013-14	30.05.2014	
AP Municipalities Act, 1965	Property Tax	1,52,854	2011-12	31.03.2012	Not yet paid
		1,81,234	2012-13	31.03.2013	
		2,52,451	2013-14	31.03.2014	
O S Govt.	Ground Rent	7,592	2009-10	31.03.2010	Not yet paid
		5,955	2011-12	31.03.2012	
East Coast Railways	Water way line Charges	1,80,932	2002-03 to 2009-10	31.03.2010	Not yet paid
Commissioner, Municipality, Samalkot	Welfare Cess	6,044	2014-15	-	Not yet Paid

- c. According to the records of the Company and the information and explanations given to us, the dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute are as follows.

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
AP (Ag. Produce & Live Stock) Marketing Act, 1966	Agricultural Market Cess	28,15,396	1980-81 to 1989-90	The Secretary, Agricultural Marketing Committee, Visakhapatnam
AP Municipalities Act, 1965	Property Tax	1,49,952	1995-96 to 2000-01	Hon'ble High Court of A.P.
		2,00,798	1995-96 to 2000-01	
Various Sales Tax Acts	Central Sales Tax	2,20,130	2004-05	Asst. Commissioner of Sales Tax, Range-II, Cuttack
		64,87,532	2000-01	STAT, Hyderabad
	APGST	79,35,607	2003-04	Asst. Commissioner of Commercial Taxes, Warangal
Central Excise Act, 1944	Excise Duty	1,75,08,459	2004-05 to 2009-10	CESTAT, Bangalore
		7,37,00,285	2012-13	CESTAT, Bangalore
		55,29,064	1997-98	CESTAT, New Delhi
		13,690,286	2000-01 to 2001-02	Hon'ble High Court of A.P.
		11,55,618	2000-01 to 2005-06	Commissioner of Central Excise(Appeals), Visakhapatnam
	Service Tax	36,90,416	Oct 2007 to March 2013	Commissioner of Central Excise(Appeals), Visakhapatnam

Name of the Statute	Nature of the dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Service Tax	44,15,367	2000-01 to 2010-11	Hon'ble High Court of A.P.
		1,40,42,859	1996-97 to 2010-11	Hon'ble High Court of A.P.
		20,54,018	2009-12	Appeal yet to be filed
		1,05,44,620	2009-14	Appeal yet to be filed
		6,75,349	April 2012-September 2013	Deputy Commissioner of Central Excise, Kakinada
		9,13,025	April 2011 to August 2013	Assistant Commissioner of Central Excise, Kakinada
The A.P. Electricity Duty Act, 2003	Electricity Duty	260,70,764	2003-04 to 2012-13	Hon'ble High Court of A.P.
		43,085,412	2008-09 to 2014-15	Appeal yet to be filed
The AP Non-Agricultural Land Assessment Act, 1963	NALA TAX	12,25,116	1993-94 to 1998-99	Hon'ble High Court of A.P.

- d. According to the records of the Company and the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.
10. In our opinion, the terms and conditions on which the Company has given guarantees for the loans taken by Others from banks and financial institutions are not prima facie prejudicial to the interest of the Company.
11. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.
12. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 000513S

P. Chandramouli
Partner

Place : Hyderabad
Date : 29.05.2015

Membership Number: 025211



NAVA BHARAT

Consolidated Balance Sheet

as at 31st March, 2015

₹ in lakhs

Particulars	Notes	31st March, 2015	31st March, 2014
EQUITY AND LIABILITIES			
Share Holders Funds			
Share Capital	06	1,787.01	1,787.01
Reserves and Surplus	07	289,225.17	271,482.71
		291,012.18	273,269.72
Share Application Money pending allotment			
		179.98	29,463.74
Minority Interest			
		24,697.37	(8,755.81)
Non - Current Liabilities			
Long Term borrowings	08	31,509.90	38,358.89
Deferred tax liabilities (Net)	09	2,912.79	2,631.73
Other Long term liabilities	10	1,036.38	2,765.21
Long term provisions	11	1,938.38	1,148.48
		37,397.45	44,904.31
Current Liabilities			
Short term Borrowings	12	48,059.85	46,778.23
Trade Payables	13	81,660.83	56,737.46
Other Current liabilities	14	103,104.93	46,386.54
Short term provisions	15	5,129.33	5,709.38
		237,954.94	155,611.61
TOTAL		591,241.92	494,493.57
ASSETS			
Non - Current Assets			
Fixed assets			
Tangible assets	16	171,488.49	171,060.52
Intangible assets	17	35,012.17	33,691.23
Capital Work in Progress	18	224,650.60	132,098.20
Non - current investments	19	1,403.59	1,460.44
Long term loans and advances	20	14,600.13	9,755.30
Other non - current assets	21	26,307.40	22,198.41
		473,462.38	370,264.10
Current Assets			
Current investments	22	9,169.75	16,262.39
Inventories	23	63,178.26	53,866.14
Trade receivables	24	13,531.86	11,105.35
Cash and cash equivalents	25	16,575.98	19,822.39
Short term loans and advances	26	13,163.92	18,048.25
Other current assets	27	2,159.77	5,124.95
		117,779.54	124,229.47
TOTAL		591,241.92	494,493.57
Notes forming part of financial statements	01 - 48		

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

P. Chandramouli

Partner

Membership Number: 025211

Place : Hyderabad

Date : 29.05.2015

for and on behalf of the Board

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2015

₹ in lakhs

Particulars	Notes	31st March, 2015	31st March, 2014
INCOME			
Revenue from operations	28	181,382.00	172,755.95
Other Income	29	10,899.25	9,672.93
Total Revenue		192,281.25	182,428.88
EXPENSES			
Cost of Materials Consumed	30	109,799.82	90,350.92
Purchase of traded goods	31	556.55	554.96
(Increase)/Decrease in Inventories	32	(3,030.63)	1,616.28
Other manufacture expenses	33	9,993.19	9,575.97
Employee benefits expense	34	10,668.01	10,418.61
Finance Costs	35	11,167.74	12,627.16
Depreciation and amortisation expense	36	7,875.60	11,194.14
Other expenses	37	21,883.71	14,482.17
Total Expenses		168,913.99	150,820.21
Profit Before Exceptional Items and Tax		23,367.26	31,608.67
Exceptional Items :	38		
Adjustments relating to earlier years (net)		41.66	437.17
Profit Before Tax		23,325.60	31,171.50
Tax Expense			
Current Tax		6,535.82	7,068.38
Deferred Tax		196.33	(754.78)
Earlier years		186.67	12.17
MAT Credit Entitlement (net)		(4,496.21)	(2,776.60)
		2,422.61	3,549.17
Profit for the year after tax		20,902.99	27,622.33
Minority share (profit)/loss		(298.72)	368.39
Profit for the year after Minority share		20,604.27	27,990.72
Earnings per equity share of ₹ 2/- Each			
Basic		23.08	31.35
Diluted		23.08	31.35
Notes forming part of financial statements	01 - 48		

per our report of even date
for **Brahmayya & Co.**,
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211
Place : Hyderabad
Date : 29.05.2015

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director



Consolidated Cash Flow Statement

for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after Minority Share and before Tax and extraordinary items	23,068.54	31,977.06
Adjustments for:		
Excess Provisions written back	(1,663.03)	(221.33)
Input tax Credit written off	41.05	37.01
Bad debts and Advances written off	7.26	539.95
Depreciation and amortisation expense	7,875.60	11,194.14
Assets discarded	0.38	2.52
Profit on sale of Assets (net)	(34.48)	(10.81)
Net Gain on Sale of investments	(1,566.03)	(847.71)
Adjustment to the carrying amount of investments	(0.74)	829.35
Dividend from investments	(224.12)	(1,028.32)
Interest (net)	3,637.04	4,534.23
Effect of exchange rate change	437.83	(975.83)
Operating Profit before Working Capital Changes	31,579.30	46,030.26
Adjustments for:		
Increase/(decrease) in other long term liabilities	(1,728.83)	(1,142.97)
Increase/(decrease) in long term provisions	789.90	162.86
Increase/(decrease) in trade payables	24,923.37	45,272.52
Increase/(decrease) in other current liabilities	16,858.46	(18,834.42)
Increase/(decrease) in short term provisions	(721.81)	53.36
Increase/(decrease) in minority interest	33,453.18	(3,789.40)
(Increase)/decrease in long term loans and advances	(4,844.83)	24,647.68
(Increase)/decrease in other non-current assets	646.36	(2,646.20)
(Increase)/decrease in inventories	(9,312.12)	(7,840.88)
(Increase)/decrease in receivables	(2,433.77)	(1,600.37)
(Increase)/decrease in short term loans and advances	4,843.28	(6,120.50)
(Increase)/decrease in other current assets	3,064.38	4,931.02
	97,116.87	79,122.96
Direct Taxes paid	(7,130.59)	(7,067.03)
Cash flow before extraordinary items	89,986.28	72,055.93
Extraordinary items	(41.66)	(437.17)
Net Cash from Operating Activities (A)	89,944.62	71,618.76

Consolidated Cash Flow Statement

for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including tangible assets and Capital work-in-progress	(100,377.91)	(120,689.32)
Proceeds from sale of fixed assets	99.81	136.78
Purchase of Investments	(46,059.69)	(93,062.24)
Proceeds from sale of Investments	54,770.25	90,266.39
Interest received	4,719.71	5,567.33
Dividend received	224.12	1,028.32
Net Cash used in Investing Activities (B)	(86,623.71)	(116,752.74)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share Application Money pending allotment	(29,283.76)	29,463.74
Proceeds from short term borrowings	1,281.62	25,413.69
Proceeds from long term borrowings	70,621.58	13,015.32
Repayment of long term borrowings	(35,944.07)	(47,869.93)
Interest paid (including interest capitalised)	(8,317.24)	(10,310.75)
Dividend paid	(4,925.45)	(4,916.18)
Net Cash generated in Financing Activities (C)	(6,567.32)	4,795.89
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(3,246.41)	(40,338.09)
Cash and Cash equivalents at the beginning of the year	19,822.39	60,160.48
Cash and Cash equivalents at the end of the year	16,575.98	19,822.39
Notes:		
Cash and Cash equivalents include:		
Cash on hand	17.25	15.06
Balances with Banks:		
On Current Accounts	10,263.46	10,404.46
On Unpaid Dividend Accounts	200.70	193.98
On Cash Credit Accounts	51.66	1,918.27
Fixed Deposits	3,722.33	5,311.10
Margin Money Deposits	2,320.58	1,979.52
Cash and Cash equivalents considered for cash flow	16,575.98	19,822.39

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

P. Chandramouli
Partner
Membership Number: 025211
Place : Hyderabad
Date : 29.05.2015

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director



Notes

to consolidated financial statements for the year ended 31st March, 2015

01 The consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, and in accordance with the generally accepted Accounting Principles in India.

a) Basis of consolidation:

The consolidation of accounts is done in accordance with the requirements of Accounting Standard (AS 21) "Consolidation of Financial Statements" as notified by Companies (Accounting Standards) Rules, 2006 (as amended). Financial statements of subsidiaries were prepared for the year ended 31st March 2015 and the same have been adopted for consolidation.

b) The subsidiary Companies considered in the consolidated financial statements are:

Name of the Company	Place of incorporation	Percentage of share holding
SUBSIDIARIES:		
Nava Bharat Energy India Limited	India	100.00
Nava Bharat Projects Limited	India	100.00
Nava Bharat Realty Limited	India	100.00
Nava Bharat Sugar and Bio Fuels Limited	India	100.00
Brahmani Infratech Private Limited	India	65.74
Nava Bharat (Singapore) Pte Limited *	Singapore	100.00
SUBSIDIARIES OF NAVA BHARAT (SINGAPORE) PTE LIMITED:		
Maamba Collieries Limited *	Zambia	64.49
NB Tanagro Limited *	Tanzania	100.00
Namphak Power Company Limited *	Laos	70.00
Nava Energy Pte. Limited *	Singapore	100.00
Nava Bharat Lao Energy Pte. Limited *	Singapore	100.00

* Accounts have been prepared in compliance with applicable GAAPs of the Country in which they operate and the differences in GAAPs between Holding and Subsidiary Companies are considered for consolidation.

c) Principles of consolidation:

The consolidated financial statements have been prepared based on a line-by-line consolidation of Profit and Loss and Balance Sheet. All inter-company balances and transactions are eliminated on consolidation.

statements. Alternatively, where the share of equity in the subsidiary Companies as on the date of investment is in excess of cost of investment of the group, it is recognised as "Capital Reserve" and shown under the head "Reserves and Surplus", in the consolidate financial statements.

d) Goodwill:

The excess of cost to the group of its investments in subsidiary Companies over its share of the equity of the subsidiary Companies at the dates on which the investments in the subsidiary Companies are made, is recognised as "Goodwill" being an asset in the consolidated financial

02. MINORITY INTEREST:

Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Holding Company in the Subsidiary Companies and further

Notes

to consolidated financial statements for the year ended 31st March, 2015

movements in their share in the equity and subsequent profits.

₹ in lakhs		
Particulars	31st March, 2015	31st March, 2014
- (Previous year 25,000) shares in the Share Capital of PT Nava Bharat Sungai Cuka	-	13.59
- (Previous year 25,000) shares in the Share Capital of PT Nava Bharat Indonesia	-	13.59
81,01,24,608 (previous year 13,94,19,799) Shares in the Share Capital of Maamba Collieries Limited	42,949.76	8,757.60
Shares in the Share Capital of Namphak Power Company Limited	45.00	-
40 Shares in the Share Capital Of Kobe Green Power Co. Limited	-	2.17
2,16,25,002 Equity shares in the Share Capital of Brahmani Infratech Private Limited	2,162.50	2,162.50
Share in Reserves	(20,459.89)	(19,705.26)
	24,697.37	(8,755.81)

03. DEVELOPMENT OF SPECIAL ECONOMIC ZONE (SEZ):

During the year 2006-07, Brahmani Infratech Private Limited, a subsidiary Company ("Company") was allotted 250 Acres of land by APIIC Limited to develop 150 Acres as Special Economic Zone (SEZ) area and 100 Acres as Non-SEZ area. Sale deed in respect of 150 Acres has been executed in favour of the company and in respect of balance 100 Acres of land, has to be executed as per the terms of allotment. However APIIC Limited is entitled to cancel the allotment of entire land in case of non-fulfillment or breach of any terms and conditions or obligations set forth while allotting the land.

The Company had entered into a development Agreement with M/s. Mantri Technology Parks Private Limited (MTPPL), Bangalore (appointed as Co-developer) for the development of 238 Acres (including IT/ITES SEZ in 150 Acres) of the land allotted as above. The Co-developer has, pursuant to this agreement, undertaken compliance of the conditions stipulated by the GoAP/APIIC Limited including construction, development and marketing of the developed

space covering IT/ITES, commercial and residential accommodation. The Co-developer has, at the behest of the company, paid security deposit pursuant to this agreement to the holding company, Nava Bharat Ventures Limited, and appropriate interest compensation thereof has been provided in the books of the Company.

As per the terms of AOSPOA, the agreed date of completion of development of the project is 6th November 2012, however the company has sought an extension of time upto November 2021 by an application dated 7th March 2011 to the concerned authorities for which there is no response from the concerned.

In the mean time the Co-developer Viz. M/s. Mantri Technology Parks Private Limited, Bangalore, by their letter dated 2nd May 2012 have opted for termination of the Joint Development agreement with a request to return the Security Deposit.

During the year 2012-13, the Company (BIPL) after protracted correspondence with the Co-developer Viz. M/s. Mantri Technology Parks Private Limited,



Notes

to consolidated financial statements for the year ended 31st March, 2015

Bangalore, terminated the Contract with effect from 9th July 2012 under the Joint Development agreement dated 27th February 2008 read with the Supplementary Agreement dated 28th February 2008 on account of failure of M/s. Mantri Technology Parks Private Limited to Complete the Project of IT/ITES/SEZ at Hyderabad as Co-Developer under the patronage of M/s. Mantri Developers Private Limited as Technical Associate in accordance with the terms of agreement and were informed forfeiture of the Security Deposit of ₹ 30 Crores (Thirty Crores) paid by Co-developer.

Against such termination, M/s. Mantri Technology Parks Private Limited, Bangalore, invoked the arbitration clause of the agreement requesting for Conciliation process to settle the issue and due to lack of consensus among the Parties regarding the arbitrator to be appointed as per the arbitration clause of the agreement, made an application to the Hon'ble High Court of Andhra Pradesh to appoint an arbitrator under Section 11 (5) and (6) of the Arbitration and Conciliation Act 1996 read with Scheme for appointment of Arbitrators, 1996.

In the meantime M/s. MTPPL, Bangalore, has also filed a Petition in the Hon'ble City Civil Court praying to grant injunction restraining BIPL from disposing MTPPL from the property either by way of surrender of the same to APIIC Limited, or by way of the replacement of a fresh Developer and also to direct BIPL to deposit the Security Deposit of ₹ 30,00,00,000/- (Thirty Crores) paid by them in pursuance of the Joint Development Agreement, in the Hon'ble Court. The matter is sub-judice in the Court.

During the year the Hon'ble High Court of Andhra Pradesh has appointed Justice Syed Shah Mohammed Quadri as Sole Arbitrator on 21.06.2013 and the Arbitral proceedings commenced on 05.08.2013 passed the award on 31.01.2015, inter alia, to the following effect:

- i. *The Claimant, MTPPL is held entitled to ₹ 30,00,00,000/- towards interest free security deposit; ₹ 4,82,04,854/- being the amount paid to the respondent towards reimbursement of expenses and ₹ 4,36,90,047/- towards expenses*

for development of the allotted land. All these amounts shall carry interest @ 12% p.a. from 02-05-2012 till 31-01-2015 (date of the Award).

- ii. *The Respondent, BIPL is held entitled to receive from the Claimant ₹ 18,13,33,333/- (Rupees Eighteen Crores Thirteen Lakhs Thirty Three Thousand Three Hundred and Thirty Three Only) together with interest @ 12% p.a. from 02-05-2012 till 31-01-2015 (date of the Award). The remaining claims are rejected.*
- iii. *The awarded amount will carry interest at the rate of 18% per annum from the date of the Award till the date of realization of the awarded amount.*

The Company has made an appeal Under Sec.34 of the Arbitration and Reconciliation Act, challenging the award in the City Civil Court.

Meanwhile, MTPL has filed a petition under Sec.9 of the Arbitration and Reconciliation Act, the matter is adjourned to July 24th, 2015.

04. During the year 2005-06 a joint venture (50:50) Company viz., Navabharat Power Private Limited (NPPL) was incorporated along with Malaxmi Group, to set up a 1040 MW Thermal based Power Generating station in the state of Odisha and the investment was routed through Nava Bharat Projects Limited (NBPL). In NPPL, Sri P Trivikrama Prasad was appointed as Non-executive Chairman representing Nava Bharat Group and Sri Y. Harish Chandra Prasad as Vice Chairman cum Managing Director representing Malaxmi Group.

