



# **NAVA BHARAT VENTURES LIMITED**

**44th Annual Report 2015-16**

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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** (upto 31.05.2016)  
**SRI VSN RAJU** (w.e.f. 01.06.2016)

### 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**  
**Dr. M.V.G.Rao**

### 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 DIVISION

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

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

#### POWER DIVISION

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

Power 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)



## About Us

Nava Bharat Ventures Limited (NBVL) is a diversified business organization with a distributed asset base. The manufacturing facilities of the Company and its subsidiaries are spread over India, Southern Africa and Laos.

The business verticals comprise power generation, ferro alloys, mining as well as sugar and downstream products.



The Company has a track record of successful operations spanning four decades during which it has developed in-house expertise in design, engineering, project management, operation and maintenance of manufacturing plants in its business lines. Conservation of energy and natural resources, environment

protection, maintaining high standards of operational efficiency, workplace excellence, nurturing and retaining talent and development of communities around with special emphasis on improving health, providing quality education and developing employment - enhancing skills are core values of NBVL.



### 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
	150	Kharagprasad, Odisha
Bagasse	20	Dharmavaram, Andhra Pradesh
<b>Total generating capacity</b>	<b>434</b>	

### FERRO ALLOYS

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

### 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
<b>Zambia</b>	Integrated Coal mining and power generation	Coal mine operational. 2 x 150 MW Power Project in advanced stage of implementation
<b>Tanzania</b>	Commercial agro based investments	In development phase
<b>Laos</b>	Development of hydro-electric power project	EPC contract under way



## Awards and Recognitions

- **National Award for Excellence in Energy Management 2015 as Energy Efficient Unit** from Confederation of Indian Industry (Sugar Division received this award)
- **Pollution Control Excellence Award 2015** from State Pollution Control Board, Odisha (Odisha Works received this award)
- **Star Performer - Large Enterprise (Ferro Alloys) for outstanding contribution to Engineering Exports for the year 2013-14** from EEPICINDIA, Southern Region
- **Best Performance in Safety & Environment Management for the years 2011, 2012 and 2013** from Directorate of Factories & Boilers, Government of Odisha (Odisha Works received this award)
- **Longest Accident-Free Period** for the years **2012 and 2013** from Directorate of Factories & Boilers, Government of Odisha (Odisha Works received this award)
- **Certificate of Appreciation & Shield** from National Safety Council, Hyderabad, in recognition of the Company being awarded the OHSAS 18001:2007 accreditation



## Four 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

**2015**

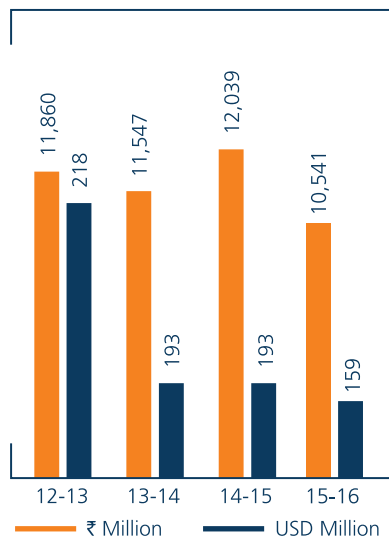
Financial closure for integrated coal and power project of Maamba Collieries Limited in Zambia



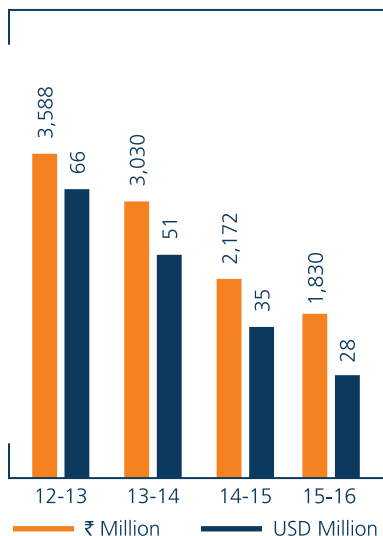


# Financial Performance

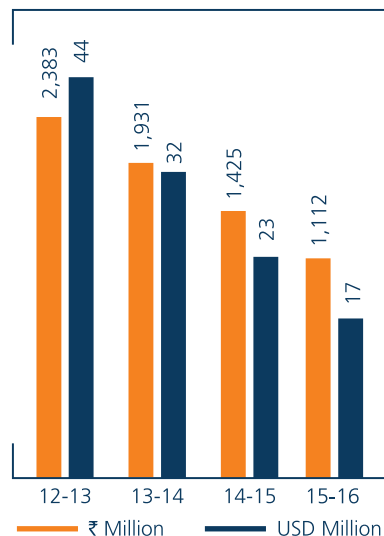
## REVENUE



## EBIDTA

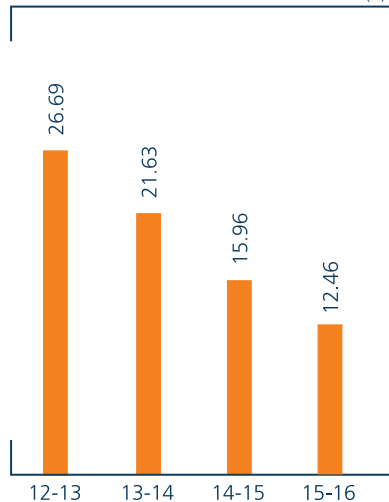


## PAT

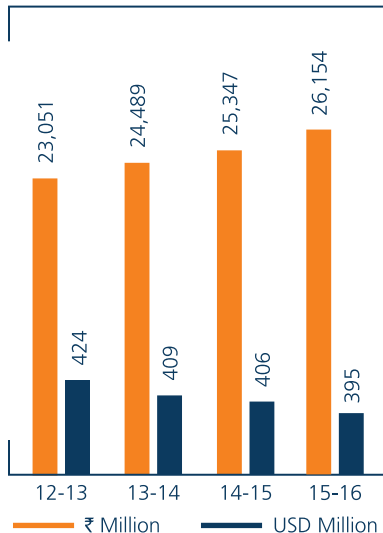


## EPS (DILUTED)

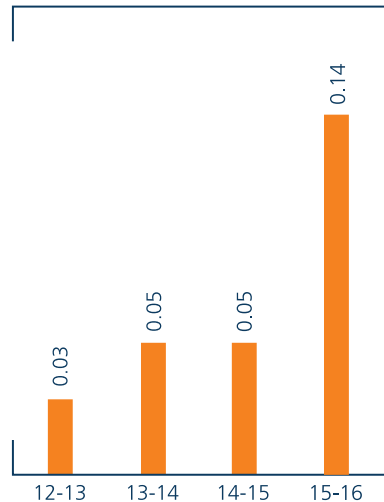
(₹)



## NET WORTH



## DEBT EQUITY



## USD/INR-Exchange Rate

2012-13	2013-14	2014-15	2015-16
54.36	59.91	62.49	66.25



# Report on Corporate Social Responsibility

## CORPORATE PHILOSOPHY OF CSR

**Nava Bharat Ventures Limited (NBVL) believes that discharge of corporate social responsibility is a prime constituent of its philosophy of growing along with the communities around. This has contributed to the progress NBVL has achieved during FY 2015-16.**

NBVL has implemented various CSR initiatives focusing on geographical areas in proximity to its manufacturing plants with special emphasis on those that have not received adequate attention or help for development. The areas of thrust chosen were healthcare, education and creation of livelihood, during the year.

### CSR EXPENDITURE IN FY 2015-16

	(₹ Lakhs)
Healthcare	119.87
Education	66.15
Livelihoods	87.72
Others	161.29
<b>Total</b>	<b>435.03</b>

2.03% of Avg. net profit for past three years.



## HEALTHCARE

### PRIMARY HEALTH CENTERS

The Company extended financial assistance to meet part of the running expenditure of the Primary Health Center established at Paloncha to cater to the basic medical needs of the local people in general and weaker sections in particular. A total number of 6,374 patients availed the services during FY 2015-16.

The Primary Health Center constructed by the Company at Bhatlapenumarru village in Krishna district has been providing primary health care to the people of the village. The Company constructed two additional rooms and a hall for preventive healthcare at this facility, during FY 2015-16.

Primary Health Center, Bhatlapenumarru





## HEALTH CAMPAIGN

To sensitize the villagers on the importance of health and hygiene, the Company organized a Health campaign through medical camps at Jagguthanda, Sekharambanjara, Erragunta, Palakoyyathanda and Gandhinagar of Paloncha mandal. A medical team constituted for this purpose made 93 visits and attended to 10,500 patients.

## SPECIALISED MEDICAL CAMPS

The Company organized two medical camps to diagnose diabetes in Meramandali village, Dhenkanal district, Odisha. About 400 villagers got benefitted by these camps during FY 2015-16.

## PROVIDING SAFE DRINKING WATER

As a continuing effort to provide safe drinking water to people living in rural and notified slum areas, the Company installed R.O. Water Plants at Machinenipetathanda, Papakollu and Indiranagar of Khammam district, Telangana. These water plants supplied pure drinking water at a very affordable cost to about 2500 villagers and contributed to improvement in health through control of water borne diseases.

Water Plant at Machinenipetathanda



## IMPROVING SANITATION

Addressing the acute need for toilets in government schools, the Company constructed toilet blocks in Government High Schools at Tekulapalli and Netaji Ramavaram, Z.P.S.School at Jagannadhapuram, Z.P.S.School at Boolurugudem, benefitting 1,820 students in Khammam district of Telangana.

Toilet at ZPS School, Jagannadhapuram



A similar exercise was carried out by the Company in the schools located at Kharagprasad, Masania and Charadagadia villages, benefitting 740 students in Dhenkanal district of Odisha.

In addition, the Company constructed a Community Toilet at Prattipadu village and an Amenity Center at Samalkot in East Godavari district of Andhra Pradesh.

## DRAINS

To improve basic sanitation in nearby villages, the Company constructed drains at Jagguthanda in Khammam district of Telangana and Hussainpuram in East Godavari district of Andhra Pradesh.

Drain at Jagguthanda



## EDUCATION

### NAVA BHARAT HIGH SCHOOL

This school at Paloncha provided quality education in vernacular medium to 320 rural and semi-urban students from neighbouring areas. The Company extended financial assistance to meet the expenditure of teachers' remuneration and maintenance cost.

Nava Bharat High School, Paloncha



### BRAHMANI PUBLIC SCHOOL

To promote education in the neighbourhood of its manufacturing plants in Odisha, the Company provided grant-in-aid to this school at Kharagprasad village.

### MOBILE SCIENCE LABORATORY

To promote learning of sciences through practical experiments by the economically backward students, the Company extended the facility of Mobile Science Laboratory to 14 government schools in Paloncha and Kothagudem mandals during FY 2015-16. A total of 2,800 students got benefitted by this programme.

Mobile Science Lab at ZPS School, Kommugudem



### FREE TUITIONS

To improve the academic performance among the students whose parents come from economically weaker sections, the Company has been providing free tuitions to such children studying in government schools. Running for the seventh consecutive year, the coverage of the programme increased to 20 government schools during FY 2015-16. The number of students benefitted increased from 800 to 950 during the year.

Free Tuitions at ZPS School, Kommugudem



### HANDS-ON TRAINING IN COMPUTERS IN SCHOOLS

To meet the essential need for computer skills, the Company arranged 17 computer instructors in government schools. In all, 4200 students got benefitted by the Programme during the academic year 2015-16 as against 1,600 last year.

### SUPPLEMENTARY SPOKEN ENGLISH PROGRAMME

Most of the students studying in government schools in rural areas lack proficiency in English. To address this deficiency, the Company has been running Supplementary Spoken English Programme in such schools. Encouraged by the response and improvement in verbal communication skills in English among the students, the Company increased the coverage to 10 government schools, benefitting 2,370 students during the academic year 2015-16 as against 1,500 last year.

Supplementary Spoken English at ZPS School, Kommugudem



### PROVIDING INFRASTRUCTURE IN GOVERNMENT SCHOOLS

To create a better learning environment, the Company provided a total of 569 dual desks for the use of students in 36 schools spread over Paloncha, Kothagudem, Mulakalapalli, Tekulapalli, Julurupadu and Bhadrachalam mandals, benefitting 1,707 students, during FY 2015-16.

Dual desks at GH School, Tekulapalli



The Company constructed office rooms and developed playground and other facilities at Brahmani Public School at Kharagprasad village in Odisha. It extended financial assistance for paying salaries to the teachers of the school.





## LIVELIHOODS

### NAVA BHARAT VOCATIONAL INSTITUTE (NBVI)

The Company established NBVI at Paloncha, Khammam district, Telangana in the year 2010 to impart training in employment-enhancing trade skills to unemployed youth. Starting with Welder and Electrician courses, new trades like Fitter, Plumber, Tally, DTP, Tailoring & Embroidery, Beautician, Garment making were added from time to time. During FY 2015-16, two new courses, viz., Refrigeration & Air Conditioning and Two Wheeler Mechanic were introduced for men and one new course, viz., Sanitary Napkin making was added for women.

#### Refrigeration & Air Conditioning



#### Sanitary Napkin Making



The Company's Sugar Division at Samalkot, East Godavari district, Andhra Pradesh provided vocational training in Fitter and Electrical trades to rural youth.

## WOMEN EMPOWERMENT

### WOMEN EMPOWERMENT CENTER

Vocational training for women in trades like tailoring & embroidery, beautician, etc. was hitherto provided in different places in the Company's residential colony at Paloncha. With the addition of new courses of training, it became imperative to have an exclusive centre for training of women with all courses conducted under one roof.

To serve this purpose, the Company took up construction of 'Women Empowerment Center' with all facilities, at Paloncha in Khammam district, Telangana. The trade skills developed here would enhance the livelihood opportunities of economically backward women.

#### Women Empowerment Center under construction at Paloncha



## VOCATIONAL EMPLOYMENT CENTER FOR WOMEN

To provide self-employment opportunities for poor women, the Company has established this center at Paloncha where women trained by Nava Bharat Vocational Institute, undertake execution of orders for making school uniforms, jute bags, etc., and share the earnings.

#### Jute Bag Making



## ENTREPRENEURIAL DEVELOPMENT OF WOMEN

The Company extended financial assistance to meet the cost of training poor rural women in various trade skills that help them to produce household items at Hussainpur and Vetapalem villages in Andhra Pradesh.

## OTHER CSR ACTIVITIES

As part of rural / slum area development initiatives, the Company constructed roads and culverts.

### CONSTRUCTION OF BT ROADS

Accessibility is the primary requirement for the development of any human habitat. Responding to this vital need, the Company laid B.T. Roads at Jagguthanda, Erragunta, Masidgutta, Palakoyyathanda and Sativarigudem in Khammam district, Telangana.



### CONSTRUCTION OF CULVERTS

To facilitate easy transportation, the Company constructed culverts at Palem and Burugupudi villages in East Godavari district, Andhra Pradesh.

### MAINTAINING QUALITY OF SOIL

The Company provided training at the Sugar Division, Samalkot in East Godavari district, Andhra Pradesh, to farmers in producing and using enriched organic manure to improve soil fertility and maintain quality of soil. The training programme also provided inputs on developing an integrated package for each crop and adoption of best practices. About 525 farmers from 45 villages participated in the training programme.

Library of Nava Bharat Schools, Paloncha



# Directors' Report

## Dear Members,

Your Directors are pleased to present the 44th Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended 31st March, 2016.

## FINANCIAL SUMMARY

The financial performance of the Company (Standalone and Consolidated) for the Financial Year ended 31st March, 2016 is summarized below:

(₹ in lakhs)

	Standalone		Consolidated	
	12 months ended 31.03.2016	12 months ended 31.03.2015	12 months ended 31.03.2016	12 months ended 31.03.2015
Turnover/Income (Gross)	129630.25	147471.34	193335.56	219837.54
Profit before Finance charges, Depreciation and Taxation	18295.39	21723.14	45664.89	42368.94
Less: Finance charges (excluding amount capitalized)	3283.76	2824.35	9617.79	11167.74
Profit before Depreciation and Taxation	15011.63	18898.79	36047.10	31201.20
Less : Depreciation	3405.05	3627.84	7630.28	7875.60
Profit for the year after Depreciation	11606.58	15270.95	28416.82	23325.60
Less : Provision for taxation				
- Current tax	2700.00	3310.00	3746.65	6535.82
- Deferred tax	(185.34)	198.76	(188.10)	196.33
- Tax of earlier years	--	15.27	3.23	186.67
- MAT credit entitlement	(2030.00)	(2500.00)	(5278.97)	(4496.21)
<b>Profit after Tax</b>	11121.92	14246.92	30134.01	20902.99
Balance brought forward from last year	136691.43	133113.40	167464.64	157529.26
Minority share (Profit / Loss)	--	--	(1403.76)	(298.72)
	147813.35	147360.32	196194.89	178133.53
Less: Carrying amount of the assets whose remaining useful life is nil and the deferred tax thereon	--	594.96	--	594.96
<b>Profit available for Appropriation</b>	147813.35	146765.36	196194.89	177538.57
<b>Appropriations</b>				
Dividend on Equity Share Capital	2529.43	4215.71	2529.43	4215.71
Corporate Dividend Tax	514.93	858.22	514.93	858.22
General Reserve	1500.00	5000.00	1500.00	5000.00
Surplus carried to Balance Sheet	143268.99	136691.43	191650.53	167464.64
	147813.35	146765.36	196194.89	177538.57





## ECONOMIC AND BUSINESS REVIEW

India's economic and business environment remained subdued during 2015-16 due to multitude of factors ranging from successive monsoon failures to worldwide commodity meltdown and meager capital allocations by corporates, notwithstanding a fairly moderate oil price. However, growth has picked up in the later part of the fiscal year on the back of a modest recovery in consumption and increased government spending. GDP growth is now seen at about 8 percent, and Nominal Economic growth seen between 11 and 12 percent notwithstanding a marginal fall in the agricultural growth owing to poor monsoon.

The Economy of India is the seventh largest in the world by nominal GDP and the third largest by purchasing power parity (PPP). The country is classified as a newly industrialized country, one of the G-20 major economies, a member of BRICS and a developing economy with an average growth rate of approximately 7% over the last two decades. Fiscal deficit is seen at 3.9 percent of GDP in 2015-16. The rupee has been relatively a better performer among emerging market currencies because of India's higher forex reserves and lower external debt compared with other emerging market countries.

## REVIEW OF OPERATIONS

The performance of the Company should be considered satisfactory for 2015-16 given that all the three business segments that your Company has been engaged in, have been subjected to moderate to significant stress in the year under review.

Turnover for the year 2015-16 stood at ₹ 12,963.02 Million compared to ₹ 14,747.13 Million in the previous year and the profit after tax stood at ₹ 1,112.19 Million, declined from ₹ 1,424.69 Million in the previous year.

## FERRO ALLOYS

The Ferro Alloy operations attained reasonable stability with the resumption of conversion arrangement for Ferro Chrome with Tata Steel. The arrangement, resumed initially up to March 2016, has since been renewed till March 2020.

The Silico Manganese operations for the year 2015-16 mirrored the primary steel scenario which was quite subdued for the first nine months. The manganese alloy market, however, witnessed a high degree of volatility in the last quarter and so, the weakness persists with low margins in the current financial year.

The continued drift in the manganese alloy prices also impacted the sales of the carried forward inventory, predominantly in the Odisha unit which had also to pare the sales value on account of quality mis-match during the year under review.

## POWER

The Company's operating power plants in Telangana and Andhra Pradesh delivered reasonable performance during the year under review notwithstanding planned refurbishment cum maintenance outages and severe grid curtailments.

Higher availability of domestic coal and weakened international prices of coal helped your Company maintain competitive cost of generation for plants of this size in FY2016.

The power plants in Odisha have, however, been impacted due to limitation on captive power generation and extremely low spot prices for power which also prevented the operationalization of the second 60 MW Unit.

## SUGAR

The present market trend in sugar is favourable although there was a fall in the average realizations in the year under review. The initial bearish trends in sugar prices were reversed towards the last few months of FY 2016, resulting in marginally higher realizations. Integrated operations led by Ethanol held the sway for the Unit to gain the ground lost on account of Sugar per se during the year under review.

## DIVIDEND

The Board reviewed the business scenario for FY 2016 and FY 2017 in Ferro Alloy and Power segments and felt it necessary to conserve the funds and be prudent to recommend a dividend on the equity shares at ₹ 3/- per Equity Share of ₹ 2/- each for the FY 2015-16, subject to Shareholders' approval at the ensuing Annual General Meeting. The aggregate dividend payout amounts to ₹ 25.29 crores, excluding corporate dividend tax of ₹ 5.15 crores.

## BONUS SHARES

The Company embarked upon the Zambian Coal Mine Rehabilitation & 300 MW Power Project with a clear view on capital and resource allocations for sustaining long term growth with minimal risks. Members will be pleased to know that the integrated Coal & Power Project has attained fruition with the two units of 150 MW each being ready for synchronization and commercial operations soon.



The Board of Directors at their meeting held on 22nd July, 2016 considered and approved capitalization of Reserves to issue Bonus Equity Shares in the ratio of 1:1 i.e. One Bonus Equity Share of ₹ 2/- each for every One existing Equity Share of ₹ 2/- each to all equity shareholders existing on the Register of Members on the Record Date to be announced soon. The Board considers this bonus issue a fitting reward to the shareholders for their unstinted support for the Company's growth.

### RESERVES

The Board proposed to carry an amount of ₹ 15 crores to General Reserve out of the amount available for appropriation and an amount of ₹ 1432.69 crores is proposed to be retained in the statement of Profit and Loss account.

### 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 AGREEMENT

The Securities and Exchange Board of India (SEBI), on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from 1st December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with NSE and BSE on 27th November, 2015.

### LISTING OF EQUITY SHARES

The Securities of the Company are listed at National Stock Exchange of India Limited and BSE Limited.

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

The Company will issue Bonus Shares as per the prescribed provisions of the Act and Listing Regulations.

## 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.

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](http://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 Offices 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.

Statement containing salient features of the financial statements of Subsidiaries and Associate Companies for the year ending 31st March, 2016 in **Form AOC-I** (Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) is attached at the end of the Notes on Accounts to Financial Statements.

## OVERSEAS CORPORATE STRUCTURE

The Company has overseas investments in Coal Mining, Power Generation, Operation & Maintenance Services and Commercial Agriculture, spread across different geographical regions. All the investments have so far been pursued through Nava Bharat (Singapore) Pte. Limited (NBS), it being the Wholly Owned Subsidiary (WOS) in Singapore. The Board has decided to create other intermediate holding companies in Singapore so that they cater separately to Power Generation, O&M Services and Commercial Agriculture to facilitate investment pursuit in a focused manner.



### NAVA BHARAT (SINGAPORE) PTE. LIMITED (NBS)

NBS, a Wholly Owned Subsidiary of the Company in Singapore, has been the investment arm and holding Company of the overseas strategic investments while rendering trading services for ferro alloys within the Group. Henceforth, NBS will control the investments in coal and power generation.

### MAAMBA COLLIERIES LIMITED (MCL)

MCL is a step down subsidiary of the Company in Zambia with NBS holding 64.69% of the equity stake while the balance 35.31% is held by ZCCM Investments Holdings Plc and others. MCL has the largest coal concession in Zambia and has embarked upon the Coal Mine Revamping and establishment of a 300 MW (2 X 150 MW) Coal Fired Power Project at a capital outlay of USD 843 million. The means of finance include long term debt of USD 590 Million and Equity funds of USD 253 Million which have been fully tied up. The Financial Closure was achieved in July, 2015.

While the Coal Mining Operations have stabilized, the 300 MW Power Plant is set for full commissioning by August 2016 and commercial operations thereafter. MCL will contribute significantly to the consolidated turnover and profit with part year operations in FY 2017 and going forward. The limited recourse Project Financing transaction of MCL has received rich accolades from discerning international agencies for its innovation, quality and geographic spread of Lenders from China and Africa. The Project is the first Independent Power Project financed on a limited recourse basis to have secured Export Credit Agency Insurance cover from Sinasure, China. The awards include "African Power Deal of the year 2015" from Project Finance International of Thompson Reuters and "Project Finance Power Deal of the Year 2016" by World Finance which are highly appreciated by Financial Institutions and Investors across the Globe.

For FY 2016, MCL made an operating profit of USD 965,523 (after tax) on a total income of USD 12,340,463 which, together with Deferred Tax benefit, supplemented the consolidated income and profit respectively.

### NAVA BHARAT LAO ENERGY PVT. LIMITED (NBLEPL)

NBLEPL is a Wholly Owned Subsidiary of NBS incorporated in Singapore, holding 70% stake in Namphak Power Company Limited, the Hydro Power Project Company, Laos.

### NAMPHAK POWER COMPANY LIMITED (NPCL)

Namphak Power Company Limited (NPCL) is the Project Company, formed to implement the 150 MW Hydel Power Project in Laos. NBLEPL has shareholding of 70% in NPCL, while Kobe Green Power Co. Ltd., a Japanese company and Electricite' du Lao, the local power utility hold 15% stake each in NPCL. Namphak Power Company Ltd., has a Concession Agreement with Government of Laos to develop 150MW hydro power plant on BOOT basis. NPCL has identified the EPC Contractor and taken up certain developmental activity near the site in Laos.

The aggregate investment on the Laos Project as at 31st March 2016 amounted to about USD 6.579 million.

### NAVA ENERGY PTE. LIMITED (NEPL)

NEPL, Singapore is proposed to be the intermediate holding company for engaging in O&M services of power plants abroad. It will avail technical support from the Indian Holding Company having the requisite expertise and operating experience of power plants and supplement it with technical support from Original Equipment Manufacturers (OEMs) or EPC contractors, as required.

NEPL has secured the O&M contract from MCL for the latter's 300 MW coal fired power plant in Zambia. For due performance of the O&M contract, NEPL has *inter alia* entered into a Long Term Technical Support Agreement with the Indian Holding Company which has also extended performance guarantee and bank guarantees as required under the O&M Contract with MCL. Your Company considers this as an opportunity to leverage its rich experience in power plant operations, gained assiduously over the last three decades while a distinct revenue stream is established in O&M services.

NEPL has set up a Zambian company as its WOS to facilitate compliance with local laws in engagement of sub-contractors and employees to discharge the O&M Contract obligations.

The particulars of Contracts executed in relation to the Power Project are given in the Explanatory Statement to the Notice of the 44th Annual General Meeting.

### NAVA ENERGY ZAMBIA LIMITED (NEZL)

Nava Energy Zambia Limited is a Zambian Step down subsidiary and a WOS of NEPL. NEZL has engaged qualified and experienced personnel and Sub-contractors in Zambia. It will take over the 300 MW Power Plant from MCL to render the O&M Services from the Commercial Operations Date. In order to achieve smooth transition

from the construction phase to operations phase, NEZL has established its presence at the site to participate in all the commissioning activities.

As at 31st March 2016, the O&M operations at MCL were yet to commence and so NEPL/NEZL have no reportable operating performance for FY2016.

### AGRI HOLDING COMPANY

The Company proposes to establish another intermediate holding company in Singapore to hold investments in Commercial Agriculture and related businesses. After this holding company is established, it is proposed to restructure the different investments currently in Tanzania and proposed in Zambia, held by NBS into this holding company.

### KARIBA SUGAR LIMITED (KSL)

Kariba Sugar Limited (KSL) was recently incorporated in Zambia. KSL has secured approval of the Government of Zambia for allocation of 10,000 Ha of land in Luena Farm Block, North Western province of Zambia to set up an Integrated Sugar Complex. Plans are under way to undertake integrated Palm Oil extraction later with additional land being allocated by the Government.

### NB TANAGRO LIMITED (NBTL)

NBTL is a Step down subsidiary in Tanzania and has been pursuing investment in Oil Palm. NBS holds 80% in NBTL while the balance 20% is held by National Development Corporation of Tanzania. NBTL currently awaits allocation of land from the Government.

### NB RUFJI PVT. LTD. (NBRPL)

NBRPL is another step down subsidiary in Tanzania, pursuing investment in Oil Palm. NBRPL is a WOS of NBS and is engaged with Rufizi Development Authority for facilitating land allocation following which investment plans will be drawn up.

### KARIBA INFRASTRUCTURE DEVELOPMENT LIMITED (KIDL)

KIDL is a step down subsidiary of NBS and was pursuing the development of a Multi Facility Economic Zone (MFEZ) in Zambia. However, as there has been no material development and there being no fiscal benefits in such MFEZ, it has been decided to wind up this company and necessary corporate actions have been initiated in this regard.

## INDIAN SUBSIDIARIES

Indian Subsidiaries, led by Nava Bharat Energy India Limited, helped substantially improve the consolidated performance of your Company.

### NAVA BHARAT ENERGY INDIA LIMITED (NBEIL)

NBEIL is a step down, but wholly owned, subsidiary of the Company with 26% of equity directly held by NBVL and 74% being held through Nava Bharat Projects Limited (NBPL).

Nava Bharat Energy India Limited (NBEIL) operated the 150 MW Independent Power Unit in Telangana on merchant basis with an average PLF of 79.08% during FY16. Though the Unit maintained a better availability during FY 2016, power could not be dispatched optimally on account of Grid curtailments and un-remunerative merchant power realizations.

Notwithstanding a low PLF, the subsidiary made a total income of ₹ 50,946.74 lakhs and profit of ₹ 15,363.56 lakhs (after tax) which greatly helped the Company post a healthy consolidated performance for FY 2016.

### NAVA BHARAT PROJECTS LIMITED (NBPL)

NBPL is a WOS of the Company and is engaged in trading / export of goods or equipment.

Investigations into the allotment of Coal Blocks to M/s. Navabharat Power Private Limited (NPPL):

The Special Court constituted, pursuant to the directions of the Hon'ble Supreme Court of India, took cognizance of the charge sheet filed by CBI in the matter of NPPL and issued summons to the persons named in the charge sheet. The proceedings are on.

Members are aware that, the Enforcement Directorate vide its Provisional Attachment Order dated 22.07.2014 attached 74 Crore Equity Shares of ₹ 2/- of NBEIL held by NBPL to the extent of ₹ 138.59 crores and the said Provisional Attachment Order was also confirmed by the Adjudicating Authority under Prevention of Money Laundering Act, 2002 vide Order dated 20.05.2015. Subsequently, the Enforcement Directorate, Hyderabad (ED), sought transfer of entire 73,99,99,994 equity shares of ₹ 2/- each face value of Nava Bharat Energy India Limited. The NBPL preferred an Appeal before the Hon'ble Appellate Tribunal at New Delhi which granted interim stay on 30.07.2015 subject to certain conditions.

NBPL made an income of ₹ 8,34,53,723/- and profit of ₹ 1,71,01,877/- (after tax) for FY 2015-16.



## **BRAHMANI INFRATECH PRIVATE LIMITED (BIPL)**

BIPL is a subsidiary of the Company with 65.74% equity stake. Following the surrender of land of SEZ back to the Government, BIPL has been engaged in investments in urban lands and properties to diversify its portfolio and to pursue urban infrastructural development.

Following the cessation of SEZ activity and surrender of land, BIPL has been embroiled in protracted litigation including Arbitration of disputes with Mantri Group, its Co-developer and Technical Associate for SEZ.

The Arbitration Award by the Hon'ble Arbitrator is currently being disputed by BIPL and Mantri Group on separate grounds and is sub-judice.

Extract of Award in Arbitration Case between Mantri Technology Parks Private Limited (MTPPL) and BIPL:

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.

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 has filed an application in the Hon'ble City Civil Court, Hyderabad, under Section 34 of the Arbitration and Conciliation Act, 1996 seeking to set aside the Award to the extent it is aggrieved and to allow its claims. Further, MTPPL has also filed an appeal against the Award and an application under Section 9 of the Arbitration and Conciliation Act, 1996.

CLB matter: M/s. Malaxmi Infra Ventures (India) Private Limited, a shareholder and its Chairman Sri Y. Harish Chandra Prasad, filed a Company Petition *inter alia* alleging suppression of minority interests. BIPL denied the allegations as being totally contrary to the facts.

Final adjudication of the petition is awaited.

Complaint of Shareholders of BIPL on its Annual Report for 2014-15:

Mr. Sushil Manthri, and three others, shareholders of BIPL, addressed letters to it raising certain issues on the Financial Statements of the BIPL, on the eve of its 16th

Annual General Meeting held on 24th August, 2015. BIPL replied to all of them in October, 2015 after the issues were discussed in the Annual General Meeting of BIPL.

Similar representations were subsequently made to BIPL and to the Independent Directors of Nava Bharat Ventures Limited. The Audit Committee and Board of Directors of BIPL as well as the Audit Committee of NBVL considered the representations in detail. After evaluating the material on record and further deliberating the matters at length, they came to the conclusion that there were no flaws whatsoever either in the financial statements or in Auditor's Report thereon for 2014-15 of BIPL and that the Accounting Procedures and Auditors' observations were in accordance with standard accounting and auditing practices concerning liability provisioning and disclosure of pending litigations etc.