During the process of Project implementation NPPL obtained various key clearances which include Coal Linkage from Mahanadi Coalfields Limited and also got allocated a captive coal block in Rampia and Dip side of Rampia, to be shared with 5 other Power Generators.

Due to a stalemate in the management of NPPL, the investments made by NBPL were disposed of

Notes

to consolidated financial statements for the year ended 31st March, 2015

to a third party in two tranches during the years 2010-11 and 2011-12 and NBPL invested the proceeds in Nava Bharat Energy India Limited (NBEIL).

During the year 2012-13, based on the Comptroller and Auditor General India's Report, a complaint was lodged with the Central Vigilance Commission (CVC) by certain Public Representatives and thereupon, the CVC directed the Central Bureau of Investigation (CBI) to enquire and investigate into those allegations made by the complainants against the allocation of the coal blocks. The CBI conducted Preliminary Enquiry and registered FIRs against certain companies including NPPL and its, the then promoters-directors in the month of September, 2012. An Investigation by CBI and Enforcement Directorate (ED) was initiated during 2012-13 against the then Directors of NPPL alleging misrepresentations in obtaining coal block and receipt of the crime proceeds by the stake sale respectively. The CBI filed charge sheet before the Special Court constituted pursuant to the directions of the Supreme Court and the same is yet to be taken cognizance off. The ED vide its Provisional Attachment Order dated 22.07.2014 attached Equity Shares to the extent of ₹138.59 crores out of the investment made by NBPL in the share capital of NBEIL and the said Provisional Order was also confirmed by the Adjudicating Authority under Prevention of Money Laundering Act, 2002 vide Order dated 20.05.2015.

05 SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and other attributable costs to bring the asset to its working condition for its intended use.

Direct overhead expenditure incurred and other attributable revenue costs on projects under implementation is treated as unallocated capital expenditure pending allocation to the assets and are included under Capital work-in-progress.

Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for their intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

c) Depreciation

- i. Depreciation is provided considering the useful lives of respective assets, as provided and Prescribed under Schedule II of the Companies Act, 2013.
- ii. Fixed Assets costing rupees five thousand or less are fully depreciated in the year of acquisition.
- iii. The cost of leasehold Land is amortised over the lease period.
- iv. Improvements to premises taken on lease are amortised over the primary lease period.

d) Intangible Assets

- i. Costs incurred towards purchase of computer software is amortised over the useful lives of such software as estimated by the management which is of three years.
- ii. Expenditure incurred to acquire water drawing rights from Government/Local authorities or other parties is amortised over the primary period of right to use the facilities which is ten years for the time being.



Notes

to consolidated financial statements for the year ended 31st March, 2015

e) Impairment

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

f) Prior period items

All items of income/expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments" and the others are shown under respective heads of account in the Profit and Loss.

g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognise a decline other than temporary in nature.

h) Inventories

- i. Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, raw materials and other items held for use in the production of

inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined at moving weighted average basis.

- ii. Goods in transit are valued at Cost.
- iii. Finished goods, Work in progress, Scrap, by-products, loose tools and other stock in trade are valued at lower of cost and net realisable value.
- iv. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis and Cost of finished goods includes excise duty. Cost of traded goods includes purchase and allied costs incurred to bring the inventory to its present condition and location, determined on weighted average basis.
- v. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

i. Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. Sales are inclusive of excise duty and value added tax/sales tax and is net of sales returns and discounts. Revenue from export sales is recognised on the date of bill of lading, based on the terms of export.

ii. Income from Services:

Revenue is recognised as and when the conversion job is completed irrespective of the billing.

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to consolidated financial statements for the year ended 31st March, 2015

iii. Interest and Guarantee Commission:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv. Dividends:

Dividend is recognised when the right to receive payment is established by the balance sheet date.

v. Export Benefits:

Export Entitlements in the form of Duty Drawback on accrual and Focus Product Scheme (FPS) on realisation are recognized in the Statement of Profit and Loss.

vi. Other Sundry Incomes

Insurance claims and conversion escalations are accounted for on realisation.

j) Foreign Currency Transactions

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

ii. Conversion

Foreign currency monetary items not covered by forward contracts are restated at the exchange rates prevailing at the year end.

iii. Exchange differences

Exchange differences arising, on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

iv. Forward Exchange Contracts (Derivative Instruments) not intended for trading or speculation purposes.

The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

k) Government Grants and Subsidies

Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the assets concerned in arriving at the carrying amount of the related asset.

Government grants in the form of non-monetary assets given at a concessional rate are accounted for on the basis of their acquisition cost.

l) Retirement and Other Employee Benefits

i. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

ii. The Provident Fund is a defined contribution scheme and the contributions are charged



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to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Trusts.

- iii. Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an actuary as at the end of the year.
- iv. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.
- v. In respect of employees stock options, the excess of fair price on the date of grant, over the exercise price, is recognised as deferred compensation cost and amortised over the vesting period.
- vi. Compensation paid under the company's voluntary retirement scheme is charged to the Statement of Profit and Loss in the year of payment.

m) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalised. Other Borrowing costs are recognised as an expense in the year in which they are incurred.

n) Segment Reporting Policies

i. Identification of Segments:

The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets.

The analysis of geographical segment is based on the geographical location of the

customers. The geographical segments considered for disclosure are as follows:

*Sales within India include sales to customers located within India.

*Sales outside India include sales to customers located outside India.

ii. Allocation of Common Costs:

Common allocable costs are allocated to each segment based on the relative contribution of each segment to the total common costs.

iii. Unallocated Items:

Includes general corporate income and expense items which are not allocated to any business segment.

o) Earnings per Share (Basic and Diluted)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.

Where the Company is the lessee:

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the

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Statement of Profit and Loss. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss.

q) Taxes on Income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

r) Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions

are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

s) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

t) Cash Flow Statement

Cash flows are reported using indirect method. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and Fixed Deposits with Banks.

u) Dividends

Dividend as recommended by the Board of Directors is provided for in the accounts pending shareholders/lending institutions approval wherever applicable.



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₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
06 SHARE CAPITAL:		
Authorised		
25,00,00,000 Equity Shares of ₹ 2/- each	5,000.00	5,000.00
TOTAL	5,000.00	5,000.00
Issued and Subscribed		
8,95,39,216 Equity Shares of ₹ 2/- each	1,790.78	1,790.78
TOTAL	1,790.78	1,790.78
Paid Up		
8,92,87,741 Equity Shares of ₹ 2/- each fully paid up	1,785.75	1,785.75
Add: Forfeited Shares (amount originally paid up)	1.26	1.26
TOTAL	1,787.01	1,787.01

a. Rights attached to equity Shares:

The company has only one class of equity shares having a face value of ₹ 2/- per share with one vote per each equity 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.

The amount of dividend proposed to be distributed for the year ended 31st March 2015, to equity shareholders is ₹ 5.00 per share (31st March 2014 ₹ 5.00 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Details of shareholders holding more than 5% shares in the company

Particulars	31st March, 2015		31st March, 2014	
	No. of shares	% in the class	No. of shares	% in the class
Equity Shares of ₹ 2/- each fully paid:				
Wellington Management Company, LLP with its PACs.	9,986,619	11.18	11,468,283	12.84
Highfields Capital Management LP A/c. HC Mauritius Limited	8,482,989	9.50	8,482,989	9.50
Nav Developers Limited	7,817,845	8.76	7,467,845	8.36

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c. Aggregate number of shares bought back during the period of five years immediately preceeding the reporting date:

Financial year	31st March, 2015	31st March, 2014
	No. of shares	No. of shares
2009-10	12,500	12,500
TOTAL	12,500	12,500

d. The paid up share capital includes 49,73,510 equity shares of ₹ 2/- each fully paid-up, owned by the company, pursuant to the order of Hon'ble High Court of Andhra Pradesh dated 30.12.1996 in the Scheme of amalgamation of Nav Chrome Limited with the Company, which are vested in a Trustee for the benefit of the Company which are to be sold and net sale proceeds are to be paid to the Company and such shares are not considered for dividend.

		₹ in lakhs	
Particulars	31st March, 2015	31st March, 2014	
07 RESERVES AND SURPLUS:			
Capital Reserves:			
At the beginning and at the end of the year	60.20	60.20	
Capital Redemption Reserve:			
At the beginning and at the end of the year	826.39	826.39	
Securities Premium Reserve:			
At the beginning and at the end of the year	26,214.22	26,214.22	
General Reserve:			
At the beginning of the year	82,852.40	77,852.40	
Add: Additions during the year	5,000.00	5,000.00	
At the end of the year	87,852.40	82,852.40	
Other Reserves:			
Subsidies:			
At the beginning and at the end of the year	33.60	33.60	
Foreign Currency Translation Reserve (arising on consolidation):			
At the beginning of the year	3,966.64	(180.63)	
Additions/(deletions) during the year	2,807.08	4,147.27	
At the end of the year	6,773.72	3,966.64	
Surplus i.e. balance in Statement of Profit and Loss:			
Opening Balance	157,529.26	139,470.71	
Add: Net profit after tax transferred from Statement of Profit and Loss	20,604.27	27,990.72	
	178,133.53	167,461.43	
Less: Carrying amount of the assets whose remaining useful life is nil and the deferred tax thereon	594.96	-	
Amount available for appropriation	177,538.57	167,461.43	
Appropriations:			
General Reserve	5,000.00	5,000.00	
Dividend on Equity Capital	4,215.71	4,215.71	
Corporate Dividend Tax	858.22	716.46	
Closing Balance	167,464.64	157,529.26	
TOTAL	289,225.17	271,482.71	



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to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
08 LONG TERM BORROWINGS:		
Term Loans from Banks [Secured] *		
Indian Rupee Loans		
State Bank of India (i)	9,379.84	13,015.32
Less: Current maturities	7,616.00	7,616.00
	1,763.84	5,399.32
State Bank of India (ii)	1,084.99	-
Less: Current maturities	-	-
	1,084.99	-
IDBI Bank Limited (iii)	5,812.11	6,719.56
Less: Current maturities	907.44	907.44
	4,904.67	5,812.12
Andhra Bank (iii)	9,747.43	11,376.71
Less: Current maturities	1,201.00	1,201.00
	8,546.43	10,175.71
Bank of India (iii)	2,262.05	2,660.34
Less: Current maturities	280.25	280.25
	1,981.80	2,380.09
Bank of Baroda (iii)	3,872.49	4,531.49
Less: Current maturities	480.42	480.42
	3,392.07	4,051.07
State Bank of Hyderabad (iii)	3,892.32	4,549.79
Less: Current maturities	480.42	480.42
	3,411.90	4,069.37
UCO bank (iii)	2,280.27	2,663.73
Less: Current maturities	280.25	280.25
	2,000.02	2,383.48
State Bank of Mysore (iii)	2,251.63	2,647.36
Less: Current maturities	280.25	280.25
	1,971.38	2,367.11
Punjab & Sind Bank (iii)	1,611.39	1,890.79
Less: Current maturities	200.17	200.17
	1,411.22	1,690.62
Foreign Currency Loans		
Standard Chartered Bank (iv)	-	20,968.50
Less: Current maturities	-	20,968.50
	-	-
Standard Chartered Bank (v)	13,540.58	-
Less: Current maturities	12,499.00	-
	1,041.58	-
ICBC (Macau and London) Plc (vi)	49,996.00	-
Less: Current maturities	49,996.00	-
	-	-
Other Loans and Advances [Unsecured]		
From other Body Corporate	-	30.00
TOTAL	31,509.90	38,358.89

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* The above loans are secured by first charge by way of equitable mortgage by deposit of title deeds to cover all immovable properties of the Company and hypothecation of all movable properties including movable Plant and Machinery, spares, tools and accessories, both present and future and a second charge by way of hypothecation of all movable properties both present and future (except book debts) subject to prior charges created/to be created in favour of Company's bankers on its stocks of raw materials, semi-finished and finished goods, consumable stores for securing borrowings for working capital requirements. The mortgage/charge created above shall rank pari-passu with the charges created/to be created in favour of other Financial Institutions/Banks.

** Loan from State Bank of India is secured by pledge of 51% shares held by the Company in its subsidiary, M/s. Nava Bharat (Singapore) Pte. Limited.

- i) Carries floating rate of interest (at present 11.80% p.a.) payable monthly. The principal is repayable in quarterly instalments of ₹1,904.00 lakhs commencing from 1st April, 2014.
- ii) Carries floating rate of interest (at present 12.10% p.a.) payable monthly. The principal is repayable in quarterly instalments of ₹90.42 lakhs commencing from 1st December, 2016.
- iii) The loans from IDBI Bank Limited, Andhra Bank, Bank of India, Bank of Baroda, State Bank of Hyderabad, UCO Bank, State Bank of Mysore and Punjab & Sindh Bank are secured by a first charge created in favour of security trustee on the present and future fixed assets and a Second charge on the Current assets of the Company, an equitable mortgage on the lease rights of land of 170 acres obtained from Holding Company, by a registered

mortgage of the Flat No.102 admeasuring 303 Sq. feet situated at Plot No.458-C, III Avenue Road, Indira Nagar, Chennai-600020 and also pledge of 26,00,00,000 equity shares held by the Promoter representing 26% of issued and paid up Share Capital of the Company with Trustee, ranking pari passu with all the lenders.

The lenders have an option to demand for conversion of their loans together with interest into equity in the event of default, for which the Company has agreed in terms of the common loan agreement entered into.

The term loans carry interest @11.50% (previous year:@11.50, 12.50% and 13.5%) payable monthly. The Loans are repayable in 36 quarterly equal instalments and the first of such instalment commenced on 1st April, 2013.

- iv) The loan is secured by deed on purchase and sales agreement on ferro alloys, assignment of receivables, fixed deposit of USD 1,800,000 and guaranteed by holding Company. It carry interest rate of 3.40% per annum and is repayable by April 2016.
- v) Loan from Standard Chartered bank secured by a corporate guarantee from the holding company and an exclusive first ranking charge over the Debt Service Reserve Account (DSRA) of the Company. The loan carries interest rate @ 5.15% + LIBOR. The loan due and fully paid on 31st August, 2014.
- vi) The loan is secured by a floating charge on the power plant assets and is due to be fully paid by 13 October, 2015.



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to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
09 DEFERRED TAX LIABILITIES (NET):		
Liability:		
Difference between book and tax depreciation	4,154.98	3,730.02
Gross liability	4,154.98	3,730.02
Asset:		
Provision for : Employee benefits	344.43	370.05
: Other expenses	886.93	717.16
: Diminution in the value of investments	10.83	11.08
Gross Asset	1,242.19	1,098.29
TOTAL	2,912.79	2,631.73

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
10 OTHER LONG TERM LIABILITIES:		
Retention Deposits	65.38	227.91
Other payables	971.00	2,537.30
TOTAL	1,036.38	2,765.21

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
11 LONG TERM PROVISIONS:		
Provision for employee benefits:		
Provision for Gratuity	984.21	553.00
Provision for Leave Encashment	848.17	544.48
Provision for Restoration Expenses	106.00	51.00
TOTAL	1,938.38	1,148.48

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
12 SHORT TERM BORROWINGS:		
Working Capital Loans from Banks (secured)	4,317.61	1,284.03
Buyers Credit	4,114.67	4,006.62
Loans (unsecured)	39,627.57	41,487.58
TOTAL	48,059.85	46,778.23

* Working Capital Loans from Banks are secured by hypothecation of raw materials, work-in-progress finished goods, stores and spares and book debts to the extent of ₹ 32,000 lakhs and a second charge on fixed assets of the Company.

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₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
13 TRADE PAYABLES:		
Creditors for supplies and Services	79,769.22	54,633.53
Creditors for accrued wages and salaries *	1,891.61	2,103.93
TOTAL	81,660.83	56,737.46
* Includes dues to Directors	605.25	963.64

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
14 OTHER CURRENT LIABILITIES:		
Current maturities of long term borrowings	74,221.20	32,694.70
Unpaid Dividends	200.70	193.98
Interest Accrued but not due	59.94	70.20
Security deposits	3,669.64	3,551.03
Advance from Customers	103.94	318.25
Bills Discounted with Banks	2,162.44	-
Other liabilities:		
Central Excise Duty	991.71	582.35
Withholding taxes	1,367.04	1,736.73
Sales tax	47.12	53.35
Contribution to Provident Fund	80.87	89.43
Other Statutory dues	773.27	611.07
Other payables	19,427.06	6,485.45
TOTAL	103,104.93	46,386.54

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
15 SHORT TERM PROVISIONS:		
Provision for Employee Benefits:		
Provision for Gratuity	55.40	555.31
Provision for leave encashment	-	221.90
Other Provisions:		
Provision for Dividend	4,215.71	4,215.71
Provision for Corporate Dividend Tax	858.22	716.46
TOTAL	5,129.33	5,709.38



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to consolidated financial statements for the year ended 31st March, 2015

16 TANGIBLE ASSETS:

Particulars	Gross Block			Depreciation			Net Block		₹ in lakh	
	As at 1st April, 2014	Additions	Deductions*	As at 31st March, 2015	Upto 1st April, 2014	For the year	Adjusted against retained earnings	On deductions**		As at 31st March, 2015
1. Land- Freehold*	4,831.47	579.54	-	5,411.01	-	-	-	-	5,411.01	4,831.47
- Leasehold	153.15	-	-	153.15	10.90	1.59	-	-	140.66	142.25
2. Buildings -Factory	15,330.18	315.12	4.47	15,640.83	2,994.32	706.51	93.57	4.09	11,850.52	12,335.86
- Leasehold	2,746.41	804.62	(118.50)	3,669.53	169.09	83.77	-	(7.29)	3,409.38	2,577.32
- Others	9,142.64	714.77	-	9,857.41	690.18	354.11	77.55	-	8,735.57	8,452.46
3. Plant and Equipment	175,947.57	4,870.54	(802.40)	181,620.51	43,779.34	5,565.33	242.53	(101.49)	49,688.69	132,168.23
4. Furniture and Fixtures	573.92	27.92	6.07	595.77	400.15	88.11	4.54	(2.18)	494.98	173.77
5. Vehicles	1,527.68	171.41	9.24	1,689.85	896.79	187.89	3.64	15.24	1,073.08	630.89
6. Office Equipment	742.36	52.22	15.92	778.66	579.55	97.30	47.65	14.20	710.30	162.81
7. Air conditioners and Coolers	245.95	13.45	5.55	253.85	131.82	65.83	29.23	5.55	221.33	114.13
8. Railway Sidings	541.86	0.01	-	541.87	145.44	37.72	-	-	183.16	396.42
9. Other Assets	441.20	271.17	-	712.37	156.73	155.45	9.07	-	321.25	284.47
10. Power Lines ***	7,796.09	-	-	7,796.09	520.17	266.90	-	-	787.07	7,275.92
11. Air Craft	1,752.86	-	(75.63)	1,828.49	238.34	147.63	-	(10.28)	396.25	1,432.24
TOTAL	221,773.34	7,820.77	(955.28)	230,549.39	50,712.82	7,758.14	507.78	(82.16)	59,060.90	171,488.49
Previous Year	124,357.33	95,390.88	(2,025.13)	221,773.34	39,569.94	11,042.90	-	(99.98)	50,712.82	171,060.52

Note:

* Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 1,117.15 lakhs (Previous year: gain ₹ 2,293.47 lakhs) which is adjusted against Foreign Currency Translation Reserve.

** Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 178.31 lakhs (Previous year: gain ₹ 239.83 lakhs) which is adjusted against Foreign Currency Translation Reserve.

*** Cost incurred by the Company, ownership of which vests with a State Owned Power Distribution Company.

- The Company's land of about 5.08 acres was given possession to M/s. Hyderabad Vanaspathi Limited. The sale price of the same is yet to be adjusted pending permission from the Government of Andhra Pradesh.
- The title in respect of the land costing ₹ 15.71 lakhs (previous year ₹ 15.71 lakhs) admeasuring 14.06 acres and 23 guntas (previous year 14.06 acres 23 guntas) is yet to be transferred in the name of the Company.
- The title in respect of land costing ₹ 26.06 lakhs admeasuring 5.05 acres allotted by APIC Ltd during the year 2009-10, is yet to be transferred in the name of the Company.
- Cost of leasehold land amounting to ₹ 153.16 lakhs represents the premium paid to the State Government of Odisha for alienation of 56.91 acres in favour of the Company by virtue of lease deeds for 90/99 years and the said land can be resumed by the Government by giving 6 months notice in writing during the tenure of lease.
- The long term lease period relating to the land situated at Samalkot, East Godavari Dist. on which Plant and Machinery and Buildings of Sugar manufacturing facility costing ₹ 9,055.18 lakhs (previous year: ₹ 8,530.96 lakhs) and ₹ 1,506.37 lakhs (previous year: ₹ 1,357.89 lakhs) respectively, expired on 12th August, 1996. The Company is negotiating with the landlords to get the lease renewed or sell the same to the Company.

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to consolidated financial statements for the year ended 31st March, 2015

17. INTANGIBLE ASSETS:

Particulars	Gross Block			Depreciation			Net Block				
	As at 1st April, 2014	Additions	Deductions*	As at 31st March, 2015	Upto 1st April, 2014	For the year	Adjusted against retained earnings	On deductions**	31st March, 2015	As at 31st March, 2015	As at 1st April, 2014
1. Computer Software	537.18	10.00	(1.79)	548.97	458.53	56.81	2.46	(0.87)	518.67	30.30	78.65
2. Water drawing Rights	898.70	-	-	898.70	416.30	60.21	-	-	476.51	422.19	482.40
3. Goodwill	33,130.18	-	(1,429.50)	34,559.68	-	-	-	-	-	34,559.68	33,130.18
TOTAL	34,566.06	10.00	(1,431.29)	36,007.35	874.83	117.02	2.46	(0.87)	995.18	35,012.17	33,691.23
Previous Year	31,466.44	29.40	(3,070.22)	34,566.06	725.44	148.63	-	(0.76)	874.83	33,691.23	30,741.00

Note:

* Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 1,431.29 lakhs (Previous year: gain ₹ 3,070.22 lakhs) which is adjusted against Foreign Currency Translation Reserve.

** Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 0.87 lakhs (Previous year gain ₹ 0.76) which is adjusted against Foreign Currency Translation Reserve.



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₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
18 CAPITAL WORK-IN-PROGRESS:		
Direct costs	224,650.60	132,098.20
TOTAL	224,650.60	132,098.20

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
19 NON - CURRENT INVESTMENTS:		
Investment in Property (at cost less accumulated depreciation)		
Land at cost	101.91	101.91
	101.91	101.91
Cost of buildings given on operating leases	173.93	173.93
Less: Accumulated depreciation	11.46	5.76
	162.47	168.17
TOTAL	264.38	270.08
i. Trade investments (at cost unless otherwise stated)		
Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
200 shares of ₹ 10/- each in Kothari Sugars & Chemicals Limited #	0.01	0.01
2,857 shares of ₹ 10/- each in The Jeypore Sugar Company Limited	1.16	1.16
Investment in Preference Instruments, fully paid up (unquoted)		
1,35,500 - 6% Shares of ₹100 each in Rio Realty Private Limited	135.50	135.50
1,30,000 - 6% Shares of ₹ 100 each in Juventus Infrastructure & Projects Private Limited	130.00	130.00
7,36,000 - 6% Shares of ₹ 100 each in A9 Realty Private Limited	736.00	736.00
Investment in Equity Instruments, fully paid up (unquoted)		
17 shares of ₹ 10/- each in A P Gas Power Corporation Limited	0.00	0.00
6,46,600 shares of ₹ 10/- each in Malaxmi Highway Private Limited	64.66	64.66

Notes

to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
19 NON - CURRENT INVESTMENTS: (CONTD.)		
25,844 shares of ₹ 10/- each in Kinnera Power Company Pvt. Limited	2.58	2.58
150 Shares of US\$ 1/- each in Indo Coal Ventures Limited	0.06	0.06
ii. Other investments (at cost unless otherwise stated)		
a. Investment in Other Companies		
Investment in Equity Instruments, fully paid up (quoted)		
63,300 Shares of ₹ 10/- each in Avanthi Leathers Limited #	0.63	0.63
76,830 Shares of ₹ 10/- each in NB Footwear Limited #	1.81	3.96
1,500 shares of ₹ 10/- each in Avanthi Feeds Limited	0.15	0.15
8,000 shares of ₹ 10/- each in IDBI Bank Limited #	5.68	5.22
22,800 shares of ₹ 10/- each in Andhra Bank	2.28	2.28
12,284 shares of ₹ 1/- each in Tata Consultancy Services Limited	26.10	26.10
9,651 shares of ₹ 10/- each of MOIL Limited #	26.69	24.27
Investment in Equity Instruments, fully paid up (unquoted)		
75,000 shares of ₹ 10/- each in Srinivasa Cystine Limited	5.00	5.00
- (Previous year 8,000) Shares of ₹ 10/- each in GSR Advisory Services Private Limited	-	0.28
b. Investments in Government Securities (unquoted)		
6 years National Savings Certificates *	0.90	2.50
Rural Electrification bonds (non-trade)	-	50.00
TOTAL	1,139.21	1,190.36
TOTAL	1,403.59	1,460.44

At cost less diminution (current and previous years).

Aggregate amount of quoted investments	96.40	96.40
Aggregate market value of quoted investments	391.68	320.82
Aggregate amount of unquoted investments	1,042.81	1,093.96
Aggregate provision for diminution in the value of investments	31.87	32.61

* 6 year National Savings Certificates are in the names of employees of the Company and the certificates in respect of face value of ₹ 0.90 lakhs (Previous year ₹ 2.50 lakhs) were pledged with various Government Departments as security.



Notes

to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
20 LONG TERM LOANS AND ADVANCES:		
(Unsecured, considered good)		
Capital Advances		
Other advances	9,505.29	4,639.91
Security Deposits	1,324.35	1,320.21
Other receivables	735.12	772.70
Other loans and advances		
Loan to a non-corporate body	2,879.34	2,879.34
Advance for purchases and expenses	11.81	-
Staff loans	144.22	134.83
(Secured, considered good)		
Other loans and advances:		
Loans to others	-	8.31
TOTAL	14,600.13	9,755.30

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
21 OTHER NON-CURRENT ASSETS:		
Prepaid expenses	1,324.72	2,602.01
Payments made under protest	143.83	146.26
Interest receivable	795.13	535.99
Other receivables	839.70	206.34
MAT Credit Entitlement	23,204.02	18,707.81
TOTAL	26,307.40	22,198.41

Notes

to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
22 CURRENT INVESTMENTS:		
(Valued at lower of Cost or Market Value)		
DSP Black Rock FMP (12M) (S153) Fund	-	521.85
DSP Black Rock FMP (12M) (S146) Fund	-	500.00
IDFC Money Manager Fund	414.76	391.27
IDFC Fixed Term Plan	-	961.95
HDFC FMP 369D Regular Growth fund	-	500.00
Birla Sunlife Fixed Term Fund	-	838.65
Baroda Pioneer FMP (370 days) Fund	-	500.00
Birla Sunlife Income Fund	600.00	-
Birla Sunlife Short Term Opportunities Fund	100.00	-
ICICI Prudential Income Regular Fund	600.00	-
ICICI Prudential Regular Savings Fund	100.00	-
IDFC Arbitration (Dividend Payout) Fund	540.27	-
Templeton India LD Fund	-	229.55
TATA Fixed Maturity Fund	-	500.00
IDFC Cash Fund	-	395.94
SBI Premier Liquid Fund	-	400.43
IDFC Super Saver Fund	450.31	-
ICICI Bank Ltd	-	1,120.32
Reliance Regular Savings Fund	100.00	-
Reliance Holdings USA	-	415.96
SBI Premier Liquid Fund	751.98	-
TATA Dynamic Bond Fund	450.31	-
Bank of India FRN EMTN	-	599.10
Bank of India PERP FRN EMTN	-	544.61
IDBI Bank Ltd, DIFC Dubai EMTN	-	1,150.27
State Bank of India PERP FRN EMTN	-	1,322.80
Syndicate Bank	1,283.66	1,198.20
Union Bank of India	1,311.14	-
XAU-USD	2,467.32	4,171.49
TOTAL	9,169.75	16,262.39



Notes

to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
23 INVENTORIES:		
At cost:		
Raw Materials	18,853.22	16,908.12
Raw Material-in-transit	4,950.39	645.11
Work in Progress	390.83	360.94
Finished Goods	19,211.72	28,388.32
Stock-in-trade	49.78	79.77
Store and spares	8,092.02	7,004.04
Stores and Spares-in-transit	37.55	59.82
Others	5.09	3.11
At realisable value:		
Work in Progress	22.95	-
Finished Goods	11,564.71	416.91
TOTAL	63,178.26	53,866.14

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
24 TRADE RECEIVABLES:		
(Unsecured, considered good)		
Due over six months	1,478.90	1,357.21
Due for less than six months	12,052.96	9,748.14
TOTAL	13,531.86	11,105.35

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
25 CASH AND CASH EQUIVALENTS:		
Balances with Banks:		
On Current accounts	10,263.46	10,404.46
On Cash Credit accounts	51.66	1,918.27
Cash on Hand	17.25	15.06
Other bank balances:		
On Unpaid Dividend Accounts	200.70	193.98
Fixed Deposits	3,722.33	5,311.10
Margin Money Deposits	2,320.58	1,979.52
TOTAL	16,575.98	19,822.39

Notes

to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
26 SHORT TERM LOANS AND ADVANCES:		
Other loans and advances:		
(Secured, considered good)		
Loans to others	1.40	456.16
(Unsecured, considered good)		
Loans to other Corporates	10.25	2,042.37
Advances for purchases and expenses	8,617.42	12,411.60
Other receivables	712.69	688.50
Security deposits	4.49	5.00
Loans to service providers	-	20.73
Staff Advances	76.59	57.89
Balance with Statutory Authorities	3,741.08	2,366.00
TOTAL	13,163.92	18,048.25

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
27 OTHER CURRENT ASSETS:		
Other Receivables	627.81	2,426.44
Prepaid Expenses	397.40	328.19
Accrued Conversion Charges	-	135.94
Interest Accrued	425.24	734.15
Advance Income Tax (net of provision)	709.18	301.07
Others	0.14	1,199.16
TOTAL	2,159.77	5,124.95



Notes

to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
28 REVENUE FROM OPERATIONS:		
Sale of Products		
Finished Goods:		
Ferro Alloys	59,663.82	39,972.13
Sugar	12,062.17	13,319.51
Electric Power	117,614.53	119,154.27
Others	11,745.27	10,901.60
	201,085.79	183,347.51
Less: Inter Divisional transfers	23,993.13	23,164.60
	177,092.66	160,182.91
Traded goods:		
Fertilizers	225.83	311.47
PVC Pipes	39.09	22.86
Others	444.16	327.79
Sale of Services		
Ferro Alloys Conversion Charges	4,964.46	12,316.09
Other Operating Revenue		
Export Incentives	1,699.80	1,865.68
Revenue from Operations (Gross)	184,466.00	175,026.80
Less: Excise Duty	3,084.00	2,270.85
Revenue from Operations (Net)	181,382.00	172,755.95

Notes

to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
29 OTHER INCOME:		
Interest Income:		
Bank Deposits	568.60	1,114.61
Non Current Investments	0.83	21.00
Others	4,100.51	4,363.32
Dividend Income from Investments	224.12	1,028.32
Net Gain on Sale of investments	1,566.03	847.71
Adjustments to the carrying amount of investments	0.74	(829.35)
Other Non Operating Income (net of expenses):		
Claims	4.28	319.55
Gain on Sale of Tangible Assets	39.72	15.68
Rents earned	67.91	110.00
Excess provisions/credit balances written back	1,663.03	221.33
Miscellaneous Receipts	2,663.48	2,460.76
TOTAL	10,899.25	9,672.93

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
30 COST OF MATERIALS CONSUMED:		
Inventory at the beginning of the year	16,908.12	12,459.71
Add: Purchase of materials	111,744.92	94,799.33
	128,653.04	107,259.04
Less: Inventory at the end of the year	18,853.22	16,908.12
Cost of materials consumed *	109,799.82	90,350.92

* Includes 4,600 MT of Ferro Chrome costing ₹ 825.34 lakhs consumed for ferro alloys conversion (job work) during the year 2014-15



Notes

to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
31 PURCHASE OF TRADED GOODS:		
Fertilizers	191.90	274.04
PVC Pipes	31.53	30.22
Others	333.12	250.70
TOTAL	556.55	554.96

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
32 (INCREASE)/DECREASE IN INVENTORIES:		
Inventories at the end of the year		
Traded goods	49.78	79.77
Finished Goods	13,883.42	10,875.64
Work in Progress	413.78	360.94
	14,346.98	11,316.35
Inventories at the beginning of the year		
Traded goods	79.77	66.29
Finished Goods	10,875.64	12,650.91
Work in progress	360.94	214.22
Scrap	-	1.21
	11,316.35	12,932.63
(INCREASE)/DECREASE IN INVENTORIES	(3,030.63)	1,616.28

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
33 OTHER MANUFACTURING EXPENSES:		
Stores Consumed	3,435.94	3,290.15
Power, Fuel and Water	2,339.20	2,194.05
Briquetting expenses	187.66	412.50
Fly Ash Brick expenses	13.04	37.05
Organic Manure expenses	39.97	77.08
Raw Material Handling expenses	1,641.54	1,626.38
Finished Product Handling expenses	803.37	683.44
Cane Development expenses	1,020.08	843.73
Testing and Analysis charges	51.77	64.15
Other expenses	460.62	347.44
TOTAL	9,993.19	9,575.97

Notes

to consolidated financial statements for the year ended 31st March, 2015

Particulars	31st March, 2015	31st March, 2014
34 EMPLOYEE BENEFITS EXPENSE:		
Salaries, Wages and Bonus	9,043.70	8,771.88
Contribution to Provident and Other Funds	461.21	468.69
Staff Welfare Expenses	616.06	639.36
Retirement Benefits	547.04	538.68
TOTAL	10,668.01	10,418.61

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
35 FINANCE COSTS:		
Interest	8,306.98	10,033.16
Bank Charges and Commission	1,115.66	870.28
Prompt Payment Rebate	1,745.10	1,723.72
TOTAL	11,167.74	12,627.16

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
36 DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation on Tangible Assets	7,758.14	11,042.90
Amortisation of Intangible Assets	117.02	148.63
Depreciation on Investment Property	5.70	2.84
	7,880.86	11,194.37
LESS: Capitalised	5.26	0.23
TOTAL	7,875.60	11,194.14



Notes

to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
37 OTHER EXPENSES:		
Rent	177.94	255.14
Central Excise Duty *	405.04	(102.44)
Rates and Taxes	2,013.13	1,982.97
Freight and Transportation	2,403.92	1,624.61
Insurance	697.12	818.68
Advertisement and sales promotion	34.95	36.23
Communications	184.55	170.76
Travelling and Conveyance	514.32	503.08
Vehicle Maintenance	181.19	216.48
Legal and Professional Charges	1,412.04	1,091.37
Payments to Auditors:		
as auditors	95.84	58.91
for tax audit	12.08	12.36
for other matters	15.44	47.74
for expenses	0.25	0.25
Cost Auditor fees	6.52	6.52
Repairs and Maintenance to:		
Machinery	3,819.91	3,384.48
Buildings	835.16	574.77
Other Assets	155.63	207.11
General Charges	3,957.68	1,472.23
CSR expenses	790.95	413.68
Obsolete Inventory written off	6.51	-
Project expenses written off	4,047.99	174.66
Investments written off	594.33	-
Foreign Exchange Fluctuations	(484.40)	1,525.19
Assets discarded	0.38	2.52
Loss on Sale of Tangible Assets	5.24	4.87
TOTAL	21,883.71	14,482.17

* Excise Duty represents the aggregate of Excise Duty borne by the Company and the difference between Excise Duty on opening and closing stock of finished/saleable goods.

Notes

to consolidated financial statements for the year ended 31st March, 2015

₹ in lakhs

Particulars	31st March, 2015	31st March, 2014
38 EXCEPTIONAL ITEMS:		
Adjustments relating to earlier years (net):		
Power price difference	-	8.73
Input tax credit	-	37.01
Unscheduled Inter-Change Charges	19.96	62.45
Interest	21.70	-
Miscellaneous expenses	-	0.47
Difference in conversion charges	-	280.15
Transport subsidy	-	48.36
TOTAL	41.66	437.17

39 Depreciation for the year is provided as per Schedule II of the Companies Act, 2013, accordingly ₹ 510.24 lakhs being the remaining carrying amount of the assets whose remaining useful life is nil and the deferred tax thereon amounting to ₹ 84.72 lakhs are recognised in the opening balance of retained earnings.

40 In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

41 The Company uses derivative financial instruments such as forward contracts and currency swap to hedge currency exposures, present and anticipated, denominated mostly in US Dollars and all financial and derivative contracts entered into by the Company are for hedging purpose only.