The said Security Deposit of ₹ 30 Crores deposited with NBVL by MTPPL at the inception of the SEZ project towards security deposit was refunded to BIPL on 31-03-2016.

BIPL made a total income of ₹ 3,62,20,976 and profit of ₹ 1,39,43,772 (after tax) for FY 2016.

## **NAVA BHARAT REALTY LIMITED (NBRL)**

NBRL is a wholly owned subsidiary of the Company and is envisaged 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 is envisaged 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 Meenakashi 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.

## **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.

### **IEM 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 Telangana, Hyderabad. The Writ Petition 247/13 is pending before the Hon'ble High Court.

### **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 has been 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 Companies (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 ₹ 435.03 lakhs towards CSR activities in 2015-16 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](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 Sec.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](http://www.nbventures.com/pdf/corporate_policies/06_pdf_13jan2015_related_party_transactions.pdf).





## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans given, guarantees provided and investments made during the Financial Year ended on March 31, 2016 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 Regulation 34 of

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Regulation 34(3) of SEBI (LODR) Regulations, 2015 is attached hereto as a part of this report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

**Disclosure under Reg. 34(3) & Schedule V of SEBI (LODR) Regulations, 2015.**

### Related Party Disclosure as per Schedule V of SEBI (LODR) Regulations, 2015

(₹ in lakhs)

S.No	In the accounts of	Particulars	Amounts at the year ended 2015-16	Maximum Amount of Loans/ Advances/ Investments outstanding during the year 2015-16
1	Nava Bharat Ventures Limited (NBVL) (Holding Company)	Loan Given to:- 1.Nava Bharat (Singapore) Pte. Ltd. (Wholly Owned Subsidiary of NBVL)  2.Brahmani Infratech Private Limited (Subsidiary of NBVL) (Security Deposit on a/c of SEZ Project)	51,343.75   NIL	51,343.75   3,000.00
2	Nava Bharat Ventures Limited (Holding Company)	Investment by the Loanee i.e., Nava Bharat (Singapore) Pte. Ltd. (Wholly owned Subsidiary of NBVL)  In the shares of subsidiary companies i.e., 1. Maamba Collieries Limited 2. Nava Bharat Lao Energy Pte. Ltd 3. Nava Energy Pte. Ltd 4. NB Tanagro Limited 5. Namphak Power Company Limited 6. Nava Energy Zambia Limited	   85,645.00 3,391.96 0.66 0.66 111.30 0.59	   85,645.00 3,391.96 0.66 0.66 111.30 0.59

## 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 SEBI (LODR) Regulations 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, 2016 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 Sec.149.

### APPOINTMENTS OF KEY MANAGERIAL PERSONNEL:

Sri P.Trivikrama Prasad was re-appointed as Managing Director, by the members with effect from 19th March, 2012 for a period of 5 years at the Annual General Meeting held on 28th July, 2011 and his tenure is upto 18th March, 2017. The Salary, commission and perquisites/allowances payable to him were revised by the General Body in its 41st AGM held on 16th August, 2013, with effect from 1-4-2013 for the remainder of his tenure.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on July 22, 2016 and subject to approval of Shareholders, re-appointed Sri P.Trivikrama Prasad as Managing Director for a period of 5 years from 19th March, 2017 on the remuneration, commission, perquisites and allowances as at present and recommended by the Board of Directors and placed before the members for approval.

There were no changes during the Financial Year under review. However, the Company Secretary, Mr.M.Subrahmanyam retired on attaining superannuation and Mr.VSN Raju has been appointed as Company Secretary and the change was effective from 1st June, 2016.

### DIRECTORS RETIRING BY ROTATION

Pursuant to the provisions of the Companies Act, 2013, Sri C.V.Durga Prasad 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 Nine ( 9 ) times during the FY 2015-16 viz. on 20th April, 2015, 8th May, 2015, 29th May, 2015, 4th July, 2015, 10th August, 2015, 9th November, 2015, 11th February, 2016, 19th March, 2016 and 26th March, 2016.

### PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, 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 & 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 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 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](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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

## 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) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure Nos. 8 & 9** respectively to this Report.

## 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 SEBI (LODR) Regulations.  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 Dr. M.V.G. Rao, 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.

### NAVA BHARAT VENTURES GENERAL EMPLOYEES BENEFITS SCHEME

Nava Bharat Ventures Employee Welfare Trust (established vide Indenture of Trust dated 25 January 2012) has been reconstituted and aligned with the SEBI (Share Based Employee Benefits) Regulations, 2014 by suitably amending the Trust Deed in line with the Regulations and General Employees Benefits Scheme with the current Regulations, falling under Part D of the Regulations in accordance with the Special Resolution passed by the members in the 43rd Annual General Meeting held on 27th August, 2015.

The scheme is in compliance of SEBI (Share Based Employee Benefits) Regulations 2014, as applicable. The Scheme is implemented as specified by SEBI in the Regulations.

Presently, the Trust holds 1.57% of the total paid up share capital of the Company as on 31st March, 2012. Since Shares constitute about 92% of the total assets held by the EWT for GEBS, the Company and the Trust have to dispose of the surplus shares over and above 10% of its total assets, which the Trust can retain in accordance with SEBI Regulations, before 28th October, 2019.

The Company and the Trust shall, after retaining 12,175 shares which it is eligible to retain under the Regulations, have to sell the surplus 13,87,825 shares within a period of five years from the date of the Regulations i.e. before 28th October, 2019.

The prescribed details are disclosed on the Company's website under the link: [http://www.nbventures.com/pdf/corporate\\_policies/08\\_pdf\\_General\\_Employee\\_Benefit\\_Scheme.pdf](http://www.nbventures.com/pdf/corporate_policies/08_pdf_General_Employee_Benefit_Scheme.pdf)

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, Regulation 3(5) of the aforesaid Regulations, it is disclosed that the Trustee abstained from voting at the AGM held on 27th August, 2015.

### 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.



## 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 & AUDITOR'S 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. Their appointment was ratified at the 43rd Annual General Meeting held on 27th August, 2015 till the conclusion of next Annual General Meeting (44th AGM). The Statutory Auditors have confirmed that their appointment, if made, would be in accordance with the provisions of Sec.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 only as provided in Section 139(2) of the Companies Act, 2013 read with removal of difficulties order dated 30th June, 2016.

The Auditors' Report on the financial statements of the company for financial year ended 31st March, 2016

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, Steel (Ferro Alloys) and Electricity for the Financial Year 2015-16 on the recommendations of the Audit Committee. The same was ratified by the Members at the 43rd Annual General Meeting held on 27.08.2015.

The Cost Audit reports for FY 2014-15 were filed with Ministry of Corporate Affairs on 24.09.2015.

Further, the Board has appointed M/s. Narasimha Murthy & Co., Cost Accountants, as Cost Auditors on 30th May 2016 for conducting the audit of cost records of the Company for Sugar, Industrial Alcohol, Steel (Ferro Alloys) and Electricity for the Financial Year 2016-17 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 FY 2015-16.

The Board appointed M/s. Sagar & Associates, as Internal Auditors for conduct of internal Audit of Cost records for the Financial Year 2016-17.

## 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 2015-16.

The Secretarial Audit Report for the financial year ended 31st March, 2016 issued by Practicing Company Secretary is annexed as **Annexure No.10** to this Report and does not contain any reservation, qualification or adverse remarks.

Further, the Board 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 FY 2016-17.

## 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, 2016 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 other than the one discussed under the head "NBPL" above.

## 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 orderly and efficient conduct of its business for safeguarding its assets, accuracy and completeness of the accounting records, prevention and detection of frauds and errors and 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 (Sec. 124 (5) of the Companies Act, 2013), an amount of ₹ 21,19,044/- relating to FY 2007-08, which remained unclaimed for a period of 7 years had been transferred by the Company on 24.08.2015 to the Investor Education and Protection Fund and credited on 26.08.2015.

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

Pursuant to Clause 5A (II) of the erstwhile Listing Agreement and Regulation 34 Schedule V(F) of SEBI (LODR) Regulations, 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 642995 equity shares belonging to 1281 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 Share Transfer Committee and after its approval, 40655 shares belonging to 21 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 602340 equity shares in respect of 1260 shareholders as at the close of the financial year 2015-16.

## VIGIL MECHANISM

Pursuant to Sec. 177 of the Companies Act 2013, the Company established a vigil mechanism for directors and employees to report genuine concerns. 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: [http://www.nbventures.com/pdf/corporate\\_policies/04\\_pdf\\_13jan/2015\\_whistle\\_blower.pdf](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. The latest policy revised in the lights of SEBI (LODR) Regulations, 2015 is placed on the website of the Company : [http://www.nbventures.com/pdf/corporate\\_policies/01\\_pdf\\_19jul2016\\_risk\\_management.pdf](http://www.nbventures.com/pdf/corporate_policies/01_pdf_19jul2016_risk_management.pdf)

## 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 2015-16:

1. **National Award for Excellence in Energy Management 2015** as **Energy Efficient Unit** from Confederation of Indian Industry (Sugar Division received this award).
2. **"Best Performance in Safety & Environment Management"** for the year **2011**. The award was given away by S. Prafulla Kumar Mallick, Hon'ble Minister of Steel, Mines, Labour & ESI, Govt. of Odisha.
3. **"Best Performance in Safety & Environment Management"** for the year **2012**. The award was given away by Mrs. Shalini Pandit, IAS, Labour Commissioner, Govt. of Odisha.
4. 1st Prize for **"Longest Accident-Free Period"** for the year **2012**. The award was given away by S. Prafulla Kumar Mallick, Hon'ble Minister of Steel, Mines, Labour & ESI, Govt. of Odisha.
5. **"Best Performance in Safety & Environment Management"** for the year **2013**. The award was given away by Mrs. Shalini Pandit, IAS, Labour Commissioner, Govt. of Odisha.
6. 2nd Prize for **"Longest Accident-Free Period"** for the year **2013**. The award was given away by S. Prafulla Kumar Mallick, Hon'ble Minister of Steel, Mines, Labour & ESI, Govt. of Odisha.
7. **"Pollution Control Excellence Award"** under the category – Industry. The Company's Unit in Odisha bagged this award from State Pollution Control Board, Odisha for the recognition of effective pollution control measures and sound environment management practices for the year **2015**.

8. **"Star Performer – Large Enterprise (Ferro Alloys)"**  
The Company received the award for outstanding contribution to Engineering Exports for the year **2013-14** from EEPICINDIA, Chennai. The Award, in the form of a Shield and a Certificate, was received at the Regional Export Award presentation ceremony held in Bangalore on 25th December, 2015.
9. **"National Safety Council Award"** - The National Safety Council, Hyderabad, on the occasion of 45th National Safety Day Celebrations, on **4th March, 2016** presented a Certificate of **Appreciation & a Shield** to the Company in recognition of its being awarded the Occupational Health and Safety Assessment Series 18001:2007 accreditation.

## 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 : 22nd July, 2016

**D. Ashok**  
Chairman

# Annexure - 1

Performance and Financial Information of each of subsidiaries under Rule 8 of Companies (Accounts) Rules, 2014 for the year ended 31st March, 2016

(₹ in lakhs)

Sl. No.	Name of Subsidiary Company	Share Capital	Turnover/ Total Income	Profit/(loss) after Taxation
1	Nava Bharat (Singapore) Pte. Limited	105,072.50	16,574.75	(495.53)
2	Maamba Collieries Limited	128,218.49	9,485.93	3,818.60
3	Nava Energy Pte. Limited	0.66	-	(17.16)
4	Nava Energy Zambia Limited	0.53		(49.77)
5	Nava Bharat Lao Energy Pte. Limited	3,391.96	29.15	17.11
6	Namphak Power Company Limited	159.00	-	-
7	NB Tanagro Limited	0.66	-	-
8	NB Rufiji Private Limited	-	-	-
9	Kariba Infrastructure Development Limited	-	-	-
10	Nava Bharat Projects Limited	9,080.40	834.55	171.02
11	Nava Bharat Energy India Limited	20,000.00	50,946.74	15,363.56
12	Brahmani Infratech Private Limited	6,312.50	362.21	139.43
13	Nava Bharat Realty Limited	22.00	-	(0.68)
14	Nava Bharat Sugar and Bio Fuels Limited	5.00	-	(0.40)

Note: Indian Rupee equivalent figures have been arrived at by applying the year end interbank exchange rate of USD = ₹ 66.25

For and on behalf of the Board

**P. Trivikrama Prasad**  
Managing Director

Place : Hyderabad  
Date : 22nd July, 2016

**D. Ashok**  
Chairman



## 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. Installation of lotus top roller in the place of conventional top roller for 5th Mill with Donnelly chute level automation and increasing juice drainage area for all the mills to reduce moisture in bagasse and thereby increase calorific value of bagasse.
- ii. Installation of pump for the diversion of excess process condensate to polishing pond stream to reduce the effluent load on Sugar ETP.
- iii. Utilization of clear juice in the place of hot water at A Continuous Pan to reduce steam consumption.

##### II) Power Division:

##### Power Plant (Telangana)

- I. a. Up-gradation of steam path of 50 MW unit-1 by replacing turbine rotor, total set of diaphragms and liners with latest design to improve the turbine heat rate and efficiency by reducing specific steam consumption resulting in energy savings.
- b. Installation of HT variable frequency drive for unit-3 boiler feed pump. This is the first HT-VFD installed in NBVL, resulting in energy savings.

##### Power Plant (Odisha)

- i. Replacement of the existing 27W, T5 tube lights at Unit-2 TG-Building, Compressor-House, DM-Plant and Raw-water Pump House area with 18W, LED tube-lights, resulting in energy savings.
- ii. Recycling of DM Plant Filter back wash water in clarifier and Reusing of blow down water of all the six

boilers in Cooling tower, resulting in energy savings and water savings.

- iii. Optimizing compressed air consumption in Bed Ash System of both the Boilers in Unit-2 by blocking 5 nos. of orifice plate holes and 44 nos. of air tapings taken from density stabilizer, resulting in energy savings.

### III) Ferro Alloy Division

#### Telangana

- i. Replaced 28 Nos of 250W SV lamp luminaires with 120W LED luminaires at Furnace Transformer Rooms.
- ii. Optimization of flow and pressure in furnace-1 water cooling system by providing valves in the outlet lines at manifold.
- iii. Installation of Lighting sensors at GCP-1 & 4 and RM yard for Auto switching of luminaires instead of manual operation.
- iv. Replacement of old type 1.5 Ton AC units at AAQM stations with 5 star rated inverter type AC units.
- v. Installed 40 Nos. of LED luminaires at new CCM and Finished product processing shed in the place of conventional SV/MH luminaires.

#### Odisha

- i. Installation of Variable Frequency Drives for Reverse Air Fan Motors at both Gas Cleaning Plants 1&2, resulting in saving of energy consumption.
- ii. Extension of Hot Air duct about 85 mtrs. of length from Gas Cleaning Plant to Dryer Plant resulting in saving of diesel oil consumption.



- iii. Installation of Variable Frequency Drives for 2 nos. of Cooling Tower Motors resulting in saving of electrical energy.
- iv. Replacement of 10 nos. of 150 Watt Metal Halide Lamps with 45 Watt LED lamps in Furnace Building resulting in saving of energy.

Due to the various measures taken as mentioned above, the total estimated savings at all the Units put together were 4.35 million kWh per year in energy, 5000 cubic meters per year in water consumption, 33000 tonnes per year in coal consumption and 2670 tonnes per year in bagasse consumption.

**(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:**

NIL

**II) Power Division:**

**Power Plant (Telangana)**

- i) ₹ 1700 lakhs on steam path upgradation of 50 MW Unit-1
- ii) ₹ 65 lakhs on HT Variable Frequency Drive for boiler feed pump of Unit-3

**Power Plant (Odisha)**

NIL

**III) Ferro Alloy Division: Telangana**

₹ 8.5 Lakhs on procurement of LED lighting Luminaires.

**Odisha**

₹ 11.40 lakhs on Installation of VFDs for Reverse Air Fan motors .

₹ 3.71 lakhs on Extension of hot air duct to Dryer Plant.

₹ 1.28 Lakhs on installation of VFDs for Cooling Towers (2 Nos)

₹ 0.54 Lakhs for replacement of Metal Halide lights with LED lights

**(B) TECHNOLOGY ABSORPTION:**

**(i) The efforts made towards technology absorption**

**I. Sugar Division:**

NIL

**II. Power Division:**

**Power Plant (Telangana)**

- i. Reverse engineering and identification of indigenous sources of supply for replacement of critical internal parts of ESP-1.
- ii. Reverse engineering and providing suitable instruments and controls for converting local operation of gland steam pressure control valves of 32 MW Units 1 and 2 to DCS.

**Power Plant (Odisha)**

- i. a) Performance evaluation and Plugging of identified leakage tubes of HP Heaters in Unit-2.
- b) Performance evaluation and replacing the damaged tube bundles of LP Heaters in Unit-2.
- ii. Providing ferrules for APH tubes at the entry and exit points and replacing the identified eroded tubes in Unit-2.
- iii. Installation of Oil Trap at Unit-3 GT yard.
- iv. Providing Atomizing water spray nozzles at ash silos.
- v. Erection and commissioning of two nos. of CAAQMS and Real Time Data Acquisition System for real time data transfer to OSPCB server.
- vi. Erection and commissioning of effluent monitoring system and connecting it to CPCB server.



- vii. Erection and commissioning of stack gas analyzer in Unit-3 and its Real Time Data Acquisition System for real time data transfer to OSPCB server.
- viii.a) Performance evaluation of steam traps in Unit-2 and replacing the damaged steam traps.
- b) Providing steam traps in respective start up vent drain lines of both the boilers in Unit-1
- ix. Conducting Insulation survey, repairing and rectifying the identified weak insulation points in the boiler and turbine areas.

### III. Ferro Alloy Division:

#### Telangana

- i. Installation of one more Continuous Casting Machine.
- ii. Mechanization of the Silico Manganese Screening, Weighing, Bagging and Loading activities at finished product processing yard.
- iii. Installation of Pressurized Ventilation System for Furnace-4 Transformer rooms.
- iv. Installation of d SOx/NOx Gas Analyzers at Gas Cleaning Plants 3 and 4.
- v. Lightning risk assessment survey by external agency and implementation of recommendations at Works and Residential Colony.
- vi. Installation of rain guns at Raw Material Yards and Sinter Plant Yard.
- vii. Replacement of old type controllers with latest version at Batch Weighing System.

#### Odisha

- i. Utilization of Waste Heat from furnace by extending the hot gas duct from GCP inlet duct to Dryer Plant.

- ii. Substitution of Imported Electrode Carbon Paste with Indigenous Carbon Paste in both the furnaces.

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

#### I. Sugar Division:

NIL

#### II. Power Division:

##### Power Plant (Telangana)

- i) Reduction in Preventive maintenance cost of ESP-1.
- ii) Reduction in fuel (coal) consumption and auxiliary power consumption due to reduced steam consumption of Unit-1.
- iii) Reduction in energy consumption of boiler feed pump of Unit-3.

##### Power Plant (Odisha)

- i. Reduction in operating Turbine Heat rate.
- ii. Increased APH performance, reduced ID fan power consumption, improved availability of boilers and reduced maintenance cost.
- iii. Control of surface runoff water contamination.
- iv. Suppression of fugitive dust.
- v. Monitoring of ambient air quality.
- vi. Monitoring of discharge water quality.
- vii. Monitoring of stack gas parameters of Unit-3.
- viii. Elimination of steam escape through traps and startup vent drain line.
- ix. Minimized heat loss due to radiation.

### III. Ferro Alloy Division:

#### Telangana

- i. Consistent quality of metal in post-tapping activity and improvement in working conditions.



- ii. Improvement in working conditions and dispatch of material in organized manner.
- iii. Entry of outside dust & smoke prevented and the room temperature reduced.
- iv. On line monitoring of flue gas parameters as per the norms of State Pollution Control Board.
- v. Existing Lightning Protection System strengthened.
- vi. Waste water utilization and dust suppression for protection of environment.
- vii. Effective operation of equipment.

**Odisha**

- i. Reduction in energy consumption with installation for VFDs for RA Fans at Gas Cleaning Plants.
- ii. Reduction in diesel oil consumption.
- iii. Reduction in energy consumption with installation of VFDs for 2 Nos. of Cooling towers.

- iv. Reduction in energy consumption with replacement of MH Lamps with LED Lamps.
- v. Reduction in cost of electrode carbon paste in furnaces.

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

Sugar Division/Power Division/Ferro Alloy Division : NIL

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(₹ in lakhs)

	Current Year 31.03.2016	Previous Year 31.03.2015
Foreign Exchange Outgo:		
i. CIF value of Imports	4,624.25	21,392.64
ii. Interest	39.81	18.68
iii. Others	44.32	12.98
Foreign exchange Earnings at FOB Value		
i. Export of Goods	15,246.45	32,803.51
ii. Others	3,217.51	1,529.49

For and on behalf of the Board

**P. Trivikrama Prasad**  
Managing Director

Place : Hyderabad  
Date : 22nd July, 2016

**D. Ashok**  
Chairman



# 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	The Company endeavours to <ul style="list-style-type: none"><li>• provide learning and acquiring knowledge through measures including formal schools;</li><li>• provide health care services through measures including preventive health care; and</li><li>• Provide livelihood through measures including vocational training.</li></ul>		
Web-link:		<a href="http://www.nbventures.com/pdf/csr_programmes/2015-16/pdf_01_30jul2016_cspro_2015-16.pdf">http://www.nbventures.com/pdf/csr_programmes/2015-16/pdf_01_30jul2016_cspro_2015-16.pdf</a>		
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	₹ 21429.01 lakhs		
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 428.58 lakhs		
5.	Details of CSR spend during the financial year	a. Total amount spent for the financial year: ₹ 4,35,03,175.00		
		b. Amount unspent, if any : Nil		
		c. Manner in which the amount spent during the financial year : Attached		
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 2015-16 :  
STATUS AS ON 31.03.2016**

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 Directly or through implementing agency
			Project or Program	Local Area or other				
1	Safe Drinking Water Plants, near Paloncha (Spill over from last year)	(i) Making available safe drinking water	Project	Pusugudem, Koyagudem, Tekulapalli, Nagaram, Singabhupalem	Khammam Telangana	5.94	5.94	Naandi Foundation, Hyderabad
2	Toilet at Kothagudem (Spill over from last year)	(i) Promoting sanitation	Project	Kothagudem	Khammam Telangana	0.52	0.52	Direct
3	Providing Sanitation implements to Paloncha Municipality (Spill over from last year)	(i) Promoting sanitation	Project	Paloncha	Khammam Telangana	0.13	0.13	Direct
4	Nava Bharat Vocational Institute (NBVI) - Construction of New Building (Spill over from last year)	(ii) Promoting employment enhancing vocational skills	Project	Paloncha	Khammam Telangana	4.64	4.64	Direct
5	Charadagadia UP School - Boundary Wall (Spill over from last year)	(ii) Promoting education	Project	Charadagadia	Dhenkanal Odisha	1.11	1.05	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 Directly or through implementing agency
			Project or Program	Local Area or other	District and State				
6	Specialized Medical camps	(i) Promoting preventive health care	Program	Meramandali Village	Dhenkanal Odisha	4.00	4.39	4.39	Direct
7	Primary Health Center at NBEC, Paloncha	(i) Promoting preventive health care	Program	Paloncha	Khammam Telangana	5.60	5.61	5.61	Direct
8	Health Campaign in surrounding areas of Paloncha	(i) Promoting Preventive Health care	Program	Erragunta, Jaguthanda, Palakoyyathanda, Sekhrambanjara, Gandhi Nagar	Khammam Telangana	6.00	6.06	6.06	Direct
9	Safe Drinking Water Plants, near Paloncha (Continued from last year)	(i) Making available safe drinking water	Program	Sanjay Nagar	Khammam Telangana	0.30	0.39	0.39	Direct
10	Grant-in-Aid to Brahmani Public School	(ii) Promoting education	Program	Kharagprasad	Dhenkanal Odisha	6.00	6.02	6.02	Direct
11	Free tutorials for economically backward students in Govt. schools	(ii) Promoting education	Program	Paloncha, Kothagudem and Mulakalapalli Mandals	Khammam Telangana	3.00	3.32	3.32	NBRDS, Paloncha
12	Computer faculty in Govt. Schools	(ii) Promoting education	Program	Paloncha, Kothagudem, Tekulapalli and Mulakalapalli Mandals	Khammam Telangana	6.30	6.55	6.55	Direct
13	Nava Bharat High School	(ii) Promoting education	Program	Paloncha	Khammam Telangana	18.00	19.53	19.53	Direct
14	Nutritious food to students	(ii) Promoting education	Program	Paloncha	Khammam Telangana	2.00	1.79	1.79	Direct

(₹ 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 Directly or through implementing agency
			Project or Program	Local Area or other	District and State				
15	Mobile Science Laboratory for Govt. schools in Kothagudem area	(ii) Promoting education	Program	Paloncha, Kothagudem Mandals	Khammam Telangana	3.00	3.33	3.33	Direct
16	Supplementary Spoken English program	ii) Promoting education	Program	Paloncha, Kothagudem Mandals	Khammam Telangana	4.35	4.35	4.35	Direct
17	Training farmers on maintain quality soil	(iv) Maintaining quality of soil	Program	44 Villages	Khammam Telangana	2.50	2.61	2.61	Direct
18	Nava Bharat Vocational Institute (NBVI), Paloncha	(ii) Promoting employment enhancing vocational skills	Program	Paloncha	Khammam Telangana	66.00	67.23	67.23	Direct
19	Vocational Employment Centre for Women (Garment Making), Paloncha	(iii) Empowering women	Project	Paloncha	Khammam Telangana	2.40	2.54	2.54	Direct
20	Vocational Employment Centre for Women (Garment Making), Paloncha	(iii) Empowering women	Program	Paloncha	Khammam Telangana	1.00	0.99	0.99	Direct



(₹ in Lakhs)

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	(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 Directly or through implementing agency
			Project or Program	Local Area or other programs were undertaken	District and State				
21	Developing vocational skills - Samalkot	(ii) Promoting employment enhancing vocational skills	Program	Samalkot	East Godavari Andhra Pradesh	3.50	3.49	3.49	Direct
22	Entrepreneurial development of Women, Samalkot	(iii) Empowering women	Program	Hussainpuram & Vetapalem Village Samalkot	East Godavari Andhra Pradesh	4.00	3.15	3.15	Direct
23	Administrative expenses		Program	Paloncha	Khammam Telangana	8.00	7.75	7.75	Direct
24	Construction of drains at Samalkot	(i) Promoting sanitation	Project	Hussainapuram Village, Samalkot Mandal	East Godavari Andhra Pradesh	8.25	7.72	7.72	Direct
25	Construction of Amenity Centre, Samalkot	(i) Promoting sanitation	Project	Near Srikumara rama Bhimeswara swamy temple, Samalkot	East Godavari Andhra Pradesh	2.00	2.49	2.49	Direct
26	Construction of toilets at community health center, Prathipadu	(i) Promoting sanitation	Project	Prathipadu	East Godavari Andhra Pradesh	2.25	2.82	2.82	Direct
27	Toilets at Brahmani Public School	(ii) Promoting Sanitation	Project	Kharagprasad	Dhenkanal Odisha	6.50	6.85	6.85	Direct
28	Safe Drinking Water Plants, near Paloncha	(i) Making available safe drinking water	Project	Indira Nagar, Machinapeta Thanda, Papakollu	Khammam Telangana	36.00	36.34	36.34	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 Directly or through implementing agency
			Project or Program	Local Area or other	District and State				
29	Toilets at Govt.Schools, Paloncha	(i) Promoting sanitation	Project	Z.P.S.School-Bollurugudem, Z.P.S.School-Jagannadhapuram, G.H.School-Tekulapalli, G.H.School-Netaji Ramavaram	Khammam Telangana	10.00	10.66	10.66	Direct
30	Construction of drains, Paloncha	(i) Promoting sanitation	Project	Jagguthanda	Khammam Telangana	9.00	8.78	8.78	Direct
31	Construction of Women Empowerment center, Paloncha	(iii) Empowering women	Project	Paloncha	Khammam Telangana	97.00	96.00	96.00	Direct
32	Primary Health Center at Bhatlapenumarru - Extension of building	(i) Promoting preventive health care	Project	Bhatlapenumarru	Krishna Andhra Pradesh	17.70	18.97	18.97	Direct
33	Construction of Girls Toilet.	(i) Promoting sanitation	Project	Masania and Charadagadia	Dhenkanal Odisha	2.53	2.20	2.20	Direct
34	Office rooms in Brahmani Public School.	(ii) Promoting education	Project	Kharagprasad	Dhenkanal Odisha	6.60	7.23	7.23	Direct
35	Children's Park at Brahmani Public school	(ii) Promoting education	Project	Kharagprasad	Dhenkanal Odisha	2.00	2.00	2.00	Direct
36	Brahmani Public School - Painting of Building	(ii) Promoting education	Project	Kharagprasad	Dhenkanal Odisha	0.98	0.98	0.98	Direct
37	Plantation of Medicinal Plants	(iv) Ensuring environmental sustainability	Project	Mahatma Gandhi Ausodhiya Aranya At - Sogar, Kamakhyanagar, Dhenkanal	Dhenkanal Odisha	2.11	2.11	2.11	AWHAN, At Chauliakhamar Chaulia-PO Sadar-Ps Dhenkanal-Dt, Odisha



Sl. No.	CSR project or activity identified	Sector in which the Project is covered	(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 Directly or through implementing agency
			Project or Program	Local Area or other	District and State				
38	Furniture for school students, Paloncha.	(ii) Promoting education	Project	Paloncha, Kothagudem, Mulakalapalli, Tekulapalli, Julurupadu, Bhadrachalam	Khammam Telangana	10.00	10.00	10.00	Direct
39	Construction of culverts, Samalkot	(x) Rural development	Project	Palem & Burugupudi Villages, Jaggampeta Mandal	East Godavari Andhra Pradesh	3.50	3.80	3.80	Direct
40	Nava Bharat Vocational Institute (NBVI), Paloncha - New Trades	(ii) Promoting employment enhancing vocational skills	Project	Paloncha	Khammam Telangana	11.59	12.36	12.36	Direct
41	Vocational Skill development (Sanitary Napkin) - Paloncha	(iii) Empowering women	Project	Paloncha	Khammam Telangana	3.30	3.52	3.52	Direct
42	Vocational Skill development (Sanitary Napkin) - Paloncha	(iii) Empowering women	Program	Paloncha	Khammam Telangana	0.30	0.12	0.12	Direct
43	Laying B.T. Roads	(xi) Slum area development	Project	Erragunta, Jaguthanda, Masidutta, Palakoyyathanda	Khammam Telangana	34.00	33.99	33.99	Direct
44	Laying B.T. Roads	(x) Rural development	Project	Sativatigudem	Khammam Telangana	4.68	4.71	4.71	Direct
<b>Total</b>						<b>428.58</b>	<b>435.03</b>	<b>435.03</b>	

**T. Hari Babu**  
Chief Financial Officer

**P. Trivikrama Prasad**  
Managing Director

**D. Ashok**  
Chairman  
CSR Committee



# Annexure - 4

## FORM NO. MGT- 9

### Extract of Annual Return

#### as on the financial year ended on 31.03.2016

[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 Share Transfer Agents, 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	39.68
2	Power	35102	48.68
3	Sugar	10721	11.64



### 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 (Singapore) Pte. Limited 120, Lower Delta Road, #05-14 Cendex Centre Singapore - 169208	Not Applicable	WOS	100.00	2 (87)
2	Maamba Collieries Limited Head Office: P.O.Box 99, Maamba Zambia	Not Applicable	Subsidiary	64.69	2 (87)
3	Nava Energy Pte. Ltd. 120, Lower Delta Road, #05-14 Cendex Centre Singapore -169208	Not Applicable	Subsidiary	100.00	2 (87)
4	Nava Energy Zambia Limited Izuma House, P.O. Box 99, Maamba Zambia	Not Applicable	Subsidiary	100.00	2 (87)
5	Nava Bharat Lao Energy Pte. Ltd 120, Lower Delta Road, #05-14 Cendex Centre Singapore -169208	Not Applicable	Subsidiary	100.00	2 (87)
6	Namphak Power Company Limited House No. 045, Unit 4 Ban Thongphantong Sisattanak District, P.O. Box 2108 Vientiane, Lao PDR	Not Applicable	Subsidiary	70.00	2 (87)
7	NB Tanagro Limited 8th Floor, Amani Place, Ohio Street Dar es Salaam, Tanzania	Not Applicable	Subsidiary	100.00	2 (87)
8	NB Rufiji Private Limited 8th Floor, Amani Place, Ohio Street, Dar es Salaam, Tanzania	Not Applicable	Subsidiary	100.00	2 (87)
9	Kariba Infrastructure Limited Maamba, Zambia.	Not Applicable	Subsidiary	100.00	2 (87)
10	Nava Bharat Projects Limited 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082 (Telangana)	U70102TG2007PLC052362	WOS	100.00	2 (87)
11	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)
12	Brahmani Infratech Private Limited 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082 (Telangana)	U40109TG1999PTC032289	Subsidiary	65.74	2 (87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
13	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)
14	Nava Bharat Sugar and Bio Fuels Ltd 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082 (Telangana)	U74999TG2008PLC058559	WOS	100.00	2 (87)
15	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	15478686	0	15478686	17.34	15543823	0	15543823	17.41	0.07
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.	18886044	0	18886044	21.15	19048380	0	19048380	21.33	0.18
e)	Banks/Fl	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)		39338240	0	39338240	44.06	39565713	0	39565713	44.31	0.25



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	
(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/Fl	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)	39338240	0	39338240	44.06	39565713	0	39565713	44.31	0.25
B PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	186508	0	186508	0.21	20571	0	20571	0.02	(0.19)
b) Banks / Fl	9548	1705	11253	0.01	13141	1705	14846	0.02	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) FIIs	26853011	0	26853011	30.07	24043262	0	24043262	26.93	(3.14)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify) Foreign Nationals	0	0	0	0	870	0	870	0.00	0.00
Sub-total (B) (1)	27049067	1705	27050772	30.30	24077844	1705	24079549	26.97	(3.33)
(2) Non-Institutions									
a) Bodies Corporate	1501480	1340	1502820	1.68	2278504	1340	2279844	2.55	0.87
i. Indian									
ii. Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	6888149	821326	7709475	8.63	7348164	739791	8087955	9.06	0.43
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8516840	0	8516840	9.54	9360502	0	9360502	10.48	0.94

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		
c) Others (specify)										
i. Unclaimed Shares Suspense Account	642995	0	642995	0.72	602340	0	602340	0.67	(0.05)	
ii. Directors and Relatives	282631	0	282631	0.32	290131	0	290131	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	9100	0	9100	0.01	6979	0	6979	0.01	0	
v. Hindu Undivided Family	416297	0	416297	0.47	460967	0	460967	0.52	0.05	
vi. Trusts	12346	0	12346	0.01	4611	0	4611	0.01	0	
vii. Non Resident Indians	170470	6110	176580	0.20	246135	5240	251375	0.28	0.08	
viii. Foreign Portfolio Investors	2229645	0	2229645	2.50	2897775	0	2897775	3.24	0.74	
Sub-total (B) (2):-	22069953	828776	22898729	25.65	24896108	746371	25642479	28.72	3.07	
Total Public Shareholding (B)=(B) (1) + (B) (2)	49119020	830481	49949501	55.94	48973952	748076	49722028	55.69	(0.25)	
C Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	
GRAND TOTAL (A+B+C)	88457260	830481	89287741	100.00	88539665	748076	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%), which is a Employee Benefit Trust as per SEBI(Share Based Employee Benefits Regulations, 2014 at the beginning and end of the year respectively and is a non-promoter and non-public shareholding.