The information on derivative instruments are as follows:

a) Derivative contracts outstanding as at the year end: nil (previous year: USD 20.00 lakhs)

b) Foreign currency exposure not hedged by derivative instruments:

lakhs

Particulars	Amount in USD		Amount in INR	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Bank loan	65.83	66.88	4,114.67	4,006.62
Payables on account of import of goods	34.95	0.74	2,183.87	44.12



Notes

to consolidated financial statements for the year ended 31st March, 2015

42 Additional information as required under Schedule III of the Companies Act, 2013 of entities consolidated as subsidiaries

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in Profit	
	As % of consolidated net assets	Amount ₹ in lakhs	As % of consolidated profit	Amount ₹ in lakhs
Parent Company				
1. Nava Bharat Ventures Limited	87.10	253,465.25	69.15	14,246.92
Indian Subsidiaries				
1. Nava Bharat Energy India Limited	13.09	38,091.78	49.75	10,251.24
2. Nava Bharat Projects Limited	8.22	23,936.21	1.51	312.25
3. Nava Bharat Realty Limited	-	(0.22)	-	(0.89)
4. Nava Bharat Sugar and Bio Fuels Limited	-	0.80	-	(0.65)
5. Brahmani Infratech Private Limited	1.78	5,188.62	2.26	465.62
Foreign subsidiaries				
1. Nava Bharat (Singapore) Pte Limited	32.18	93,638.76	(26.35)	(5,429.23)
2. Maamba Collieries Limited	14.84	43,187.79	1.90	392.03
3. NB Tanagro Limited	-	0.62	-	-
4. Namphak Power Company Limited	0.18	524.96	-	-
5. Nava Energy Pte. Limited	-	(0.73)	(0.01)	(1.36)
6. Nava Bharat Lao Energy Pte. Limited	0.08	229.02	(0.01)	(2.22)
Less:				
Effect of intercompany eliminations	(65.96)	(191,948.05)	3.25	669.28
Minority interest in all subsidiaries	8.49	24,697.37	(1.45)	(298.72)
	100.00	291,012.18	100.00	20,604.27

43 Contingent liabilities and Commitments (to the extent not provided for)

Particulars	31st March, 2015	31st March, 2014
i) Contingent liabilities:		
a) Claims against the Company not acknowledged as debts	2,863.22	2,625.29
b) Guarantees	62,604.74	52,011.08
c) Other money for which the Company is contingently liable:		
i) Demand from Income Tax department disputed	926.63	660.08
ii) Showcause notices received from Central Excise Dept. *	1,313.80	1,339.05
iii) Others	198.81	198.81

Notes

to consolidated financial statements for the year ended 31st March, 2015

Particulars	31st March, 2015	31st March, 2014
d) As per the “Renewal Power Purchase obligation (Compliance by Purchase of Renewal Energy/Renewable Energy Certificates) Regulations 2012” of APERC, the Company is under obligation for the year to comply with the said regulations. However as the Company contested the applicability of regulations to the Company in the Hon’ble High Court of A.P., compliance cost is not provided to the extent of	849.69	548.46
ii) Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	120,739.90	143,993.38
b) Other commitments:		
Customs duty payable on imports-in-transit	66.89	-

*Represent showcase notices received to issue demands and pending for final consideration. The Company has already submitted its objections in writing against the said notices.



Notes

to consolidated financial statements for the year ended 31st March, 2015

44 SEGMENT INFORMATION AS PER AS 17

A. PRIMARY DISCLOSURES:

The company has identified the reportable primary business segments considering:

- the nature of products and services;
- the differing risks and returns;
- the organisation structure; and
- the internal financial reporting system.

Particulars	31st March, 2015					31st March, 2014				
	Ferro Alloys	Power	Sugar	Others	Total	Ferro Alloys	Power	Sugar	Others	Total
1. Segment Revenue (gross)	66,939.41	119,510.67	14,631.65	17,306.20	218,387.93	56,923.35	121,464.42	16,203.83	12,529.88	207,121.48
Less: Inter segment revenue	263.42	23,808.22	647.04	-	24,718.68	391.61	22,753.70	813.75	-	23,959.06
Segment Revenue (net)	66,675.99	95,702.45	13,984.61	17,306.20	193,669.25	56,531.74	98,710.72	15,390.08	12,529.88	183,162.42
2. Segment Result	(270.94)	33,988.69	(234.76)	(781.29)	32,701.70	2,206.84	35,696.90	632.97	4,194.27	42,730.98
3. Segment Result excluding inter segment margin	6,409.30	27,300.91	(227.22)	(781.29)	32,701.70	10,756.95	27,206.30	573.46	4,194.27	42,730.98
Add: Other unallocable Income					1,791.64					1,067.68
Less: Finance Charges					11,167.74					12,627.16
Profit before tax					23,325.60					31,171.50
Taxation for the year					2,422.61					3,549.17
Net Profit					20,902.99					27,622.33
4. Segment Assets	47,161.49	454,882.05	17,476.49	39,585.17	559,105.20	37,839.79	172,334.08	18,930.65	220,924.64	450,029.16
Unallocated					32,136.72					44,464.41
Total Assets					591,241.92					494,493.57
5. Segment Liabilities	7,065.65	267,673.17	4,636.34	(2,195.58)	277,179.58	3,332.60	53,054.11	3,381.38	132,386.77	192,154.86
Unallocated					314,062.34					302,338.71
Total liabilities					591,241.92					494,493.57
6. Capital expenditure	233.22	2,409.15	604.06	97,136.72	100,383.15	245.21	26,150.99	519.61	4,357.26	31,273.07
Depreciation	675.67	4,895.77	546.14	1,758.02	7,875.60	840.62	8,036.84	559.30	1,757.38	11,194.14
Non-cash expenses other than depreciation	28.67	5.95	25.45	4,642.70	4,702.77	9.58	17.30	5.17	233.79	265.84

Notes

to consolidated financial statements for the year ended 31st March, 2015

B. SECONDARY DISCLOSURES:

Total Carrying amount of Segment Assets by geographical location of Assets, for each geographical Segment whose Segment Assets are 10 percent or more of the total Assets of all geographical Segments.

₹ in lakhs

Geographical Segment	31st March, 2015			31st March, 2014		
	Cost incurred to acquire Assets (Tangible and Intangible)		Carrying amount of Segment Assets	Cost incurred to acquire Assets (Tangible and Intangible)		Carrying amount of Segment Assets
	Put to use	Capital Work-in-progress		Put to use	Capital Work-in-progress	
Ferro Alloy Plant Paloncha, Khammam Dist. Telangana	99.20	182.38	31,095.71	508.84	243.22	29,062.22
Ferro Alloy Plant Kharagprasad, Dhenkanal Dist. Odisha	24.98	14.98	16,065.78	58.91	16.13	8,777.57
Power Plant Paloncha, Khammam Dist. Telangana	2,652.93	837.53	116,298.60	65,306.89	1,043.96	111,349.11
Power Plant Kharagprasad, Dhenkanal Dist. Odisha	231.41	-	47,175.04	24,927.51	346.44	49,909.12
Power Plant Dharmavaram, East Godavari Dist. A.P.	144.83	-	11,548.12	50.09	-	11,075.85
Power Plant Maamba, Zambia	1,062.16	219,674.54	229,592.90	-	-	-

- 45** As required by Accounting Standard (AS 28) "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognised during the year other than the assets discarded/dismantled and written off.



Notes

to consolidated financial statements for the year ended 31st March, 2015

46 THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS:

a) Names of related parties and relation with the Company :

i) Key Management Personnel:	<p>Sri D. Ashok, Chairman</p> <p>Sri P. Trivikrama Prasad, Managing Director</p> <p>Sri G.R.K. Prasad, Executive Director</p> <p>Sri C.V. Durga Prasad, Director (Business Development)</p>
ii) Relatives of key management personnel:	<p>Smt. D. Ramaa - wife of Sri D Ashok</p> <p>Sri D. Ashwin - son of Sri D Ashok</p> <p>Sri D. Nikhil - son of Sri D Ashok</p> <p>Dr. D. Rajasekhar - brother of Sri D Ashok</p> <p>Smt. D. Bhaktapriya - mother of Sri D Ashok</p> <p>Smt. A. Nilima - sister of Sri D Ashok</p> <p>Smt. P. Rajashree - wife of Sri P Trivikrama Prasad</p> <p>Smt. P. Sruthi - daughter of Sri P Trivikrama Prasad</p> <p>Smt. G. S. P. Kumari - wife of Sri G R K Prasad</p> <p>Smt. C. Umamaheswari - wife of Sri C V Durga Prasad</p>
iii) Enterprises over which key management personnel/ their relatives exercise significant influence:	<p>M/s.Nava Bharat Natural Resources India Limited</p> <p>M/s.Nav Developers Limited</p> <p>M/s.S R T Investments Private Limited</p> <p>M/s.A N Investments Private Limited</p> <p>M/s.V9 Avenues Private Limited</p> <p>M/s.A9 Homes Private Limited</p> <p>M/s.AV Dwellings Private Limited</p> <p>M/s.Brahmani Skyline Constructions Private Limited</p> <p>M/s.Brahmani Infrastructure Projects Private Limited</p> <p>M/s.Brahmani Infotech Private Limited</p> <p>M/s.V9 Infra Ventures Private Limited</p> <p>M/s.Pinnamaneni Healthcare Private Limited</p> <p>M/s.Malaxmi Highway Private Limited</p> <p>M/s.Kinnera Power Company Private Limited</p> <p>Dr. Devineni Subba Rao Trust</p> <p>M/s. Gunnam Subbarao and Ramayamma Trust</p>

Notes

to consolidated financial statements for the year ended 31st March, 2015

46 THE DETAILS OF RELATED PARTY TRANSACTIONS IN TERMS OF ACCOUNTING STANDARD (AS 18) ARE AS FOLLOWS:

b) Particulars of transactions during the year:

₹ in lakhs

Nature of transactions	31st March, 2015	31st March, 2014
i) Transactions with Key Management personnel:		
Sri D Ashok		
Remuneration	472.29	670.06
Sri P Trivikrama Prasad		
Remuneration	469.03	669.75
Sri G R K Prasad		
Remuneration	238.81	242.51
Sri C V Durga Prasad		
Remuneration	175.97	186.93
ii) Transactions with relatives of Key Management personnel:		
Dr. D. Rajasekhar		
Rent	15.20	15.20
Smt. G. S. P. Kumari		
Rent	12.60	47.79
Smt. C. Umamaheswari		
Rent	12.60	47.79
Smt P Sruthi		
Rent	3.60	3.60
Sri D Ashwin		
Remuneration	561.90	421.29
Sri D Nikhil		
Remuneration	31.12	-



NAVA BHARAT

Notes

to consolidated financial statements for the year ended 31st March, 2015

c) Amount due from/(due to) related parties as at the year end:

₹ in lakhs		
Name of the party	31st March, 2015	31st March, 2014
Key Management personnel:		
Sri D Ashok	(292.62)	(471.82)
Sri P Trivikrama Prasad	(292.62)	(471.82)

47 EARNINGS PER SHARE (E.P.S.)

Particulars	31st March, 2015	31st March, 2014
a) Net Profit as per Statement of Profit and Loss available for Equity Shareholders (₹ in lakhs)	20,604.27	27,990.72
b) Weighted average number of Equity Shares for Basic and diluted EPS	89,287,741	89,287,741
c) Nominal value of the share (₹)	2.00	2.00
d) Basic earnings per share (₹)	23.08	31.35
e) Diluted earnings per share (₹)	23.08	31.35

48 Previous year figures have been re-grouped and/or reclassified wherever necessary to make them comparable with those of current year.

per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration Number: 0005135

for and on behalf of the Board

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director

P. Chandramouli
Partner
Membership Number: 025211

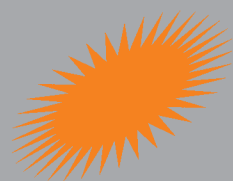
Place : Hyderabad
Date : 29.05.2015

M. Subrahmanyam
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director

300 MW POWER PLANT UNDER CONSTRUCTION AT MAAMBA, ZAMBIA





NAVA BHARAT

www.nbventures.com



NAVA BHARAT

NAVA BHARAT VENTURES LIMITED

Regd. Office : 6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082, Telangana

Tel : +91 40 23403501/40345999

Fax : +91 40 23403013 | E-mail : nbvl@nbv.in | Website : www.nbventures.com

CIN : L27101TG1972PLC001549

NOTICE

NOTICE is hereby given that the 43rd Annual General Meeting of the Members of Nava Bharat Ventures Limited will be held on Thursday, the 27th August, 2015 at 10.00 a.m. at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad – 500 016 to transact the following business:

Ordinary Business:

Item No.1:

Adoption of Financial Statements:

To receive, consider, approve and adopt the Audited Financial Statements of the Company (Standalone and Consolidated) for the year ended 31st March, 2015 including audited Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon including the audited consolidated financial statements of the Company and Report of the Auditors thereon, for the financial year ended 31st March, 2015.

Item No.2:

Declaration of Dividend on the Equity Shares:

To declare dividend of ₹ 5/- (Rupees Five only) per Equity Share of ₹ 2/- each for the financial year ended 31st March, 2015.

Item No.3:

Re-appointment of Director:

To appoint a Director in place of Sri D.Ashok, who retires by rotation and, being eligible, offers himself for re-appointment.

Item No.4:

Appointment of Auditors:

To ratify the appointment of Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Section 139 and Section 142 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of the audit committee of the Board, and pursuant to the resolution passed by the Members at the Annual General Meeting held on 8th August 2014, the appointment of M/s.Brahmayya & Co., Chartered Accountants (Regn. No. 000513S) as the auditors of Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting to be held in the calendar year 2016 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors."

Special Business:

Item No.5:

Commission payable to Non-Executive Directors and Independent Directors:

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

"RESOLVED THAT pursuant to Section 197 and other applicable provisions, if any, of the Companies Act 2013, the Company be and is hereby authorized to pay to its Non-Executive Directors including Independent Directors (other than Executive Chairman, Managing Director and Directors in the whole time employment of the Company) for each year for a period of five years commencing from 1st April, 2016 such Commission as the Board may from time to time determine not exceeding 1% of the Net Profits of the Company in any financial year (to be computed in the manner provided in Section 198 of the Companies Act, 2013) subject to an overall ceiling of ₹ 25 lakhs per year to be paid and distributed equally amongst all the Non-Executive Directors including Independent Directors of the Company for each financial year for a period of five years commencing from 1st April, 2016."

"RESOLVED FURTHER THAT each Non-Executive Director/Independent Director, in addition to the commission payable in the above manner, shall also be paid such sitting fee for every meeting of the Board or Committee not exceeding the limits specified in the Companies Act, 2013 and the Rules made thereunder, and with effect from such date, as may be determined by the Board of Directors of the Company from time to time."

Item No.6:

Ratification of appointment of Cost Auditors for the Financial Year 2015-16:

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

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s.Narasimha Murthy & Co., Cost Accountants, 3-6-365, 104, Pavani Estate, Y.V.Rao Mansion, Himayat Nagar, Hyderabad – 500 029 made by the Board, as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of Company's Products in all the Units or Plants relating to Electricity; Steel (Ferro Alloys); Sugar; & Industrial Alcohol for the Financial Year 2015-16 at an aggregate fee of ₹ 6,60,000/- plus out of pocket expenses for the visits to the Factory and service tax thereon, be and is hereby approved and ratified."

Item No.7:

Alteration of Articles of Association (AoA) of the Company in terms of Section 14 of the Companies Act, 2013:

To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the Articles of Association (AoA) of the Company be and are hereby altered by replacing all the existing Articles 1 to 162 with the new Articles 1 to 152, a copy of which is annexed to the Explanatory Statement, and new set of Articles be adopted as new Regulations of the Articles of Association of the Company."

"RESOLVED FURTHER THAT Sri P. Trivikrama Prasad, Managing Director and Sri G R K Prasad, Executive Director of the Company be and are hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the aforementioned resolution, including but not limited to the filing of the necessary forms with the Registrar of Companies and to comply with all other requirements in this regard."

Item No.8:**Nava Bharat Ventures General Employee Benefits Scheme, 2015:**

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT subject to and in compliance with the applicable provisions of the Companies Act, 2013 (which deems to include the provisions the Companies Act, 1956 applicable, if any, for the time being in force) and the rules made thereunder (“the Act”), in accordance with Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“the Regulations”) and other applicable laws, consent of the Members of the Company, be and is hereby accorded to the adoption of the ‘Nava Bharat Ventures General Employee Benefits Scheme, 2015’ (the “Scheme”) being a general employee benefits scheme, formulated under Part D of the Regulations, to provide welfare benefits such as medical, housing and education related assistance, to employees as detailed in the Scheme (“Welfare Benefits”);

RESOLVED FURTHER THAT pursuant to the provisions of the Regulations and in accordance with Memorandum and Articles of Association of the Company, the Act and other applicable laws, consent of the Members of the Company be and is hereby accorded to the Board (including the Nomination and Remuneration Committee or any other Committee which the Board has constituted to be the Compensation Committee as required under the Regulations) to administer and supervise the Scheme and implementation thereof in accordance with the Regulations;

RESOLVED FURTHER THAT the Compensation Committee/Employee Welfare Committee shall at its absolute discretion delegate such powers of administration and/or supervision of the Scheme to Barclays Wealth Trustees (India) Private Limited in its capacity as trustee of the Trust (“Trustees”) settled by the Company called Nava Bharat Ventures Employee Welfare Trust (“Trust”) vide an indenture dated 25th January, 2012 as amended by the Deed of Amendment;

RESOLVED FURTHER THAT pursuant to the provisions of the Regulations and in accordance with the Memorandum and Articles of Association of the Company, the Act and other applicable laws, consent of the Members is hereby accorded to the Company to provide all or any of the Welfare Benefits to the eligible employees as determined under the Scheme;

RESOLVED FURTHER THAT in accordance with the provisions of the Regulations, the Memorandum and Articles of Association of the Company, the Act and other applicable laws, consent of the Members is hereby accorded to the Compensation Committee/Employee Welfare Committee to give such directions to the Trust in relation to the utilization of assets, income and Trust Property held by the Trust for the purposes of the Scheme in a manner so as to effectively provide the Welfare Benefits to the eligible employees as determined under the Scheme;

RESOLVED FURTHER THAT the Company shall conform to the accounting policies as described under Regulation 15 of the Regulations;

RESOLVED FURTHER THAT the Board be and is hereby authorised to make modifications in the Scheme, as it may deem fit, from time to time in its absolute discretion to bring it in conformity with the provisions of the Regulations, the Memorandum of Association and Articles of Association of the Company, the Act and any other applicable laws, as amended from time to time;

RESOLVED FURTHER THAT for the purpose of giving effect to the Scheme, the Board be and is hereby authorised, on behalf of the Company, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to sign any documents, deeds, settle any issues, questions, difficulties or doubts that may arise in this regard;

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Director or a Committee of Directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc., as may be necessary in this regard.”

Item No.9:**Compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT subject to and in compliance with the applicable provisions of the Companies Act, 2013 (which deems to include the provisions of the Companies Act, 1956 applicable, if any, for the time being in force) and the rules made thereunder ("the Act"), in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the Regulations") and other applicable laws, consent of the Members of the Company is hereby accorded to the Board to take such actions as are in consonance with the Regulations within the timeline mentioned therein, after taking into consideration the circumstances and situations with respect to its employees for the purpose of ensuring that the Shares held by the trustee on behalf of the Trust, comply with the thresholds as provided under the Regulations as amended from time to time."