## (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	1113000	1.25	0	1113000	1.25	0	0
2	Smt. Devineni Ramaa	261615	0.29	0	261615	0.29	0	0
3	Sri Ashwin Devineni	1619469	1.81	0	1684606	1.89	0	0.08
4	Sri Nikhil Devineni	1275000	1.43	0	1275000	1.43	0	0



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	
5	Dr. Devineni Rajasekhar	2880905	3.23	0	0	0.00	0	(3.23)
6	Dr. Devineni Rajasekhar jointly with Sri D. Ashok	7815	0.01	0	7815	0.01	0	0
7	Smt. Devineni Bhaktapriya	2020545	2.26	0	4901450	5.49	0	3.23
8	Smt. Alluri Nilima	505000	0.57	0	505000	0.57	0	0
9	Sri Pinnamaneni Trivikrama Prasad	1813836	2.03	0	1813836	2.03	0	0
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
	<b>TOTAL</b>	<b>15478686</b>	<b>17.34</b>	<b>0</b>	<b>15543823</b>	<b>17.41</b>	<b>0</b>	<b>0.07</b>
	<b>Bodies Corporate:</b>							
13	M/s. Nav Developers Ltd.	7817845	8.76	0	7920181	8.87	0	0.11
14	M/s. A. N. Investments Pvt. Ltd.	4408349	4.94	0	4408349	4.94	0	0
15	M/s. S. R. T. Investments Pvt. Ltd.	3400000	3.81	0	3460000	3.88	0	0.07
16	M/s. A9 Homes Pvt. Ltd.	1132000	1.27	0	1132000	1.27	0	0
17	M/s. V9 Avenues Pvt. Ltd.	1109990	1.24	0	1109990	1.24	0	0
18	M/s. AV Dwellings Pvt. Ltd.	1017860	1.14	0	1017860	1.14	0	0
	<b>TOTAL</b>	<b>18886044</b>	<b>21.15</b>	<b>0</b>	<b>19048380</b>	<b>21.33</b>	<b>0</b>	<b>0.18</b>
	<b>TRUST:</b>							
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
	<b>TOTAL</b>	<b>4973510</b>	<b>5.57</b>	<b>0</b>	<b>4973510</b>	<b>5.57</b>	<b>0</b>	<b>0</b>
	<b>GRAND TOTAL</b>	<b>39338240</b>	<b>44.06</b>	<b>0</b>	<b>39565713</b>	<b>44.31</b>	<b>0</b>	<b>0.25</b>

The term "encumbrance" has the same meaning as assigned to it in Regulation 28(3) of the SEBI (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	Smt. Devineni Bhaktapriya				
	At the beginning of the year	2020545	2.26	2020545	2.26
	Acquisition on 24.02.2016 (Inter se transfer among Promoters and between Relatives)	2880905	3.23	4901450	5.49
	At the end of the year*			4901450	5.49
2	Dr. Devineni Rajasekhar				
	At the beginning of the year	2880905	3.23	2880905	3.23
	Transfer on 24.02.2016 (Inter se transfer among Promoters and between Relatives)	2880905	3.23	0	0.00
	At the end of the year*			0	0.00
	Dr. Devineni Rajasekhar Jointly with Sri Devineni Ashok				
	At the beginning of the year	7815	0.01	7815	0.01
	At the end of the year			7815	0.01
3	Sri D. Ashwin				
	At the beginning of the year	1619469	1.81	1619469	1.81
	Acquisition on 04.03.2016	65137	0.07	1684606	1.89
	At the end of the year**			1684606	1.89
4	M/s.S.R.T.Investments Private Limited				
	At the beginning of the year	3400000	3.81	3400000	3.81
	Acquisition on 04.03.2016	60000	0.07	3460000	3.88
	At the end of the year**			3460000	3.88
5	M/s.Nav Developers Limited				
	At the beginning of the year	7817845	8.75	7817845	8.75
	Acquisition on 04.03.2016	7357	0.01	7825202	8.76
	Acquisition on 11.03.2016	37912	0.04	7863114	8.81
	Acquisition on 25.03.2016	57067	0.06	7920181	8.87
	At the end of the year**			7920181	8.87

\*The reason for increase/decrease in Promoters (Sl.Nos.1 and 2) shareholding during the year is due to inter se transfer between Promoters and among relatives.

\*\*The reason for increase in promoters (Sl.Nos.3 to 5) 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
1	M/s. Highfields Capital Management LP A/c: HC Mauritius Ltd				
	At the beginning of the year	8482989	9.50		
	(Change of name on 17.04.2015 from M/s. Highfields Capital Management LP A/c: HC Mauritius Limited to M/s. HC Mauritius Limited)				
	At the end of the year (HC Mauritius Limited)			8482989	9.50
2	M/s. J. Caird BMD MB				
	At the beginning of the year	1996987	2.24	1996987	2.24
	At the end of the year			1996987	2.24
3	M/s. J. Caird MB				
	At the beginning of the year	1860542	2.08	1860542	2.08
	At the end of the year			1860542	2.08
4	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
5	M/s Deutsche Securities Mauritius Limited				
	At the beginning of the year	1845356	2.07	1845356	2.07
	Sale on 14.08.2015	(72018)	(0.08)	1773338	1.99
	Sale on 13.11.2015	(58948)	(0.07)	1714390	1.92
	Sale on 20.11.2015	(135515)	(0.15)	1578875	1.77
	Sale on 27.11.2015	(151246)	(0.17)	1427629	1.60
	Sale on 04.12.2015	(556239)	(0.62)	871390	0.98
	Sale on 11.12.2015	(91436)	(0.10)	779954	0.88
	Sale on 18.12.2015	(137719)	(0.15)	642235	0.73
	Sale on 25.12.2015	(77813)	(0.09)	564422	0.64
	Sale on 31.12.2015	(60969)	(0.07)	503453	0.57
	Sale on 08.01.2016	(121785)	(0.14)	381668	0.43
	Sale on 15.01.2016	(73164)	(0.08)	308504	0.35
	Sale on 25.03.2016	(23125)	(0.03)	285379	0.32
	Sale on 31.03.2016	(231)	(0.00)	285148	0.32
	At the end of the year			285148	0.32

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
6	M/s. Cophall Mauritius Investment Limited				
	At the beginning of the year	1664733	1.86	1664733	1.86
	At the end of the year			1664733	1.86
7	M/s. Bay Pond MB				
	At the beginning of the year	1458471	1.63	1458471	1.63
	Sale on 05.06.2015	206151	0.23	1252320	1.40
	Sale on 30.06.2015	27560	0.03	1224760	1.37
	Sale on 17.07.2015	37766	0.04	1186994	1.33
	Sale on 24.07.2015	64311	0.07	1122683	1.26
	At the end of the year			1122683	1.26
8	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
9	M/s. Morgan Stanley Asia (Singapore) Pte.				
	At the beginning of the year	1968059	2.20	1968059	2.20
	Acquisition on 05.06.2015	77185	0.09	2045244	2.29
	Acquisition on 24.07.2015	72543	0.08	2117787	2.37
	Sale on 11.12.2015	(10092)	(0.01)	2107695	2.36
	Sale on 18.12.2015	(4382)	(0.00)	2103313	2.36
	Acquisition on 31.03.2016	349	(0.00)	2103662	2.36
	At the end of the year			2103662	2.36
10	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	1113000	1.25	1113000	1.25
	At the end of the year			1113000	1.25
2	Sri P. Trivikrama Prasad				
	At the beginning of the year	1813836	2.03	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

**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	137,81,47,081	30,00,00,000	-	167,81,47,081
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>137,81,47,081</b>	<b>30,00,00,000</b>	<b>-</b>	<b>167,81,47,081</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	321,81,75,540	47,70,00,000	-	369,51,75,540
Reduction	(73,09,44,181)	(30,00,00,000)	-	(103,09,44,181)
Net Change	248,72,31,359	17,70,00,000		266,42,31,359
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	386,53,78,440	47,70,00,000	-	434,23,78,440
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,52,73,992	-	2,52,73,992
<b>Total (i+ii+iii)</b>	<b>386,53,78,440</b>	<b>50,22,73,992</b>	<b>-</b>	<b>436,76,52,432</b>

**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/WTD/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	1,48,40,000	1,48,40,000	2,40,20,000	1,80,20,000	7,17,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13,10,080	13,05,449	13,44,420	14,09,478	53,69,427
	(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	2,11,39,064	2,11,39,064	0	0	4,22,78,128
	- others, specify...					
5	Others, please specify					
	Personal accident insurance premium	21,000	21,000	12,600	12,600	67,200
	Employer's PF Contribution	10,08,000	10,08,000	12,24,000	12,24,000	44,64,000
	Gratuity provision	4,03,846	4,03,846	15,28,846	15,28,846	38,65,384
	EL provision	(1,40,000)	(1,40,000)	6,16,667	5,60,000	8,96,667
6	<b>Total (A)</b>	<b>3,85,81,990</b>	<b>3,85,77,359</b>	<b>2,87,46,533</b>	<b>2,27,54,924</b>	<b>12,86,60,806</b>
	Ceiling as per the Act	6,44,51,203	6,44,51,203	6,44,51,203	6,44,51,203	12,89,02,406

**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	2,62,500	2,62,500	82,500	2,85,000	1,27,500	10,20,000
	Commission	4,00,000	4,00,000	4,00,000	4,00,000	4,00,000	20,00,000
	Others, please specify	0	0	0	0	0	0
	<b>Total (1)</b>	<b>6,62,500</b>	<b>6,62,500</b>	<b>4,82,500</b>	<b>6,85,000</b>	<b>5,27,500</b>	<b>30,20,000</b>
2	Other Non-Executive Directors						
	Fee for attending board / committee meetings	NA	NA	NA	NA	NA	NA
	Commission						
	Others, please specify						
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>6,62,500</b>	<b>6,62,500</b>	<b>4,82,500</b>	<b>6,85,000</b>	<b>5,27,500</b>	<b>30,20,000</b>
	Total Managerial Remuneration	-	-	-	-	-	13,16,80,806
	Overall Ceiling as per the Act	-	-	-	-	-	14,17,92,647



### 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	52,52,782	52,15,840	1,04,68,622
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	50,975	82,280	1,33,255
	(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			
	Personnel accident insurance premium	6,620	6,620	13,240
	PF Employer's Contribution	3,83,130	3,66,048	7,49,178
	EL Provision	2,66,063	3,93,600	6,59,663
	<b>Total</b>	<b>59,59,570</b>	<b>60,64,388</b>	<b>1,20,23,958</b>

### 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
			NIL		
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Place : Hyderabad  
Date : 22nd July, 2016

**P. Trivikrama Prasad**  
Managing Director

**D. Ashok**  
Chairman



# 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 arrangement or transactions:

Sl. No	The Name of the Related Party and Nature of Relation ship	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 by subsidiary company Nava Bharat (Singapore) Pte.	5 years	Remuneration of USD 875,000 per annum with an annual increment of 15% on existing remuneration w.e.f. 1st April, 2015 granted by the Board as per Shareholders' approval.	The Company has been undertaking various new ventures in overseas through Nava Bharat (Singapore) Pte. Limited.	NIL
2	Sri.D. Nikhil S/o Sri.D.Ashok, chairman	Appointment as Manager in subsidiary company Namphak Power Company Ltd., Laos.	5 years	Remuneration of USD 4000 per month with an annual increment of 12.5% on existing remuneration on completion of one year granted by the Board as per Shareholders' approval.	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 ₹ 11361.10 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	Project Management and Support Services income was ₹ 1319.26 lakhs.	N.A.	Project Management and Support Services may not exceed ₹ 18 crores in a financial year.	Fee for providing project support services is based upon the prevailing rate per man hour charged by a 3rd party offering similar services to Maamba Collieries Limited.	NIL
5	Nava Bharat Energy India Limited Step Down Subsidiary	Lease rent received, sale of fly ash bricks, utility charges received for ₹ 558.30 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.	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 arrangement or transactions at arm's length basis

Sl. No	The Name of the Related Party and Nature of Relation ship	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 Infratech Private Limited Subsidiary Company	Payment of interest on the deposit received from M/s. Mantri Technology Parks Pvt. Ltd., of ₹ 269.26 Lakhs.  Loan re-paid.	N.A.	Payment of interest at a rate of 9% per annum.  ₹ 30 Crores.	Interest is reasonable and also would be the same as may be earned by the Company on an average.  Originally the amount was directly received by the Company from Co-developer of IT/ITES, SEZ Project, as per Joint Development Agreement (JDA) as IFRSD on behalf of Brahmani Infratech Private Limited; now refunded to Brahmani Infratech Private Limited	NIL
2	Dr.D.Rajasekhari, Brother of Sri D.Ashok, Chairman	Rent paid per Month ₹ 1,13,400/- (Plus Service Tax of ₹ 15,625/-).	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. plus Service Tax thereon.	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
3	Nava Bharat (Singapore) Pte. Limited	a) Guarantee Commission on Corporate Guarantees @ 0.875% i.e ₹ 633.74 lakhs.  b) Interest on Loan 5% per annum i.e ₹ 1,264.51 lakhs.	N.A.	The income on account of guarantee commission is ₹ 633.74 lakhs.  The Interest income on loan is ₹ 1,264.51 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 all the above transactions on 29th May, 2015.

For and on behalf of the Board

Place : Hyderabad  
Date : 22nd July, 2016

**P. Trivikrama Prasad**  
Managing Director

**D. Ashok**  
Chairman

## Annexure - 6

Particulars of Loans, Guarantees or Investments during the FY 2015-16 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  Amount in ₹	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.	04.04.2015	State Bank of India, Hyderabad	165,62,50,000	31.03.2015 to 31.03.2016	06.11.2013		
		29.04.2015	Standard Chartered Bank	182,18,75,000	29.04.2015 to 30.04.2017	20.10.2014		
		16.10.2015	Standard Chartered Bank	407,35,13,750	28.07.2015 to 31.07.2016	04.07.2015		
		16.10.2015	Maamba Collieries Ltd.	13,05,92,000	13.07.2015 to 31.07.2017	04.07.2015		
		16.02.2016	Maamba Collieries Ltd	2,31,87,500	16.02.2016 to 31.08.2016	09.11.2015		
	Performance bond against obligations under O & M contract	14.01.2016	Maamba Collieries Ltd	1,29,77,249	14.01.2016 to 30.04.2016	09.11.2015		
Loan	For making investments in ongoing projects, taken up by the Subsidiaries.	11.05.2015	Nava Bharat (Singapore) Pte. Limited	25,85,00,000		20.04.2015		
		18.05.2015		25,45,20,000		20.04.2015		
		26.05.2015		25,52,95,000		20.04.2015		
		24.06.2015		15,91,50,000		20.04.2015		
		07.08.2015		9,56,55,000		20.04.2015		
		25.08.2015		6,66,15,000		20.04.2015	5%	
		24.11.2015		9,95,77,500		20.04.2015		
		27.11.2015		81,91,74,250		20.04.2015		
		30.11.2015		209,51,30,000		09.11.2015		
		23.12.2015		6,62,20,000		09.11.2015		
Towards Equity Share Capital	For making investments in ongoing projects, taken up by the Subsidiaries	27.04.2015	Nava Bharat (Singapore) Pte. Limited	12,65,10,000		20.04.2015		
		25.01.2016		6,77,90,000		20.04.2015		
		23.02.2016		6,85,30,000		09.11.2015		

Note: The aggregate investments made, guarantees and loans given as on 31.03.2016 has been provided in the financial statement (Note Nos. 17, 18, 23 and 40).

For and on behalf of the Board

Place : Hyderabad  
Date : 22nd July, 2016

**P. Trivikrama Prasad**  
Managing Director

**D. Ashok**  
Chairman



# 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 ₹ 60.00 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 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.

The role and responsibilities of the Committee shall be as delineated in Part D, Para A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 19(4) and 20(4) of the Regulations.

### 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 and Remuneration 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.

For and on behalf of the Board

**P. Trivikrama Prasad**  
Managing Director

Place : Hyderabad  
Date : 22nd July, 2016

**D. Ashok**  
Chairman



## Annexure - 8

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 of Managerial Personnel) 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.	<table><tr><th>Name of the Director</th><th>Ratio</th></tr><tr><td>Sri D. Ashok, Chairman</td><td>103.83x</td></tr><tr><td>Sri P. Trivikrama Prasad, MD</td><td>103.82x</td></tr><tr><td>Sri G.R.K. Prasad, ED</td><td>77.40x</td></tr><tr><td>Sri C.V. Durga Prasad, Director (BD)</td><td>61.30x</td></tr><tr><td>Dr. E.R.C. Shekar, Director</td><td>1.07x</td></tr><tr><td>Sri K. Balarama Reddi, Director</td><td>1.07x</td></tr><tr><td>Dr. D. Nageswara Rao, Director</td><td>1.07x</td></tr><tr><td>Dr. M.V.G. Rao, Director</td><td>1.07x</td></tr><tr><td>Dr. C.V. Madhavi, Director</td><td>1.07x</td></tr></table>	Name of the Director	Ratio	Sri D. Ashok, Chairman	103.83x	Sri P. Trivikrama Prasad, MD	103.82x	Sri G.R.K. Prasad, ED	77.40x	Sri C.V. Durga Prasad, Director (BD)	61.30x	Dr. E.R.C. Shekar, Director	1.07x	Sri K. Balarama Reddi, Director	1.07x	Dr. D. Nageswara Rao, Director	1.07x	Dr. M.V.G. Rao, Director	1.07x	Dr. C.V. Madhavi, Director	1.07x				
Name of the Director	Ratio																									
Sri D. Ashok, Chairman	103.83x																									
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Sri K. Balarama Reddi, Director	1.07x																									
Dr. D. Nageswara Rao, Director	1.07x																									
Dr. M.V.G. Rao, Director	1.07x																									
Dr. C.V. Madhavi, Director	1.07x																									
II	The Percentage increase in remuneration of each director, CFO, CEO, CS in the financial year.	<table><tr><th>Name of Director</th><th>% increase in remuneration</th></tr><tr><td>Sri D. Ashok, Chairman</td><td>Nil</td></tr><tr><td>Sri P. Trivikrama Prasad, MD</td><td>Nil</td></tr><tr><td>Sri G.R.K. Prasad, ED</td><td>20.63*</td></tr><tr><td>Sri C.V. Durga Prasad, Director (BD)</td><td>29.65*</td></tr><tr><td>Dr. E.R.C. Shekar, Director</td><td>Nil</td></tr><tr><td>Sri K. Balarama Reddi, Director</td><td>Nil</td></tr><tr><td>Dr. D. Nageswara Rao, Director</td><td>Nil</td></tr><tr><td>Dr. M.V.G. Rao, Director</td><td>Nil</td></tr><tr><td>Dr. C.V. Madhavi, Director</td><td>Nil</td></tr><tr><td>Sri T. Haribabu, CFO</td><td>35.00*</td></tr><tr><td>Sri M. Subrahmanyam, CS</td><td>32.00*</td></tr></table> <p>*increase given once in two years</p>	Name of Director	% increase in remuneration	Sri D. Ashok, Chairman	Nil	Sri P. Trivikrama Prasad, MD	Nil	Sri G.R.K. Prasad, ED	20.63*	Sri C.V. Durga Prasad, Director (BD)	29.65*	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	Sri T. Haribabu, CFO	35.00*	Sri M. Subrahmanyam, CS	32.00*
Name of Director	% increase in remuneration																									
Sri D. Ashok, Chairman	Nil																									
Sri P. Trivikrama Prasad, MD	Nil																									
Sri G.R.K. Prasad, ED	20.63*																									
Sri C.V. Durga Prasad, Director (BD)	29.65*																									
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																									
Sri T. Haribabu, CFO	35.00*																									
Sri M. Subrahmanyam, CS	32.00*																									
III	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees increased by 6.68%.																								
IV	The number of permanent employees on the rolls of the Company.	There were 928 employees on the rolls as on 31st March, 2016.																								
V	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 9.58%, which contains salary increases of senior staff who are given increases once in two years. The ratio of percentile increase in salaries of employees and managerial personnel is 1:2.55</p> <p>The remuneration of managerial personnel is revised once in two years. There were no exceptional circumstances for increase in the managerial remuneration.</p>																								
VI	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is confirmed that the remuneration is as per the remuneration policy of the Company.																								

For and on behalf of the Board

# 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 Commence-ment 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	386.42	Contractual	M.B.A. (U.S.A.) 34 Years	28.08.1981	59	--		Yes
2	Sri P. Trivikrama Prasad Managing Director	386.38	- DO-	M.B.A. (U.S.A.) 34 Years	01.08.1981	62	--		Yes
3	Sri G.R.K. Prasad Executive Director	288.07	- DO-	B.Sc., F.C.A. & F.C.S. 35 Years	16.08.1995	58	General Manager, DCL Polysters Ltd.		No
4	Sri C.V. Durga Prasad Director (Business Development)	228.15	- DO-	B.Com 43 Years	01.07.1973	64	--		No
5	Sri J.Ramesh Executive Vice President (FAP-O)	191.59	As per Company's Rules	B.Com., M.B.A. 33 Years	01.04.1997	59	Director Nav Chrome Ltd.,	Not Applicable (No employee was in receipt of remuneration above the remuneration of Managing Director/ Whole-time Director)	No
6	Sri P.J.V. Sarma Senior Executive Vice President (Strategy & Planning)	129.08	- DO-	B.Tech., AICWA, PSDFM 35 Years	02.08.2010	57	Regional Director, ICICI Lombard General Insurance Co. Ltd.		No
7	Sri A. Venkata Rao Executive Vice President	90.28	- DO-	B.E. (Mechanical) 42 Years	01.07.1974	68	--		No
8	Sri M Subrahmanyam Company Secretary & Vice President	61.72	- DO-	B.Com., LL.M, PGDIRPM, F.C.S. 40 Years	06.10.2003	62	Executive Director The Hyd. Stock Exchange		No
9	Sri T Hari Babu Chief Financial Officer	60.45	-DO-	B.Com. A.C.A. 28 Years	08.07.1993	56	Manager (Accounts), Suchitra Components Ltd		No
10	Sri Y V Srinivas Rao General Manager (Projects)	48.04	-DO-	B.Tech., (Mech.) B.O.E. 19 Years	30.11.1996	45	--		No

Notes: 1. Gross remuneration includes salary, taxable allowances, commission, value of perquisites as per the Income-Tax Rules, 1962 and Company's contribution to Provident and Superannuation Funds.  
2. The experience shown above refers to the total period in years of career.

For and on behalf of the Board

Place : Hyderabad  
Date : 22nd July, 2016

**P. Trivikrama Prasad**  
Managing Director

**D. Ashok**  
Chairman



# Annexure - 10

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2016

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

To,  
The Members,  
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, 2016 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:

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, 2016 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 (applicable Sections as on date) and the Rules made under that Act;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (vi) 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, 2015;
  - (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);

- (d) The Securities and Exchange Board of India (Depositories and Participants) regulations, 1996;
- (vii) 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;
- (viii) The industry specific laws that are applicable to the company are as follows:
  - (a) Electricity Act, 2003;
  - (b) Sugar Factories Control Act, 1950;
  - (c) Sugar Cess Act 1982;
  - (d) Food Safety And Standards Act, 2006
  - (e) The Essential Commodities, Act 1955;
  - (f) Mines Act, 1952;
  - (g) Mines and Mineral (Regulation and Development) Act, 1957;
  - (h) Explosives Act, 1884;
  - (i) Indian Boilers Act, 1923;
  - (j) Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010
  - (k) Central Electricity Authority (Safety Requirements for Construction, Operation and Maintenance of Electrical Plants and Electric Lines) Regulations 2011
  - (l) The Water (Prevention And Control Of Pollution) Act, 1974
  - (m) The Air (Prevention And Control Of Pollution) Act, 1981
  - (n) The Environment (Protection) Act, 1986

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

- i) Secretarial Standards SS-1 and SS-2 with respect to meetings of the board of directors and general meetings respectively issued and notified by The Institute of Company Secretaries of India which came into force w.e.f. 1st July, 2015 under the provisions of section 118(10) of the Act.

- ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Effective from 01.12.2015) and The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India (since repealed).

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 the Company has obtained the approval of shareholders at the Annual General Meeting held on 27th August, 2015 to pay commission U/s.197 of the Act to the Non-executive Directors to the extent of 1% of Net Profits subject to overall ceiling of ₹ 25 Lakhs per annum.

We further report that during the period under review in order to bring the Article of Association in line with the provisions of Companies Act, 2013 and Rules made there under, the Company altered its Articles of Association (AoA) by replacing all the existing Articles and adopted the new set of Articles at its Annual General Meeting held on 27th August, 2015.

FOR **P.S. RAO & ASSOCIATES**  
COMPANY SECRETARIES

PLACE: HYDERABAD  
DATE: 30.05.2016

**P.S.RAO**  
COMPANY SECRETARY  
ACS NO: 9769  
C P NO: 3829

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

### 'ANNEXURE A'

To,  
The Members,  
Nava Bharat Ventures Limited  
Hyderabad

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

PLACE: HYDERABAD  
DATE: 30.05.2016

FOR **P.S. RAO & ASSOCIATES**  
COMPANY SECRETARIES

**P.S.RAO**  
COMPANY SECRETARY  
ACS NO: 9769  
C P NO: 3829



# 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 2015-16. 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 presents a vibrant market for the power industry, where the appetite for consumption of electricity is matched by the capacity of the sector to create generation, transmission and distribution assets. In terms of installed capacities, the country will rank in the top quartile; in generation there is 289 GW of available capacity (as of February 2016) and in transmission there is 339,158 ckm of available network rated 220 kV and above (as of February 2016). Of the installed generating assets, the public sector holds about 60% share due to legacy investments, whereas the private sector has dominated fresh capacity creation. Owing to abundance of coal, the sector basically establishes and operates thermal power plants.

Hitherto the scant availability of coal used to be the bane of the power industry. With a determined push by the dominant PSU supplier however, production of domestic coal has enhanced, offering respite on the supply side to power producers. Efforts are also underway to encourage competition in coal mining through private investment, though the recently concluded coal mine auctions pose a question on the likely cost of coal from those mines which has a material bearing on the cost of generation of power going forward. The wider availability of domestically mined coal should however offer a distinct cost advantage over imported coal to the power producers.

Another factor that has impeded the business of power generation companies is the acute shortage of water, owing to two successive deficit seasons of the monsoon. With expectations of a normal monsoon, the problem is expected to get resolved going forth.

But by far the biggest impediment to the sector's vibrancy is the distressed health of State-level distribution utilities, which form the primary clientele of the power generation companies. Given its objective of providing electricity 24x7 to everyone, the Govt. of India has initiated the 'UDAY' scheme to encourage the distribution utilities to reform and turnaround their operating performance.

The sector continues to draw investments with about 100GW in fresh capacities likely to come online by the end

of the 13th plan and a substantial portion of which will be thermal power. New and revived capacities are driving a generation surplus, in turn exerting a downward pressure on tariffs in general. Compounded with the ambiguity of the distribution utilities in committing to purchase of power, new developers are wary of tying up PPAs. Continuing moderation in the tariffs under the merchant trading model can be expected in the coming years.

Your Company operates 114 MW power facility in Telangana and a 150 MW power facility in Odisha. The coal used power plants is primarily obtained through linkages while the rest is procured through e-auctions domestically. The power plants have been built to use a combination of different grades of coal and washery rejects as well, thereby giving flexibility in terms of fuel-mix. Nava Bharat Energy India Limited, a subsidiary of Nava Bharat Ventures Limited operates a 150 MW power plant in Telangana which was singularly benefitted by the availability of domestic coal through e-auctions in preference to imported coal.

### Ferro Alloys

Ferro Alloys form an essential component in the manufacture of all grades and types of Steel. They are used to impart specific properties to the finished product. Every kind of Steel will have some percentage of Ferro Alloys added at the manufacturing stage itself. Ferro Alloys impart higher resistance to corrosion, improve hardness and tensile strength at high temperature, give wear and abrasion resistance and impart other properties like creep strength to Steel. Ferro Manganese, Silico Manganese, Ferro Silicon and Ferro Chrome are some of the popular types of Ferro Alloys.

Typically, 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. For 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. India with Chrome ore reserves of 70 MT has only 1% share of global proven deposits. Around 85% of world reserve of this ore is found in South Africa and Zimbabwe.

The growth of the Ferro Alloy industry is in a way linked to the development of the Iron and Steel industries. In the current year, Steel prices are down one-third with attendant fall in gross margins of Steel producers. In their drive to cut costs in every possible way, Steel makers are forced to bargain hard when they buy raw materials or intermediate products, including Ferro Alloys. The market for bulk alloys



like High Carbon Ferro Manganese, Silico Manganese, Ferro Silicon and High Carbon Ferro Chrome has shown varied responses to the fluctuations in Steel and Stainless Steel production thereby impacting the prices prevailing in different markets.

Ferro alloy industry in India has never been globally competitive, despite its ore deposits and low-cost manpower; essentially due to insufficient availability of high grade manganese ore and high cost of power as well as increasing cost of reductants. In order to overcome these challenges while adhering to stringent pollution control norms, innovations are inevitable in the process technology.

Your Company operates one plant in Telangana to manufacture Manganese Alloys (Ferro Manganese & Silico Manganese) with manufacturing capacities of 125,000 TPA of manganese alloys and one in Odisha to manufacture 75,000 TPA, of chromium alloy. The manufacturing process is power intensive and established manufacturers make arrangements to source power economically. In the case of your company, the Ferro Alloy operations are fully backed by captive thermal power plants.

### Sugar

Sugar is an important part of the human diet, making food more palatable and providing energy. Unlike in most key producing countries like Brazil and Thailand, regulations have a significant influence on the Sugar sector in India. The perishable nature of cane, the economic interest of the marginal farmer and the need to influence domestic prices of the commodity have all been drivers for regulations at some point in time. In India, the regulatory environment has been considerably eased over the past few months.

The Indian domestic Sugar market is one of the largest markets in the world, and is also the second largest in terms of production. India thus remains a key growth driver for the global Sugar industry, growing above the Asian and world consumption growth averages.