By order of the Board
For **NAVA BHARAT VENTURES LIMITED**

Hyderabad
May 29, 2015

M.Subrahmanyam
Company Secretary & Vice President

Registered Office:

6-3-1109/1
'Nava Bharat Chambers'
Raj Bhavan Road
HYDERABAD – 500 082
Ph.No.040-23403501; Fax No.040-23403013
E-mail : nbvl@nbv.in
Website : www.nbventures.com
CIN : L27101TG1972PLC001549

NOTES

1. The Explanatory Statement in respect of the special business in the Notice, pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in the Meeting and the Proxy need not be a Member of the Company.
3. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A Proxy Form for the Annual General Meeting is enclosed.
4. Members/Proxies should bring the duly filled Attendance Slip attached herewith to attend the meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
6. The Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
7. The Register of Members and Share Transfer Books will remain closed from 22nd August, 2015 to 27th August, 2015 (both days inclusive) in connection with the Annual General Meeting and Dividend.
8. The dividend for the year ended 31st March, 2015 as recommended by the Board, i.e. ₹ 5/- (Rupees Five) per Equity Share of ₹ 2/- each, if declared at the meeting, will be paid to those Members whose names appear in the Company's Register of Members after effecting valid transfers received upto the close of business hours on 21st August, 2015. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details provided as at the close of business hours on 21st August, 2015 by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. The dividend on Equity Shares, if declared at the meeting, will be credited/dispatched on 3rd September, 2015.
9. The unclaimed equity dividend for the year ended 31st March, 2008 will be transferred on 25th August, 2015 to the 'Investor Education and Protection Fund' on expiry of 7 years from the date of transfer to the Unpaid Dividend Account, pursuant to Sec.205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013). Members who have not encashed their Dividend Warrants for the said financial year or subsequent year(s) are requested to send the same to the Company or its Registrars and Transfer Agents for issue of fresh demand drafts.
10. The unclaimed physical share certificates with the Registrars & Transfer Agents of the Company, subsequent to the issue of various reminders, were transferred to unclaimed suspense account and dematerialized to the credit of "Nava Bharat Ventures Limited – Unclaimed Suspense Account". The details were placed on the Website of the Company. The concerned Members are requested to approach the Registrars, M/s. Karvy Computershare Private Limited with their claim for the transfer of their shares to their demat account. The dividend accruing on the said shares would be credited to the unpaid dividend account as the dividend is to be paid to the registered holders only. The dividend would also be remitted to the concerned shareholders on claiming their shares out of the Unclaimed Suspense Account.
11. Members are requested to furnish details of their bank accounts viz., name of bank, full address of the branch, account number with 9 digit MICR Code No. and folio number forwarding photo copy of PAN Card and a cancelled cheque leaf for incorporation on the dividend warrant, to the Company's Registrars and Transfer Agents, M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. In case of holding shares in electronic mode, Members are requested to approach their Depository Participants for updation of bank account details with the aforesaid documents.
12. Members seeking any information or clarification on the accounts are requested to send in writing queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.

13. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars and Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio.
14. Pursuant to the directions/notifications of SEBI and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated.

Securities and Exchange Board of India, vide Circular ref.no.MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circular, all share transfer requests are therefore to be accompanied with PAN details.

15. Registration of e-mail addresses for sending Annual Reports, communications, etc:

Members are requested to register their e-mail addresses and changes therein from time to time with the Registrars and Transfer Agents (in case of physical shares) or with the concerned Depository Participant (in case of electronic holdings) so that the Company will use the same for sending Notices, Annual Reports and other communications. Copies of Annual Report 2014-15 are being sent under electronic mode only, to all the Members whose e-mail addresses are registered with the Registrars and Transfer Agents of the Company i.e. M/s Karvy Computershare Private Limited / Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report 2014-15 are being sent by a permitted mode.

16. Members may also please note that the Notice of the 43rd Annual General Meeting and the Annual Report 2014-15 will be available on the Company's website: www.nbventures.com. The physical copies of the aforesaid documents will also be available at the Company's Regd. Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to the Company at: secretarial@nbv.in.

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 43rd Annual General Meeting of the Company.

17. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment /re-appointment at the Annual General Meeting is furnished and forms part of the Notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.
18. Retirement of Directors by Rotation:

Sri D.Ashok, Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The Board of Directors commends the re-appointment of Sri D.Ashok as a Director, liable to retire by rotation.

19. Voting through electronic means:

In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this Section of the Notice) and Clause 35B of the Listing Agreement, the Company is providing facility to exercise voting rights on the items of business given in the Notice through electronic voting system, to Members holding shares as on 21st August, 2015 (End of Day) being the Cut-off date fixed for determining voting rights of Members, entitled to participate in the e-voting process, through the e-voting platform provided by M/s.Karvy Computershare Pvt. Ltd. (Karvy). The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote

e-voting).

A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the Depositories (holding shares either in physical form or in dematerialised form) as on 21st August, 2015, the "Cut-off date" shall be entitled to avail the facility of remote e-voting as well as voting in the General Meeting.

A. Procedure and instructions for e-voting

I. The Company has engaged the services of M/s. Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for Annual General Meeting. The instructions for remote e-voting are as under:

(a) In case of Members receiving an e-mail from Karvy:

- (i) Initial password is provided in the body of the e-mail.
- (ii) Launch an internet browser and open <https://evoting.karvy.com>
- (iii) Enter the login credentials (i.e. User ID and password). The Event No.+Folio No. or DP ID- Client ID will be your User ID.
- (iv) After entering the above details Click on - Login.
- (v) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the E-Voting Event.
- (vii) Select the EVENT of Nava Bharat Ventures Limited and click on - Submit.
- (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (ix) On the voting page, the number of shares (which represents the number of votes) as held by the Member as on the cut-off date will appear. If you desire to cast all the votes assenting / dissenting to the resolution, then enter all shares and click "FOR" / "AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST" but the total number in "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (x) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
- (xi) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- (xii) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xiii) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xiv) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at prenunkaacs@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

- (b) In case of Shareholders receiving physical copy of the Notice of Annual General Meeting and Attendance Slip, Initial password is provided as follows, at the bottom of the Attendance Slip.

EVEN (E-Voting Event Number)	User Id	Password
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Please follow all steps from Sr. No. (i) to Sr. No. (xi) above to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.
- III. If you are already registered with Karvy for e-voting, then you can use your existing User ID and Password for casting vote.
- IV. The voting rights shall be as per the number of equity shares held by the Member(s) as on 21st August, 2015. Members are eligible to cast vote electronically even if they are holding shares as on that date.
- V. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of Annual General Meeting. Accordingly, the voting period shall commence at 9.00 a.m. on Sunday, the 23rd August, 2015 and will end at 5.00 p.m. on Wednesday, the 26th August, 2015. The e-voting module shall be disabled by Karvy at 5.00 p.m. on 26th August, 2015.
- VI. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
- VII. The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- VIII. Members who have acquired shares after the despatch of the Annual Report and before the Cut-off date viz., 21st August, 2015, may obtain the user ID, approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
 - a. If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS : MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399
 Example for NSDL : MYEPWD <SPACE> IN12345612345678
 Example for CDSL : MYEPWD <SPACE> 1402345612345678
 Example for Physical : MYEPWD <SPACE> XXX1234567
 - b. If e-mail or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c. Member may call Karvy's toll free number 1-800-3454-001.
 - d. Member may send an e-mail request to evoting@karvy.com.
- IX. The results shall be declared on or after the Annual General Meeting. The results along with the Scrutinizer's Report shall also be placed on the website of the Company.

B. Process and manner for Members opting for voting through Ballot:

Members who do not have access to e-voting facility may fill in the Ballot form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutiniser, Mrs. P Renuka, C/o M/s. Karvy Computershare Pvt Ltd, Unit: Nava Bharat Ventures Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, so as to reach by 5.00 p.m. on 26th August, 2015. Ballot Forms received after this date will be treated as invalid.

Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.

The facility for voting, through ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

C. General Instructions:

- (i) Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice.
- (ii) Members may alternatively opt for e-voting, for which the USER ID and initial password are provided at the bottom of the Ballot Form. Please follow steps from Sl. No.(i) to (xiv) under heading (A) above, to vote through e-voting platform.
- (iii) In the event, a Member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
- (iv) The Company has appointed Mrs. P Renuka as the Scrutinizer to scrutinise the e-voting process in a fair and transparent manner.
- (v) The scrutinizer shall, immediately after the conclusion of voting at the general meeting, 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 three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same, provided that the Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

It is hereby clarified that the manner in which Members have cast their votes, that is, affirming or negating the resolution, shall remain secret and not available to the Chairman, Scrutinizer or any other person till the votes are cast in the meeting.

- (vi) For the purpose of ensuring that Members who have cast their votes through remote e-voting do not vote again at the General Meeting, the scrutinizer shall have access, after the closure of period for remote e-voting and before the start of General Meeting, to details relating to Members, such as their names, folios, number of shares held and such other information that the scrutinizer may require, who have cast votes through remote e-voting but not the manner in which they have cast their votes.
- (vii) The scrutinizer shall maintain a register either manually or electronically to record the assent or dissent received, mentioning the particulars of name, address, folio number or client ID of the Members, number of shares held by them, nominal value of such shares and whether the shares have differential voting rights.
- (viii) The register and all other papers relating to voting by electronic means shall remain in the safe custody of the scrutinizer until the Chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall hand over the register and other related papers to the Company.
- (ix) The results declared along with the report of the scrutinizer shall be placed on the website of the Company, www.nbventures.com and on the website of Karvy, www.evoting.karvy.com, immediately after the result is declared by the Chairman. The Company shall, simultaneously, forward the results to the concerned Stock Exchanges for placing the results on their websites.
- (x) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 43rd Annual General Meeting of the Company scheduled to be held on Thursday, the 27th August, 2015.

The requisite number of votes shall be the votes required to pass the resolution as 'ordinary resolution' or 'special resolution', as the case may be, under Section 114 of the Act.
- (xi) A resolution proposed to be considered through voting by electronic means shall not be withdrawn.

Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No.5:

Commission payable to Non-Executive Directors and Independent Directors:

The Members at their Annual General Meeting held on 16th August 2010, by way of a Special Resolution, approved to pay the Non Executive Directors' remuneration for each financial year from 1st April, 2011 to 31st March, 2016, an amount not exceeding 1% of the net profits of the Company subject to an overall ceiling of ₹ 20 lakhs (Rupees Twenty lakhs only) for each financial year to be divided equally amongst the Non-Executive Directors in such manner, as the Board may from time to time determine, which shall be in addition to the sitting fee for each meeting of the Board/Committee.

The Company, at present, is paying sitting fee @ ₹ 7,500/- per meeting of the Board/Committee to each Non-Executive Director.

Section 197 of the Companies Act, 2013, permits payment of remuneration to the Non-Executive Directors including Independent Directors by way of commission not exceeding 1% of the net profits of the Company, if the Company authorizes such payment by a Resolution at the General Meeting of the Company.

Section 197(7) of the Companies Act, 2013, further states that an Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the Members.

Further, the remuneration payable to Directors who are neither Managing Director nor Whole-time Directors shall not exceed 1% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Act, exclusive of sitting fee.

As per Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a Company may pay sitting fee to a Director for attending meetings of the Board or Committees thereof, such sum as may be decided by the Board of Directors subject to the limits specified therein.

With the growth in the size, scale and complexity of the Company's operations and the level of involvement of the Non-Executive Directors and Independent Directors in the supervision and control of the Company and their guidance for the growth of the Company as Members of the Board and also as Chairman/Members of the relevant Committees of the Board, the role of Non-Executive/ Independent Directors on the Board has undergone significant qualitative change and is expanding.

Your Board approved and recommended to the Members to sanction the remuneration by way of commission payable to the Non-Executive Directors including Independent Directors for every year for a period of five years commencing from 1st April, 2016 as proposed in the Resolution apart from the sitting fee for attending Board/Committee meetings not exceeding the limits specified by the Act, as may be decided by the Board from time to time, so that it is commensurate with their enhanced role and involvement in the Governance of the Company.

Board of Directors approved to enhance the Commission to ₹ 25 lakhs per annum to be divided amongst all the Non-Executive Directors including Independent Directors and the sitting fee payable to the Non-Executive Directors and Independent Directors from ₹ 7,500/- per meeting to ₹ 15,000/- each per each meeting of the Board/Committee with effect from such date as may be determined by the Board.

Except Sri K Balarama Reddi, Dr. M V G Rao, Dr E.R.C. Shekar, Dr. D Nageswara Rao and Dr. C.V. Madhavi, being Independent Directors, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in any way, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

Item No. 6:**Ratification of appointment of Cost Auditors for the Financial Year 2015-16:**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors, M/s. Narasimha Murthy & Co., Cost Accountants, 3-6-365, 104, Pavani Estate, Y. V. Rao Mansion, Himayat Nagar, Hyderabad – 500 029, to conduct the audit of the cost records of the Company across various segments, for the financial year ending March 31, 2016 as per the following details:

S. No.	Product	Fee for 2015-16(₹)
1.	Electricity (Eight Units)	3,60,000
2.	Ferro Alloys (Steel) (Two Units)	1,20,000
3.	Sugar	1,20,000
4.	Industrial Alcohol	60,000
TOTAL		6,60,000

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

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

Item No.7:**Alteration of Articles of Association (AoA) of the Company in terms of Section 14 of the Companies Act, 2013:**

The existing Articles of Association (AoA) are based on the Companies Act, 1956. In order to bring the Article of Association in line with the provisions of Companies Act, 2013 and Rules made thereunder, it is proposed to alter the Articles of Association of the Company (AoA) thereby replacing Article no(s) 1 to 162 with the new Articles no(s) 1 to 152 as detailed below:

- References to Old Act were substituted with references to New Act;
- Wherever Sections under Old Act were referred to, they were replaced with corresponding Sections under the New Act;
- Some of the Articles were deleted since they have become redundant, contrary to the provisions of the New Act and Rules;
- Some of the Articles have been added to provide for changes that have been brought about by the New Act;
- The Articles which are in conformity with the provisions of the new Act, have been retained and the Articles which do not need substantial changes have been streamlined and aligned with the provisions of the new Act; and
- Wherever required, the existing Articles so retained without alterations or without replacement have been renumbered.

A complete set of Articles as altered is attached to this Notice and is also available for inspection of Members and other stakeholders on the Website www.nbventures.com and also in the registered office of the Company during business hours.

As per the provision of Section 14 of the Companies Act, 2013 any alteration so made shall require Shareholders approval by way of special resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

Item No. 8:

Nava Bharat Ventures General Employee Benefits Scheme, 2015:

Welfare benefits are an effective instrument to motivate employees to perform better and thereby their interests chime with those of a Company. This also helps the Company to attract and retain the best available talent in a competitive environment.

The Company believes in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on the growth path. To this effect, the Company proposes to implement a general employee benefits scheme. The main objective of the scheme is to give employees certain welfare benefits such as medical, housing and education related assistance, and as detailed under the Scheme, thereby acting as a retention tool and to attract the best talent available in the market.

The Board of Directors ("Board") of the Company at its meeting held on 29th May, 2015 approved formulation of the Nava Bharat Ventures General Employee Benefits Scheme, 2015 ("Scheme") for the benefit of the Eligible Employees (as identified by the Nomination and Remuneration Committee from time to time in accordance with the eligibility criteria provided in the Scheme), subject to approval of the Members and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time ("Regulations") and authorised the Nomination and Remuneration Committee designated as the Employee Welfare Committee ("EWC") in the Scheme to formulate the detailed terms and conditions of the Scheme and to administer and implement the Scheme in accordance with the Companies Act, 2013 and the Regulations.

The Board has approved the EWC to be designated as the Compensation Committee for the administration and superintendence of the Scheme in accordance with the Regulations. Approval of the Members is being sought for providing the Welfare Benefits to the Eligible Employees (as described in the Scheme).

The following explanatory statement sets out the pertinent terms forming part of the Scheme.

All capitalised terms not defined herein shall have the meaning ascribed in the Scheme.

1. Benefits to be granted:
 - (i) Medical assistance including but not limited to hospitalisation expenses of eligible Employees, their spouse and dependent children, specifically for chronic illnesses, disablement and accidents;
 - (ii) Providing scholarship, grant or any other form of assistance to eligible Employees for their higher education in India or abroad or for education including but not limited to education fees for the higher education for the children of the eligible Employees in India or abroad;
 - (iii) Providing incentive to performing eligible Employees, providing housing facilities to the eligible Employees;
 - (iv) Marriage expenses of dependent daughter(s) above 21 years of age of eligible Employees;
 - (v) Conducting in-house training programmes for the eligible Employees; and
 - (vi) Such other activities which help in overall welfare of the Employees.
2. Eligible Employees entitled to participate in the Scheme:

A permanent Employee of the Company selected by the EWC under the Scheme, is eligible for Welfare Benefits.
3. Appraisal process for determining the eligibility of employees under the Scheme:

The Employee Welfare Committee will determine the eligibility of employees having regard, inter alia, to the position, experience and other criteria as it may determine from time to time.

4. Maximum quantum of Benefits to be issued:

The EWC shall determine the maximum quantum of Benefits that an eligible Employee can be entitled to under the Scheme. However, such quantum of Benefits under the Scheme shall not exceed 3 months of salary of the eligible employee or ₹ 5,00,000/- (Indian Rupees Five Lacs Only), whichever is lower.

5. Manner of implementation of Scheme:

The Scheme shall be implemented by the EWC in accordance with the provisions of the Scheme and the Regulations and administered through the Nava Bharat Ventures Employee Welfare Trust settled by the Company vide indenture dated 25th January, 2012 ("Trust").

6. Assets for implementation of the Scheme:

The assets/Trust property including the shares of the Company ("Shares") (secondary acquisition) held by the Trustee on behalf of the Trust as on date on which the Scheme is approved by the Shareholders, shall be utilized and applied for the purposes of the Scheme and for meeting the expenditure of implementing the Scheme in such proportion and manner as may be directed / instructed by EWC.

Neither the Company shall be extending any fresh loans to the Trust nor shall the Trust be making any new secondary acquisition of the Shares post adoption of this Scheme by the Company for the purposes of implementing it.

7. Accounting Method:

The Company shall comply with the disclosures, conform to the accounting policies as specified under Regulation 15 of the Regulations, 2014 and other requirements as may be prescribed under the Regulations and other applicable laws from time to time.

The EWC shall have all the powers to take necessary decisions for effective implementation of the Scheme. In terms of the provisions of the Regulations, Scheme is required to be approved by the Members by passing of a special resolution.

A copy of the draft Scheme will be available for inspection on all working days between 10.00 a.m. and 5.00 p.m. at the registered office of the Company.

Except the Whole-time Directors (other than promoter Directors), the Chief Financial Officer and the Company Secretary, to the extent that they may be allowed/granted welfare benefits under the Scheme any time in future, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in any way, financially or otherwise, in the resolution(s) set out at Item No.8 of the Notice.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

Item No. 9:

Compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:

The Company settled a trust called the Nava Bharat Ventures Employee Welfare Trust ("Trust"), under an indenture of trust dated 25th January, 2012 ("Trust Deed"). The Trust through Barclays Wealth Trustees (India) Private Limited acting in the capacity of trustee ("Trustee"), holds Trust Property comprising the Shares of the Company ("Shares") purchased from the secondary market, out of the Loan funds made available by the Company, which was authorised vide a special resolution of the Members dated 8th August, 2012 apart from mutual funds and cash at bank. At the time of obtaining the earlier resolution of 8th August, 2012, there were no legal provisions or regulations governing the holding of assets by an Employee Welfare Trust ("EWT") of a listed Company. However, on 28th October, 2014, Securities and Exchange Board of India ("SEBI") notified the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("Regulations"). Regulations provide certain thresholds, 'do's and don'ts' in relation to implementation of employee benefits schemes by Indian listed companies. The Regulations provide that the listed companies which have already implemented schemes either directly or through EWT are required to align their schemes with the Regulations within one year from the date of notification of the Regulations, except that in the cases of companies with existing EWT holding shares of the companies acquired from the secondary market for the purposes of general employee benefits scheme, the companies would have a period of five years for the following purposes:

To bring down the holding in shares of the Company by the EWT if its holding in the shares of the Company is beyond the permissible threshold limits;

To bring down the holding in shares by EWT implementing General Employee Benefits Scheme ("GEBS") and Retirement Benefit Schemes ("RBS") if the investment by such EWT in the shares of the Company or its holding Company, earmarked for GEBS /RBS exceed 10% of the total assets of the EWT held for such GEBS/RBS; and

To report shareholding of EWT in the Company as "non-public; non-promoter".

The Trust was settled to carry on various welfare activities for the employees of the Company ("Employees") under schemes which were approved by a Committee of the Board. Under the current Regulations, the activities of the Trust would fall under Part D of the Regulations, which is General Employee Benefit Schemes ("GEBS"). As per the Regulations, apart from the trustee being an independent person of the trust implementing the scheme, the following requirement will have to be observed by the EWT:

- (i) The shareholding of the EWT in the Company's shares as acquired from the secondary market should not exceed 2% of the total paid up share capital of the Company as at the end of the financial year immediately prior to the year in which the shareholder approval was obtained for the secondary market acquisition by the EWT (Regulation 3(11)); and
- (ii) Ensure that the shares held by the EWT for implementing the GEBS do not exceed in value, 10% of the total assets held by it for the purposes of GEBS (Regulation 26(2)).

Presently, the Trust holds 1.57% of the total paid up share capital of the Company as on 31st March, 2012. Thus, condition (i) is fulfilled. However, with respect to condition no.(ii), Shares constitute 92% of the total assets held by the EWT for GEBS. Therefore, the Company and the Trust shall have to comply with this aspect of the Regulations over the prescribed time period of five years.

The Board of Directors ("Board") decided to implement a new GEBS called Nava Bharat Ventures General Employee Benefits Scheme, 2015 ("Scheme") and use the assets including such number of Shares held by the Trust for the purposes of Scheme which are in compliance and accordance with the Regulations. The Shares held by the Trust in excess of the threshold limits will be disposed of and the sale proceeds thereof shall be utilized for the repayment of the existing loan.

As regards any Shares, held by the trustee on behalf of the Trust and in excess of what has been assigned to implement the Scheme, the Board of Directors ("Board") of the Company at its meeting held on 29th May, 2015 passed a resolution to the effect that Company shall ensure that the shareholding of the Trust is in conformity with the thresholds mentioned in the Regulations and thereby approve to undertake such steps and actions as to enable the Company and the Trust to conform with the Regulations in their entirety within the period provided in the Regulations.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the Members.

By order of the Board
For **NAVA BHARAT VENTURES LIMITED**

Hyderabad
May 29, 2015

M.Subrahmanyam
Company Secretary & Vice President

Registered Office:

6-3-1109/1
'Nava Bharat Chambers'
Raj Bhavan Road
HYDERABAD – 500 082
Ph.No.040-23403501; Fax No.040-23403013
E-mail : nbvl@nbv.in
Website : www.nbventures.com
CIN : L27101TG1972PLC001549

ANNEXURE

Details of Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

As required under the Listing Agreement, the particulars of Director, Sri D Ashok who is proposed to be reappointed are given below:

a	Name	Sri D Ashok
b	Brief Resume:	
	i) Age	58 Years
	ii) Qualification	M.B.A. from U.S.A.
	iii) Experience in Specific Functional area	33 Years
	iv) Date of appointment on the Board of the Company (Nava Bharat Ventures Ltd.)	19.03.1992
c	Nature of expertise in specific functional areas	Top management experience as Chairman (Executive) of Nava Bharat Ventures Ltd, in planning and execution, project management and diversification. Expertise in managing and monitoring international operations.
d	Name(s) of other Companies in which Directorships held (as per Sections 165 of the Companies Act, 2013)	<ol style="list-style-type: none"> 1. M/s. Maamba Collieries Limited 2. M/s. Nava Bharat (Singapore) Pte. Limited 3. M/s. Chapter One-Books Pte. Limited 4. M/s. Kariba Infrastructure Development Ltd. 5. M/s. NB Tanagro Limited 6. NB Rufiji Pvt Ltd. 7. M/s. Nava Bharat Projects Ltd. 8. M/s. Nava Bharat Energy India Limited 9. M/s. A9 Homes Pvt.Ltd. 10. AV Dwellings Pvt Ltd. 11. Dr. Devineni Subbarao Trust, Managing Trustee 12. G. S. R. Trust, Managing Trustee 13. Usha Mullapudi Cardiac Centre, Trustee
e	Name(s) of companies in which Committee Membership(s)/ Chairmanship(s) held	NIL

f	No. of shares of ₹ 2/- each held by :	
	the Director	1113000
	his relatives	<u>8570349</u>
	TOTAL	<u>9683349</u>
g	No. of ESOPs granted on 05.01.2007 and converted into equity.	NIL
h	Relationship between Directors inter se (As per Section 2(77) of the Companies Act, 2013 and Rule 4 of Companies (Specification of Definition Rules, 2014)	Related to Sri P. Trivikrama Prasad (Sister's husband)

NAVA BHARAT VENTURES LIMITED

CIN: L27101TG1972PLC001549

Regd. Office: 6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082, Telangana, India
Tel : + 91 40 23403501/40345999; Fax : + 91 40 23403013; E-mail: nbvl@nbv.in; Website: www.nbventures.com

ATTENDANCE SLIP

Folio No. DP ID No. Client ID No.

Name of the Member(s) : Signature.

Name of the Proxy holder : Signature.

1. Only Member / Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

NAVA BHARAT VENTURES LIMITED

CIN: L27101TG1972PLC001549

Regd. Office: 6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082, Telangana, India
Tel : + 91 40 23403501/40345999; Fax : + 91 40 23403013; E-mail: nbvl@nbv.in; Website: www.nbventures.com

Form No. MGT-11 PROXY FORM

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

Name of the Member(s) :

Registered address :

E-mail id :

Folio No./Client ID No. : DP ID No. :

I/We, being the member(s) of Shares of the above named company, hereby appoint

1. Name : E-mail id :

Address :

Signature : or failing him

2. Name : E-mail id :

Address :

Signature : or failing him

3. Name : E-mail id :

Address :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 43rd Annual General Meeting of the Company, to be held on Thursday, the 27th August, 2015 at 10 a.m. at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad – 500 016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	[Ordinary Business]:
1.	Adoption of Financial Statements.
2.	Declaration of Dividend on the Equity Shares.
3.	Re-appointment of Director.
4.	Appointment of Auditors.
Resolution No.	[Special Business]:
5.	Commission payable to Non-Executive Directors and Independent Directors.
6.	Ratification of appointment of Cost Auditors for the FY 2015-16.
7.	Alteration of Articles of Association (AoA) of the Company in terms of Section 14 of the Companies Act, 2013.
8.	Nava Bharat Ventures General Employee Benefits Scheme, 2015.
9.	Compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Signed this day of, 2015

Signature of Shareholder(s) : Signature of Proxyholder(s) :

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

Please affix ₹1/-
Revenue stamp
and sign across



Form No. MGT-12

POLLING PAPER

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

CIN : L27101TG1972PLC001549
Name of the company : **NAVA BHARAT VENTURES LIMITED**
Registered office : 6-3-1109/1, Nava Bharat Chambers, Raj Bhavan Road
Somajiguda, Hyderabad
Telangana – 500082, India

BALLOT PAPER

Sl. No	Particulars	Details
1	Name of the First Named Shareholder :	
	(In block letters)	
2	Postal address :	
	
3	Registered Folio No./*Client ID No. :	
	(*Applicable to investors holding shares in dematerialized form)	
4	Class of Share(s) :	

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sl. No.	Item No	No. of Shares held by me	I assent to the Resolution	I dissent from the Resolution
Ordinary Business				
1	Adoption of Financial Statements.			
2	Declaration of Dividend on the Equity Shares.			
3	Re-appointment of Director.			
4	Appointment of Auditors.			
Special Business				
5	Commission payable to Non-Executive Directors and Independent Directors.			
6	Ratification of appointment of Cost Auditors for the FY 2015-16.			
7	Alteration of Articles of Association (AoA) of the Company in terms of Section 14 of the Companies Act, 2013.			
8	Nava Bharat Ventures General Employee Benefits Scheme, 2015.			
9	Compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.			

Place:

Date:

(Signature of the Shareholder)

**COMPANIES ACT, 2013
(18 OF 2013) COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
NAVA BHARAT VENTURES LIMITED**

PRELIMINARY

These Articles of Association were proposed in substitution for and to the entire exclusion of the earlier regulations comprised in the extant Articles of Association of the Company for consideration by members at the AGM to be held on 27-08-2015.

TABLE "F" NOT APPLICABLE

1. Save as reproduced herein, the regulations contained in Table F in the first schedule to the Companies Act, 2013 shall not apply to the Company.

DEFINITIONS

2. The provisions of the Companies Act, 2013, and/or any statutory modifications thereof at any time shall apply to the Company. Where, in the construction or interpretation of any of the following regulations, it is found that the same are inconsistent or repugnant to the provisions of the aforesaid Act, the provisions of the Companies Act, 2013, with any statutory modifications thereof shall prevail.

The marginal notes hereto shall not affect the construction hereof, in these presents, unless there is something in the subject or context inconsistent therewith.

Words and expressions contained in these regulations shall bear the same meaning as in the Companies Act, or any statutory modification thereof.

"Act" means the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable Sections thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company law, so far as may be applicable.

“Board” Means Board of Directors of the Company.

“Beneficial Owner” means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

“Depository” shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

Depositories Act, 1996 shall include any statutory modification or re-enactment thereof.

“Executor” or “Administrator” means a person who has obtained probate or Letters of Administration, as the case may be, from a Court of competent Jurisdiction in India and shall include an Executor or Administrator or the holder of a certificate, appointed or granted by such competent Court and authorized to negotiate or transfer the shares of the deceased member.

“In writing” or “Written” means and includes words printed, lithographed, represented or reproduced in any mode in a visible form.

“Members” means the duly registered holders, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association and the beneficial Owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

“Month” means English Calendar month.

“Rules” mean the applicable Rules for the time being in force as prescribed under relevant Sections of the Act.

“The Company” means “NAVA BHARAT VENTURES LIMITED”.

“The Directors” means the Directors for the time being of the Company and includes alternate Directors.

“The Proxy” includes Attorney duly constituted under a power of Attorney.

“The Register” means the Register of Members to be kept pursuant to the Act.

“The Registrar” means the Registrar of Companies, Ministry of Corporate Affairs (MCA), Govt. of India.

“Year” means English Calendar year.

Words importing the singular number include the plural and vice versa.

Words importing person include corporation; words importing the masculine gender shall include the feminine gender and vice versa.

SHARE CAPITAL AND ISSUE OF SHARES

Authorised Share Capital

3. The Authorised Share Capital of the Company is ₹ 50,00,00,000/- (Rupees fifty crores) divided into 25,00,00,000 (Twenty five crore) Equity Shares of ₹ 2/- (Rupees two) each amounting to ₹ 50,00,00,000/- (Rupees fifty crores) with rights, privileges and conditions attached thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the Capital of the Company into several classes and attach thereto respectively, subject to the laws for the time being in force, such rights, privileges or conditions as may be determined by or in accordance with regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.
 - (a) Notwithstanding anything contained in any other Article, but subject to the provisions of the Companies Act, 2013 or any statutory modification or reenactment thereof, the Company may from time to time and at any time issue, at par or at premium to any person(s)/public as it may deem proper, shares, whether Equity, Preference, or Debentures or any other class or any other Financial Instruments or Securities, by whatever name called, with without voting rights and the Shares/Instruments/Securities so issued may carry rights as to voting, dividend, capital or otherwise which may be disproportionate to the rights attached to the other Shares or Securities of the Company. As regards any issue to the public and all allotments, from time to time made, the Board shall duly comply with the applicable provisions of the Act.
 - (b) Subject to the provisions of the Companies Act, 2013 or any statutory modification or re-enactment thereof, the Company may from time to time and at any time, issue to any person by private placement or on preferential

basis or to the existing shareholders, or on rights basis, for cash or otherwise as it may deem proper, the equity shares, any other class of shares, any other financial instruments, securities, convertible options, convertible warrants, convertible debentures or any other securities by whatever name called and the equity shares / instruments / securities so issued may carry rights as to voting, dividend, capital, or otherwise which shall become pari passu with the existing equity shares on the issue of equity shares or on the conversion of any convertible securities into equity shares of the Company.

- (c) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
- (d) Subject to the provisions of the Companies Act, 2013 and these Articles, the shares shall be under the control of the Board of Directors, who may issue, allot or otherwise dispose of the same to such persons, on such terms and conditions, and either at a premium or at par and at such times as the Board thinks fit. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting and where at any time it is proposed to increase the subscribed capital of the Company by the issue of new shares then, subject to the provisions of Section 62 of the Act the Board shall issue shares in the manner provided therein.

Redeemable/Convertible Preference Shares

- 4. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted into equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

Sweat Equity shares

- 5. The Company may issue sweat equity shares of a class of shares already issued subject to the provisions of Section 54 and other applicable provisions of the Act and Rules made there under.

Further issue of same class of shares

- 6. The Board may at any time increase the subscribed capital of the Company by issue of new shares, at par or at premium, out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act and subject to the following conditions namely:
 - 1.
 - a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
 - b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than Fifteen days (15) and not more than Thirty days (30), from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
 - c) Unless the Board otherwise decides, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.
 - d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.
 - 2. The Board may issue shares or options or share based employee benefits to the employees under a scheme of Employee Stock Option (ESO) subject to Special resolution passed by the Company in General Meeting in accordance with the Act, Rules and SEBI Regulations.

Issue of shares otherwise than for cash

- 7. Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.

Variation of shareholders' rights

8. Subject to Section 48 of the Act and Rules made thereunder, where a share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class,—

Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this Article shall apply to such variation.

Address of Shareholders

9. Every shareholder shall name to the Company a place in India to be registered as his address, and such address shall, for all purposes, be deemed his place of residence.

Shares may be registered in the name of any person, the joint holders or any limited company, but not in the name of a minor, nor shall more than three persons be registered as joint-holders of any share.

Trusts

Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Commission

10. Subject to the provisions of the Act, the Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debenture or debenture-stock in the Company, or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares, debenture or debenture stock in the Company.

The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

CERTIFICATES

11. Every person whose name is entered as a member in the register of members shall be entitled to receive within one month after allotment or one month after the application for the registration of the transfer of any share (or within such other period as the conditions of issue shall provide):

- a) One certificate for all his shares of each class without payment, or
- b) Several certificates, each for one or more of such shares, upon payment for every certificate after the first, the sum as the Board may determine. The expression "transfer" for the purpose of this article means a transfer duly stamped & otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Signature on Certificates

12. Every Share Certificate shall be issued under the Common Seal of the Company and shall be signed by (i) two Directors, (ii) a Secretary or any other person authorised for the purpose by the Board of Directors. Every Certificate shall specify the shares to which it relates and the amount paid up thereon.

One Certificate for joint Shareholder

13. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for shares to one of several joint-holders shall be sufficient delivery to all such holders.

Renewal of Certificates

14. If any certificate be worn out or defaced, or if there is no further cage on the back thereof for the endorsements of transfer, then upon production thereof to the Board, they may order the same to be cancelled and may issue a new

certificate in lieu thereof and if any certificate is proved to have been lost or destroyed, then upon proof thereof to the satisfaction and on such indemnity, as the Board deems adequate being given, a new certificate in lieu thereof may be given to the party entitled to such lost or destroyed certificate.

Splitting and consolidation of share certificate

15. The shares of the Company will be split-up/consolidated in the following circumstances:

- i. At the request of the member/s to split-up of shares.
- ii. At the request of the member/s for consolidation of fraction shares.

Fee for new Certificate

16. The out of pocket expenses incurred by the Company in investigation for evidence and the advertisement cost or such less sum as the Board may determine shall be paid to the Company for every such new certificate and the like fee shall be payable in respect of each sub-division of certificates. Provided that no fee shall be charged for sub-division or consolidation of certificates into lots of the market unit or for issue of new certificates in replacement of those which are old, decrepit or worn out or where cages on the reverse for the endorsements for transfer have been fully utilized.

Buy-back of shares

17. Subject to the provisions of Section 67, 68, 69, 70 and other applicable provisions of the Act and Rules made thereunder and such other approvals as may be required under any other law, the Company may purchase its own shares or other specified securities (hereinafter referred to as buy-back) out of—

- a) its free reserves;
- b) the securities premium account; or
- c) the proceeds of the issue of any shares or other specified securities:

Lending for purchase of own shares

18. Subject to Section 67 of the Act and Rules made thereunder and also subject to the Regulations of Securities Exchange Board of India in that regard, the Company may :-

- a) make provision of money in accordance with any scheme approved by the Company through Special Resolution, for the purchase of, or subscription for, fully paid-up shares in the Company if the purchase of, or the subscription for, the shares are held by trustees for the benefit of the employees or such shares are held by the employee of the Company or for implementing any General Employee Benefit or Welfare Schemes;
- b) give loans to persons in the employment of the Company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the Company to be held by them by way of beneficial ownership.

Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in prescribed manner.

Calls on Shares

19. Subject to the provisions of Section 49 of the Act, the Board of Directors may by a resolution passed at a meeting of the Board from time to time, subject to any terms on which any shares may have been issued, make such calls as they think fit upon the shareholders in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Board. A call may be made payable by installments.

When call deemed to have been made: A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed.

Length of Notice of Call: At least fourteen clear days' notice of any call shall be given by the Company (either by letter to the members or by advertisement) specifying the time and place of payment, and to whom such sum shall be paid.

Time for payment of call: No call shall be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board.