The United States Department of Agriculture has estimated the global Sugar production at 172.1 MT, marking a further decline from its earlier forecast of 173.4 MT. However, the consumption estimate has also been reduced to 172.8 MT from the previous forecast of 173.4 MT, resulting in consumption outpacing the production for the first time in the past four Sugar seasons.

As on 31st March, 2016, domestic Sugar production in India reached 23.7 MT, down by 4.4% Y-o-Y as drought-hit Maharashtra recorded production of 8.2 MT, though partly offset by higher production in Uttar Pradesh (UP) & Tamil Nadu (TN) on account of increased yield due to

improved variety of cane and good monsoon. Sugar prices in the country which were in dumps during the early part of FY 2016, increased by over about 56% between August 2015 and March 2016 as the country witnessed a drought year coupled with the global Sugar deficit forecast in the face of healthy domestic demand.

The Central Government has notified mandatory exports of 4 MT for the current Sugar season and so far, the Sugar mills have contracted for close to 9 lac tonnes. If the millers manage to export 80% of the mandated quota, then they will be eligible for ₹ 4.5 per quintal subsidy in the current Sugar season. Although this subsidy will not make the exports viable at the current international prices of 14 cents for millers, but it will help in keeping the domestic Sugar prices stable.

Nava Bharat Ventures has an integrated Sugar facility at Samalkot, Andhra Pradesh with crushing capability of 4,000 TCD of Sugarcane. Additionally, it operates a 20 klpd distillery for producing rectified spirit, which is utilised in the production of Ethanol.

## OPPORTUNITIES AND THREATS

### Power

India as a country lags every developed economy and China in its per capita consumption of power. At 1,010 kWh in 2015 it compares poorly to 15,558 kWh for Canada and 12,947 kWh for the U.S. The sector thus virtually guarantees assured returns to developers and investors connected with power assets, alike. Estimates suggest a quantum of 1 Tn USD will flow into the sector by the year 2030, subject to enabling policy framework, fair regulation and commercial viability.

Based on historical trends, the demand for power is expected to rise from 1,174 TWh in FY15 to 1,895 TWh in FY22. The basic premise for demand expansion is the requirement from rising industrial activity and demographic growth that will spur higher consumption. With its UMPP initiative, the Govt. has taken the lead in engaging with private capital and intends to sign over 4-5 such projects in fiscal 2016-17. The overall targets for capacity creation are about 89 GW in the 12th 5-year plan and 100 GW in the 13th 5-year plan, largely pertaining to thermal additions. Renewables are also receiving a strategic push with installed capacities expected to leapfrog from 37 GW in FY16 to 175 GW in FY2022. Comparable strengthening of the transmission corridors also remains on the cards.

In addition, easy access to steady funding, the other key enabler, is the singular focus of the Govt. to drive sector



growth. With the backbone created by the Electricity Act of 2003 and the National Tariff Policy of 2006 and their subsequent amendments, unbridled growth has been ushered into the sector. Further impetus has come in the form of the Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Integrated Power Development schemes for rural and urban areas respectively. Under the Govt.'s vision to provide power to every citizen by year 2019, several States have come forward to work together with the Govt. towards creating the requisite infrastructure.

The single biggest impediment befalling the power sector is the state of tariffs. The practice of cross subsidisation of residential customers by commercial/industrial users and the leniency shown towards the agricultural category has seen a lop-sided development of the sector. SEBs have traditionally borne a major chunk of this subsidy burden, with the result that they have been inclined to prefer load shedding than committing to purchasing additional power in line with growing demand. Demand thus is artificially curtailed, leaving large swathes of requirement unfulfilled. Every successive reform measure aimed at reviving the affairs of the SEBs has mandated that they take affirmative steps towards enhancing operating efficiencies of generating assets, curb theft and losses of power supplied and improve collections from end customers; leaving the vexed subsidy issue unresolved.

The advent of renewable power into the national mix is likely to stir the pot, with both commercial/industrial and residential users seen favouring the progressively lower tariffs promised by solar, wind and hydel power –as there is no cost escalation of input materials unlike in the case of thermal power. With access to reliable and less expensive power, both categories are expected to reduce dependence on the SEBs to fulfil requirements thereby untangling the practice of cross-subsidisation.

With increasing availability of domestic fuel hitherto idling capacities will see better prospects. Similarly plants operating at below par, PLFs will revert to their optimal levels. This may result merchant tariffs seeing some downward pressure in the coming years.

### Overseas investments

Maamba Collieries Limited (MCL), a step-down subsidiary of Nava Bharat Ventures Limited, is implementing an integrated coal & 300 MW power project in Zambia with a total investment outlay of about USD 843 million aside from Contingent equity commitments of USD 37 Million. Nava Bharat (Singapore) holds 64.69% equity in Maamba Collieries, while the balance is owned by ZCCM-IH (35%), which is the mineral investments holding Company of the Government of Republic of Zambia and others (0.31%).

The project is funded on a Debt Equity ratio of 70:30. During the year, your Company achieved the financial closure for its Coal & Power project. Large international lenders in a consortium, comprising Development Financial Institutions from South Africa and large international commercial banks from Africa and China, participated in this limited recourse project finance deal. It has the unique distinction of being the first project in Africa to have obtained insurance cover from China Export & Credit Insurance Corporation (SINOSURE).

MCL has the largest coal concession in Zambia with estimated reserves of 193 million tonnes comprising of high grade and thermal grade coal, spread over 1,070 hectares out of a total concession area of 7,900 hectares at Maamba, in Sinazongwe district of Southern Province.

The construction work at the 300 MW thermal power project is progressing well and the project is set to be commissioned as per schedule, by July 2016. It has already successfully carried out the hydro test for the steam generators of both the units.

Your Company, through its Singapore Subsidiary, has the majority stake in Namphak Power Company, set up for establishing a 150 MW hydro-electric power station in Laos. The project is estimated to cost around USD 235 million. The Company is currently taking effective steps for construction contracts and financing which are required under the Concession Agreement.

The Company's agri-project in Tanzania is awaiting allocation of land after which investment decisions including pilot plant would be firmed up.

### Ferro Alloys

The growth of Ferro Alloy industry is largely linked to the global demand for Steel. During the year under review, the moderation in demand for Steel in China had a cascading effect on the global prices of Steel and Ferro Alloys as well as their inputs.

Of late, Steel prices have been on the rise due to some improvement led by China. Pick-up in demand in China despite fear of slowdown has helped the Steel prices to show strength. It is understood that post the Chinese new year, restocking has taken place by the consumers in China which has led to this price recovery and a sudden spurt in Steel prices across the globe, including India.

Indian Steel prices continued to maintain strength following higher global prices and due to the impact of the minimum import price (MIP). Imports have slowed down sharply after the imposition of MIP. Meanwhile, the Government

extended the safeguard duty up to March 2018 with different slabs.

### Sugar

Sugar prices in India, after hitting a three-year low of ₹ 23,000 per MT in July 2015, have been on a rising trend since August 2015 based on growth in consumption, anticipation of stock clearance backed by exports and lower production from States like Maharashtra. A global Sugar deficit scenario, which has developed this year, has also contributed to the overall movement in the prices of Sugar, which touched ₹ 31,000 per MT in March 2016.

On the back of renewed focus on the Ethanol Blending Programme (EBP), the mandatory Ethanol blending statute has been revised from 5% to 10%. With this and the reforms in pricing and excise duties, the earnings of the Sugar industry are expected to rise. Realisations for Ethanol will get support and in addition the surplus Sugar situation will get addressed.

Going forward, the sustainability of the upward trend in Sugar prices remains critically dependent on the Sugar exports for current season as well as expectations on production figures for the next season.

## SEGMENT-WISE PERFORMANCE

Your Company's focus on driving a profitable operation in light of dynamic operating conditions during FY16 is depicted in the table below.

Sr. No.	Particulars	Ferro Alloys		Power		Sugar	
		31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015
1	Production (MT)/(MU)	*95,051	*1,07,597	1,482	1,396	38,873	38,860
2	Sales (MT)/(MU)	*1,02,189	*1,01,801	1,187	1,252	41,662	38,367
3	Revenue (₹ in Lakhs)	51,405	67,609	63,069	64,569	15,084	14,632
4	PBIDT (₹ in Lakhs)	-6,244	405	24,089	20,441	444	311

\* Ferro Alloys include 32,112 MT (previous year: 14,022 MT) on account of conversion for Tata Steel Ltd.

## OUTLOOK

### Power

Given its historic, low per capita consumption, India should exhibit galloping demand for power. However, given the contingencies of reality, the demand growth is capped at 4-5% (India Ratings) for the fiscal year 2016-17. On the back of up to 80,000 MW additional capacities commissioned through the years 2010-2015, the sector is in a position to meet every surge in demand. This is duly supported by about 10% increase in domestic coal production in the past couple of years. Coupled with this increase, the prices of internationally traded coal have tapered off owing to global industrial sluggishness.

A marked revival within domestic industry is crucial for absorbing newly erected capacities in the power sector. The uptake of commercial and industrial consumers, which stands at about 40% of overall sales of power, is expected to grow at 4-5% again. The subsidised residential segment is expected to deliver 7-8% growth whereas the agricultural sector will show a 2-3% improvement subject to comfortable rainfall.

Having attracted a cumulative foreign direct investments of about 10 Bn USD over the past 15 years, the sector is expected to continue absorbing higher capital. With the policy initiatives underway and the active backing of the Govt., it has been estimated that the sector will draw about 1 Tn USD till the year 2030.

With demand growth lagging behind growth in capacity creation in power sector, the power deficit situation is expected to remain very manageable. With new plants getting commissioned every month, this shortfall will vanish at some point in the future. The implications on the merchant power market are as follows:

- There exist about 20,000 MW in idle thermal capacities. Moreover, coal-based plants nationwide are typically being run at sub-par PLFs. As more capacities get created/come on line, there will be momentarily a mismatch in supply and demand, exerting downward pressure on realisations
- With a policy boost, solar and renewable capacities are adding to the pool of available power and will take away some share from thermal generators in



the near future both amongst commercial/industrial and residential segments of consumers –with the consequence of disrupting the merchant power market in the process

The viability of merchant power business is thus capped and generators are increasingly likely to opt for the stability of PPAs/agreed contracts in order to commit their capacities.

The power assets of your Company in Telangana and Andhra Pradesh have pursued generation within the ambit of the agreement with trading companies duly factoring the planned outages and grid curtailments. A similar agreement has been envisaged for the upcoming fiscal year. During the year, your Company also undertook overhauling of its 50 MW unit in Telangana in order to modernise it and enhance its long-term operating efficiency.

Your Company's Odisha power assets have obtained reasonable value-addition for a part of the capacity earmarked for the conversion agreement with Tata Steel. Beyond that restrictive stipulations around captive generation precluded optimal utilisation of capacities. Another factor that impeded growth in generation as compared to last year was the state of merchant realisations in Odisha. Similarly, the new 60 MW plant is rendered inoperative for want of viable tariffs in the merchant market.

Your Company would therefore pursue higher capacity use of the power facilities with a mix of captive consumption and merchant sale aimed at full recovery of fixed costs and sustaining reasonable profitability in this business.

### **Ferro Alloys**

The consumption of Ferro Alloys is interrelated with the demand for Steel. The global Ferro Alloys market has expanded at a steady pace over the past few years, while that of Steel has slowed down due to weakness in key geographies like China, USA, Russia and Brazil. Notwithstanding this trend, Indian Steel industry has witnessed a growth of 4.5% to 79.5 MT in 2015. The World Steel Association (WSA) expects India's Steel demand growth to be the highest among major Steel-producing nations at 5.4% with demand reaching 83.8 MT in 2016, even as demand will fall globally by 0.8% to 1,488 MT after shrinking 3% in 2015. This however would not usher in any growth in the ferro alloy industry, saddled with sub-optimal capacity use.

Your Company plans to utilize the manganese alloy capacity with captive power to access market in USA aside from other traditional markets and sustain reasonable dispatches to the domestic steel companies so as to remain a significant player in this segment.

Your Company has recently revived its agreement for renewal of conversion arrangement of Chrome Ore to Ferro Chrome with Tata Steel Limited for a period of 4 years commencing from April 2016, to produce up to 70,000 MT per annum of High Carbon Ferro Chrome at its Ferro Alloy Plant in Odisha. This should impart reasonable stability in these operations.

### **Sugar**

The recent decline in Sugar stocks is favourable and is driving a sustained improvement in domestic Sugar realisations since August 2015. With effective cane prices for current season largely remaining unchanged compared to the previous year, the increase in Sugar realisations is expected to improve the margins for Sugar in the coming season.

## **RISKS AND CONCERNS**

### **Power**

Indian power companies continue to weather precarious financial conditions of the State Electricity Boards –which still form the primary customer base of the generated power. Although 'UDAY' initiative of the Govt. is expected to lighten the burden, the SEBs need to re-balance their operational strategies in order to deliver lasting positive impact. Given the quantum of capacities, especially on the thermal side that will go on stream in the coming few years, there is going to be pressure on the realisations. Amendments to the National Tariff Policy (NTP) need to see implementation expeditiously to have a meaningful impact on the sector. Changes to the NTP are expected to allow pass through of certain charges, levies and duties to customers, thereby smoothening operating impediments for power generators.

### **Ferro Alloys**

Ferro Alloys' demand moves in tandem with the trend in the Steel industry. India's Steel demand is growing at a rapid pace, thanks to Government of India's 'Make in India' initiative and favourable policies towards manufacturing and infrastructure creation. The picture for India looks bright because the Steel demand growth has shown signs of building momentum. Meanwhile, the Indian Government is also impelled to protect the Steel industry against onslaught of imports because financial stress within the sector is at its peak owing to hitherto depressed realisations and the burden of debt on the balance sheets of major producers.

The health of the global Steel industry is improving with a corresponding fall in raw material prices and depressed logistics cost owing to sharp cut in sea freight. Thus

the volatility in Steel prices is expected to reduce in the international market. However, a flood of excess Chinese Steel may destabilise the entire global industry, including India. China is on a collision course with the world's leading powers over excess Steel output after it refused to sign up to an emergency global plan to cut capacity and eliminate subsidies to producers. Low-cost Chinese Steel continues to put pressure on Steelmakers across the globe and as a trend this can be expected to continue.

### Sugar

Sugar prices surged in March 2016 and touched a 17-month high at 4.6 cents/lb at the ICE, US, after the International Sugar Organization (ISO) revised the figures for global production deficit upward. With domestic demand showing normative growth trends, Sugar prices in the country are largely a function of net domestic availability and change in global supply situations.

Lower-than-average rainfall will adversely affect Sugarcane production in 2016-17 in major parts of Maharashtra and Karnataka. Nonetheless this shortage is likely to be well compensated by higher production from UP and TN.

Moreover, since August-September 2015, domestic Sugar prices surged by as high as 35-40%, thereby reducing the attractiveness of export markets. Thus, the prospect of Sugar exports in the near future is appearing bleak and could lead to a tapering in the market rate for Sugar.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The format and structure of the internal control system of the Company is continually updated in step with the progress of the business, within the parameters defined and monitored by the Board and senior management.

The set-up ensures adequate risk mitigation in the face of any eventuality, thereby streamlining the operational momentum, safeguarding of assets and other resources and essential compliances.

To summarise, Nava Bharat has formulated its internal control system with the objectives of:

Adhering to up-to-date policies, procedures, management guidelines, listing requirements and various circulars from regulatory and statutory authorities

Protecting the assets of your Company from fraud, loss or misuse

Acting upon the corporate strategy

Adopting best practices for both internal and external reporting

Showing quick response to risks emerging from the Group to which your Company belongs

Taking suitable action and rapid execution of correctional measures, depending on the situation

Just as the internal control systems and procedures form a vital piece of the overall corporate governance set-up within the organisation, the perpetuation of the operations along with truthfulness of the financial information and strict compliance have equal importance.

In keeping with the defined internal policies and procedures, the Audit Committee of your Company has taken into consideration the internal audit reports submitted regularly during the year 2015-16. Their observations have been accorded requisite cognisance and the implementation of the remedial measures has been overseen.

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

	FY2016 ₹ in Crore	FY2015 ₹ in Crore	% change
Net sales/Income from operations	989.27	1,152.94	(14.20)
Other income	64.82	51.00	27.07
Total income (1+2)	1054.09	1203.94	(12.45)
Total expenditure	937.70	1050.82	(10.76)
Operating profit	158.95	198.30	(19.84)
Operating margin %	16.07	17.20	
Finance charges	32.84	28.24	16.29
Gross profit after finance charges but before depreciation and tax	150.12	188.99	(20.57)
% of Gross profit after finance charges but before depreciation and tax to total income	14.24	15.70	





Depreciation	34.05	36.28	(6.15)
Profit/Loss after exceptional items and before tax	116.07	152.71	(23.99)
Provision for			
-Current tax	27.00	33.10	(18.43)
-Deferred tax	(1.85)	1.99	(192.96)
-Tax of earlier years	--	0.15	(100.00)
-MAT credit entitlement	(20.30)	(25.00)	(18.80)
<b>Total</b>	<b>4.85</b>	<b>10.24</b>	<b>(52.64)</b>
Profit/Loss after tax	111.22	142.47	(21.93)
Return on capital employed %	5.07	6.86	

The details of performance have been discussed in the foregoing paragraphs read with Directors' Report

The fully-diluted book value of every equity share belonging to your Company was ₹ 293 as on March 31, 2016. The price of the equity shares of your Company ranged from ₹ 130 per share to ₹ 181 per share on National Stock Exchange of India Limited and ₹ 131 per share to ₹ 182 per share on the BSE Limited during the FY 2015-16.

## HUMAN RESOURCES

Human Resource Management is a vital function of the Company. Nava Bharat has focused on aligning its HR processes and systems to meet the strategic objectives of the Company. It has introduced contemporary compensation structures to boost employee morale and drive high performance culture. The Company maintained harmonious industrial relations at all its manufacturing facilities.

### Knowledge Workforce

Your Company desires that it has a strong cadre of managers that can steer the business towards higher success in India and abroad. It has taken steps to enable the employees to realise their career objectives. Your Company has harnessed internal resources and engaged external experts to enhance the knowledge base and skill sets of its employees.

### Talent Management

At Nava Bharat, employees are encouraged to shoulder higher responsibilities and provided opportunities to prove their talent in domestic as well as international projects and operations.

In order to monitor the progress of the employees, your Company follows a transparent and objective Performance Management System. Employee compensation is maintained on par with industry standards and formulated with the objective of encouraging and retaining talent.

To ensure work-life balance, your Company maintains a thriving ecosystem at its manufacturing facilities with quality residential, recreational and educational facilities. This is amply testified by long tenures of employees in your Company.

## Industrial Relations

Nava Bharat provides a safe and healthy working environment. The managerial personnel are imbued with overseeing the welfare of the workforce resulting in cordial industrial relations during the year under review.

The rate of attrition within the organisation remains low, with net reduction of 56 employees during the year. The total employee force stands at 928 as on March 31, 2016.

## 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 mention, 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

[Pursuant to Schedule V. C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## (1) Company's philosophy on Corporate 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 that 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 Chapter IV and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## (2) Board of Directors:

- (a) Composition and category of directors (e.g. promoter, executive, non-executive, independent non-executive, nominee director - institution represented and whether as lender or as equity investor):

The Board was constituted in accordance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015. 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).

The category of each of the directors of the Board is detailed hereunder:-

Executive	Non-Executive and Independent
Sri D. Ashok Chairman	Sri K. Balarama Reddi Independent Director
Sri P. Trivikrama Prasad Managing Director	Dr. E.R.C. Shekar Independent Director
Sri G. R. K. Prasad Executive Director	Dr. M.V.G. Rao Independent Director
Sri C. V. Durga Prasad Director (Business Development)	Dr. D. Nageswara Rao Independent Director
	Dr. C.V.Madhavi Independent / Woman Director

- (b) Attendance of each director at the meeting of the board of directors and the last annual general meeting:

Name of the Director	Number of Board Meetings		Attendance at Last AGM held on 27.08.2015
	Held	Attended	
Sri D. Ashok Chairman	9	5	Yes
Sri P. Trivikrama Prasad Managing Director	9	6	Yes
Sri K. Balarama Reddi Independent Director	9	9	Yes
Dr. E.R.C. Shekar Independent Director	9	6	Yes
Dr. M.V.G. Rao Independent Director	9	9	Yes
Dr. D. Nageswara Rao Independent Director	9	9	Yes
Dr. C.V.Madhavi Independent Director	9	8	Yes
Sri C. V. Durga Prasad Director (Business Development)	9	9	Yes
Sri G. R. K. Prasad Executive Director	9	7	Yes





- (c) Number of other board of directors or committees in which a director is a member or chairperson:

None of the Directors on the Board, is a Member of more than ten Committees or Chairman of more than five Committees across all Companies in which Directorship is held. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2016 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.

Name of the Director, Designation and Category	Director Identification Number	No. of Directorships in other Companies		Committee Chairmanships and Memberships in other Companies	
		Pvt.	Public	Chairmanship	Membership
Sri D. Ashok Chairman Executive (Promoter)	00006903	5	5	0	0
Sri P. Trivikrama Prasad Managing Director Executive (Promoter)	00006887	6	4	0	0
Sri K. Balarama Reddi Independent Director Non-Executive	00012884	4	6	2	6
Dr. E.R.C. Shekar Independent Director Non-Executive	00013670	1	3	2	--
Dr. M.V.G. Rao Independent Director Non-Executive	00012704	3	4	3	--
Dr. D. Nageswara Rao Independent Director Non-Executive	02009886	4	1	--	--
Dr. C.V.Madhavi Independent Director Non-Executive	06472632	--	--	--	--
Sri C. V. Durga Prasad Director (Business Development) Executive	00006670	1	--	--	--
Sri G. R. K. Prasad Executive Director Executive	00006852	1	6	--	1

- (d) Number of meetings of the board of directors held and dates on which held:

In compliance with the provisions of Regulation 17 of SEBI (LODR) Regulations, 2015, the intervening period between two Board meetings was within the maximum gap of one hundred and twenty days.

During the Financial Year, nine Board Meetings were held as detailed below:

20-04-2015	08-05-2015	29-05-2015
04-07-2015	10-08-2015	09-11-2015
11-02-2016	19-03-2016	26-03-2016

- (e) Disclosure of relationships between Directors inter-se:

No Inter-se relationship exists among Directors within the meaning of Section 2 (77) of Companies Act, 2013 read with Rule 4 of Companies (Specification of definitions details) Rules, 2014. However, Sri P. Trivikrama Prasad, Managing Director, is related to Chairman (as Chairman's sister's husband) and Sri D. Ashok, Chairman is related to Managing Director, as such.

- (f) Number of shares and convertible instruments held by non - executive directors:

No Non-executive Director holds any Equity Shares in their names in the Company.

- (g) Web link where details of Familiarisation Programmes imparted to Independent Directors:

The details of the programmes conducted by the Company 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](http://www.nbventures.com/pdf/corporate_policies/07_pdf/07_pdf_24jan2015_familiarization_program.pdf)

### (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 Regulation 18 of SEBI (LODR) Regulations, 2015.

- (a) Brief description of terms of reference

The role of the Audit Committee is as prescribed under the Act and SEBI (LODR) Regulations, 2015 and includes the following:

- 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;

- Recommendation of appointment etc., of the Statutory Auditors and their fee for audit and other services;
- Examination and Review of Annual Financial Statements/Audit Report 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.;
- Discussions with Internal Auditors on significant findings and with Statutory Auditors of the nature and scope of audit and on areas of concern;
- 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;
- Review of Management Discussion and Analysis report on financial condition and results of operations, significant related party transactions, internal control weaknesses reported by the Statutory Auditors and Internal Auditors and the appointment and remuneration of Internal Auditors;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems; and
- Review of the functioning of the Whistle Blower mechanism.

- (b) Composition, Name of Members and Chairperson:

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
Sri K. Balarama Reddi	Independent Director	Chairman
Dr. M. V. G. Rao	Independent Director	Member
Dr. D. Nageswara Rao	Independent Director	Member

- (c) Meetings and attendance during the year 2015-16:

During the year, nine meetings of the Audit Committee were held as detailed below: All members attended all the nine meetings during the FY 2015-16

20-04-2015	07-05-2015	28-05-2015
04-07-2015	08-08-2015	07-11-2015
07-12-2015	10-02-2016	19-03-2016

#### (4) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Board of Directors was constituted in conformity with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 and its role has been the same as stipulated in the Act and the Regulations mentioned above.

- (a) Brief Description of Terms of Reference:

The functioning and terms of reference of the Nomination and Remuneration Committee are as prescribed under the erstwhile Listing Agreement and SEBI (LODR) Regulations, 2015. It determines the Company's policy on all elements of the remuneration packages of the Directors including the Executive Directors. The 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 of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

3. Devising a policy on diversity of Board of Directors;
  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 of Directors for their appointment and removal.
  5. Evaluation of every Director's performance.
- (b) Composition, name of Members and Chairperson:
- The Nomination and Remuneration Committee comprised three Independent Directors.

Name of the Director	Category	Chairman/ Member
Sri K. Balarama Reddi	Independent Director	Chairman
Dr. M. V. G. Rao	Independent Director	Member
Dr. D. Nageswara Rao	Independent Director	Member

- (c) Meetings and attendance during the year 2015-16:

During the year, four meetings of the Nomination and Remuneration Committee were held on 7th May, 2015; 7th November, 2015; 7th December, 2015; and 26th March, 2016. All Members attended all the four meetings during the FY 2015-16.

- (d) Performance evaluation criteria for 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:

- 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.

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 by them other than at Meetings.

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.

Performance evaluation was done by the respective bodies on 26.03.2016.

#### (5) Remuneration of Directors:

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.

- (a) All pecuniary relationship or transactions of the non-executive directors:

The Board, at its meeting held on 8th May, 2015 and Annual General Meeting on 27th August, 2015 approved payment of remuneration/ commission to the Non-Executive Directors for each year for a period of 5 years commencing from 1st April, 2016, 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 ₹ 25 lakhs per annum for every financial 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 of ₹ 15,000/- per meeting in respect of all Committees or Board Meetings effective from 27th August, 2015.

- (b) Criteria of making payments to non - executive directors:

Keeping in view the size, scale and complexity of the Company's operations and the level of involvement of the Non-Executive 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 or Members of the relevant Committees of the Board, the Board and Shareholders decided that such remuneration/commission should be commensurate with their roles which have undergone significant qualitative changes.

- (c) Disclosures with respect to remuneration in addition to disclosures required under the Companies Act, 2013:

- (i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension, etc for the FY 2015-16 :



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	84,00,000	91,03,326	2,11,39,064	3,86,42,390
Sri P. Trivikrama Prasad, Managing Director	0	84,00,000	90,98,695	2,11,39,064	3,86,37,759
Dr. E. R. C. Shekar	82,500	0	0	4,00,000	4,82,500
Dr. M. V. G. Rao	2,62,500	0	0	4,00,000	6,62,500
Sri K. Balarama Reddi	2,62,500	0	0	4,00,000	6,62,500
Dr. D. Nageswara Rao	2,85,000	0	0	4,00,000	6,85,000
Dr. C. V. Madhavi	1,27,500	0	0	4,00,000	5,27,500
Sri C. V. Durga Prasad, Director (Business Development)	0	1,02,00,000	1,26,15,324	0	2,28,15,324
Sri G. R. K. Prasad, Executive Director	0	1,02,00,000	1,26,06,933	60,00,000	2,88,06,933

- (ii) Details of fixed component and performance linked incentives, along with the performance criteria:

Except Sri G R K Prasad, Executive Director, who was allowed a fixed incentive per annum of ₹ 60.00 lakhs as shown above, no other Director was allowed any fixed or performance linked incentives.

- (iii) Service contracts, 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.

- (iv) Stock option details, if any including issue at a discount as well as the period over which accrued and over which exercisable:

The Company has no Options outstanding as at the beginning of the year and has not granted any Stock Options during the financial year 2015-16.

#### (6) Stakeholders Relationship Committee:

The Company has Stakeholders Relationship Committee at the Board level, which consists of three Directors namely Sri K. Balarama Reddi, Dr. M. V. G. Rao and Sri P Trivikrama Prasad as at the end of the financial year.

(a) Name of Non-executive Director heading the Committee	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.
(b) Name and Designation of Compliance Officer	Sri M. Subrahmanyam Company Secretary (upto 31-05-2016) Sri VSN Raju Company Secretary (w.e.f. 01-06-2016)

- |   |     |
|---|-----|
| (c) Number of Shareholders' complaints received so far    | 13  |
| (d) Number not solved to the satisfaction of Shareholders | Nil |
| (e) Number of pending complaints                          | Nil |

**(7) General Body Meetings:**

- (a) Location and time where last three Annual General Meetings held:

Nature of Meeting	Date and Time	Venue of Meeting
43rd Annual General Meeting	27th August, 2015 at 10.00 a.m	Hotel Marigold, By and beside Green Park Hotel Hyderabad – 500 016
42nd Annual General Meeting	8th August, 2014 at 10.00 a.m	Hotel Marigold, By and beside Green Park Hotel Hyderabad – 500 016
41st Annual General Meeting	16th August, 2013 at 10.00 a.m	Hotel Marigold, By and beside Green Park Hotel Hyderabad – 500 016

- (b) Special Resolutions passed in the previous three annual general meetings:

Nature of Meeting	Number of Special resolutions passed
43rd Annual General Meeting -27th August, 2015	Three
42nd Annual General Meeting - 8th August, 2014	Five
41st Annual General Meeting -16th August, 2013	Four

- (c) Special Resolutions passed last year through postal ballot – details of voting pattern:
- No postal ballot was conducted during the financial year 2015-16.

- (d) Person conducted the postal ballot exercise:  
Not Applicable.
- (e) Special Resolutions proposed to be conducted through postal ballot:  
No resolutions are proposed to be conducted now through Postal Ballot.
- (f) Procedure for postal ballot:  
The procedure for Postal Ballot will be as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

**(8) Means of Communication:**

- (a) Quarterly results:  
The quarterly, half-yearly and annual results of the Company were normally published by the Company in the newspapers.  
Half-yearly results were sent to the members along with a message from the Chairman on the financial performance during the half-year ended 30th September, 2015. Annual Reports with Audited Financial Statements are also sent to the Shareholders through electronic/physical mode.
- (b) Newspapers wherein results normally published:  
The results are 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 vernacular language.
- (c) Any website, where displayed:  
The results are also displayed on the Company's website: [www.nbventures.com](http://www.nbventures.com).
- (d) Whether it also displays official news releases:  
The News letters and Press releases from time to time were also displayed on the Company's website.
- (e) Presentations made to institutional investors or to the analysts:  
The presentations, to Institutional Investors or to the analysts are covered in the Company's website.



News items are sent to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited, where shares of the Company were listed and the Exchanges display the same on their websites.

**(9) General Shareholder Information:**

- (a) Annual General Meeting – date, time and venue:

Date	24th August, 2016
Time	10.00 A.M
Venue	Hotel Marigold By and beside Green Park Hotel Hyderabad – 500 016 Telangana State

For the Financial year April, 2015 to March, 2016:

Board Meeting for consideration of Audited Accounts and recommendation of Dividend for 2015-16	30th May, 2016
Posting of Annual Report	30th July, 2016
Book Closure dates	27th July, 2016 to 31st July, 2016
Last date for receipt of Proxy forms	22nd August, 2016
Date of the 44th Annual General Meeting	24th August, 2016
Dividend on Equity Shares	₹ 3/- per share (150%) of face value of ₹ 2/- each
Dividend pay-out date	2nd September, 2016

As required under Regulation 36 (3) of SEBI (LODR) Regulations, 2015, the particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting (AGM) were given in the Annexure to the Notice and Explanatory Statement of the Annual General Meeting to be held on 24th August, 2016.

- (b) Financial year:  
The financial year of the Company starts from 1st April every year and ends on 31st March of subsequent year.

Financial Calendar:

<b>FINANCIAL YEAR 2015-16 (1st April, 2015 to 31st March, 2016)</b>		
1	First Quarter Results	10th August, 2015
2	Second Quarter and Half Year Results	9th November, 2015
3	Third Quarter Results	11th February, 2016
4	Annual Results (Audited)	30th May, 2016

- (c) Dividend Payment date:

The Dividend would be paid on 2nd September, 2016 for the financial year 2015-16, if approved by the members.

- (d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):

National Stock Exchange of India Ltd	BSE Limited
Exchange Plaza, 5th Floor	P.J.Towers
Plot No.C/1, 'G' Block	Dalal Street,
Bandra-Kurla Complex	Fort Mumbai
Bandra(E), Mumbai-400 051	- 400 001
The Listing fee was remitted to the above Stock Exchanges for FY 2016-17.	

- (e) Stock code:

Stock Codes/Symbol:

Bombay Stock Exchange Scrip Code/Trading Symbol	'513023'/ 'NBVENTURE'
National Stock Exchange Trading Symbol	'NBVENTURES'

Corporate Identity 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.