Notice of call amount payable at fixed times or by installments payable as calls

20. a) If by the terms of issue of any share or otherwise any amount is made payable on allotment or at any fixed time or by installments at fixed times, whether on account of the nominal amount of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall apply to such amount or installment, accordingly.
- b) In the case of non-payment of such sum all the relevant provisions of these Articles pertaining to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

When interest on call or installment payable

21. If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due shall pay interest for the same at the rate of 18 percent per annum or at such rate as the Board may determine from time to time from the day appointed for the payment thereof to the time of actual payment. The Board shall be at liberty to waive payment of any such interest, wholly or in part.

Liability of joint holder of shares

22. The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls and interest on installments and calls due in respect of such shares.

Company to accept unpaid amount, although not called up

23. i. The Company may accept from any member, the whole or a part of the amount remaining unpaid on any shares held by him, even if no part of that amount has been called up.
- ii. A member shall not be entitled to any voting rights in respect of the amount paid by him under sub-Article (i) until that amount has been called up.

FORFEITURE & LIEN

If call or installment not paid, notice to be given

24. a) If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- b) The notice aforesaid shall—
- i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

If notice not complied with, shares may be forfeited

25. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Arrears to be paid notwithstanding forfeiture

26. i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

- ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

Declaration for forfeiture of shares

- 27. i. A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- iii. The transferee shall thereupon be registered as the holder of the share; and
- iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Lien on shares

- 28. i. The Company shall have a first and paramount lien—
 - a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

As to enforcing a lien by sale

- 29. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—
 - a) unless a sum in respect of which the lien exists is presently payable; or
 - b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

Validity of sale

- 30. i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Application of proceeds of sale

- 31. i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of sale.

TRANSFER AND TRANSMISSION OF SECURITIES

Transfer of securities

32. a) As required by Section 56 of the Act, the Company shall not register a transfer of securities of the Company, other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer, in prescribed form, duly stamped, dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor or the transferee within a period of sixty days from the date of execution, along with the certificate relating to the securities, or if no such certificate is in existence, along with the letter of allotment of securities:

Provided that where the instrument of transfer has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

- b) Nothing in clause (a) shall prejudice the power of the Company to register, on receipt of an intimation of transmission of any right to securities by operation of law from any person to whom such right has been transmitted.
- c) Where an application is made by the transferor alone and relates to partly paid shares, the transfer shall not be registered, unless the Company gives the notice of the application, in such manner as may be prescribed, to the transferee and the transferee gives no objection to the transfer within two weeks from the receipt of notice.

Transmission of shares

33. i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Transfer by legal representative

34. The transfer of any security or other interest of a deceased person in the Company made by his legal representative shall, even if the legal representative is not a holder thereof, be valid as if he had been the holder at the time of the execution of the instrument of transfer.

The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

- i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- a) to be registered himself as holder of the share; or
- b) to make such transfer of the share as the deceased or insolvent member could have made.
- ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- iii. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- iv. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Right to reject the defective transfers

35. i. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register—
- a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - b) any transfer of shares on which the Company has a lien.
- ii. The Board may decline to recognise any instrument of transfer unless—
- a) the instrument of transfer is in the form as prescribed in Rules made under sub-section (1) of Section 56 of the Act; and
 - b) the instrument of transfer is in respect of only one class of shares.

Right to dividend in case of claimants of deceased members

36. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Closing of share transfer books & register

37. The Board may, in accordance with and subject to Section 91 of the Act, on giving seven day's previous notice by advertisement in any newspaper, in English and vernacular language circulating in the district in which the registered office of the Company is situated, close the register of members for any time or times not exceeding thirty days at a time, but not exceeding in the whole forty five days in each year.

Nomination

38. Every holder of shares and/or debentures of the Company shall be entitled to nominate in the prescribed manner a person with whom his/her shares and/or debentures shall vest in the event of his/her death. Such nomination shall be in accordance with the provisions of Section 72 of the Act and the Rules made thereunder.

Dematerialization of securities

39. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996 and all securities held by the depository shall be in fungible form.

Option for Investors

40. Every person subscribing to / acquiring securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his securities with a depository, the Company shall intimate such depository the details of allotment of the security and, on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the securities.

Rights of Depositories and Beneficial Owners

41. a) Notwithstanding anything to the contrary contained in these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner,
- b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of Documents

42. Notwithstanding anything in these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities held in demat form

43. Nothing contained in Section 56 of the Act or these Articles pertaining to Transfer shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Register and Index of Beneficial Owners

44. The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles and the Act.

Nothing contained in the Act or these Articles regarding necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in a depository.

ALTERATION OF CAPITAL

Increase of Capital

45. Subject to Section 61 of the Act, Company in General Meeting may, from time to time, increase the capital by creating and/or issuing new shares. The new capital may be divided into Preference Shares or Equity Shares and may be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation and/or issuing thereof shall direct, and if no direction be given, as the Board of Directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.

Same as original Capital

46. Any capital raised by the creation and/or issue of new shares shall be subject to the same provisions which govern the original capital with reference to the payment of calls and installments, transfer and transmission, forfeiture and lien unless otherwise resolved by the General Meeting sanctioning the increase.

Reduction of Capital

47. The Company may subject to confirmation by the Court or Tribunal, from time to time, by Special Resolution, reduce its capital in any way and in particular and without prejudice to the generality of the foregoing powers by exercising the powers mentioned in Section 66 of the Companies Act, 2013.

The Company may, by Special Resolution, reduce in any manner and with and subject to, any incident authorised and consent required by law —

- a) its share capital
- b) any capital redemption reserve fund; or
- c) any share premium account.

Consolidation of Shares

48. The Company may consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

Conversion of Shares

49. The Company may convert all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination.

Such of the regulation of the Company as are applicable to paid up shares shall apply to stock and the words “Shares” and “Shareholders” in these regulations shall include “Stock” and “Stockholders” respectively.

Sub-division of Shares

50. The Company may sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

The resolutions whereby any share is sub-divided may determine that as between the holders of the shares resulting from such division one or more of such class of shares shall have same preference or special advantage as regards dividend, capital, or otherwise over, or as compared with, the others or other.

Cancellation of Shares

51. The Company may cancel shares, which at the date of the passing of the resolution in that behalf, have not been or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

BORROWING POWERS

Power to Borrow

52. a) Subject to the provisions of the Act, and without prejudice to the powers conferred by any other article or articles the Board of Directors may, from time to time, at their discretion, borrow or secure the payment of any sum or sums of money for the purpose of the Company either from any Director or elsewhere on security or otherwise and may secure the repayment or payment of any sum or sums in such manner, and upon such terms and conditions in all respects as they think fit, and in particular by the creation of any mortgage or charge on the undertaking or the whole or any part of the property, present or future, or the uncalled capital of the Company, or issue of debentures, bonds or debenture stock of the Company, perpetual or redeemable, charged upon the undertaking or all or any part of the property of the Company, both present and future including its uncalled capital for the time being and the Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon, and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Board with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets or otherwise.
- b) The Board may at any time by a Resolution passed at a meeting delegate to any category of managerial personnel or any Committee of Directors or any other principal officer of the Branch Office of the Company, the powers specified in sub clause (a) above provided the Resolution delegating powers to such managerial personnel or committee to borrow moneys shall specify the total amount up-to which the moneys may be borrowed by him or them.
- c) The Company may, subject to the provisions of Section 73 to 76 of the Act and Companies (Acceptance of Deposits) Rules 2014 and further subject to the limits and other restrictions and obligations prescribed thereunder or any other law for the time being in force, invite and accept deposits from public or its members or Directors.

Restriction on Borrowing Powers

53. The Board of Directors may, subject to the provisions of Section 179 and 180 of the Act, borrow any sum of money and where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, the sanction of the General Meeting should be obtained.

Provided that every resolution passed by the Company in General Meeting in relation to the power to borrow as stated above shall specify the total amount up to which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company at such time and in such manner and upon such terms and conditions in all respect as it think fit and in particular, by promissory note or by opening current accounts, or by receiving deposits and advances with or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other means as them may seem expedient.

Directors' Loans & Guarantees

54. The Directors shall be entitled to receive interest on loans made by them to the Company as may be agreed between the Company and the Directors. The Directors, including the Managing Director may guarantee any loan made to the Company and shall be entitled to receive such payment on account of his having given any such guarantee as may be determined by the Board, and such payment shall not be remuneration in respect of his services as Director.

Terms of Debenture Issue

55. The Company may, subject to the provisions of Section 71 and other applicable provisions of the Act and Rules and subject to other applicable laws, issue Debentures with an option to convert such Debentures into Shares, either wholly or partly at the time of redemption;
- i. Any such debenture, debenture stock, bonds or other security may be issued at a discount, premium or otherwise, and with any special privilege as to redemption, surrender, drawing, allotment of shares, of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
 - ii. Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.
 - iii. No such debentures etc., shall carry voting rights.

Charge on uncalled capital

56. Any uncalled capital of the Company may be included in or charged by mortgage or other security by the Board of Directors on such terms and conditions as it deems fit.

Charge in favour of Director of Indemnity

57. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

GENERAL MEETINGS

Annual General Meeting

58. a) The Board of Directors shall hold Annual General Meetings of the Company in accordance with the provisions of Section 96 of the Companies Act.
- b) The Board of Directors may, suo motu, call any other General Meeting, which will be called as Extra-ordinary General Meeting, besides the Annual General Meeting.

Extra-ordinary General Meeting

59. The Board of Directors of the Company, shall on the requisition of such number of members of the Company, as is specified in sub-section(2) of Section 100 of the Act, forthwith proceed duly to call an Extra-ordinary General Meeting of the Company.

Quorum

60. The Quorum requirements for general meetings shall be as specified in Section 103 of the Act. No business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business.

Chairman of General Meeting

61. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting and if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair, then the members present shall choose one of their number being a member entitled to vote, to be the Chairman.

When Meeting to be dissolved & when to be adjourned, if Quorum be not present

62. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and such time and place, as the Board may by notice appoint and if at such adjourned meeting a quorum be not present, those members who are present shall be a quorum and may transact the business for which the meeting was called.

Business to be transacted at Adjourned Meeting

63. The Chairman with the consent of the Meeting, may adjourn any General Meeting from time to time and place to place, but no business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place, and which might have been transacted at that meeting. Save as otherwise provided in Section 103 of the Act and these Articles, it shall not be necessary to give notice of any adjournment or of the business to be transacted at an adjourned meeting.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

How question to be decided at Meetings & Poll

64. At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/electronic voting/poll as per the provisions of Section 108 read with relevant Rules and the Listing Agreement. A declaration by the Chairman that a resolution has, on a show of hands/electronic voting/poll, been carried unanimously, or by a particular majority and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of that fact.

If a poll is duly demanded in accordance with the provisions of Section 108 & 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith, where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; the demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Votes

65. a) Every member of the Company holding Equity Share(s) shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote. Every such member shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.
- b) Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting.
- c) Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights will be governed by the provisions of Section 47 of the Act.
- d) A body corporate (whether a Company within the meaning of this Act or not) may:
- i. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorize such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company.
 - ii. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of the Act or any Rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.
 - iii. A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.

Casting vote

66. In the case of an equality of votes, the Chairman shall whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Vote by Proxy & Form of Proxy

67. Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself on a poll, but a proxy so appointed shall not have any right to speak at the meeting.

- a) The instrument appointing a proxy shall
 - i. be in writing; and
 - ii. be signed by the appointer or his attorney duly authorized be in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

Any person may act as a proxy whether he is a member or not.

- b) Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form.

The Instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of attorney shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

Validity of vote by proxy

68. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

Voting through electronic means.-

69. a) The Company shall provide to its members facility to exercise their right to vote on resolution proposed at General Meetings by electronic means, through remote e-voting platform in accordance with the Rules.
- b) A member may exercise his right to vote at any general meeting by electronic means through remote voting and Company may pass any resolution by electronic voting system in accordance with the provisions of the Act and Rules made thereunder.

Postal Ballot:

70. The Company—
- a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and
 - b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as is prescribed in Section 110 of the Act and Rules made thereunder, instead of transacting such business at a general meeting.

Joint Holders

71. If two or more persons are jointly registered as holders of anyone share any of such persons may vote at any meeting, either personally, or by proxy, or attorney as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or attorney one of such persons so present whose name stands first in the register in respect of such share shall alone be entitled to vote in respect of the same. Several executors or administrators of a deceased member in whose names any share stands shall, for the purpose of this clause be deemed joint holders.

Right of Vote under transmission clause

72. Any guardian, or other person entitled under the transmission clause (herein above mentioned) to transfer any shares, may vote at any General Meeting in respect thereof as if he was the registered holder of such shares provided that at least 24 hours before the holding of the meeting he shall satisfy the Board of his right to act in that capacity unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

No Member entitled to vote etc. while call due to Company

73. In terms of Section 106 of the Act, no member shall be entitled to be present, or to vote at any General Meeting, either personally, or by proxy, or attorney whilst any call or other sum is due and presently payable to the Company, or in regard to which the Company has exercised any right of lien.

On a poll taken at a meeting of a Company, a member entitled to more than one vote, or his proxy, where allowed, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Right to vote to a member of unsound mind

74. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

Minutes

75. The Company shall cause minutes of all proceedings of every General Meeting and of its Board of Directors or of every Committee of the Board, to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:
- a) in the case of minutes of proceedings of a Meeting of the Board or of a Committee thereof, by the Chairman of the said meeting or the Chairman of the next succeeding meeting;
 - b) in the case of minutes of Proceedings of a General Meeting by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

MANAGEMENT

Board of Directors&General Powers

76. The business of the Company shall be managed by the Board who may exercise all such powers and do all such acts and things as the Company by the Act, Rules and its Memorandum of Association or and Articles of Association or otherwise authorised to exercise and do, and are not by the Act, Rules, Memorandum and Articles of Association or any statute directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and of the Memorandum and Articles of Association and to any regulations not being inconsistent there with, made by the Company in General Meeting. Provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulations had not been made.

Number of Directors

77. Unless otherwise determined by the Company in General Meeting in terms of Section 149 of the Act, the number of Directors shall be not less than 3 and not more than 15, including Permanent, Executive, Non-Executive, Independent, Technical, Nominated, Special Director and Debenture Directors, if any.

First Directors

78. At the date of the adoption of these articles, the following persons shall be the first Directors of the Company.
- 1. Sri A Venkateswara Rao S/o.Bapineedu
 - 2. Sri Panda Punnaiah S/o.Venkatramaiah
 - 3. Dr. Devineni Subba Rao S/o.Rattaiah

Appointment of Directors & Retirement by rotation;

79. a) Two Thirds of the total number of directors of the Company shall— (i) be persons whose period of office is liable to determination by retirement of directors by rotation; and (ii) save as otherwise expressly provided in the Act, be appointed by the Company in general meeting. The remaining one third of total strength shall not be liable to retire by rotation.
- b) At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office.
- c) The total number of Directors as mentioned in sub-article (a) shall not include Independent Directors, whether appointed under this Act or any other law for the time being in force, on the Board of a Company.

Which Director to retire

80. The Directors to retire by rotation at every Annual General Meeting shall be those (other than the Government Director and Debenture Director) who have been longest in office since their last appointment, but as between persons who became Directors on the same day those who are to retire shall (unless they otherwise agree among themselves) be determined by lot.

A retiring Director shall be eligible for re-election.

81. The Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the same by appointing the retiring Director or some other person thereto.

Retiring directors to remain in office till successors are appointed

82. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place and if at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:
- i. at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - ii. the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
 - iii. he is not qualified or is disqualified for appointment;
 - iv. a resolution, whether Special or Ordinary, is required for his appointment by virtue of any provisions of the Act;
 - v. The provisions of Section 162 of the Act are applicable in the case.

Independent Directors

83. i. The Board may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 and clause 49 of Listing Agreement, whichever is higher, from time to time.
- ii. Independent Directors shall possess such qualification as required under Section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement.
- iii. Independent Directors shall be appointed for such period as prescribed under relevant provisions of the Companies Act, 2013 and Listing Agreement and shall not be liable to retire by rotation.

Woman Director

84. The Board of Directors shall appoint at least one woman director as per the requirements of Section 149 of the Act.

Additional Director

85. Subject to the provisions of Section 161 of the Act, the Board may appoint one or more Additional Directors.

Nominee Director:

86. The Board may appoint any person as a director nominated by any Financial Institutions, Banks, Lenders or any other Finance Corporation in pursuance of the provisions of any law for the time being in force or of any other agreements.

Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Financial Institutions (FIs), Banks or Lenders or any other Finance Corporation (collectively called "Lenders") out of any loans granted by them to the Company or so long as Financial Institutions (FIs), Banks or Lenders or any other Finance Corporation continues to hold debentures in the Company by direct subscription or private placement, or so long as the Lenders hold shares in the Company, the Board shall have no power to remove from office the Nominee Director/s. At the option of the Lenders such Nominee Director/s shall not be required to hold any qualification shares in the Company. Also at the option of the Lenders such nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid and terms and conditions of loan agreement etc., the Nominee Director/ s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

Alternate Director

87. i. Subject to the provisions of Section 161 of the Act, the Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the Original Director) during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held.
- ii. An Alternate Director appointed under sub-clause (i) above shall vacate office if and when the Original Director returns to the State in which the meetings of the Board are ordinarily held.
- iii. If the terms of office of the Original Director is determined before he so returns to the State aforesaid any provision for the automatic re-appointment, shall apply to the Original and not to the Alternate Director.

Qualification Shares

88. A Director shall not be required to hold any qualification shares.

Debenture Director

89. Any Trust Deed for securing debentures or debenture-stock may if so arranged provide for the appointment from time to time by the Trustee thereof or by the holders of debentures or debenture-stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture-stock from time to time to remove any Director so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in Office under this article. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

Removal of Director

90. The Company may subject to the provisions of these Articles by ordinary resolution, remove a Director not being a Director appointed by Tribunal under Section 242 of the Act, before the expiry of the period of his office and fill up the vacancy thus created in the manner and subject to the provisions of Sections 115, and 169 of the Act.

Casual Vacancy may be filled by Board

91. Any casual vacancy occurring among the Directors may be filled up by the Directors but any person so chosen shall retain his Office so long only as the vacating Director would have retained the same if no vacancy had occurred, provided that the Board may not fill a casual vacancy by appointing any person who has been removed from the Office of Director of the Company under the Article.

Failure to fill Casual vacancy

92. The continuing Directors may act notwithstanding any vacancy in their body; but so that if the number falls below the minimum fixed, the Directors shall not, except for the purpose of filling vacancies, act so long as the number is below the minimum.

Vacation of office of Director

93. The disqualifications of Directors and grounds of vacation are as specified in the provisions of Sections 164 and 167 of the Act. The disqualifications specified in Section 164 (1)(d), 164 (1)(e) and 164 (1)(g) shall not take effect until the expiry of the period specified therein.

Disclosure of Interest of Directors

94. i. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any Director or with any Company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangement is determined if the interest then exists or in any other case, at the First meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present.