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.

(f) Market price data- high, low during each month in last financial year:

Market Price Data: High/Low (daily closing prices) on National Stock Exchange of India Limited during each month in the FY 2015-16:

Month	Equity Shares of ₹ 2/-each				Closing NSE S & P CNX NIFTY
	High (₹)	Low (₹)	Closing (₹)	Volume (No.)	
<b>2015</b>					
April	181.35	164.65	164.65	511630	8181.50
May	164.10	152.35	152.35	202005	8433.65
June	156.10	143.45	143.45	576481	8368.50
July	171.20	140.45	168.90	698241	8532.85
August	169.65	137.75	150.50	465829	7971.30
September	160.50	134.25	149.40	475108	7948.90
October	157.85	147.45	150.65	318145	8065.80
November	166.30	145.60	163.80	945940	7935.25
December	167.05	159.45	164.15	1315554	7946.35
<b>2016</b>					
January	172.55	149.65	156.55	514239	7563.55
February	156.35	135.65	135.65	345408	6987.05
March	164.90	130.10	161.30	576618	7738.40

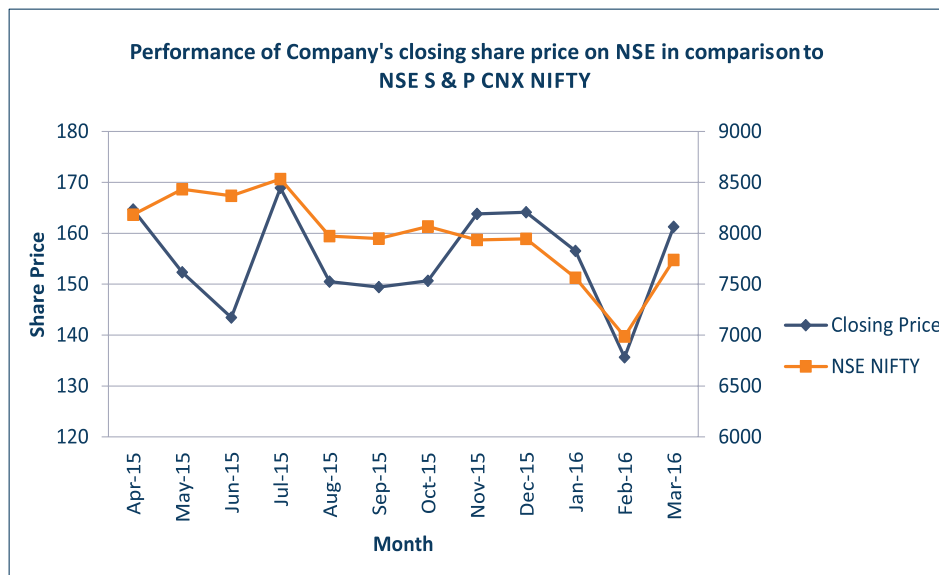
Market Price Data: High/Low (daily closing prices) on BSE Limited during each month in the FY 2015-16:

Month	Equity Shares of ₹ 2/-each				Closing S & P BSE SENSEX	Closing S & P BSE SmallCAP	Closing S & P BSE AllCap
	High (₹)	Low (₹)	Closing (₹)	Volume (No.)			
<b>2015</b>							
April	181.65	164.30	164.30	100916	27011.31	10944.03	3074.84
May	166.60	152.50	152.50	65184	27828.44	11280.57	3167.88
June	157.95	142.70	142.70	162909	27780.83	11075.35	3131.48
July	170.30	141.15	168.35	153982	28114.56	11830.80	3229.41
August	169.65	138.45	149.20	134925	26283.09	10971.27	3027.53
September	158.95	133.80	150.00	152676	26154.83	11020.83	3017.21
October	156.95	146.75	149.00	53913	26656.83	11315.39	3069.72
November	166.45	147.25	165.50	341235	26145.67	11636.49	3050.05
December	166.80	158.95	164.80	192529	26117.54	11836.71	3068.39
<b>2016</b>							
January	171.70	149.00	159.50	80266	24870.69	10869.84	2885.94
February	156.90	137.10	137.10	68811	23002.00	9548.33	2647.70
March	164.90	130.50	163.90	119364	25341.86	10541.68	2929.13

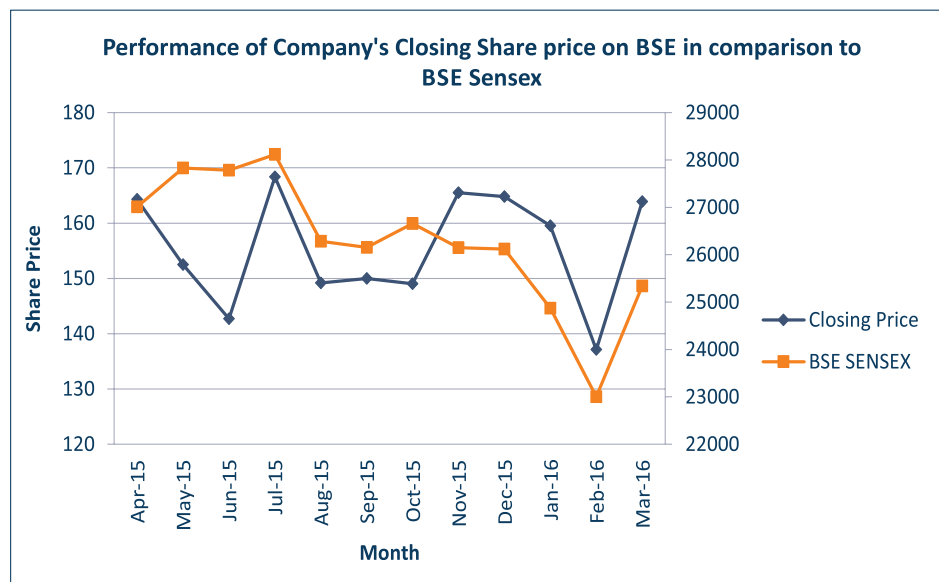


- (g) Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc:

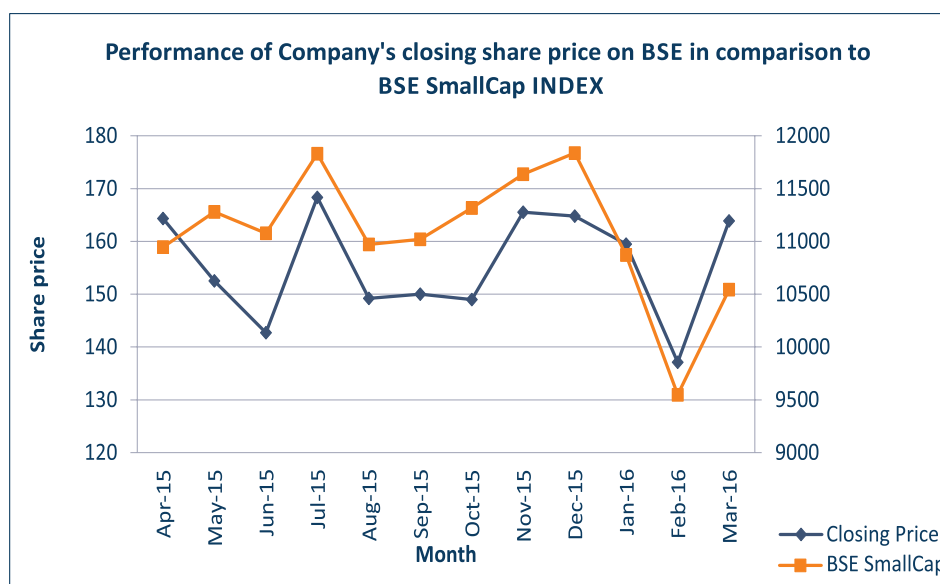
The Company is not forming part of NSE S&P CNX NIFTY. Overall performance of the scrip of the Company in comparison to NSE S&P CNX NIFTY is as follows:



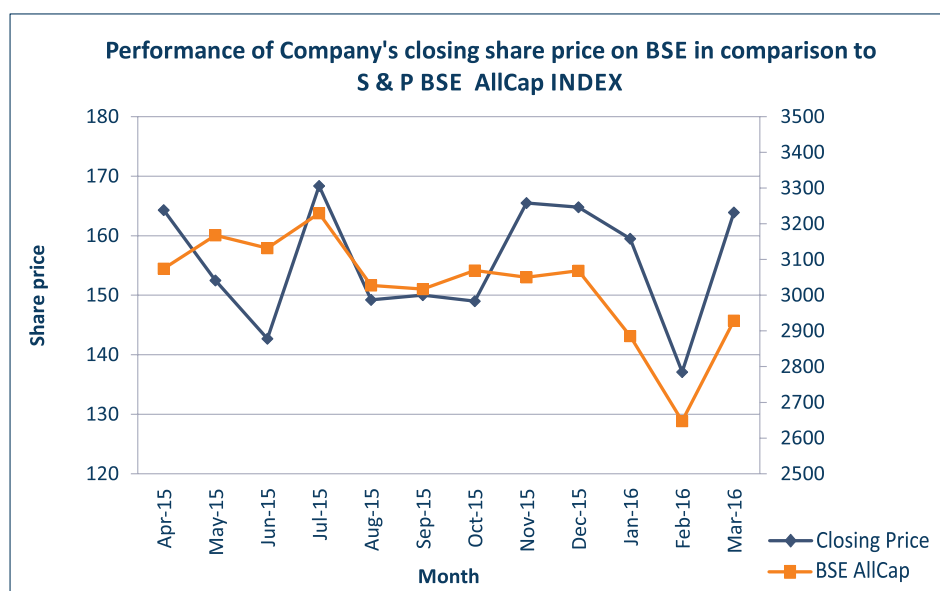
The Company is not forming part of BSE Sensex. Overall performance of the scrip of the Company in comparison to BSE Sensex is as follows:



The Company is forming part of S & P BSE SmallCap. Overall performance of the scrip of the Company in comparison to BSE SmallCap is as follows:



The Company is forming part of S & P BSE AllCap. Overall performance of the scrip of the Company in comparison to BSE AllCap is as follows:



- (h) In case the securities are suspended from trading, the director's report shall explain the reason thereof:  
No, not applicable.



(i) Registrar to an issue and share transfer agents:

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

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 Financial District, Gachibowli, Nanakramguda Hyderabad – 500 032, Telangana
Telephone Numbers	91 40 6716 1500 / 6716 2222
Direct	91 40 6716 1562
Fax No.	91 40 2300 1153
Contact Person	Sri M. S. Madhusudhan / Sri Mohd. Mohsin Uddin
E-mail id	madhusudhan.ms@karvy.com mohsin.mohd@karvy.com
Website	www.karvycomputershare.com

(j) 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, in line with Schedule VII to the SEBI(LODR) Regulations, 2015. 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. It is in line with Schedule VII and Reg. 40 of SEBI (LODR) Regulations, 2015.

(k) Distribution of shareholding:

Range of equity shares held	As on 31st March, 2016			
	Shareholders		Shareholding	
	Number	%	Number	%
1	613	4.73	613	0.00
2 – 10	1322	10.19	9097	0.01
11 – 50	3038	23.43	105480	0.12
51 – 100	2183	16.83	198545	0.22
101 – 200	1489	11.48	252755	0.28
201 – 500	2099	16.19	771120	0.86
501 – 1000	839	6.47	667381	0.75
1001 – 5000	930	7.17	2253640	2.53
5001 – 10000	165	1.27	1240557	1.39
10001 and above	290	2.24	83788553	93.84
<b>Total</b>	<b>12968</b>	<b>100.00</b>	<b>89287741</b>	<b>100.00</b>

## (l) Dematerialization of shares and liquidity:

Dematerialization shares as on 31st March, 2016:

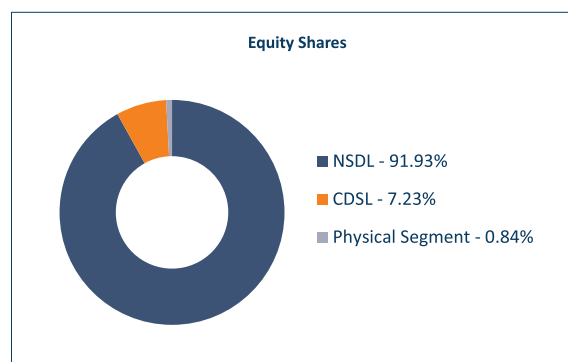
Number of shares	% of total shares	Number of shareholders	% of total shareholders
88539665	99.16	12420	95.77

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 Registrars & Share Transfer Agents;
- The Company's Registrars & Share Transfer Agents 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, 2016 is as follows:

Particulars	No. of Shares of ₹ 2/-each	% of Shares
Demat Segment		
NSDL	82083673	91.93
CDSL	6455992	7.23
Sub-total:-	88539665	99.16
Physical Segment	748076	0.84
<b>Total</b>	<b>89287741</b>	<b>100.00</b>



## (m) Outstanding Global Depository Receipts or American Depository Receipts or 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.

## (n) Commodity price risk or foreign exchange risk and hedging activities:

The Company hedges the forex risk on export receivables and on import payables, keeping in view the exchange parity at the time of export or import, as the case may be, and the indicative forex movements. However where the delivery date is yet to be finalized, the Company will weigh the options of open exposure, partial booking etc., over the export/import trade cycle period and decide.



- (o) Plant locations:

The Company's plants are located at:

Paloncha-507154 Khammam District Telangana	Samalkot - 533440 East Godavari District Andhra Pradesh
Dharmavaram-534430 Prathipadu Mandal East Godavari District Andhra Pradesh	Kharagprasad Village - 759121 Dhenkanal District Odisha

- (p) 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

#### (10) OTHER DISCLOSURES:

- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. The Board has approved a Policy for related party transactions which has been uploaded on the Company's Website at the following link: [http://www.nbventures.com/pdf/corporate\\_policies/06\\_pdf\\_13jan2015\\_related\\_party\\_transactions.pdf](http://www.nbventures.com/pdf/corporate_policies/06_pdf_13jan2015_related_party_transactions.pdf)

[http://www.nbventures.com/pdf/corporate\\_policies/06\\_pdf\\_13jan2015\\_related\\_party\\_transactions.pdf](http://www.nbventures.com/pdf/corporate_policies/06_pdf_13jan2015_related_party_transactions.pdf)

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its Directors, the Management, subsidiaries or relatives, that may have potential conflict with the interests of the Company at large. The Related Party Transactions are disclosed in the Board's report. Detailed information on materially significant related party transactions is enclosed as **Annexure - 5** to the Board's report, and Note No. 45 of the Standalone Financial Statement.

Related party disclosure in the format prescribed in Schedule V(A) of the SEBI (LODR) Regulations, 2015 is also provided in Directors' Report.

- (b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

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 related to capital markets during the last three years.

- (c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:

No personnel had been denied access to the Audit Committee.

The Company established a mechanism for Whistle Blower Policy and no personnel had been denied access to the Audit Committee. The Policy was placed on the website of the Company under the web link: [http://www.nbventures.com/pdf/corporate\\_policies/07\\_pdf/07\\_pdf\\_24jan2015\\_familiarization\\_program.pdf](http://www.nbventures.com/pdf/corporate_policies/07_pdf/07_pdf_24jan2015_familiarization_program.pdf)

- (d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

## a. Mandatory Requirements

The Company complied with all the mandatory requirements enumerated in Regulation 17 to 27 of SEBI (LODR) Regulations, 2015 relating to all matters specified therein, i.e., (1) Board of Directors; (2) Audit Committee; (3) Nomination and Remuneration Committee; (4) Remuneration of Directors; (5) Stakeholders' Relationship Committee (6) General Body meetings (7) Means of communication; (8) General shareholder information; and (9) CEO and CFO Certification; and Compliance.

## b. Web link where policy for determining 'material' subsidiaries is disclosed:

The company had formulated a policy for determining 'material' subsidiaries and the policy was disclosed on the Company's website under the web link: [http://www.nbventures.com/pdf/corporate\\_policies/09\\_pdf\\_Determination\\_of\\_Materiality\\_policy.pdf](http://www.nbventures.com/pdf/corporate_policies/09_pdf_Determination_of_Materiality_policy.pdf)

## c. Web link where policy on dealing with related party transactions:

The Board has formulated a policy for related party transactions and revised it in the light of SEBI (LODR) Regulations, 2015 which was disclosed on the Company's website under the web link: [http://www.nbventures.com/pdf/corporate\\_policies/06\\_pdf\\_13jan2015\\_related\\_party\\_transactions.pdf](http://www.nbventures.com/pdf/corporate_policies/06_pdf_13jan2015_related_party_transactions.pdf)

## d. Disclosure of commodity price risks and commodity hedging activities:

The Company's ferro alloy operations, to some extent Sugar operations and power generation based on imported coal are subjected to the world-wide commodity risk and the fiscal policies on import or export. Currently, the Company does not have recourse to any hedging mechanism to mitigate the volatility of prices. However, it does regulate the production

of manganese alloys duly considering the international market indices from time to time, both for import of feed stock and export of finished product to sustain reasonable earnings, as much as possible.

**(11) Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof:**

All the above requirements are complied with.

**(12) The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

Discretionary Requirements:

The Company has adopted / complied with the discretionary requirements specified in Part E of Schedule II as detailed below:

## i. The Board:

Since the Chairperson is an Executive Chairman, the maintenance of Office to the Non-executive Chairperson at the Company's expense is not applicable.

## ii. Shareholders' Rights:

The Half-yearly declaration of financial performance including summary of significant events in first 6 months was sent 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](http://www.nbventures.com) apart from publishing the same in the Newspapers.

## iii. Modified opinion(s) in audit report:

There are no modified opinions in the Audit Reports.

## 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 reports to the Chairman of the Audit Committee directly.





**(13) The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:**

Regulation	Particulars of Regulations	Compliance Status Yes/No
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to Subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46(2) (b) to (i)	Website	Yes

Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges:

As required under Regulation 30 of SEBI(LODR) Regulations, 2015, the Board of Directors of the Company approved the Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges effective from 1st December, 2015 and has been hosted on the website of the Company : [http://www.nbventures.com/pdf/corporate\\_policies/09\\_pdf\\_Determination\\_of\\_Materiality\\_policy.pdf](http://www.nbventures.com/pdf/corporate_policies/09_pdf_Determination_of_Materiality_policy.pdf)

Preservation of Documents:

The Company adopted the Policy on preservation of documents in accordance with the Regulation 9 of the SEBI(LODR) Regulations, 2015, which was placed on the Website of the Company : [http://www.nbventures.com/pdf/corporate\\_policies/10\\_pdf\\_Preservation\\_ofDocuments\\_policy.pdf](http://www.nbventures.com/pdf/corporate_policies/10_pdf_Preservation_ofDocuments_policy.pdf)

Corporate Governance requirements with reference to 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 2015-16, as detailed below:

Name of the Independent Director	Director on the Board of Subsidiary Companies
Sri K. Balarama Reddi	1. Nava Bharat Projects Limited 2. Nava Bharat Energy India Limited 3. Brahmani Infratech Private 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 Realty Limited 5. Nava Bharat Sugar and Bio Fuels Limited

As per Regulation 24 of SEBI(LODR) Regulations, 2015, the financial statements, significant transactions, investments and the minutes of the board meetings of the subsidiary companies are considered at the meetings of the Audit Committee / Board of Directors of the Company, as the case may be.

**Meetings of Independent Directors:**

The Company's Independent Directors met on 26th March, 2016, without the presence of Non-Independent Directors. The meeting was attended by all the Independent Directors.

The Independent Directors in the meeting reviewed the performance of Non-Independent Directors and the Board as a whole. Further, reviewed the performance of the Chairperson 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.

**C S R Committee:**

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee". The broad terms of the reference of the Corporate Social Responsibility (CSR) Committee are:

- Formulate, monitor and recommend to the Board, the CSR Policy;
- Recommend to the Board, modifications to the CSR Policy as and when required;
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken;
- Review the performance of the Company in the area of CSR, including the evaluation of the impact of the Company's CSR activities; and
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation, and the Companies Act, 2013.

The Committee met twice in FY 2015-16 on 10.08.2015 and 10.02.2016. The necessary quorum was present for all the meetings. 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 2015-16	
			Held	Attended
Sri D. Ashok	Chairman (Executive)	Chairman	2	2
Dr. D. Nageswara Rao	Independent Director	Member	2	2
Dr. C. V. Madhavi	Independent Director	Member	2	2

**Unclaimed Equity Dividend:**

Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account will, in terms of the provisions of Section 205B of the Companies Act, 1956 (Sec.125 of the Companies Act, 2013), be transferred to the Investor Education and Protection Fund (IEPF) established by the Government.

The details of unclaimed dividend as on 31st March, 2016 are as follows:

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 31.03.2016 (₹)	Due date for transfer to IEPF
1	2014-2015	27.08.2015	5.00	250%	28.09.2015	3,646,520/-	28.09.2022
2	2013-2014	08.08.2014	5.00	250%	08.09.2014	3,554,725/-	08.09.2021
3	2012-2013	16.08.2013	5.00	250%	16.09.2013	3,524,465/-	16.09.2020
4	2011-2012	08.08.2012	4.00	200%	07.09.2012	1,752,604/-	07.09.2019
5	2010-2011	28.07.2011	6.00	300%	27.08.2011	2,287,542/-	27.08.2018
6	2009-2010	16.08.2010	9.00	450%	16.09.2010	3,164,103/-	16.09.2017
7	2008-2009	31.07.2009	8.00	400%	31.08.2009	2,815,280/-	31.08.2016

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.



### Reconciliation of Share capital:

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 NSE and BSE and is also placed before the meetings of the Board of Directors.

### Prohibition of Insider trading:

In compliance with the provisions of SEBI(Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct for Prohibition of Insider Trading. This Policy also provides for periodical disclosures from the designated employees as well as pre-clearance of transactions by such persons.

The code is applicable to General Managers and above levels, who are likely or may reasonably be expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self regulatory mechanism.

### Website:

The Company's website [www.nbventures.com](http://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.

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. The Company is also filing various Reports through NEAPS.

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.

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.

**Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management:**

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 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 policy on obligation of directors and senior management personnel and for disclosure of committee positions and commercial transitions pursuant to Reg. 26(2) and (5) is in place

A copy of the Code has been put on the Company's website ([www.nbventures.com](http://www.nbventures.com)). The Code has been circulated to Directors and 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. Declaration on Compliance with Code of Conduct is annexed.

### Compliance Certificate:

A compliance certificate under Regulation 17(8) of SEBI (LODR) Regulations, 2015 signed by the Company's Managing Director and CFO is annexed to this Report.

**Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance:**

Compliance certificate from the Auditors of the Company regarding compliance of conditions of corporate governance pursuant to para E of Schedule V to SEBI (LODR) Regulations, 2015 is annexed to the Corporate Governance Report.

**Disclosures with respect to demat suspense account/ unclaimed suspense account: (pursuant to para F of Schedule V to SEBI (LODR) Regulations, 2015) :**

The Unclaimed Equity Shares are held in Nava Bharat Ventures Limited – Unclaimed Suspense Account maintained with Karvy Stock Broking Limited, Banjara Hills, Hyderabad vide Client I.D.No.18391954.

In accordance with the requirement of Clause F of Schedule V of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account in demat:

Sl. No	Particulars	No. of Shareholders	No. of Equity Shares of ₹ 2/-each
(a)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	1281	642995
(b)	number of shareholders who approached listed entity for transfer of shares from suspense account during the year	21	40655
(c)	number of shareholders to whom shares were transferred from suspense account during the year	21	40655
(d)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	1260	602340
(e)	that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	1260	602340

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.

For and on behalf of the Board

**P. Trivikrama Prasad**  
Managing Director

**D. Ashok**  
Chairman

Place : Hyderabad  
Date : 22nd July, 2016



## CEO and CFO Compliance Certificate

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

- A. We have reviewed financial statements and the cash flow statement for the year 2015-16 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

**P. Trivikrama Prasad**  
Managing Director

Place : Hyderabad  
Date : 22nd July, 2016

## Declaration on Compliance with Code of Conduct

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the provisions as provided under Schedule V of SEBI(LODR) Regulations, 2015.

The Board laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct was also posted on the Website of the Company.

The Members of the Board and Senior Management Personnel have affirmed compliance with Code of Conduct on an annual basis in respect of the financial year ended 31st March, 2016.

On behalf of the Board  
For Nava Bharat Ventures Limited

**P. Trivikrama Prasad**  
Managing Director

Place: Hyderabad  
Date : 22nd July, 2016

## Auditors' Certificate on Corporate Governance

**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, 2016, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the Listing Agreement entered into by 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 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

**P. Chandramouli**  
Partner  
Membership No.025211

Place : Hyderabad  
Date : 22nd July, 2016



# Independent Auditors' 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, 2016, 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.

## AUDITORS' 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, 2016, 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, 2016 ("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, 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 to the financial statements
  - The Company 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 Company.

for **Brahmayya & Co.,**  
Chartered Accountants  
Firm's Registration Number: 000513S

**P. Chandramouli** Partner  
Place : Hyderabad  
Date : 30th May, 2016 Membership Number: 025211



## Annexure -A to the Auditors' 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, 2016.

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 physical 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.
  - c. According to the information and explanations furnished by the Management and based on the records examined by us, regarding the title deeds of the immovable property other than self constructed buildings and including investment property, we report that:
    - i. In respect of immovable properties of lands that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the company, where the Company is the lessee in the agreements.
    - ii. The title in respect of the land costing Rs.15.71 lakhs admeasuring 14.06 acres and 23 guntas is yet to be transferred in the name of the Company.
    - iii. The title in respect of land costing Rs.26.06 lakhs admeasuring 5.05 acres allotted by APIIC Limited is yet to be transferred in the name of the Company.
    - iv. The long term lease period relating to the land situated at Samalkot, East Godavari District on which the Buildings of Sugar Manufacturing facility were constructed was expired on 12.8.1996.
    - v. In respect of all other immovable properties, we are given to understand that the title deeds are with Security trustee and are held in the name of the Company.
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification between the physical stocks and book records.
3. a. During the year, the Company has granted unsecured loans to a Company covered in the register maintained under Section 189 of the Companies Act, 2013.
  - b. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan are not, prima facie, prejudicial to the interest of the Company
  - c. The schedule of repayment of principal and payment of interest has been stipulated and the repayments are as per the said stipulations.
  - d. There were no overdue amounts in respect of the said loans.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
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. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the Products of Company. 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, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities. However, the extent of the arrears of outstanding statutory dues as at March 31, 2016 for a period of more than six months from the date they became payable are as follows.

**UNDISPUTED STATUTORY DUES**

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	6,466,061	2010 -11	-	Not yet paid
Orissa Electricity Duty Act, 1961	Electricity Duty	1,091,227 325,551 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	1,761,860	1985 – 87	-	Not yet paid
Go AP (I & CAD Dept.)	Water Charges	304,945 156,781 156,867 260,127 131,924 152,700 135,219	2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15	30.04.2009 30.04.2010 30.04.2011 30.04.2012 30.04.2013 30.04.2014 30.04.2015	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
Go AP, APPCB	Water Cess	12,484 15,976 13,999	2008-09 2013-14 2014-15	31.03.2009 31.03.2014 31.03.2015	Not yet paid
The A.P. Electricity Duty Act, 2003 (as amended)	Electricity Duty	7,260,282	2003-04 to 2007-08	15.04.2008	Not yet paid
- do -	- do -	407,520	2008- 09	30.04.2009	Not yet paid
- do -	- do -	437,520 251,868 535,680 514,944 5,324,777	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 -	5,239,126	2003-04 to 2010-11	30.04.2012	Not yet paid
- do -	- do -	48,979 645,905 495,380	April 2011 May 2011 March 2012	31.05.2011 30.06.2011 30.04.2012	Not yet paid
- do -	- do -	712,759 559,577 644,816	2012-13 2013-14 2014-15	30.05.2013 30.05.2014 30.05.2015	Not yet paid
AP Municipalities Act, 1965	Property Tax	137,854 160,268 204,510 207,359	2011-12 2012-13 2013-14 2014-15	31.03.2012 31.03.2013 31.03.2014 31.03.2015	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	180,932	2002-03 to 2009-10	31.03.2010	Not yet paid
Commissioner, Municipality, Samalkot	Welfare Cess	9,969	2014-15	-	Not yet paid
The Finance Act, 1994	Service tax	514,022	2014-15	30.06.2015	Not yet paid
A.P. Excise Act, 1968	Establishment Charges	1,245,672	-	-	Not yet paid



- b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute except the following.

#### DISPUTED STATUTORY DUES

Name of the Statute	Nature of Dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
AP (Ag. Produce & Live Stock) Marketing Act, 1966	Agricultural Market Cess	2,815,396	1980-81 to 1989-90	The Secretary, Agricultural Marketing Committee, Visakhapatnam
AP Municipalities Act, 1965	Property Tax	149,952	1995-96 to 2000-01	Hon'ble High Court of AP
-do-	-do-	200,798	1995-96 to 2000-01	Hon'ble High Court of AP
Various Sales Tax Acts	Central Sales Tax	220,130	2004-05	Asst. Commissioner of Sales Tax, Range-II, Cuttack
		6,487,532	2000-01	STAT, Hyderabad
	APGST	7,935,607	2003-04	Asst. Commissioner of Commercial Taxes, Warangal
Central Excise Act, 1944	Excise Duty	18,670,865	2004-05 to 2009-10	CESTAT, Bangalore
		73,700,285	2012-13	CESTAT, Bangalore
		5,529,064	1997-98	CESTAT, New Delhi
		13,690,286	2000-01 to 2001-02	Hon'ble High Court of AP
		1,190,633	2000-01 to 2005-06	Commissioner of Central Excise(Appeals), Visakhapatnam
	Service Tax	5,373,098	Oct 2007 – Mar 2016	Commissioner of Central Excise(Appeals), Visakhapatnam
		11,169,906	2009-14	Appeal yet to be filed
		1,107,337	April 2012 – March 2014	Deputy Commissioner of Central Excise, Kakinada
		1,252,798	April 2011 – March 2016	Assistant Commissioner of Central Excise, Kakinada
		48,296,986	2011-12	Appeal yet to be filed.
The A.P. Electricity Duty Act, 2003.	Electricity Duty	50,079,654	2008-09 to 2015-16	Appeal yet to be filed.
The AP Non-Agricultural Land Assessment Act, 1963	NALA TAX	1,225,116	1993-94 to 1998-99	Hon'ble High Court of AP

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions and Banks.
9. 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 and the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **Brahmayya & Co.,**  
Chartered Accountants  
Firm's Registration Number: 000513S

**P. Chandramouli**  
Partner  
Place : Hyderabad  
Date : 30th May, 2016      Membership Number: 025211



## Annexure – B to the Auditors' Report

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE(I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of NAVA BHARAT VENTURES LIMITED, HYDERABAD ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITOR'S RESPONSIBILITY

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

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Brahmayya & Co.,**  
Chartered Accountants  
Firm's Registration Number: 000513S

**P. Chandramouli**  
Partner  
Place : Hyderabad  
Date : 30th May, 2016      Membership Number: 025211





NAVA BHARAT

# Balance Sheet

as at 31st March, 2016

₹ in lakhs

Particulars	Notes	31st March, 2016	31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	04	1,787.01	1,787.01
Reserves and Surplus	05	259,755.80	251,678.24
		261,542.81	253,465.25
<b>Non - Current Liabilities</b>			
Long-term borrowings	06	24,398.54	2,848.83
Deferred tax liabilities (Net)	07	2,740.06	2,925.41
Other Long term liabilities	08	36.07	42.55
Long-term provisions	09	1,877.48	1,788.70
		29,052.15	7,605.49
<b>Current Liabilities</b>			
Short-term Borrowings	10	11,481.14	6,316.65
Trade Payables	11	9,875.57	7,554.92
Other Current liabilities	12	10,931.85	12,803.36
Short-term provisions	13	3,044.36	5,073.93
		35,332.92	31,748.86
<b>TOTAL</b>		<b>325,927.88</b>	<b>292,819.60</b>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Fixed assets			
Tangible assets	14	83,456.45	82,176.17
Intangible assets	15	417.30	442.07
Capital Work-in-Progress	16	474.69	675.56
Non-current investments	17	108,398.26	105,781.33
Long-term loans and advances	18	34,172.30	4,999.12
Other non-current assets	19	22,817.47	20,536.15
		249,736.47	214,610.40
<b>Current Assets</b>			
Inventories	20	22,786.43	34,383.76
Trade receivables	21	15,770.90	22,013.27
Cash and cash equivalents	22	2,107.02	3,711.65
Short-term loans and advances	23	34,320.29	16,930.83
Other current assets	24	1,206.77	1,169.69
		76,191.41	78,209.20
<b>TOTAL</b>		<b>325,927.88</b>	<b>292,819.60</b>
<b>Notes forming part of financial statements</b>	01 - 47		

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 : 30th May, 2016

for and on behalf of the Board

**G.R.K. Prasad**  
Executive Director

**T. Hari Babu**  
Chief Financial Officer

**P. Trivikrama Prasad**  
Managing Director

**M. Subrahmanyam**  
Company Secretary &  
Vice President

**D.Ashok**  
Chairman

# Statement of Profit and Loss

for the year ended 31st March, 2016

₹ in lakhs

Particulars	NOTES	31st March, 2016	31st March, 2015
<b>INCOME</b>			
Revenue from operations	25	98,927.04	115,293.88
Other Income	26	6,482.39	5,100.33
<b>TOTAL REVENUE</b>		<b>105,409.43</b>	<b>120,394.21</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	58,229.26	75,139.23
Purchase of traded goods	28	266.61	270.59
(Increase)/Decrease in Inventories	29	3,439.86	(3,056.57)
Other direct expenses	30	6,252.22	7,695.77
Employee benefits expense	31	7,780.42	7,281.67
Finance Costs	32	3,283.76	2,824.35
Depreciation and amortisation expense	33	3,405.05	3,627.84
Other expenses	34	11,112.63	11,298.72
<b>TOTAL EXPENSES</b>		<b>93,769.81</b>	<b>105,081.60</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>11,639.62</b>	<b>15,312.61</b>
EXCEPTIONAL ITEMS :	35		
Adjustments relating to earlier years (net)		33.04	41.66
<b>PROFIT BEFORE TAX</b>		<b>11,606.58</b>	<b>15,270.95</b>
<b>TAX EXPENSE</b>			
Current Tax		2,700.00	3,310.00
Deferred Tax		(185.34)	198.76
Earlier years		-	15.27
MAT Credit Entitlement (net)		(2,030.00)	(2,500.00)
		484.66	1,024.03
<b>PROFIT FOR THE YEAR</b>		<b>11,121.92</b>	<b>14,246.92</b>
<b>EARNINGS PER EQUITY SHARE OF ₹ 2/- EACH</b>			
Basic		12.46	15.96
Diluted		12.46	15.96
<b>Notes forming part of financial statements</b>	01 - 47		

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

**G.R.K. Prasad**  
Executive Director

**T. Hari Babu**  
Chief Financial Officer

**P. Trivikrama Prasad**  
Managing Director

Place: Hyderabad  
Date : 30th May, 2016

**M. Subrahmanyam**  
Company Secretary &  
Vice President

**D.Ashok**  
Chairman



# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	11,606.58	15,270.95
Adjustments for:		
Excess Provisions written back	(266.01)	(245.31)
Input tax Credit written off	1.43	41.05
Bad debts and Advances written off	21.07	7.26
Depreciation and amortisation expense	3,405.05	3,627.84
Assets discarded	7.95	0.30
Profit on sale of Assets (net)	(2.62)	(22.04)
Net Gain on Sale of investments	(43.48)	(639.69)
Adjustment to the carrying amount of investments	5.68	(0.74)
Dividend from investments	(29.03)	(21.91)
Interest (net)	704.09	1,250.52
<b>Operating Profit before Working Capital Changes</b>	<b>15,410.71</b>	<b>19,268.23</b>
Adjustments for:		
Increase/(decrease) in other long term liabilities	(6.48)	(178.51)
Increase/(decrease) in long term provisions	88.78	758.91
Increase/(decrease) in trade payables	2,320.65	76.11
Increase/(decrease) in other current liabilities	(1,804.74)	3,154.93
Increase/(decrease) in short term provisions	-	(769.59)
(Increase)/decrease in long term loans and advances	(23.18)	(163.66)
(Increase)/decrease in other non-current assets	7.82	(12.89)
(Increase)/decrease in inventories	11,597.33	(2,212.82)
(Increase)/decrease in receivables	6,221.30	(6,050.63)
(Increase)/decrease in short term loans and advances	547.74	3,040.54
(Increase)/decrease in other current assets	(70.60)	105.00
	<b>34,289.33</b>	<b>17,015.62</b>
Direct Taxes paid	(2,983.81)	(4,364.59)
<b>Net Cash from Operating Activities (A)</b>	<b>31,305.52</b>	<b>12,651.03</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Loans received/(given)	(47,088.63)	(3,749.70)
Purchase of fixed assets including tangible assets and Capital work-in-progress	(4,473.67)	(1,684.14)
Proceeds from sale of fixed assets	14.35	28.26
Purchase of Investments	(5,028.31)	(37,994.14)
Proceeds from sale of Investments	2,443.48	28,273.91
Interest received	1,166.05	980.59
Dividend received	29.03	21.91
<b>Net Cash used in Investing Activities (B)</b>	<b>(52,937.70)</b>	<b>(14,123.31)</b>

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from short term borrowings	5,164.49	2,131.38
Proceeds from long term borrowings	29,040.00	7,085.00
Repayment of long term borrowings (net)	(7,309.45)	(9,665.49)
Interest paid	(2,658.53)	(2,010.38)
Dividend paid	(4,208.96)	(4,067.23)
<b>Net Cash generated in Financing Activities (C)</b>	<b>20,027.55</b>	<b>(6,526.72)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(1,604.63)</b>	<b>(7,999.00)</b>
Cash and Cash equivalents at the beginning of the year	3,711.65	11,710.65
Cash and Cash equivalents at the end of the year	<b>2,107.02</b>	<b>3,711.65</b>
<b>Notes:</b>		
Cash and Cash equivalents include:		
Cash on hand	6.07	6.08
Balances with Banks:		
On Current Accounts	180.74	2,243.29
On Unpaid Dividend Accounts	207.46	200.70
On Cash Credit Accounts	3.08	51.66
Fixed Deposits	196.04	297.84
Margin Money Deposits	1,513.63	912.08
Cash and Cash equivalents considered for cash flow	<b>2,107.02</b>	<b>3,711.65</b>

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 : 30th May, 2016

for and on behalf of the Board

**G.R.K. Prasad**  
Executive Director

**T. Hari Babu**  
Chief Financial Officer

**P. Trivikrama Prasad**  
Managing Director

**M. Subrahmanyam**  
Company Secretary &  
Vice President

**D.Ashok**  
Chairman



# Notes

to financial statements for the year ended 31st March, 2016

## 01 CORPORATE INFORMATION:

Nava Bharat Ventures Limited (the Company) was incorporated on 7th November, 1972 and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). 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 expenditure incurred and other attributable revenue costs on projects under implementation are 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.

Assets which are found to be not usable are retired from active use or when no further benefits are expected from their use are removed from books of account and carrying value, if any, is charged to the Statement of Profit and Loss.

### 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

# Notes

## to financial statements for the year ended 31st March, 2016

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 Statement of 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 on 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 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, 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.



# Notes

to financial statements for the year ended 31st March, 2016

## 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 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



# Notes

## to financial statements for the year ended 31st March, 2016

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 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



# Notes

## to financial statements for the year ended 31st March, 2016

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, 2016	31st March, 2015	
<b>04 SHARE CAPITAL:</b>			
<b>Authorised</b>			
25,00,00,000 Equity Shares of ₹ 2/- each	5,000.00	5,000.00	
<b>TOTAL</b>	<b>5,000.00</b>	5,000.00	
<b>Issued and Subscribed</b>			
8,95,39,216 Equity Shares of ₹ 2/- each	1,790.78	1,790.78	
<b>TOTAL</b>	<b>1,790.78</b>	1,790.78	
<b>Paid Up</b>			
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	
<b>TOTAL</b>	<b>1,787.01</b>	1,787.01	

# Notes

## to financial statements for the year ended 31st March, 2016

### 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 2016, to equity shareholders is ₹ 3.00 per share (31st March 2015 ₹ 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, 2016		31st March, 2015	
	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.	9,490,483	10.64	9,986,619	11.18
HC Mauritius Limited (formerly Highfields Capital Management LP A/c. HC Mauritius Limited)	8,482,989	9.50	8,482,989	9.50
Nav Developers Limited	7,920,181	8.87	7,817,845	8.76
Smt D Bhaktapriya	4,901,450	5.49	2,020,545	2.26

### c. 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, 2016

		₹ in lakhs	
Particulars	31st March, 2016	31st March, 2015	
<b>05 RESERVES AND SURPLUS:</b>			
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	87,852.40	82,852.40	
Add: Additions during the year	1,500.00	5,000.00	
At the end of the year	89,352.40	87,852.40	
Other Reserves:			
Subsidies:			
At the beginning and at the end of the year	33.60	33.60	
Surplus in Statement of Profit and Loss:			
Balance at the beginning of the year	136,691.43	133,113.40	
Add: Net Profit for the year	11,121.92	14,246.92	
	147,813.35	147,360.32	
Less: Carrying amount of the assets whose remaining useful life is nil and the deferred tax thereon	-	594.96	
Amount available for appropriation	147,813.35	146,765.36	
Appropriations:			
General Reserve	1,500.00	5,000.00	
Dividend on Equity Capital	2,529.43	4,215.71	
Corporate Dividend Tax	514.93	858.22	
Balance at the end of the year	143,268.99	136,691.43	
<b>TOTAL</b>	<b>259,755.80</b>	<b>251,678.24</b>	

		₹ in lakhs	
Particulars	31st March, 2016	31st March, 2015	
<b>06 LONG - TERM BORROWINGS:</b>			
<b>Term Loans from Banks [Secured] *</b>			
Indian Rupee Loans			
State Bank of India (i) **	31,110.41	9,379.84	
Less: Current maturities	7,616.00	7,616.00	
	23,494.41	1,763.84	
State Bank of India (ii)	1,084.97	1,084.99	
Less: Current maturities	180.84	-	
	904.13	1,084.99	
<b>TOTAL</b>	<b>24,398.54</b>	<b>2,848.83</b>	

# Notes

## to financial statements for the year ended 31st March, 2016

- \* The 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 104,600,000 shares of USD 1/- each (being 51% of shares) held by the Company in its subsidiary, M/s. Nava Bharat (Singapore) Pte. Limited.
- i) Carries floating rate of interest (at present 11.00% p.a. and previous year 11.80% p.a.) payable monthly. The Loan is repayable in 26 quarterly instalments of ₹ 1,904.00 lakhs commencing from 1st April, 2014.
- ii) Carries floating rate of interest (at present 11.40% p.a. and previous year 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, 2016	31st March, 2015
<b>07 DEFERRED TAX LIABILITIES (NET):</b>		
<b>Liability:</b>		
Difference between book and tax depreciation	3,951.38	4,157.63
Gross liability	3,951.38	4,157.63
<b>Asset:</b>		
Provision for : Employee benefits	338.78	334.53
: Other expenses	859.54	886.86
: Diminution in the value of investments	13.00	10.83
Gross Asset	1,211.32	1,232.22
<b>TOTAL</b>	<b>2,740.06</b>	2,925.41

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>08 OTHER LONG-TERM LIABILITIES:</b>		
Security deposits	36.07	42.55
<b>TOTAL</b>	<b>36.07</b>	42.55



# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>09 LONG - TERM PROVISIONS:</b>		
Provision for employee benefits:		
Provision for gratuity	978.90	984.21
Provision for compensated absences	898.58	804.49
<b>TOTAL</b>	<b>1,877.48</b>	1,788.70

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>10 SHORT - TERM BORROWINGS:</b>		
<b>Secured:</b>		
Working Capital Loans from Banks: *		
Cash Credit (i)	4,127.44	3,316.65
Buyers Credit (In foreign currency) (ii)	2,330.96	-
<b>Unsecured:</b>		
Inter Corporate Deposit (iii) #	5,022.74	3,000.00
<b>TOTAL</b>	<b>11,481.14</b>	6,316.65

\* 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.

- (i) Carries rate of Interest at 10.55% p.a. and repayable on demand
- (ii) Carries rates of Interest at 1.2848% and 1.24% p.a. and are repayable ₹ 1,594.64 lakhs and ₹ 736.32 lakhs along with interest on 8th July, 2016 and 8th August, 2016 respectively.
- (iii) Carries rate of interest at 9.00% p.a. and is repayable along with interest on or before 31st March, 2017 (Previous year: Carries rate of interest at 9.00% and repaid on 31st March, 2016).

# Previous year: from a related party.

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>11 TRADE PAYABLES:</b>		
Creditors for supplies and services (Refer Note 38)	8,559.31	6,048.91
Creditors for accrued wages and salaries *	1,316.26	1,506.01
<b>TOTAL</b>	<b>9,875.57</b>	7,554.92
* Includes due to Directors	<b>442.78</b>	605.25

# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>12 OTHER CURRENT LIABILITIES:</b>		
Current maturities of long term borrowings	7,796.84	7,616.00
Interest accrued but not due on borrowings	250.14	238.49
Unpaid Dividends	207.45	200.70
Advance from Customers	73.63	-
Bills Discounted with Banks	-	2,162.44
Other payables:		
Security deposits	401.26	388.97
Central Excise Duty	560.70	991.71
Withholding taxes	135.33	81.34
Sales tax	49.65	47.12
Contribution to Provident Fund	74.96	70.95
Other Statutory dues	824.61	514.89
Other liabilities	557.28	490.75
<b>TOTAL</b>	<b>10,931.85</b>	12,803.36

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>13 SHORT - TERM PROVISIONS:</b>		
Other Provisions:		
Provision for proposed dividend	2,529.43	4,215.71
Provision for corporate dividend tax	514.93	858.22
<b>TOTAL</b>	<b>3,044.36</b>	5,073.93





# Notes

to financial statements for the year ended 31st March, 2016

## 14 TANGIBLE ASSETS:

Particulars	Gross Block			Depreciation			Net Block			₹ in lakhs	
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	Upto 01.04.2015	For the year	Adjusted against retained earnings	On deductions	Upto 31.03.2016		As at 31.03.2016
1 Land- Freehold	2,853.37	-	3.53	2,849.84	-	-	-	-	-	2,849.84	2,853.37
- Leasehold	153.16	-	-	153.16	12.50	1.59	-	-	14.09	139.07	140.66
2 Buildings- Factory	12,715.63	656.19	11.22	13,360.60	3,594.57	537.29	-	2.65	4,129.21	9,231.39	9,121.06
- Others	6,392.43	30.45	1.56	6,421.32	909.92	183.78	-	0.31	1,093.39	5,327.93	5,482.51
3 Plant and Equipment	103,836.00	3,850.82	19.60	107,667.22	40,314.82	2,402.26	-	17.07	42,700.01	64,967.21	63,521.18
4 Furniture and Fixtures	510.15	6.93	0.37	516.71	421.30	35.23	-	0.37	456.16	60.55	88.85
5 Vehicles	480.07	12.20	24.54	467.73	379.02	34.20	-	21.19	392.03	75.70	101.05
6 Office Equipment	737.79	35.77	23.35	750.21	686.28	23.45	-	22.95	686.78	63.43	51.51
7 Air conditioners and Coolers	245.19	4.56	3.79	245.96	216.52	12.97	-	3.78	225.71	20.25	28.67
8 Railway Sidings	541.86	-	-	541.86	183.14	37.71	-	-	220.85	321.01	358.72
9 Other Assets	378.44	13.88	0.24	392.08	233.90	34.10	-	0.20	267.80	124.28	144.54
10 Power Lines ***	423.19	-	-	423.19	139.14	8.26	-	-	147.40	275.79	284.05
<b>Total</b>	129,267.28	4,610.80	88.20	133,789.88	47,091.11	3,310.84	-	68.52	50,333.43	83,456.45	82,176.17
Previous Year	127,728.95	1,631.98	93.65	129,267.28	43,147.69	3,522.77	507.78	87.13	47,091.11	82,176.17	84,581.26

\*\*\* Cost incurred by the Company, ownership of which vests with a State Owned Power Distribution Company.

- a) 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.
- b) 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.
- c) The title in respect of land costing ₹ 26.06 lakhs admeasuring 5.05 acres allotted by APILC Ltd during the year 2009-10, is yet to be transferred in the name of the Company.
- d) 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 any time by the Government by giving 6 months notice in writing during the tenure of lease.
- e) 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 ₹ 9,102.07 lakhs (previous year: ₹ 9,055.18 lakhs) and ₹ 1,506.37 lakhs (previous year: ₹ 1,506.37 lakhs) respectively, expired on 12.8.1996. 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		Amortisation			Net Block			
	As at 01.04.2015	Additions	As at 31.03.2016	Upto 01.04.2015	For the year	Adjusted against retained earnings	Upto 31.03.2016	As at 31.03.2016	As at 01.04.2015
1. Computer Software	495.86	63.74	559.60	475.98	28.32	-	504.30	55.30	19.88
2. Water drawing Rights	898.70	-	898.70	476.51	60.19	-	536.70	362.00	422.19
<b>Total</b>	1,394.56	63.74	<b>1,458.30</b>	952.49	88.51	-	<b>1,041.00</b>	<b>417.30</b>	442.07
Previous Year	1,384.56	10.00	1,394.56	850.66	99.37	2.46	952.49	442.07	533.90

# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs		
Particulars	31st March, 2016	31st March, 2015
<b>16 CAPITAL WORK-IN-PROGRESS:</b>		
Direct costs	474.69	675.56
<b>TOTAL</b>	<b>474.69</b>	675.56

₹ in lakhs		
Particulars	31st March, 2016	31st March, 2015
<b>17 NON CURRENT INVESTMENTS:</b>		
<b>i. Investment in Property (at cost less accumulated depreciation)</b>		
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	17.16	11.46
	156.77	162.47
<b>TOTAL</b>	<b>258.68</b>	264.38
<b>ii. Trade investments ( at cost unless otherwise stated)</b>		
<b>a. Investment in Subsidiaries</b>		
<b>Investment in Equity instruments, fully paid up (unquoted)</b>		
4,14,99,998 shares of ₹ 10/- each in Brahmani Infratech Private Limited	4,150.00	4,150.00
11,00,000 shares of ₹ 2/- each in Nava Bharat Realty Limited	22.00	22.00
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
15,85,90,000 (previous year 15,45,90,000) shares of USD 1/- each in Nava Bharat (Singapore) Pte. Limited ***	89,545.84	86,917.54
<b>b. Investment in Other Companies</b>		
<b>Investment in Equity Instruments, fully paid up (quoted)</b>		
200 shares of ₹ 10/- each in Kothari Sugars & Chemicals Limited #	0.02	0.01
2,857 shares of ₹ 10/- each in The Jeypore Sugar Company Limited @	0.03	1.16



# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>17 NON CURRENT INVESTMENTS: (CONTD.)</b>		
<b>Investment in Equity Instruments, fully paid up (unquoted)</b>		
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
<b>iii. Other investments (at cost unless otherwise stated)</b>		
<b>a. Investment in Other Companies</b>		
<b>Investment in Equity Instruments, fully paid up (quoted)</b>		
63,300 Shares of ₹ 10/- each in Avanthi Leathers Limited #	0.63	0.63
76,830 Shares of ₹ 10/- each in NB Footwear Limited #	3.07	1.81
7,500 (previous year 1500) shares of ₹ 2/- (previous year ₹ 10/-) each in Avanthi Feeds Limited	0.15	0.15
8,000 shares of ₹ 10/- each in IDBI Bank Limited #	5.55	5.68
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 #	21.01	26.69
<b>Investment in Equity Instruments, fully paid up (unquoted)</b>		
75,000 shares of ₹ 10/- each in Srinivasa Cystine Limited	5.00	5.00
<b>b. Investments in Government Securities (unquoted)</b>		
6 years National Savings Certificates *	0.90	0.90
<b>TOTAL</b>	<b>108,139.58</b>	<b>105,516.95</b>
<b>TOTAL</b>	<b>108,398.26</b>	<b>105,781.33</b>
# At cost less diminution (current and previous years).		
@ Current year: at Cost less diminution; Previous year: at cost.		
Aggregate amount of quoted investments	96.40	96.40
Aggregate market value of quoted investments	381.66	391.68
Aggregate amount of unquoted investments	108,080.74	105,452.44
Aggregate provision for diminution in the value of investments	37.55	31.87

\* 6 year National Savings Certificates are in the names of employees of the Company and the certificates were pledged with various Government Departments as security.

\*\* Pledged as security for the loans availed by Nava Bharat Energy India Limited, a step down Subsidiary Company.

\*\*\* 104,600,000 shares of USD 1/- each are pledged as security for loan availed by the Company from State Bank of India.

# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>18 LONG - TERM LOANS AND ADVANCES:</b>		
(Unsecured, considered good)		
Capital Advances	12.53	56.03
Security Deposits	1,185.71	1,177.94
Other receivables	889.71	735.12
Loan to a related party	29,150.00	-
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	55.01	138.88
<b>TOTAL</b>	<b>34,172.30</b>	<b>4,999.12</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>19 OTHER NON-CURRENT ASSETS:</b>		
Prepaid expenses	1.91	12.89
Payments made under protest	118.74	115.58
Interest accrued	1,054.27	795.13
Other receivables	206.34	206.34
MAT Credit Entitlement	21,436.21	19,406.21
<b>TOTAL</b>	<b>22,817.47</b>	<b>20,536.15</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>20 INVENTORIES:</b>		
At cost:		
Raw Materials	7,395.80	12,578.17
Raw Material-in-transit	200.12	1,588.26
Work in Progress	950.06	390.83
Finished Goods	8,601.02	2,318.71
Stock-in-trade	73.75	49.57
Stores and Spares	4,272.74	5,865.52
Others	10.86	5.04
At realisable value:		
Work in Progress	308.34	22.95
Finished Goods	973.74	11,564.71
<b>TOTAL</b>	<b>22,786.43</b>	<b>34,383.76</b>



# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>21 TRADE RECEIVABLES:</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months from the date they are due for payment	217.90	1,478.34
Others:		
from a subsidiary Company	5,726.25	11,300.43
from Others	9,826.75	9,234.50
<b>TOTAL</b>	<b>15,770.90</b>	<b>22,013.27</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>22 CASH AND CASH EQUIVALENTS:</b>		
Balances with Banks:		
On Current accounts	180.74	2,243.29
On Cash Credit accounts	3.08	51.66
Cash on Hand	6.07	6.08
Other bank balances:		
Fixed Deposits	196.04	297.84
Margin Money Deposits	1,513.63	912.08
On Unpaid Dividend Accounts	207.46	200.70
<b>TOTAL</b>	<b>2,107.02</b>	<b>3,711.65</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>23 SHORT - TERM LOANS AND ADVANCES:</b>		
Loans and Advances to related parties:		
(Unsecured, considered good)		
Inter Corporate Deposit	21,688.33	3,749.70
Other receivables	5,829.23	2,688.17
	27,517.56	6,437.87
Other loans and advances:		
(Secured, considered good)		
Loans to others	-	1.40
(Unsecured, considered good)		
Advances for purchases and expenses	3,327.19	6,178.25
Other receivables	539.30	532.00
Staff Advances	87.74	47.96
Balance with Statutory Authorities	2,848.50	3,733.35
	6,802.73	10,492.96
<b>TOTAL</b>	<b>34,320.29</b>	<b>16,930.83</b>

# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>24 OTHER CURRENT ASSETS:</b>		
Prepaid Expenses	182.02	250.19
Accrued Conversion Charges	138.77	-
Interest accrued	589.52	48.62
Advance Income Tax (net of provision)	296.46	870.88
<b>TOTAL</b>	<b>1,206.77</b>	<b>1,169.69</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>25 REVENUE FROM OPERATIONS:</b>		
<b>Sale of Products</b>		
Finished Goods		
Ferro Alloys	38,591.55	58,741.67
Sugar	11,555.40	12,062.17
Electric Power	60,198.87	63,090.73
Others	2,145.03	1,439.16
	112,490.85	135,333.73
Less: Inter Divisional transfers	21,361.54	23,993.13
	91,129.31	111,340.60
Traded goods		
Fertilizers	200.04	225.83
PVC Pipes	10.06	39.09
Others	108.70	108.10
<b>Sale of Services</b>		
Ferro Alloys Conversion Charges	9,514.18	4,964.46
<b>Other Operating Revenue</b>		
Export Incentives	824.03	1,699.80
<b>Revenue from Operations (Gross)</b>	<b>101,786.32</b>	<b>118,377.88</b>
Less: Excise Duty	2,859.28	3,084.00
<b>Revenue from Operations (Net)</b>	<b>98,927.04</b>	<b>115,293.88</b>



# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>26 OTHER INCOME:</b>		
Interest Income:		
Bank Deposits	247.54	258.34
Non Current Investments	0.09	0.08
Others	1,718.46	501.44
Dividend Income from Investments	29.03	21.91
Net gain on sale of investments	43.48	639.69
Net gain on sale of tangible assets	2.62	22.04
Other Non Operating Income (net of expenses):		
Adjustments to the carrying amount of investments	(5.68)	0.74
Claims	2.14	4.28
Rents earned	76.70	70.02
Excess provisions/credit balances written back	266.01	245.31
Miscellaneous Receipts	3,078.43	2,515.28
Foreign Exchange Fluctuations	1,023.57	821.20
<b>TOTAL</b>	<b>6,482.39</b>	<b>5,100.33</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>27 COST OF MATERIALS CONSUMED:</b>		
Inventory at the beginning of the year	12,578.17	14,477.00
Add: Purchase of materials	53,046.89	73,240.40
	65,625.06	87,717.40
Less: Inventory at the end of the year	7,395.80	12,578.17
Cost of materials consumed *	<b>58,229.26</b>	<b>75,139.23</b>

\* Includes 4,600 MT of Ferro Chrome costing ₹ 825.34 lakhs consumed for ferro alloys conversion (job work) during the year 2014-15

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>Details of materials consumed:</b>		
Coal	29,224.96	37,613.81
Quartz	381.31	449.14
Dolomite	80.03	202.16
Chrome Ore	7,153.40	3,413.34
Chrome Ore for conversion (job work)	-	825.34
Manganese Ore	7,306.36	18,936.75
Ferro Manganese Slag	572.48	1,067.81
Coke	2,014.37	2,470.48
Cane	10,334.78	9,405.20
Others	1,161.57	755.20
<b>TOTAL</b>	<b>58,229.26</b>	<b>75,139.23</b>



# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>Details of Inventory:</b>		
Coal	5,527.90	6,781.29
Quartz	85.51	67.40
Dolomite	6.95	46.85
Chrome Ore	174.32	511.91
Manganese Ore	895.07	4,582.75
Ferro Manganese Slag	109.76	176.15
Coke	460.64	228.53
Others	135.65	183.29
<b>TOTAL</b>	<b>7,395.80</b>	12,578.17

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>28 PURCHASE OF TRADED GOODS:</b>		
Fertilizers	192.76	191.90
PVC Pipes	0.71	31.53
Others	73.14	47.16
<b>TOTAL</b>	<b>266.61</b>	270.59

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>29 (INCREASE)/DECREASE IN INVENTORIES:</b>		
<b>Inventories at the end of the year</b>		
Traded goods	73.75	49.57
Finished Goods	9,574.76	13,883.42
Work in Progress	1,258.40	413.78
	10,906.91	14,346.77
<b>Inventories at the beginning of the year</b>		
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
<b>(Increase)/decrease in inventories</b>	<b>3,439.86</b>	(3,056.57)



# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>30 OTHER DIRECT EXPENSES:</b>		
Stores Consumed	2,514.05	3,046.22
Power, Fuel and Water	794.18	840.77
Briquetting expenses	392.28	187.66
Fly Ash Bricks manufacturing	20.14	13.04
Organic Manure expenses	42.92	39.97
Raw Material Handling expenses	1,310.56	1,326.10
Finished Product Handling expenses	607.51	803.37
Cane Development expenses	259.63	1,020.08
Testing and Analysis charges	50.62	45.92
Other expenses	260.33	372.64
<b>TOTAL</b>	<b>6,252.22</b>	<b>7,695.77</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>31 EMPLOYEE BENEFITS EXPENSE:</b>		
Salaries, Wages and Bonus	6,651.46	6,259.85
Contribution to Provident and Other Funds	390.24	381.58
Staff Welfare Expenses	449.83	422.86
Retirement Benefits	288.89	217.38
<b>TOTAL</b>	<b>7,780.42</b>	<b>7,281.67</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>32 FINANCE COSTS:</b>		
Interest	2,670.18	2,010.38
Bank Charges and Commission	141.81	157.85
Prompt Payment Rebate	471.77	656.12
<b>TOTAL</b>	<b>3,283.76</b>	<b>2,824.35</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>33 DEPRECIATION AND AMORTISATION EXPENSE:</b>		
Depreciation on Tangible Assets	3,310.84	3,522.77
Amortisation of Intangible Assets	88.51	99.37
Depreciation on Investment Property	5.70	5.70
<b>TOTAL</b>	<b>3,405.05</b>	<b>3,627.84</b>

# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>34 OTHER EXPENSES:</b>		
Rent	68.05	130.93
Central Excise Duty *	(101.20)	405.04
Rates and Taxes	2,239.99	1,743.49
Freight and Transportation	1,622.48	2,391.56
Insurance	327.01	352.21
Advertisement and sales promotion	20.21	25.79
Communications	72.60	78.03
Travelling and Conveyance	202.61	243.61
Vehicle maintenance	61.74	66.80
Legal and Professional Charges	572.51	585.36
Payments to Auditors:		
as auditors	32.06	29.21
for tax audit	11.45	10.11
for other matters	14.45	11.93
for expenses	0.25	0.25
Cost Auditor fees	7.13	5.96
Repairs and Maintenance to:		
Machinery	2,741.35	2,242.77
Buildings	572.81	558.88
Other Assets	69.77	62.38
General Charges	2,134.38	1,882.42
CSR expenses	435.03	465.18
Obsolete Inventory written off	-	6.51
Assets discarded	7.95	0.30
<b>TOTAL</b>	<b>11,112.63</b>	<b>11,298.72</b>

\* 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.

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>35 EXCEPTIONAL ITEMS:</b>		
Adjustments relating to earlier years (net):		
Refund relating to earlier years	(76.38)	-
Power price difference	16.65	-
Unscheduled Inter-Change Charges	92.77	19.96
Interest	-	21.70
<b>TOTAL</b>	<b>33.04</b>	<b>41.66</b>



# Notes

## to financial statements for the year ended 31st March, 2016

- 36** 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.
- 37** 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.
- 38** 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, 2016	31st March, 2015
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	653.42	908.62
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
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

- 39** 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 25.00 lakhs)
- b) Foreign currency exposure not hedged by derivative instruments:

# Notes

to financial statements for the year ended 31st March, 2016

in lakhs

Particulars	Amount in USD		Amount in INR	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Receivable on account of:				
Sale of goods	86.43	188.86	5,726.25	11,802.71
Services	40.88	20.97	2,708.19	1,310.21
Guarantee Commission	12.51	2.94	828.65	183.87
Interest	19.65	0.57	1,302.05	35.41
Loan	775.00	60.00	51,343.75	3,749.70
Others	14.49	8.67	960.09	541.95
Payables on account of				
Import of goods	-	8.98	-	560.93
Buyers Credit	35.18	-	2,330.96	-

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>40 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)</b>		
<b>i) Contingent liabilities:</b>		
a) Claims against the Company not acknowledged as debts	3,565.67	2,863.22
b) Guarantees	80,688.39	62,415.92
c) Other money for which the Company is contingently liable:		
i) Demand from Income Tax department disputed	1,216.64	926.63
ii) Showcause notices received from Central Excise Dept.*	1,244.87	1,313.80
iii) Power demands disputed by the Company	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 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	1,040.13	849.69
<b>ii) Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	331.75	124.55

\* 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.



# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016		31st March, 2015	
	Percentage	Value	Percentage	Value
<b>41.1 Value of material consumed</b>				
Indigenous	82.88	50,345.56	67.92	53,101.96
Imported	17.12	10,397.76	32.08	25,083.50
<b>TOTAL</b>	<b>100.00</b>	<b>60,743.32</b>	<b>100.00</b>	<b>78,185.46</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>41.2 Value of imports calculated on C.I.F. basis in respect of</b>		
Raw Materials	4,620.52	20,841.11
Components and spare parts	3.73	419.01
Capital goods	-	132.52

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>41.3 Expenditure in foreign currency during the year on account of (on accrual basis)</b>		
Interest	39.81	18.68
Others	44.32	12.98

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>41.4 Earnings in foreign exchange on account of</b>		
Export of goods calculated on F.O.B. basis	15,246.45	32,803.51
Interest earned	1,264.51	35.41
Guarantee commission earned	633.74	183.87
Project support services	1,319.26	1,310.21

# Notes

to financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>42 EMPLOYEE DEFINED BENEFITS AS PER AS-15 (REVISED): GRATUITY</b>		
<b>a) The amounts recognised in the Balance Sheet:</b>		
Present value of obligation	1,596.63	1,539.90
Fair value of Plan Assets	617.72	555.69
Net Assets/(liability) recognised in Balance Sheet as provision	(978.91)	(984.21)
<b>b) Changes in the present value of defined obligation:</b>		
Present value of obligation as at the beginning of the year	1,539.90	1,582.42
Interest cost	115.42	140.98
Current Service Cost	117.62	174.80
Benefits paid	(108.81)	(32.06)
Actuarial (gain)/loss on obligation	(67.50)	(326.24)
Present value of obligation as at the end of the year	1,596.63	1,539.90
<b>c) Reconciliation of Opening and Closing balances of fair value of Plant Assets:</b>		
Fair value of plan assets as at the beginning of the year	555.69	515.67
Return on plan assets	48.21	45.76
Contributions	64.62	46.73
Benefits paid	(25.96)	(32.06)
Actuarial gain/(loss)	(24.84)	(20.41)
Fair value of plan assets as at the end of the year	617.72	555.69
<b>d) The amounts recognised in the Statement of Profit and Loss:</b>		
Current Service Cost	117.62	174.80
Interest cost	115.42	140.98
Expected return on Plan Assets	(48.21)	(45.76)
Actuarial (gain)/loss on benefits paid	(48.99)	(305.83)
Expenses recognised in the Statement of Profit and Loss	135.84	(35.81)
<b>e) Principal actuarial assumptions:</b>		
Discount rate per annum	7.46%	7.77%
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, 2016

## 43 SEGMENT INFORMATION AS PER AS 17:

### A. Primary disclosures:

The company has identified the reportable primary business segments considering:

- i) the nature of products and services;
- ii) the differing risks and returns;
- iii) the organisation structure; and
- iv) the internal financial reporting system.