- ii. A Director may be nominated by the Company as a Director of any Company promoted by this Company or in which this Company may be interested as Vendor, shareholder or otherwise and subject to the terms of such nomination no such Director shall be accountable to the Company for any benefits received as a Director or member of such Company.

Rights and Duties of Directors

95. Except as otherwise provided by these articles and subject to the provisions of the Act, all the Directors of the Company shall have, in all matters, equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

The Duties of Directors shall be as specified in Section 166 of the Act.

Directors to comply with Section 184

96. Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.

Directors' remuneration & fee

97. Subject to the provisions of the Act, the Board of Directors may, with the sanction of Resolution passed in the General Meeting, sanction and pay to any or all the Directors such remuneration, commission on profits, perquisites, allowances in any form what so ever for their services as Directors including Managing Director, Whole-time Directors, Non-Executive Directors or otherwise and for such period and on such terms as they may deem fit.

Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company, a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing or Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.

Subject to the provisions of Sections 197 and 188 of the Companies Act, if any Director is appointed to advise the Board of Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Board may pay to such Director such Special remuneration as they think fit; such remuneration may be in the form of either salary, commission, incentives or lump sum and may either be in addition to or in substitution of the remuneration specified in this Article.

PROCEEDINGS OF BOARD

When meeting to be convened

98. The Board of Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit:

Provided however that the Company shall hold at least four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

Who may call Board Meeting

99. The Chairman may at any time and the Manager or the Company Secretary or such other Officer of the Company as may be authorised by the Directors shall upon the request of a Director convene a meeting of the Board.

Participation at Board Meeting

100. The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognizing the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time, subject to the provisions of Section 173 of the Act and Rules framed there under.

Notice for Meeting

101. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means or any other permitted mode.

Shorter Notice

102. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director shall be present at the meeting.

In case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director.

Appointment/Election of Chairman

103. The Board may appoint/ elect Chairman and determine the period for which he is to hold office. All meetings of the Board shall be presided over by such Chairman but if at any meeting of Board the Chairman be not present, the Directors shall choose one of the Directors then present to preside at the meeting.

Questions at Board Meeting as to how decided

104. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the meeting (whether the Chairman appointed by virtue of these presents or the Director presiding at such meeting) shall have a second or casting vote.

Quorum

105. The quorum for meeting of the Board of Directors of the Company shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, and the participation of the Directors by video conferencing or by any other audio-visual means shall also be counted for the purpose of quorum : Provided that where at any meeting, the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, present at the meeting being not less than two, shall be the quorum for such time;

For the purpose of this Article:

- i. "total strength" means the total strength of the Directors of the Company as determined in pursuance of the Act, after deducting therefrom the number of the Directors, if any, whose places may be vacant at the time;
- ii. "Interested Director" means any Director whose presence cannot, under the provisions in the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

If a meeting of the Board could not be held for want of quorum, then, unless the Directors present at such meeting otherwise decide, the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is National holiday, till the next succeeding day which is not a National holiday at the same time and place.

The provisions of Article 98 shall not be deemed to have been contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms of that Article could not be held for want of quorum.

Delegation of powers

106. The Board may subject to the provisions of the Act delegate any of their powers to Committees or individual Directors as they think fit, and they may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board.

The meetings and proceedings of any such Committee shall be governed by the provisions of the Act, Rules and these presents for regulating the meetings and proceedings of the Board, so far as the same are applicable there to.

Acts done by Board or Committee, valid notwithstanding defective appointment

107. All acts done by any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall be valid notwithstanding that it may be afterwards discovered that the appointment of any one or more of such Directors or of any person acting as aforesaid, was invalid by reason of defect or disqualification or had terminated by virtue of any provision contained in the Act or these presents; Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Resolution by Circulation

108. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or members of the committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier or by any permitted mode or through such electronic means as may be prescribed and has been approved by a majority of the Directors or members, who are entitled to vote on the resolution: Provided that, where not less than one-third of the total number of Directors of the Company, for the time being, require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

Board Minutes

109. The Company shall cause minutes of Meetings of the Board of Directors and all Committees of the Board to be duly entered in a book or books provided for that purpose.

The minutes shall contain:

- a) a fair and correct summary of the proceedings at the Meeting;
- b) the names of the Directors present at the Meeting of the Board of Directors or of any Committee of the Board;
- c) all orders made by the Board and Committee of the Board and all appointments of Officers and Committees of Directors;
- d) all resolutions and proceedings of Meetings of the Board and the Committees of the Board;
- e) in the case of each resolution passed at a Meeting of the Board or Committee of the Board, the names of the Directors, if any, Dissenting from, or not concurring in, the resolution;
- f) should be in compliance with the Secretarial standards as may be prescribed; and
- g) Any minutes of any Meeting of the Board or any Committee of the Board, if purporting to be signed by the Chairman of such Meeting or by the Chairman of the next succeeding meeting shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place. The Directors shall comply with the provisions of Section 118 and other provisions of the Act and Rules framed there under.

Powers of Board

110. Subject to the provisions of Section 179(3) of the Act, or re-enactment thereof, the Board shall exercise the powers specified therein on behalf of the Company, and it shall do so only by means of resolutions passed at its Meetings.

Provided that the Board may, by a resolution passed at a Meeting, delegate to any Committee of Directors the Managing Director, the Manager, or any other principal officer or in the case of a branch office of the Company, the principal officer of the branch office, the powers to the extent specified in Section 179 of the Act.

Special powers

111. Subject to the Provisions of Section 180 of the Act, the Board shall not, except with the consent of the Company in General Meeting:
- a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings;
 - b) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
 - c) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose; or
 - d) to remit, or give time for the repayment of, any debt due from a director.
 - e) Without prejudice to the generality of powers conferred by this Article and the other powers conferred by these presents but subject however to the provisions of the Act and Rules thereunder, the Board may exercise any other powers including but not limited to the following:
 - i. To purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.
 - ii. To pay, at their discretion, for any property or rights or privileges of, acquired by or services rendered to the Company, either wholly or partially in cash, or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued whether as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
 - iii. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company.
 - iv. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such acts and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.
 - v. To sign, draw, accept, endorse or otherwise execute, as the case may be, all cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company by such person and in such manner as the Board shall from time to time by resolution determine.
 - vi. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debt due or of any claims or demands by or against the Company.
 - vii. To refer any claim or demand by or against the Company to arbitration and observe and perform the awards.
 - viii. To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such securities and in such manner as they may think fit and from time to time to vary or realise such investments.
 - ix. To provide for the welfare of employees or ex-employees of the Company and by building or contributing to the building of dwellings or by grants or monetary pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.

- x. To appoint any person or persons to be the attorney or attorneys of the Company, subject to the provisions of Section 22 & Section 179 of the Act, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Board may from time to time think fit.

Any such delegate or attorney as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him.

Managing Director, Whole-time Director, Executive Chairman

112. Subject to the provisions of the Act, the Board may, from time to time and at any time, appoint one or more of their body to be a Managing Director or Executive Chairman or Whole-time Directors or Directors to manage and conduct the business of the Company subject to their control, direction and superintendence, and pay remuneration, commission, perquisites, allowances and incentives in any manner as they think fit.

Key Managerial Personnel (KMP)

113. Subject to the provisions of the Act,
- (i) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; any such KMP so appointed may be removed by means of a resolution of the Board.
 - (ii) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
 - (iii) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

Custody of the Seal

114. The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used, except by the authority of the Board or a Committee of the Directors previously given and one Director at least shall sign every instrument to which the seal is affixed, provided, nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.

Seal for use in Foreign Territory

115. The Company may have for use in any territory, district or place not situate in India an official Seal which shall be a facsimile of its Common Seal with the addition on the face of the name of the territory, district or place.

Foreign Register

116. The Company may keep in any State or Country outside India, a branch register of members or debenture holders resident in that State or Country (hereinafter called as "Foreign Register") and shall file with the Registrar notice of situation of the office where such register is kept, within one month from the date of the opening of any foreign register, subject to the provisions of the Section 88 of the Act, and the Rules made there under.

Registers, Inspection and copies thereof

117. Registers required to be maintained under Section 88, Minute books required to be maintained under Section 118 and other applicable provisions of the Act and Rules made thereunder and copies of annual returns filed under Section 92, shall be kept at the Registered Office of the Company, provided that such Registers or copies of returns may also be kept at any other place in India subject to the compliance with Section 94 of the Act and the Rules made thereunder.

Inspection and copies of Records and Registers maintained in physical and electronic form, if any, shall be allowed to the extent permitted by Section 119 and other relevant provisions of the Act and Rules made there under.

ACCOUNTS, AUDIT & DIVIDENDS

(A) ACCOUNTS

Books where kept

118. Books of account shall be kept at the Registered Office of the Company, or at such other place in India as the Board may think fit, subject to compliance with the requirements of Section 128 of the Act.

Inspection by members

119. The Board, shall, from time to time, determine whether and to what extent and at what times and places and under what condition or regulation the accounts and books of the Company or any of them shall be open to inspection of members not being Directors. No member (not being a Director) shall have any right to inspect the same except as conferred by the Act, or authorised by the Board of Directors or by any resolution of the Company in General Meeting.

Statement of Account to be furnished to General Meeting

120. The Board shall lay before such Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extended time as shall have been granted by the Registrar under the provisions of the Act.

Financial Statements

121. Subject to the provisions of Section 129 and 133 of the Act, financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

Authentication of Financial Statements

122. Subject to Section 134 of the Act, every financial statement of the Company shall be signed on behalf of the Board by not less than two Directors.

The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

Auditors' Report to be annexed

123. The Auditors' Report shall be attached to the financial statements.

Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board in compliance with Section 134 of the Act.

Board report to be attached to Financial Statements

124. The Board's report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the balance sheet relates and the date of the report.

The Board shall also give in its report explanations and comments pursuant to Section 134 (3) (f) of the Act on every reservation, qualification or adverse remark contained in the Auditors' Report.

Right of member to copies of Financial Statements

125. The Company shall subject to and in accordance with the provisions of Section 136 of the Act circulate copies of the Audited Financial Statements to every member of the Company and others entitled.

Annual Returns

126. The Company shall make the requisite annual return and File with the Registrar in accordance with Section 92 of the Act.

(B) AUDIT

Auditors

127. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned in accordance with Section 139 of the Act.

Appointment etc., of Auditors

128. Subject to the provisions of the Act, and Rules made thereunder the Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the sixth Annual General Meeting, and shall, give intimation thereof to the Auditor and Registrar within 15 days.

At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.

(C) CAPITALIZATION OF PROFITS

129. i. Subject to the provisions of the Act and Rules made thereunder, the Company in General Meeting may, upon the recommendation of the Board of Directors resolve:
- a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's Reserve Accounts or to the credit of the Profit and Loss account or otherwise available for distribution; and
 - b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii) either in or towards-
- (1) paying up any amounts for the time being unpaid or any shares held by such member respectively;
 - (2) paying up in full, unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportions aforesaid, or
 - (3) partly in the way of specified in sub-clause (1) and partly in that specified in sub-clause (2).
- iii. A share premium account and a capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up bonus shares.
- iv. The Company may, subject to the provisions of Section 63 of the Act, issue fully paid-up bonus shares to its members, in any manner whatsoever, out of—
- a) its free reserves;
 - b) the securities premium account; or
 - c) the capital redemption reserve account:
- Provided that no issue of bonus shares shall be made by capitalising reserves created by the revaluation of assets.
- v. The bonus shares shall not be issued in lieu of dividend.

Application of Profits

130. Whenever such a resolution as aforesaid shall have been passed, the Board of Directors shall, while giving effect thereto;
- (1) (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issue of fully paid-up shares or debentures, if any, and;
 - (b) generally do all acts and things required to give effect thereto.
- (2) The Board of Directors shall have full power:
- (a) to make such provision by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and also
 - (b) to authorise any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on all such members.

(D) RESERVES

Reserves

131. The Board may from time to time set apart any and such portion of the profits of the Company as they think fit, as Reserves applicable, at their discretion for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends, or for any other purposes of the Company, with full power to employ the assets constituting the Reserves in the business of the Company and without being bound to keep the same separate from the other assets.

Carry forward of Profits

132. The Board may also carry forward any profits which they may think prudent not to divide, without setting them apart as a reserve.

(E) DIVIDENDS

Dividend in proportion to amounts paid up on shares

133. The Company may pay dividends in proportion to the amount paid-up on each share.

Subject to the rights of person, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the nominal value of the shares.

Interim Dividend

134. The Board may from time to time pay to the members such interim dividends as appearing to it to be justified by the profits of the Company.

Debts may be deducted

135. When any shareholder is indebted to the Company for calls or otherwise, all dividends payable to him, or a sufficient part thereof, may be retained and applied by the Board in or towards satisfaction of the debt, liabilities or engagements.

Dividends out of profits only

136. No dividend shall be payable except out of the profits of the year or any other undistributed profits, and no larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend. Before declaring any dividend, the Company shall have regard to the provisions of Section 123 of the Act and section 205 of the Companies Act 1956 and all other applicable provisions.

Dividend in specie

137. No dividend shall be payable except in cash provided that nothing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

Joint holder receipt

138. In case two or more persons are registered as the joint holders of any share, any of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

Right to Dividend on transfer of share

139. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

How to be paid

140. Unless otherwise directed by the Company in General Meeting, any dividend may be paid in cash or by cheque or warrant sent through the post, electronic transfer, within thirty days of the date of such declaration to the registered address of the member entitled, or in the case of joint holder, to the registered address of that one whose name stands first on the register in respect of the joint holding and every cheque so sent shall be made payable to the order of the person to whom it is sent.

Unclaimed Dividend

141. No unclaimed or unpaid dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the applicable provisions of the Act in respect of any unclaimed or unpaid dividend.

Dividend not to carry interest

142. Unpaid dividends shall never bear interest as against the Company.

SERVICE OF DOCUMENTS & NOTICES

Service of documents on the Company

143. Subject to the provisions of the Act and Rules made thereunder, the documents may be served on the Company or any officer thereof by sending it to the Company or the officer at the registered office of the Company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed.

How notices & documents to be served on members

144. a) Notice and other documents of General meeting of the Company can be given to shareholders by email provided every shareholder should be given advanced opportunity to register their address and changes therein from time to time with the Company. In case any member has not registered his/her mail address with the Company, the service of notice and documents should be in accordance with the provisions of Section 20 of the Act;
- Provided wherever required the company shall comply the provisions of Section 115 of the Act, regarding resolution requiring special notice.
- b) A document may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register in respect of the share.
- c) A document may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased or assign of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons, claiming to be so entitled or until such an address has been so supplied by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Transferees etc. bound by prior notice

145. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share be bound by every notice in respect of such share which previously to his name and address being entered in the register shall be duly given to the person from whom he derives his title to such share.

Notice valid though member deceased

146. Any notice or document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding such member be then deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until, some other person be registered in his stead as the holder of joint holder thereof and such service shall, for the purpose of these presents, be deemed a sufficient service of such notice or document on his or her heirs, executors, or administrators and all persons, if any, jointly interested with him or her in any such shares.

Accidental Omission

147. The accidental omission to give notice or non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

How Notice to be signed

148. Save as otherwise provided in the Act-
- (a) Document or proceeding requiring Authentication by the Company:- or
- (b) Contracts made by or on behalf of the Company, may be signed by the Key Managerial Person or an officer of the Company duly authorized by the Board in this behalf.

The Company may, by writing under its common seal authorize any person, either generally or in respect of any specified matters, as its attorney to execute other deeds on its behalf in any place either in or outside India. A deed signed by such attorney on behalf of the Company under this seal shall bind the Company and have the effect as if it were made under its Common Seal

WINDING UP

NOTICE

149. Subject to the applicable provisions of the Act and the Rules made thereunder.
- i. If the Company shall be wound-up, the Liquidator may, with the sanction of a Special Resolution and any other sanction required by the Companies Act, 1956 and 2013 divide amongst the members in specie or kind the whole or any part of the assets of the Company whether or not they shall consist of property of the same kind.
 - ii. For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - iii. The Liquidator may, with the like sanction invest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Secrecy

150. Every Director, Manager, Trustee, Member of Committee, Officer, Servant, Agent, Accountant, of other persons employed in the business of the Company, shall if so required by the Board sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by meeting or by any a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

No Shareholder to enter the premises of the Company without permission

151. No member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board of the Company or subject to these Articles to require discovery of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trades or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient of the Company to communicate to the Public.

Indemnity

152. Every Director, Auditor, Officer or Servant of the Company shall subject to Section 197 and other applicable provisions of the Act, be indemnified out of its funds for all costs, charges, travelling or other expenses, losses and liabilities incurred by them or him in the conduct of the Company's business or in the discharge of their or his duties, and neither any Director nor Officer or Servant of the Company shall be held liable for joining in any receipt or other act for conformity's sake or for any loss or expenses happening to the Company by insufficiency or deficiency of any security on it or upon which any of the moneys of the Company shall be invested, or for any loss or damages, arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects, shall be deposited or for any other loss, or damage or misfortune whatsoever which shall happen in the execution of their or his, office or in relation thereto, unless the same shall happen through their or his own dishonesty.

Every Director, Auditor, Secretary, Chief Financial Officer, Agent and Officer of the Company shall also be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013, in which relief is granted to him by the Court.

S. No.	Names, Addresses, Occupation and Description of Subscribers and Signatures	Name, Occupation, Address and description of witness and signature
1.	DEVINENI SUBBA RAO S/o. D. Rattaiah 10-1-1196/1 A. C. Guards Hyderabad – 500 004 Business (Sd.) D. SubbaRao	<p style="text-align: center;"> Atluri Madhusudhana Rao S/o. Veeranjanyulu Chartered Accountant 9920, Tilak Road Hyderabad (Sd.) A. MADHUSUDHANA RAO </p>
2.	KOLLI KRISHNA RAO C/o. KolliSimhachalam Plot 126, Srinagar Colony Hyderabad – 500 038, A. P. Business (Sd.) K. KrishnaRao	
3.	KONDAPANENI RANGA RAO S/o. K. Kotayya DilsukhBagh, Saroor Nagar Hyderabad – 500 035 Business (Sd.) K. RangaRao	
4.	PANDA PUNNAIAH S/o. Venkatramaiah Bapuji Nagar Kovvur, West Godavari Dist. Business (Sd.) P. Punnaiah	
5.	ALLURI VENKATESWARA RAO S/o. Bapineedu 14 Cross Road Brodipeta, Guntur Business (Sd.) A. VenkateswaraRao	
6.	CHAVA VENKATESWARA RAO S/o. Venkatakrishnaiah 1-1-336/43 Chikkadapalli Hyderabad-500 020 Private Service (Sd.) Ch. Venkateswara Rao	
7.	SHAIK ABDUL NABI S/o. Md. Khasim Sahib 35/3 RT Sanjeevareddi Nagar Hyderabad – 500 038 Private Service (Sd.) S. AbdulNabi	

Dated at Hyderabad on this 18th day of September, 1972.