Particulars	31.03.2016						31.03.2015					
	Ferro Alloys	Power	Sugar	Others	Total		Ferro	Power	Sugar	Others	Total	
1. Segment Revenue (gross)	51,405.09	63,068.59	15,083.77	5.97	129,563.42		67,608.69	64,569.13	14,631.65	-	146,809.47	
Less: Inter segment revenue	152.75	21,113.21	756.02	-	22,021.98		263.42	23,808.22	647.04	-	24,718.68	
Segment Revenue (net)	51,252.34	41,955.38	14,327.75	5.97	107,541.44		67,345.27	40,760.91	13,984.61	-	122,090.79	
2. Segment Result	(6,820.89)	21,727.34	(19.31)	(63.63)	14,823.51		(270.94)	18,036.91	(234.76)	(98.25)	17,432.96	
3. Segment Result excluding inter segment margin	706.78	14,199.09	(18.73)	(63.63)	14,823.51		6,409.30	11,349.13	(227.22)	(98.25)	17,432.96	
Add:												
Other unallocable Income					66.83						662.34	
Less:												
Finance Charges					3,283.76						2,824.35	
Profit before tax					11,606.58						15,270.95	
Taxation for the year					484.66						1,024.03	
Net Profit					11,121.92						14,246.92	
4. Segment Assets	30,180.44	83,816.09	17,205.86	106.10	131,308.49		47,161.50	87,018.69	17,476.49	92.91	151,749.59	
Unallocated					194,619.39						141,070.01	
Total Assets					325,927.88						292,819.60	
5. Segment Liabilities	5,328.20	5,854.37	8,213.47	4.78	19,400.82		7,065.65	4,192.96	4,636.35	4.54	15,899.50	
Unallocated					306,527.06						276,920.10	
Total liabilities					325,927.88						292,819.60	
6. Capital expenditure	1,140.22	3,135.26	88.15	110.05	4,473.68		233.21	740.70	604.06	106.17	1,684.14	
Depreciation	576.67	2,361.92	463.74	2.72	3,405.05		675.66	2,403.59	546.14	2.45	3,627.84	
Non-cash expenses other than depreciation	6.15	20.04	3.94	0.32	30.45		28.67	1.19	25.45	0.30	55.61	

# Notes

to financial statements for the year ended 31st March, 2016

## 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, 2016			31st March, 2015		
	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	1,046.46	37.65	21,521.19	99.20	182.38	31,095.71
Ferro Alloy Plant Kharagprasad, Dhenkanal Dist. Odisha	45.89	10.21	8,659.25	24.98	14.98	16,065.78
Power Plant Paloncha, Khammam Dist. Telangana	3,383.45	71.36	28,183.23	305.06	541.24	28,295.54
Power Plant Kharagprasad, Dhenkanal Dist. Odisha	19.10	3.78	44,202.78	231.41	-	47,175.04
Power Plant Dharmavaram, East Godavari Dist. A.P.	3.43	-	11,430.08	144.83	-	11,548.12

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.

- 44 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, 2016

## 45 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:	Sri D. Ashok, Chairman Sri P.Trivikrama Prasad, Managing Director Sri G.R.K. Prasad, Executive Director Sri C.V. Durga Prasad, Director (Business Development)
ii) Relatives of key management personnel:	Smt. D. Ramaa - wife of Sri D Ashok Sri D. Ashwin - son of Sri D Ashok Sri D. Nikhil - son of Sri D Ashok Dr. D. Rajasekhar - brother of Sri D Ashok Smt. D. Bhaktapriya - mother of Sri D Ashok Smt. A. Nilima - sister of Sri D Ashok Smt. P. Rajashree - wife of Sri P Trivikrama Prasad Smt. P. Sruthi - daughter of Sri P Trivikrama Prasad Smt. G. S. P. Kumari - wife of Sri G R K Prasad Smt. C. Umamaheswari - wife of Sri C V Durga Prasad
iii) Enterprises controlling the reporting Enterprise: Subsidiaries:	M/s.Nava Bharat Energy India Limited M/s.Nava Bharat Projects Limited M/s.Nava Bharat Realty Limited M/s.Nava Bharat Sugar and Bio Fuels Limited M/s.Brahmani Infratech Private Limited M/s.Nava Bharat (Singapore) Pte Limited M/s.Maamba Collieries Limited M/s.Kariba Infrastructure Development Limited M/s.NB Rufiji Private Limited M/s.NB Tanagro Limited M/s.Nava Energy Pte. Limited M/s.Nava Bharat Lao Energy Pte. Limited M/s.Namphak Power Company Limited M/s.Nava Energy Zambia Limited

# Notes

## to financial statements for the year ended 31st March, 2016

Enterprises over which key management personnel / their relatives exercise significant influence:	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.V9 Infra Ventures 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
	M/s.Chapter One Books Pte. Limited
	M/s. Kariba Sugar Limited
	The Indian Ferro Alloys Producers Association

### b) Particulars of transactions during the year:

₹ in lakhs		
Particulars	31st March, 2016	31st March, 2015
<b>i) Transactions with Key Management personnel:</b>		
Sri D Ashok		
Remuneration	386.42	472.29
Sri P Trivikrama Prasad		
Remuneration	386.38	469.03
Sri G R K Prasad		
Remuneration	288.07	238.81
Sri C V Durga Prasad		
Remuneration	228.15	175.97
<b>ii) Transactions with relatives of Key Management personnel:</b>		
Dr. D. Rajasekhar		
Rent	15.20	15.20
Smt. G. S. P. Kumari		
Rent	-	12.60
Smt. C. Umamaheswari		
Rent	-	12.60



# Notes

to financial statements for the year ended 31st March, 2016

<b>iii) Transactions with Subsidiaries:</b>		
M/s. Nava Bharat (Singapore) Pte Limited		
Sale of ferro alloys	11,361.10	27,191.11
Loan given	46,994.57	3,749.70
Interest income	1,264.51	35.41
Guarantee provided	57,297.64	17,186.13
Guarantee Commission charged	633.74	62.66
Finance provided (Equity Contributions in Cash)	2,628.30	10,361.83
M/s.Maamba Collieries Limited		
Guarantee Commission charged	-	121.21
Project Support Services rendered	1,319.26	1,310.21
M/s.Brahmani Infratech Private Limited		
Interest expense	269.26	270.00
Loan given/(repaid)	(3,000.00)	-
M/s.Nava Bharat Energy India Limited		
Lease rent earned	1.84	1.87
Utility charges received	555.18	537.86
Sale of Fly Ash Bricks	1.28	4.31
Purchase of fixed assets	-	4.08
Security provided by pledge of Shares (face value)	-	5,200.00

## c) Amount due from/(due to) related parties as at the year end:

		₹ in lakhs	
Particulars	31st March, 2016	31st March, 2015	
1. Key Management personnel:			
Sri D Ashok	(211.39)	(292.62)	
Sri P Trivikrama Prasad	(211.39)	(292.62)	
2 Subsidiaries: *			
M/s.Brahmani Infratech Private Limited	-	(3,000.00)	
M/s.Nava Bharat (Singapore) Pte. Limited	2,851.30	15,503.08	
M/s.Nava Bharat Energy India Limited	30.24	616.73	
M/s.Maamba Collieries Limited	2,883.36	1,618.49	
M/s.Nava Energy Pte. Limited	29.05	-	
M/s.Nava Energy Zambia Limited	35.28	-	

\* Excluding the guarantees given and the securities provided.

# Notes

to financial statements for the year ended 31st March, 2016

Particulars	31st March, 2016	31st March, 2015
<b>46 EARNINGS PER SHARE (E.P.S.)</b>		
a) Net Profit as per Statement of Profit and Loss available for Equity Shareholders (₹ in lakhs)	11,121.92	14,246.92
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 (₹ )	12.46	15.96
e) Diluted earnings per share (₹ )	12.46	15.96

**47** 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

**P. Chandramouli**  
Partner  
Membership Number: 025211

**G.R.K. Prasad**  
Executive Director

**T. Hari Babu**  
Chief Financial Officer

**P. Trivikrama Prasad**  
Managing Director

Place: Hyderabad  
Date : 30th May, 2016

**M. Subrahmanyam**  
Company Secretary &  
Vice President

**D.Ashok**  
Chairman



# Notes

to financial statements for the year ended 31st March, 2016

## AOC - 1

Form AOC-I: Statement containing salient features of the financial statements of Subsidiaries and Associate Companies for the year ending 31st March, 2016  
(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	33,455.34	86,328.40	86,328.40	-	50,946.74	15,474.59	111.03	15,363.56	-	100.00
Nava Bharat Projects Limited	₹	-	9,080.40	15,026.83	24,176.44	24,176.44	15,801.50	834.53	264.81	93.79	171.02	-	100.00
Nava Bharat Realty Limited	₹	-	22.00	(22.90)	0.21	0.21	-	-	(0.67)	-	(0.67)	-	100.00
Nava Bharat Sugar and Bio Fuels Limited	₹	-	5.00	(4.60)	0.91	0.91	-	-	(0.40)	-	(0.40)	-	100.00
Brahmani Infratech Private Limited	₹	-	6,312.50	1,719.26	11,058.32	11,058.32	3,620.51	362.21	239.22	99.78	139.44	-	65.74
Nava Bharat (Singapore) Pte. Limited	US \$	66.25	105,072.50	(3,793.20)	165,566.75	165,566.75	159,762.06	16,492.27	(139.22)	356.31	(495.53)	-	100.00
Maamba Collieries Limited	US \$	66.25	128,218.49	(58,290.56)	466,255.12	466,255.12	-	8,329.97	681.77	(2,862.75)	3,544.52	-	64.69
Nava Energy Zambia Limited	US \$	66.25	0.53	(48.66)	245.56	245.56	-	-	(49.77)	-	(49.77)	-	100.00
Nava Energy Pte. Limited	US \$	66.25	0.66	(18.60)	246.39	246.39	0.59	-	(17.16)	-	(17.16)	-	100.00
Nava Bharat Lao Energy Pte. Limited	US \$	66.25	3,391.96	14.76	3,710.18	3,710.18	3,654.27	-	17.11	-	17.11	-	100.00
Namphak Power Company Limited	US \$	66.25	159.00	-	5,161.02	5,161.02	-	-	-	-	-	-	70.00
NB Tanagro Limited	US \$	66.25	0.66	-	0.66	0.66	-	-	-	-	-	-	100.00



# Notes

## to financial statements for the year ended 31st March, 2016

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  
NB Rufiji Private Limited  
Kariba Infrastructure Development Limited

- Names of subsidiaries which have been liquidated or sold during the year: Nil

### Part B: Associates

Name of Associate	Kinnera Power Company Private Limited
1. Latest Audited Balance Sheet Date	31st March, 2016
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	-
6. Loss for the year	
(i) Considered in Consolidation	Nil
(ii) Not considered in Consolidation	-

- Name of associate which is yet to commence operations : Nil

- Names of associates or joint ventures which have been liquidated or sold during the year : Nil

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

**G.R.K. Prasad**  
Executive Director

**T. Hari Babu**  
Chief Financial Officer

**P. Trivikrama Prasad**  
Managing Director

Place: Hyderabad  
Date : 30th May, 2016

**M. Subrahmanyam**  
Company Secretary &  
Vice President

**D.Ashok**  
Chairman



# INDEPENDENT AUDITORS' 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, 2016, 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, 2016, 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 770,607,567 equivalent to ₹ 510,527.51 Lakhs, total revenue of USD 39,171,473 equivalent to ₹ 25,951.09 Lakhs and net cash flows amounting to USD 81,036,865 equivalent to ₹ 53,686.92 Lakhs. Out of the 7 Foreign subsidiaries considered for Consolidation 6 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:

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, 2016 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, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure".
- (g) 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 42 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 : 30th May, 2016

Membership Number: 025211

## Annexure to the Auditors' Report:

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE(I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of consolidated financial statements of the company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of NAVA BHARAT VENTURES LIMITED, HYDERABAD ("the Holding Company") and its subsidiary companies which are incorporated in India as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies

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

## AUDITORS' RESPONSIBILITY

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

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

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

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## OPINION

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**P. Chandramouli**  
Partner

Place : Hyderabad  
Date : 30th May, 2016      Membership Number: 025211



NAVA BHARAT

# Consolidated Balance Sheet

as at 31st March, 2016

		₹ in lakhs	
Particulars	Notes	31st March, 2016	31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	06	1,787.01	1,787.01
Reserves and Surplus	07	317,280.78	289,225.17
		319,067.79	291,012.18
<b>Share Application Money pending allotment</b>		190.80	179.98
<b>Minority Interest</b>		27,727.91	24,697.37
<b>Non - Current liabilities</b>			
Long-term borrowings	08	323,798.85	31,509.90
Deferred tax liabilities (Net)	09	(180.19)	2,912.79
Other Long-term liabilities	10	782.31	1,036.38
Long-term provisions	11	2,089.14	1,938.38
		326,490.11	37,397.45
<b>Current liabilities</b>			
Short-term borrowings	12	14,805.25	48,059.85
Trade Payables	13	16,680.21	81,660.83
Other Current liabilities	14	63,314.34	103,104.93
Short-term provisions	15	3,113.74	5,129.33
		97,913.54	237,954.94
<b>TOTAL</b>		<b>771,390.15</b>	<b>591,241.92</b>
<b>ASSETS</b>			
<b>Non - Current assets</b>			
<b>Fixed assets</b>			
Tangible assets	16	175,429.12	171,488.49
Intangible assets	17	37,082.49	35,012.17
Capital Work-in-Progress	18	357,541.97	224,650.60
Non-current investments	19	1,392.16	1,403.59
Long-term loans and advances	20	13,892.58	14,600.13
Other non-current assets	21	30,912.42	26,307.40
		616,250.74	473,462.38
<b>Current Assets</b>			
Current investments	22	3,620.51	9,169.75
Inventories	23	43,096.25	63,178.26
Trade receivables	24	19,524.42	13,531.86
Cash and cash equivalents	25	68,508.25	16,575.98
Short-term loans and advances	26	18,178.94	13,163.92
Other current assets	27	2,211.04	2,159.77
		155,139.41	117,779.54
<b>TOTAL</b>		<b>771,390.15</b>	<b>591,241.92</b>
Notes forming part of financial statements	01 - 47		

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

**T. Hari Babu**  
Chief Financial Officer

**G.R.K. Prasad**  
Executive Director

**P. Trivikrama Prasad**  
Managing Director

Place: Hyderabad  
Date : 30th May, 2016

**M. Subrahmanyam**  
Company Secretary &  
Vice President

**D.Ashok**  
Chairman

# Consolidated Statement of Profit and Loss

for the year ended 31st March, 2016

₹ in lakhs

Particulars	Notes	31st March, 2016	31st March, 2015
<b>INCOME</b>			
Revenue from operations	28	159,299.47	181,382.00
Other Income	29	9,815.27	11,378.41
<b>TOTAL REVENUE</b>		<b>169,114.74</b>	192,760.41
<b>EXPENSES</b>			
Cost of Materials Consumed	30	83,495.91	109,799.82
Purchase of traded goods	31	417.20	556.55
(Increase)/Decrease in Inventories	32	3,440.07	(3,030.63)
Other direct expenses	33	8,191.92	9,701.92
Employee benefits expense	34	11,165.95	10,668.01
Finance Costs	35	9,617.79	11,167.74
Depreciation and amortisation expense	36	7,630.28	7,875.60
Other expenses	37	16,688.70	22,654.14
<b>TOTAL EXPENSES</b>		<b>140,647.82</b>	169,393.15
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>28,466.92</b>	23,367.26
<b>EXCEPTIONAL ITEMS :</b>	38		
Adjustments relating to earlier years (net)		50.10	41.66
<b>PROFIT BEFORE TAX</b>		<b>28,416.82</b>	23,325.60
<b>TAX EXPENSE</b>			
Current Tax		3,746.65	6,535.82
Deferred Tax		(188.10)	196.33
Earlier years		3.23	186.67
MAT Credit Entitlement (net)		(5,278.97)	(4,496.21)
		<b>(1,717.19)</b>	2,422.61
<b>PROFIT FOR THE YEAR</b>		<b>30,134.01</b>	20,902.99
Minority share (profit)/loss		(1,403.76)	(298.72)
<b>PROFIT FOR THE YEAR AFTER MINORITY SHARE</b>		<b>28,730.25</b>	20,604.27
<b>EARNINGS PER EQUITY SHARE OF ₹ 2/- EACH</b>			
Basic		32.18	23.08
Diluted		32.18	23.08
Notes forming part of financial statements	01-47		

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 : 30th May, 2016

for and on behalf of the Board

**G.R.K. Prasad**  
Executive Director

**T. Hari Babu**  
Chief Financial Officer

**P. Trivikrama Prasad**  
Managing Director

**M. Subrahmanyam**  
Company Secretary &  
Vice President

**D.Ashok**  
Chairman





# Consolidated Cash Flow Statement

For the Year Ended 31 March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit after Minority Share and before Tax	27,013.06	23,026.88
Adjustments for:		
Excess Provisions written back	(449.44)	(1,663.03)
Input tax Credit written off	1.43	41.05
Bad debts and Advances written off	21.07	7.26
Investments written off	0.07	-
Depreciation and amortisation expense	7,630.28	7,875.60
Assets discarded	7.95	0.38
Profit on sale of Assets (net)	(2.62)	(34.48)
Net gain on Sale of investments	(209.03)	(1,566.03)
Adjustment to the carrying amount of investments	5.68	(0.74)
Dividend from investments	(79.41)	(224.12)
Interest (net)	2,008.83	3,637.04
Effect of exchange rate change	(1,184.71)	437.83
Operating Profit before Working Capital Changes	34,763.16	31,537.64
Adjustments for:		
Increase/(decrease) in other long term liabilities	(254.07)	(1,728.83)
Increase/(decrease) in long term provisions	150.76	789.90
Increase/(decrease) in trade payables	(64,980.62)	24,923.37
Increase/(decrease) in other current liabilities	3,181.24	16,858.46
Increase/(decrease) in short term provisions	13.98	(721.81)
Increase/(decrease) in minority interest	3,030.54	33,453.18
(Increase)/decrease in long term loans and advances	707.55	(4,844.83)
(Increase)/decrease in other non-current assets	933.09	646.36
(Increase)/decrease in inventories	20,082.01	(9,312.12)
(Increase)/decrease in receivables	(6,013.63)	(2,433.77)
(Increase)/decrease in short term loans and advances	(5,016.45)	4,662.17
(Increase)/decrease in other current assets	(749.80)	3,245.49
	(14,152.24)	97,075.21
Direct Taxes paid	(7,000.43)	(7,988.81)
<b>Net Cash from Operating Activities (A)</b>	<b>(21,152.67)</b>	89,086.40



# Consolidated Cash Flow Statement

For the Year Ended 31 March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets including tangible assets and Capital work-in-progress	(142,992.12)	(100,377.91)
Proceeds from sale of fixed assets	14.34	99.81
Purchase of Investments	(4,300.78)	(46,059.69)
Proceeds from sale of Investments	10,059.03	54,770.25
Interest received	5,285.46	4,719.71
Dividend received	79.41	224.12
Net Cash used in Investing Activities (B)	<b>(131,854.66)</b>	(86,623.71)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Share Application Money pending allotment	10.82	(29,283.76)
Proceeds from short term borrowings	(33,254.60)	1,281.62
Proceeds from long term borrowings	321,656.20	70,621.58
Repayment of long term borrowings	(71,897.92)	(35,944.07)
Interest paid (including interest capitalised)	(7,365.94)	(8,317.24)
Dividend paid	(4,208.96)	(4,067.23)
Net Cash generated in Financing Activities (C)	204,939.60	(5,709.10)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	51,932.27	(3,246.41)
Cash and Cash equivalents at the beginning of the year	16,575.98	19,822.39
Cash and Cash equivalents at the end of the year	<b>68,508.25</b>	16,575.98
Notes:		
Cash and Cash equivalents include:		
Cash on hand	26.19	17.25
Balances with Banks:		
On Current Accounts	60,159.29	10,263.46
On Unpaid Dividend Accounts	207.46	200.70
On Cash Credit Accounts	3.08	51.66
Fixed Deposits	6,190.10	3,722.33
Margin Money Deposits	1,922.13	2,320.58
Cash and Cash equivalents considered for cash flow	<b>68,508.25</b>	16,575.98

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 : 30th May, 2016

for and on behalf of the Board

**G.R.K. Prasad**  
Executive Director

**T. Hari Babu**  
Chief Financial Officer

**P. Trivikrama Prasad**  
Managing Director

**M. Subrahmanyam**  
Company Secretary &  
Vice President

**D.Ashok**  
Chairman



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

- 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 (AS21) "Consolidation of Financial Statements" as notified by Companies (Accounting Standards) Rules, 2014. Audited Financial statements of subsidiaries were prepared for the year ended 31st March, 2016 and the same have been adopted for consolidation.

The financial statements of the Company and its subsidiaries considered for consolidation are drawn upto the same reporting date i.e., 31st March, 2016.

**b) The subsidiary Companies considered in the consolidated financial statements are:**

Name of the Company	Place of incorporation	Percentage of shareholding
<b>SUBSIDIARIES:</b>		
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
<b>SUBSIDIARIES OF NAVA BHARAT (SINGAPORE) PTE LIMITED:</b>		
Maamba Collieries Limited *	Zambia	64.69
Nava Energy Zambia Limited *	Zambia	100.00
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.

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 statements. Alternatively, where the

## 2. 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 movements in their share in the equity and subsequent profits.

# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs		
Particulars	31st March, 2016	31st March, 2015
81,25,76,489 Shares in the Share Capital of Maamba Collieries Limited	45,530.39	42,949.76
720 Shares in the Share Capital of Namphak Power Company Limited	47.70	45.00
2,16,25,002 Equity shares in the Share Capital of Brahmani Infratech Private Limited	2,162.50	2,162.50
Share in Reserves	(20,012.68)	(20,459.89)
<b>TOTAL</b>	<b>27,727.91</b>	<b>24,697.37</b>

### 03 DEVELOPMENT OF SPECIAL ECONOMIC ZONE (SEZ):

During the year 2006-2007 the 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 was executed in favour of the company and in respect of balance 100 Acres of land, was to be executed as per the terms of allotment. However APIIC Limited was entitled to cancel the allotment of entire land in case of non-fulfilment 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 had, 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, 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 was no response from the concerned.

In the meantime the Co – developer Viz. M/s. Mantri Technology Parks Private Limited., Bangalore, by their

letter dated 2nd May 2012 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, Mantri Technology Parks Private Limited., 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 they were informed forfeiture of the Security Deposit of ₹ 30 Crores (Rupees 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) & (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 the Company dispossessing MTPPL from the property either by way of surrender of the same to APIIC Ltd., or by way of the replacement of a fresh Developer and also to direct the Company to deposit the Security Deposit of



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

₹ 30,00,00,000/- (Rupees Thirty Crores) paid by them in pursuance of the Joint Development Agreement, in the Hon'ble Court. The matter was sub-judice in the Court.

The Hon'ble High Court of Andhra Pradesh appointed Justice Syed Shah Mohammed Quadri as Sole Arbitrator on 21.06.2013 and who had commenced the Arbitral proceedings commenced on 05.08.2013 and 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.*

During the year, MTPPL filed a petition under Sec.9 of the Arbitration and Conciliation Act, 1996, for interim measures of Protection on 01.04.2015 in the City Civil Court at Hyderabad (ARB. O.P.No 571/2015). As the Arbitral Award contained certain prima facie deviations and inconsistencies and being aggrieved against them, the Company (BIPL) filed an application on 07.04.2015, under Sec.34 of the Arbitration and Conciliation Act, 1996 to set aside the arbitral award in the City Civil Court at Hyderabad (ARB. O.P.No 663/2015). Further on 29.04.2015 MTPPL also made an application in the City Civil Court at Hyderabad (ARB. O.P.No 778/2015), under Sec. 34 of the Arbitration and Conciliation Act, 1996 to set aside the Counter-Claim awarded in favour of BIPL vide the impugned Award dated 31.01.2015. Subsequently on TR OPs filed by BIPL (1395 and 1396/2015), ARB. O.P. No. 571/2015 and ARB.O.P.No. 778 of 2015 were clubbed with ARB. O.P.No. 663/2015 and have

been pending in City Civil Court at Hyderabad.

- 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. 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 includes 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 the Company were disposed of to a third party in two tranches during the years 2010-11 and 2011-12 and the Company invested the proceeds in the Equity Share Capital of Nava Bharat Energy India Limited (NBEIL), a subsidiary of the Company.

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 investigations against several allottees and registered FIRs including NPPL and its, the then, promoters-directors in the month of September, 2012. Investigations by CBI and Enforcement Directorate (ED) were initiated 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 in CC No.2 of 2015 and was taken cognizance by the said court against the then VC and MD (NPPL/BTPPL), the then Chairman (NPPL/BTPPL) and the Company, NPPL/BTPPL vide order dated 28th July, 2015 passed by the Special Court, New Delhi. Further the matter proceeded with arguments on the charge of the then Non-Executive Chairman (A2) of NPPL before the said court through his counsels as to why the charge against him should not be considered for framing charge against him. The matter is posted for consideration/Order to

# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

20th July, 2016. It is pertinent to state that if the Special Court considers favourably the arguments advanced by the then Non-executive Chairman setting out his non-participation in the day to day management and coal block allocation proceedings, then he will be out of trail proceedings.

The Enforcement Directorate, Hyderabad, vide its Provisional Attachment Order dated 22.07.2014, attached Equity Shares to the extent of ₹ 138.59 crores being equivalent to the proceedings of stake sale net of Income Tax, out of the investment made by the Company 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 (PMLA) vide Order dated 20.05.2015. The ED issued a letter dated 09.07.2015 to Nava Bharat Projects Limited requesting to transfer entire 73,99,99,994 equity shares of ₹ 2/- each face value of Nava Bharat Energy India Limited held by the Company. Against the said confirmation order of the Adjudicating Authority and letter dated 09.07.2015 of ED, appeal was filed before the Appellate Tribunal under PMLA. The Appellate Tribunal granted stay against operation of the Letter dated 09.07.2015 issued by the ED vide Order dated 30.07.2015 and the said stay has from time to time been extended till 18.08.2016, on which date the main appeal stands posted for final hearing.

## 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 expenditure incurred and other attributable revenue costs on projects under implementation are 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.

Assets which are found to be not usable are retired from active use or when no further benefits are expected from their use are removed from books of account and carrying value, if any, is charged to the Statement of Profit and Loss.

### 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, 2016

### 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 Statement of 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 on 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 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, 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.



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

### 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 to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

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 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,



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

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.

#### Provision for environmental rehabilitation obligations

One of the subsidiaries of the Company, Maamba Collieries Limited, has long-term remediation obligations comprising decommissioning and restoration liabilities relating to its past operations which are based on the group's environmental management plans, in compliance with current environmental and regulatory requirements. Provisions for non-recurring remediation costs are made when there is a present obligation, it is probable that expenditure on remediation work will be required and the cost can be estimated within a reasonable range of possible outcomes.

The costs are based on currently available facts, technology expected to be available at the time of the clean up, laws and regulations presently or virtually certain to be enacted and prior experience in remediation of contaminated sites.

The subsidiary has recognised a provision for environmental restoration costs based on an independent environmental impact assessment report by an independent consultant. The value recognised is the present value of the estimated future restoration costs attributable to the current period.

### 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

### v) Coal reserve estimates

An ore reserve estimate is an estimate of the amount of product that can be economically and legally extracted from the Company's



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

properties. In order to calculate coal reserve, estimates and assumptions are required about arrangement of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Estimating the quantity and/or grade of ore reserve requires the size, shape and depth of ore bodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgments and calculations to interpret the data.

### w) Environmental expenditure

One of the subsidiaries of the Company, Maamba Collieries Limited, has long-term remediation obligations comprising decommissioning and restoration liabilities relating to its past operations which are based on the group's environmental management plans, in compliance with current environmental and regulatory requirements. Provisions for non-recurring remediation costs are made when there is a present obligation, it is probable that expenditure on remediation work will be required and the cost can be estimated within a reasonable range of possible outcomes. The costs are based on currently available facts, technology expected to be available at the time of the possible outcomes.

The costs are based on currently available facts, technology expected to be available at the time of the clean up, laws and regulations presently or virtually certain to be acted and prior experience in remediation of contaminated sites.

### x) Decommissioning costs

The provision for decommissioning represents the cost that will arise from rectifying damage caused before production commences.

Accordingly, a provision is recognised and a decommissioning asset is recognised and included within mine infrastructure.

Decommissioning costs are provided at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. The unwinding of the decommissioning obligation is included in the income statement. Estimated future costs of decommissioning obligations are reviewed regularly and adjusted as appropriate for new circumstances or changes in law or technology. Changes in estimates are capitalised or reversed against the relevant asset.

Estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money. Gains or losses from the expected disposal of assets are not taken into account when determining the provision.

### y) Restoration costs

The provision for restoration represents the cost of restoring site damage after the start of production. Changes in the provision are recorded in the income statement as a cost of production. Restoration costs are estimated at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices and adjusted for risks specific to the liability. The estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money.

### z) Deferred revenue expenditure

Deferred costs include expenditure incurred to develop new ore bodies, to define further mineralisation in existing ore bodies and to expand the capacity of a mine. These costs are amortised from the date on which commercial production begins. Deferred stripping costs are accounted for as a non-current asset and are expensed based on the life of mining areas.

# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

		₹ in lakhs	
Particulars	31st March, 2016	31st March, 2015	
<b>06 SHARE CAPITAL:</b>			
AUTHORISED			
25,00,00,000 Equity Shares of ₹ .2/- each	5,000.00	5,000.00	
<b>TOTAL</b>	<b>5,000.00</b>	5,000.00	
<b>ISSUED AND SUBSCRIBED</b>			
8,95,39,216 Equity Shares of ₹ 2/- each	1,790.78	1,790.78	
<b>TOTAL</b>	<b>1,790.78</b>	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	
<b>TOTAL</b>	<b>1,787.01</b>	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 2016, to equity shareholders is ₹ 3.00 per share (31st March 2015 ₹ 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

	31st March, 2016		31st March, 2015	
	No. of shares	% in the class	No. of shares	% in the class
<b>Equity Shares of ₹ 2/- each fully paid:</b>				
Wellington Management Company, LLP with its PACs.	9,490,483	10.64	9,986,619	11.18
HC Mauritius Limited (formerly Highfields Capital Management LP A/c. HC Mauritius Limited)	8,482,989	9.50	8,482,989	9.50
Nav Developers Limited	7,920,181	8.87	7,817,845	8.76
Smt D Bhaktapriya	4,901,450	5.49	2,020,545	2.26



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## to Consolidated financial statements for the year ended 31st March, 2016

- c. 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, 2016	31st March, 2015
<b>07 RESERVES AND SURPLUS:</b>		
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	87,852.40	82,852.40
Add: Additions during the year	1,500.00	5,000.00
At the end of the year	89,352.40	87,852.40
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	6,773.72	3,966.64
Additions/(deletions) during the year	2,369.72	2,807.08
At the end of the year	9,143.44	6,773.72
Surplus in Statement of Profit and Loss:		
Balance at the beginning of the year	167,464.64	157,529.26
Add: Net Profit for the year	28,730.25	20,604.27
	196,194.89	178,133.53
Less: Carrying amount of the assets whose remaining useful life is nil and the deferred tax thereon	-	594.96
Amount available for appropriation	196,194.89	177,538.57
Appropriations:		
General Reserve	1,500.00	5,000.00
Dividend on Equity Capital	2,529.43	4,215.71
Corporate Dividend Tax	514.93	858.22
Balance at the end of the year	191,650.53	167,464.64
<b>TOTAL</b>	<b>317,280.78</b>	289,225.17

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to Consolidated financial statements for the year ended 31st March, 2016

		₹ in lakhs
Particulars	31st March, 2016	31st March, 2015
<b>08 LONG - TERM BORROWINGS:</b>		
<b>Term Loans from Banks [Secured] *</b>		
Indian Rupee Loans		
State Bank of India (i) **	31,110.41	9,379.84
Less: Current maturities	7,616.00	7,616.00
	23,494.41	1,763.84
State Bank of India (ii)	1,084.97	1,084.99
Less: Current maturities	180.84	-
	904.13	1,084.99
IDBI Bank Limited (iii)	4,904.67	5,812.11
Less: Current maturities	907.45	907.44
	3,997.22	4,904.67
Andhra Bank (iii)	8,121.56	9,747.43
Less: Current maturities	1,601.34	1,201.00
	6,520.22	8,546.43
Bank of India (iii)	1,875.43	2,262.05
Less: Current maturities	373.66	280.25
	1,501.77	1,981.80
Bank of Baroda (iii)	3,210.42	3,872.49
Less: Current maturities	640.56	480.42
	2,569.86	3,392.07
State Bank of Hyderabad (iii)	3,235.46	3,892.32
Less: Current maturities	640.56	480.42
	2,594.90	3,411.90
UCO bank (iii)	1,894.28	2,280.27
Less: Current maturities	373.66	280.25
	1,520.62	2,000.02
State Bank of Mysore (iii)	1,862.23	2,251.63
Less: Current maturities	373.66	280.25
	1,488.57	1,971.38
Punjab & Sind Bank (iii)	1,331.50	1,611.39
Less: Current maturities	266.89	200.17
	1,064.61	1,411.22
Standard Chartered Bank (iv)	4,242.25	13,540.58
Less: Current maturities	4,242.25	12,499.00
	-	1,041.58
Standard Chartered Bank (v)	21,107.91	-
Less: Current maturities	1,055.40	-
	20,052.51	-



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs		
Particulars	31st March, 2016	31st March, 2015
ICBC (Macau and London) Plc (v)	79,154.64	49,996.00
Less: Current maturities	3,957.73	49,996.00
	75,196.91	-
Bank of China (v)	79,154.64	-
Less: Current maturities	3,957.73	-
	75,196.91	-
Development Bank of South Africa (v)	55,989.93	-
Less: Current maturities	2,875.98	-
	53,113.95	-
Industrial Development Corporation of South Africa (v)	28,714.29	-
Less: Current maturities	1,486.70	-
	27,227.59	-
ABSA Bank (v)	13,192.44	-
Less: Current maturities	659.62	-
	12,532.82	-
Barclays Bank Zambia Plc (v)	9,529.56	-
Less: Current maturities	480.50	-
	9,049.06	-
<b>Other Loans and Advances [Unsecured]</b>		
Government of Zambia (vi)	5,772.79	-
<b>TOTAL</b>	<b>323,798.85</b>	<b>31,509.90</b>

\* The 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 104,600,000 shares of USD 1/- each (being 51% of shares) held by the Company in its subsidiary, M/s.Nava Bharat (Singapore) Pte.Limited.

i) Carries floating rate of interest (at present 11.00% p.a. and previous year 11.80% p.a.) payable monthly. The Loan is repayable in 26 quarterly instalments of

₹ 1,904.00 lakhs commencing from 1st April, 2014.

ii) Carries floating rate of interest (at present 11.40% p.a. and previous year 12.10% p.a.) payable monthly. The principal is repayable in 12 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.

# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

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 @11.00% p.a. (previous year @11.50% p.a.) 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 3,639,018 and guaranteed by

holding Company. It carry interest rate of 3.40% per annum and is repayable by April 2016.

- (v) The term loans from Development Bank of South Africa and Industrial Development Corporation of South Africa carry interest rate at 6.50% above libor p.a. respectively and other loans carry interest rate at 5.00% above libor p.a. The loans are repayable in 20 half instalments and the first payment is due in March 2017.

- vi) The loan carries interest @ 1.5% p.a. and is repayable over a period of 20 years which includes a grace period of 5 years.

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>09 DEFERRED TAX LIABILITIES (NET):</b>		
<b>Liability:</b>		
Difference between book and tax depreciation	3,947.66	4,154.98
Gross liability	3,947.66	4,154.98
<b>Asset:</b>		
Provision for : Employee benefits	350.39	344.43
: Other expenses	3,764.46	886.93
: Diminution in the value of investments	13.00	10.83
Gross Asset	4,127.85	1,242.19
<b>TOTAL</b>	<b>(180.19)</b>	2,912.79

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>10 OTHER LONG-TERM LIABILITIES:</b>		
Retention Deposits	44.13	65.38
Other payables	738.18	971.00
<b>TOTAL</b>	<b>782.31</b>	1,036.38

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>11 LONG - TERM PROVISIONS:</b>		
Provision for employee benefits:		
Provision for gratuity	978.90	984.21
Provision for compensated absences	945.24	848.17
Provision for restoration expenses	165.00	106.00
<b>TOTAL</b>	<b>2,089.14</b>	1,938.38



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>12 SHORT - TERM BORROWINGS:</b>		
Secured:		
Working Capital Loans from Banks: *		
Cash Credit (i)	7,391.53	4,317.61
Buyers Credit (In foreign currency) (ii)	2,330.96	4,114.67
Unsecured:		
Inter Corporate Deposit (iii)	5,022.74	-
Loans	60.02	39,627.57
<b>TOTAL</b>	<b>14,805.25</b>	<b>48,059.85</b>

\* 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.

(i) Carries rate of Interest at 10.55% p.a. and repayable on demand.

(ii) Carries rates of Interest at 1.2848% and 1.24% p.a. and are repayable ₹ 1,594.64 lakhs and ₹ 736.32 lakhs along with interest on 8th July 2016 and 8th August, 2016 respectively.

(iii) Carries rate of interest at 9.00% p.a. and is repayable along with interest on or before 31st March, 2017.

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>13 TRADE PAYABLES:</b>		
Creditors for supplies and Services	15,079.83	79,769.22
Creditors for accrued wages and salaries *	1,600.38	1,891.61
<b>TOTAL</b>	<b>16,680.21</b>	<b>81,660.83</b>
* Includes due to Directors	<b>442.78</b>	<b>605.25</b>



# Notes

to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>14 OTHER CURRENT LIABILITIES:</b>		
Current maturities of long term borrowings	31,690.53	74,221.20
Interest accrued but not due on borrowings	299.95	298.43
Unpaid Dividends	207.45	200.70
Advance from Customers	144.56	103.94
Bills Discounted with Banks	-	2,162.44
Other payables:		
Security deposits	6,196.17	3,669.64
Central Excise Duty	560.70	991.71
Withholding taxes	2,926.80	1,367.04
Sales tax	49.65	47.12
Contribution to Provident Fund	85.02	80.87
Other Statutory dues	920.84	773.27
Other liabilities	20,232.67	19,188.57
<b>TOTAL</b>	<b>63,314.34</b>	103,104.93

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>15 SHORT - TERM PROVISIONS:</b>		
Provision for employee benefits:		
Provision for Gratuity	69.38	55.40
Other Provisions:		
Provision for proposed dividend	2,529.43	4,215.71
Provision for corporate dividend tax	514.93	858.22
<b>TOTAL</b>	<b>3,113.74</b>	5,129.33



# Notes

to Consolidated financial statements for the year ended 31st March, 2016

## 16 TANGIBLE ASSETS:

Particulars	Gross Block			Depreciation			Net Block		₹ in lakhs		
	As at 01.04.2015	Additions	Deductions *	As at 31.03.2016	Upto 01.04.2015	For the year	Adjusted against retained earnings	On deductions **		Upto 31.03.2016	As at 31.03.2016
1. Land- Freehold *	5,411.01	-	3.53	5,407.48	-	-	-	-	-	5,407.48	5,411.01
- Leasehold	153.15	-	-	153.15	12.49	1.59	-	-	14.08	139.07	140.66
2. Buildings-Factory	15,640.83	899.94	11.22	16,529.55	3,790.31	642.65	-	2.65	4,430.31	12,099.24	11,850.52
- Leasehold	3,669.53	821.51	(220.48)	4,711.52	260.15	79.29	-	(15.64)	355.08	4,356.44	3,409.38
- Others *	9,857.41	238.99	1.56	10,094.84	1,121.84	390.77	-	0.31	1,512.30	8,582.54	8,735.57
3. Plant and Equipment	181,620.51	7,171.34	(1,427.15)	190,219.00	49,688.69	5,655.73	-	(268.65)	55,613.07	134,605.93	131,931.82
4. Furniture and Fixtures	595.77	7.32	(2.98)	606.07	494.98	37.56	-	(2.78)	535.32	70.75	100.79
5. Vehicles	1,689.85	808.47	(41.69)	2,540.01	1,073.08	194.36	-	(20.05)	1,287.49	1,252.52	616.77
6. Office Equipment	778.66	49.27	22.56	805.37	710.30	32.98	-	22.35	720.93	84.44	68.36
7. Air conditioners and Coolers	253.85	6.52	3.79	256.58	221.33	14.33	-	3.78	231.88	24.70	32.52
8. Railway Sidings	541.87	-	-	541.87	183.16	37.72	-	-	220.88	320.99	358.71
9. Other Assets	712.37	19.51	0.24	731.64	321.25	83.16	-	0.20	404.21	327.43	391.12
10. Power Lines ***	7,796.09	-	-	7,796.09	787.07	266.90	-	-	1,053.97	6,742.12	7,009.02
11. Air Craft	1,828.49	-	(109.87)	1,938.36	396.25	102.84	-	(23.80)	522.89	1,415.47	1,432.24
<b>TOTAL</b>	<b>230,549.39</b>	<b>10,022.87</b>	<b>(1,759.27)</b>	<b>242,331.53</b>	<b>59,060.90</b>	<b>7,539.88</b>	<b>-</b>	<b>(301.63)</b>	<b>66,902.41</b>	<b>175,429.12</b>	<b>171,488.49</b>
Previous Year	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	171,060.52

\* Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 1,847.47 lakhs (Previous year: gain ₹ 1,17.15 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 ₹ 370.17 lakhs (Previous year: gain ₹ 178.31 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 APILC Ltd during the year 2009-10, is yet to be transferred in the name of the Company.

# Notes

to Consolidated financial statements for the year ended 31st March, 2016

- d) 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 any time by the Government by giving 6 months notice in writing during the tenure of lease.
- e) 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 ₹ 9,102.07 lakhs (previous year: ₹ 9,055.18 lakhs) and ₹ 1,506.37 lakhs (previous year: ₹ 1,506.37 lakhs) respectively, expired on 12.8.1996. The Company is negotiating with the landlords to get the lease renewed or sell the same to the Company.

## 17 INTANGIBLE ASSETS:

Particulars	Gross Block			Depreciation			Net Block		₹ in lakhs		
	As at 01.04.2015	Additions	Deductions *	As at 31.03.2016	Upto 01.04.2015	For the year	Adjusted against retained earnings	On deductions **		Upto 31.03.2016	As at 31.03.2016
1. Computer Software	548.97	91.60	(2.60)	643.17	518.67	38.23	-	(1.97)	558.87	84.30	30.30
2. Water drawing Rights	898.70	-	-	898.70	476.51	60.19	-	-	536.70	362.00	422.19
3. Goodwill	34,559.68	-	(2,076.51)	36,636.19	-	-	-	-	-	36,636.19	34,559.68
<b>TOTAL</b>	36,007.35	91.60	(2,079.11)	<b>38,178.06</b>	995.18	98.42	-	(1.97)	<b>1,095.57</b>	<b>37,082.49</b>	35,012.17
Previous Year	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

\* Includes the foreign currency translation difference between the year beginning and ending rates, gain amounting to ₹ 2,079.11 lakhs (Previous year: gain ₹ 1,431.29 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 ₹ 1.97 lakhs (Previous year gain ₹ 0.87) which is adjusted against Foreign Currency Translation Reserve.



# Notes

to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>18 CAPITAL WORK-IN-PROGRESS:</b>		
Direct costs	339,110.47	224,650.60
Borrowing costs	18,431.50	-
<b>TOTAL</b>	<b>357,541.97</b>	<b>224,650.60</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>19 NON - CURRENT INVESTMENTS:</b>		
<b>i. Investment in Property (at cost less accumulated depreciation)</b>		
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	17.16	11.46
	156.77	162.47
<b>TOTAL</b>	<b>258.68</b>	<b>264.38</b>
<b>ii. Trade investments (at cost unless otherwise stated)</b>		
<b>Investment in Other Companies</b>		
<b>Investment in Equity Instruments, fully paid up (quoted)</b>		
200 shares of ₹ 10/- each in Kothari Sugars & Chemicals Limited #	0.02	0.01
2,857 shares of ₹ 10/- each in The Jeypore Sugar Company Limited @	0.03	1.16
<b>Investment in Preference Instruments, fully paid up (unquoted)</b>		
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
<b>Investment in Equity Instruments, fully paid up (unquoted)</b>		
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, 2016

		₹ in lakhs	
Particulars	31st March, 2016	31st March, 2015	
25,844 shares of ₹ 10/- each in Kinnera Power Private Company Limited	2.58	2.58	
150 Shares of US\$ 1/- each in Indo Coal Ventures Limited	-	0.06	
<b>iii. Other investments (at cost unless otherwise stated)</b>			
<b>a. Investment in Other Companies</b>			
<b>Investment in Equity Instruments, fully paid up (quoted)</b>			
63,300 Shares of ₹10/- each in Avanthi Leathers Limited #	0.63	0.63	
76,830 Shares of ₹ 10/- each in NB Footwear Limited #	3.07	1.81	
7,500 (previous year 1,500) shares of ₹ 2/- (previous year ₹ 10/-) each in Avanthi Feeds Limited	0.15	0.15	
8,000 shares of ₹ 10/- each in IDBI Bank Limited #	5.55	5.68	
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 #	21.01	26.69	
<b>Investment in Equity Instruments, fully paid up (unquoted)</b>			
75,000 shares of ₹ 10/- each in Srinivasa Cystine Limited	5.00	5.00	
<b>b. Investments in Government Securities (unquoted)</b>			
6 years National Savings Certificates *	0.90	0.90	
<b>TOTAL</b>	<b>1,133.48</b>	1,139.21	
<b>TOTAL</b>	<b>1,392.16</b>	1,403.59	
# At cost less diminution (current and previous years).			
@ Current year: at Cost less diminution; Previous year: at cost.			
Aggregate amount of quoted investments	96.40	96.40	
Aggregate market value of quoted investments	381.66	391.68	
Aggregate amount of unquoted investments	1,037.08	1,042.81	
Aggregate provision for diminution in the value of investments	37.55	31.87	

\* 6 year National Savings Certificates are in the names of employees of the Company and the certificates were pledged with various Government Departments as security.



# Notes

to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>20 LONG - TERM LOANS AND ADVANCES:</b>		
(Unsecured, considered good)		
Capital Advances	8,712.21	9,505.29
Security Deposits	1,354.71	1,324.35
Other receivables	889.71	735.12
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	56.61	144.22
<b>TOTAL</b>	<b>13,892.58</b>	<b>14,600.13</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>21 OTHER NON-CURRENT ASSETS:</b>		
Prepaid expenses	358.40	1,324.72
Payments made under protest	139.00	143.83
Interest accrued	1,054.27	795.13
Other receivables	877.76	839.70
MAT Credit Entitlement	28,482.99	23,204.02
<b>TOTAL</b>	<b>30,912.42</b>	<b>26,307.40</b>

Particulars	31st March, 2016			31st March, 2015	
	Face value (₹)	No. of units	₹ in lakhs	No. of units	₹ in lakhs
<b>22 CURRENT INVESTMENTS:</b>					
(Valued at lower of Cost or Market Value)					
IDFC Money Manager Fund	10	2,806,646	282.63	4,118,775	414.76
Birla Sunlife Income Fund	10	159,425	100.00	954,823	600.00
Birla Sunlife Short Term Opportunities Fund	10	439,221	100.00	439,221	100.00
ICICI Prudential Income Regular Fund	10	228,833	100.00	1,369,997	600.00
ICICI Prudential Regular Savings Fund	10	685,251	100.00	685,251	100.00
IDFC Arbitration (Dividend Payout) Fund	10	4,319,157	540.27	4,319,157	540.27
Kotak Floater Short Term Fund	1,000	20,258	500.00	-	-
L & T Liquid Fund	1,000	24,243	500.00	-	-
IDFC Super Saver Fund	10	1,327,514	450.31	1,327,514	450.31
Reliance Regular Savings Fund	10	528,639	100.00	528,639	100.00
SBI Premier Liquid Fund	1,000	18,119	396.99	44,156	751.98
TATA Dynamic Bond Fund	10	2,093,836	450.31	2,093,836	450.31
Syndicate Bank	USD 2 mn	-	-	1	1,283.66
Union Bank of India	USD 2 mn	-	-	1	1,311.14
XAU-USD	-	-	-	-	2,467.32
<b>TOTAL</b>			<b>3,620.51</b>		<b>9,169.75</b>

# Notes

to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>23 INVENTORIES:</b>		
At cost:		
Raw Materials	10,761.68	18,853.22
Raw Material-in-transit	200.12	4,950.39
Work in Progress	950.06	390.83
Finished Goods	23,013.47	19,211.72
Stock-in-trade	73.75	49.78
Stores and Spares	6,728.72	8,092.02
Stores and Spares-in-transit	75.51	37.55
Others	10.86	5.09
At realisable value:		
Work in Progress	308.34	22.95
Finished Goods	973.74	11,564.71
<b>TOTAL</b>	<b>43,096.25</b>	<b>63,178.26</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>24 TRADE RECEIVABLES:</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months from the date they are due for payment	218.45	1,478.90
Others	19,305.97	12,052.96
<b>TOTAL</b>	<b>19,524.42</b>	<b>13,531.86</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>25 CASH AND CASH EQUIVALENTS:</b>		
Balances with Banks:		
On Current accounts	60,159.29	10,263.46
On Cash Credit accounts	3.08	51.66
Cash on Hand	26.19	17.25
Other bank balances:		
On Unpaid Dividend Accounts	207.46	200.70
Fixed Deposits	6,190.10	3,722.33
Margin Money Deposits	1,922.13	2,320.58
<b>TOTAL</b>	<b>68,508.25</b>	<b>16,575.98</b>



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>26 SHORT - TERM LOANS AND ADVANCES:</b>		
Loans and Advances to related parties:		
(Unsecured, considered good)		
Advance for Investments	2,800.00	-
Other receivables	190.80	-
	<b>2,990.80</b>	-
Other loans and advances:		
(Secured, considered good)		
Loans to others	-	1.40
(Unsecured, considered good)		
Loans to other Corporates	5,003.58	10.25
Advances for purchases and expenses	4,767.86	8,617.42
Other receivables	2,433.05	712.69
Security deposits	6.77	4.49
Staff advances	117.75	76.59
Balance with Statutory Authorities	2,859.13	3,741.08
	<b>15,188.14</b>	<b>13,163.92</b>
<b>TOTAL</b>	<b>18,178.94</b>	<b>13,163.92</b>

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>27 OTHER CURRENT ASSETS:</b>		
Other Receivables	1,225.52	627.81
Prepaid expenses	410.69	397.40
Accrued Conversion charges	138.77	-
Interest accrued	239.27	425.24
Advance Income Tax (net of provision)	196.62	709.18
Others	0.17	0.14
<b>TOTAL</b>	<b>2,211.04</b>	<b>2,159.77</b>



# Notes

to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>28 REVENUE FROM OPERATIONS:</b>		
<b>Sale of Products</b>		
Finished Goods:		
Ferro Alloys	38,810.14	59,663.82
Sugar	11,555.40	12,062.17
Electric Power	110,840.24	117,614.53
Others	11,476.55	11,745.27
	172,682.33	201,085.79
Less: Inter Divisional transfers	21,361.54	23,993.13
	151,320.79	177,092.66
Traded goods:		
Fertilizers	200.04	225.83
PVC Pipes	10.06	39.09
Others	289.65	444.16
<b>Sale of Services</b>		
Ferro Alloys Conversion Charges	9,514.18	4,964.46
<b>Other Operating Revenue</b>		
Export Incentives	824.03	1,699.80
<b>Revenue from Operations (Gross)</b>	162,158.75	184,466.00
Less: Excise Duty	2,859.28	3,084.00
<b>Revenue from Operations (Net)</b>	<b>159,299.47</b>	181,382.00

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>29 OTHER INCOME:</b>		
Interest Income:		
Bank Deposits	489.83	568.60
Non Current Investments	0.09	0.83
Others	4,868.71	4,100.51
Dividend Income from Investments	79.41	224.12
Net gain on sale of investments	209.03	1,566.03
Net gain on sale of tangible assets	2.62	34.48
Adjustments to the carrying amount of investments	(5.68)	0.74
Other Non Operating Income (net of expenses):		
Claims	2.14	4.28
Rents earned	109.00	67.91
Excess provisions/credit balances written back	449.44	1,663.03
Miscellaneous Receipts	2,849.95	2,663.48
Foreign Exchange Fluctuations	760.73	484.40
<b>TOTAL</b>	<b>9,815.27</b>	11,378.41



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>30 COST OF MATERIALS CONSUMED:</b>		
Inventory at the beginning of the year	18,853.22	16,908.12
Add: Purchase of materials	75,404.37	111,744.92
	94,257.59	128,653.04
Less: Inventory at the end of the year	10,761.68	18,853.22
Cost of materials consumed *	<b>83,495.91</b>	109,799.82

\* Includes 4600 MT of Ferro Chrome costing ₹ 825.34 lakhs consumed for ferro alloys conversion (job work) during the year 2014-15

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>31 PURCHASE OF TRADED GOODS:</b>		
Fertilizers	192.76	191.90
PVC Pipes	0.71	31.53
Others	223.73	333.12
<b>TOTAL</b>	<b>417.20</b>	556.55

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>32 (INCREASE)/DECREASE IN INVENTORIES:</b>		
<b>Inventories at the end of the year</b>		
Traded goods	73.75	49.78
Finished goods	9,574.76	13,883.42
Work in progress	1,258.40	413.78
	10,906.91	14,346.98
<b>Inventories at the beginning of the year</b>		
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
<b>(Increase)/decrease in inventories</b>	<b>3,440.07</b>	(3,030.63)

# Notes

to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>33 OTHER DIRECT EXPENSES:</b>		
Stores consumed	2,890.20	3,435.94
Power, Fuel and Water	1,954.12	2,047.93
Briquetting expenses	392.28	187.66
Fly Ash Brick expenses	20.14	13.04
Organic Manure expenses	42.92	39.97
Raw Material handling expenses	1,604.20	1,641.54
Finished Product handling expenses	607.51	803.37
Cane Development expenses	259.63	1,020.08
Testing and Analysis charges	53.14	51.77
Other expenses	367.78	460.62
<b>TOTAL</b>	<b>8,191.92</b>	9,701.92

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>34 EMPLOYEE BENEFITS EXPENSE:</b>		
Salaries, Wages and Bonus	9,623.10	9,043.70
Contribution to Provident and Other Funds	465.94	461.21
Staff Welfare Expenses	636.97	616.06
Retirement Benefits	439.94	547.04
<b>TOTAL</b>	<b>11,165.95</b>	10,668.01

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>35 FINANCE COSTS:</b>		
Interest	7,367.46	8,306.98
Bank Charges and Commission	1,128.61	1,115.66
Prompt Payment Rebate	1,121.72	1,745.10
<b>TOTAL</b>	<b>9,617.79</b>	11,167.74

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>36 DEPRECIATION AND AMORTISATION EXPENSE:</b>		
Depreciation on Tangible Assets	7,539.88	7,758.14
Amortisation of Intangible Assets	98.42	117.02
Depreciation on Investment Property	5.70	5.70
	7,644.00	7,880.86
Less: Capitalised	13.72	5.26
<b>TOTAL</b>	<b>7,630.28</b>	7,875.60



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>37 OTHER EXPENSES:</b>		
Rent	124.28	177.94
Central Excise Duty *	(101.20)	405.04
Rates and Taxes	2,478.84	2,013.13
Freight and Transportation	1,629.56	2,403.92
Insurance	645.40	697.12
Advertisement and sales promotion	31.80	34.95
Communications	152.60	184.55
Travelling and Conveyance	402.89	514.32
Vehicle maintenance	168.37	181.19
Legal and Professional Charges	1,457.86	1,412.04
Payments to Auditors:		
as auditors	103.23	95.84
for tax audit	13.78	12.08
for other matters	19.26	15.44
for expenses	0.25	0.25
Cost Auditor fees	7.82	6.52
Repairs and Maintenance to:		
Machinery	4,144.13	3,819.91
Buildings	760.37	835.16
Other Assets	278.51	155.63
General Charges	3,508.58	4,248.95
CSR expenses	658.17	790.95
Obsolete Inventory written off	-	6.51
Project expenses written off	-	4,047.99
Investments written off	0.07	594.33
Loss on sale of materials	196.18	-
Assets discarded	7.95	0.38
<b>TOTAL</b>	<b>16,688.70</b>	<b>22,654.14</b>

\* 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, 2016

₹ in lakhs

Particulars	31st March, 2016	31st March, 2015
<b>38 EXCEPTIONAL ITEMS:</b>		
Adjustments relating to earlier years (net):		
Refund relating to earlier years	(76.38)	-
Power price difference	16.65	-
Unscheduled Inter-Change Charges	109.83	19.96
Interest	-	21.70
<b>TOTAL</b>	<b>50.10</b>	<b>41.66</b>

**39** 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.

**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:

- a) Derivative contracts outstanding as at the year end: nil (previous year: nil)
- b) Foreign currency exposure not hedged by derivative instruments:

(lakhs)

Particulars	Amount in USD		Amount in INR	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Payables on account of				
Buyers Credit	35.18	65.83	2,330.96	4,114.67
Import of goods	-	34.95	-	2,183.87



# Notes

to Consolidated financial statements for the year ended 31st March, 2016

## 41 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
<b>Parent Company</b>				
1. Nava Bharat Ventures Limited	81.97	261,542.81	38.71	11,121.92
<b>Indian Subsidiaries</b>				
1. Nava Bharat Energy India Limited	10.49	33,455.34	53.48	15,363.56
2. Nava Bharat Projects Limited	4.71	15,026.83	0.59	171.02
3. Nava Bharat Realty Limited	(0.01)	(22.90)	-	(0.68)
4. Nava Bharat Sugar and Bio Fuels Limited	-	(4.60)	-	(0.40)
5. Brahmani Infratech Private Limited	1.22	3,881.76	0.49	139.43
<b>Foreign subsidiaries</b>				
1. Nava Bharat (Singapore) Pte. Limited	2.75	8,772.20	(1.50)	(429.62)
2. Maamba Collieries Limited	7.57	24,150.09	13.29	3,818.60
3. Nava Energy Zambia Limited	(0.02)	(48.73)	(0.17)	(49.77)
4. NB Tanagro Limited	-	-	-	-
5. Namphak Power Company Limited	0.01	46.73	-	-
6. Nava Energy Pte. Limited	(0.01)	(18.59)	(0.06)	(17.16)
7. Nava Bharat Lao Energy Pte. Limited	0.01	14.76	0.06	17.11
	108.69	346,795.70	104.89	30,134.01
Minority interest in all subsidiaries	(8.69)	(27,727.91)	(4.89)	(1,403.76)
	100.00	319,067.79	100.00	28,730.25

# Notes

to Consolidated financial statements for the year ended 31st March, 2016

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

		₹ in lakhs	
Particulars	31.03.2016	31.03.2015	
<b>i) Contingent liabilities:</b>			
a) Claims against the Company not acknowledged as debts	6,123.11	2,863.22	
b) Guarantees	81,210.12	62,604.74	
c) Other money for which the Company is contingently liable:			
i) Demand from Income Tax department disputed	1,216.64	926.63	
ii) Showcause notices received from Central Excise Dept.*	1,244.87	1,313.80	
iii) Power demands disputed by the Company	198.81	198.81	
d) As per the "Renewal Power Purchase obligation (Compliance by Purchase of Renewable Energy/Renewable Energy Certificates) Regulations 2012" of APERC, the Company is under obligation 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	1,040.13	849.69	
<b>ii) Commitments:</b>			
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	55,322.76	122,131.06	
b) Other commitments:			
Customs duty payable on imports-in-transit	-	66.89	

\* 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.

## 43 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.

# Notes

to Consolidated financial statements for the year ended 31st March, 2016

## 43 SEGMENT INFORMATION AS PER AS 17: (CONTD.)

Particulars	31.03.2016						31.03.2015					
	Ferro Alloys	Power	Sugar	Others	Total		Ferro Alloys	Power	Sugar	Others	Total	
1. Segment Revenue (gross)	51,339.19	113,843.95	15,083.77	12,785.89	193,052.80		66,939.41	119,510.67	14,631.65	17,306.20	218,387.93	
Less: Inter segment revenue	152.75	21,113.21	756.02	-	22,021.98		263.42	23,808.22	647.04	-	24,718.68	
Segment Revenue (net)	51,186.44	92,730.74	14,327.75	12,785.89	171,030.82		66,675.99	95,702.45	13,984.61	17,306.20	193,669.25	
2. Segment Result	(6,820.89)	41,632.52	(19.31)	2,959.53	37,751.85		(270.94)	33,988.69	(234.76)	(781.29)	32,701.70	
3. Segment Result excluding												
inter segment margin	706.78	34,104.27	(18.73)	2,959.53	37,751.85		6,409.30	27,300.91	(227.22)	(781.29)	32,701.70	
Add:												
Other unallocable Income					282.76						1,791.64	
Less:												
Finance Charges					9,617.79						11,167.74	
Profit before tax					28,416.82						23,325.60	
Taxation for the year					(1,717.19)						2,422.61	
Net Profit					30,134.01						20,902.99	
4. Segment Assets	30,180.44	638,655.76	17,205.86	51,239.61	737,281.67		47,161.49	454,882.05	17,476.49	39,585.17	559,105.20	
Unallocated					34,108.48						32,136.72	
Total Assets					771,390.15						591,241.92	
5. Segment Liabilities	5,328.20	436,241.70	8,213.47	(9,991.97)	439,791.40		7,065.65	2,67,673.17	4,636.34	(2,195.58)	277,179.58	
Unallocated					331,598.75						314,062.34	
Total liabilities					771,390.15						591,241.92	
6. Capital expenditure	1,140.22	4,045.91	88.15	137,721.28	142,995.56		233.22	2,409.15	604.06	97,136.72	100,383.15	
Depreciation	576.67	4,947.54	463.74	1,642.33	7,630.28		675.67	4,895.77	546.14	1,758.02	7,875.60	
Non-cash expenses other than depreciation	6.15	216.22	3.94	0.39	226.70		28.67	5.95	25.45	4,642.70	4,702.77	



# Notes

## to Consolidated financial statements for the year ended 31st March, 2016

### 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	31.03.2016			31.03.2015		
	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	1,046.46	37.65	21,521.19	99.20	182.38	31,095.71
Ferro Alloy Plant Kharagprasad Dhenkanal Dist. Odisha	45.89	10.21	8,659.25	24.98	14.98	16,065.78
Power Plant Paloncha Khammam Dist. Telangana	4,245.99	380.88	114,511.63	2,652.93	837.53	116,298.60
Power Plant Kharagprasad Dhenkanal Dist. Odisha	19.10	3.78	44,202.78	231.41	-	47,175.04
Power Plant Dharmavaram East Godavari Dist. A.P.	3.43	-	11,430.08	144.83	-	11,548.12
Power Plant Maamba, Zambia	823.87	118,997.91	417,771.40	1,062.16	219,674.54	229,592.90

- 44 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, 2016

## 45 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.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.V9 Infra Ventures 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> <p>M/s.Chapter One Books Pte. Limited</p> <p>M/s. Kariba Sugar Limited</p> <p>The Indian Ferro Alloys Producers Association</p>

# Notes

to Consolidated financial statements for the year ended 31st March, 2016

## 45 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		31.03.2016	31.03.2015
<b>i) Transactions with Key Management personnel:</b>			
Sri D Ashok			
Remuneration		386.42	472.29
Sri P Trivikrama Prasad			
Remuneration		386.38	469.03
Sri G R K Prasad			
Remuneration		288.07	238.81
Sri C V Durga Prasad			
Remuneration		228.15	175.97
<b>ii) Transactions with relatives of Key Management personnel:</b>			
Dr. D. Rajasekhar			
Rent		15.20	15.20
Smt. G. S. P. Kumari			
Rent		-	12.60
Smt. C. Umamaheswari			
Rent		-	12.60
Smt P Sruthi			
Rent		3.48	3.60
Sri D Ashwin			
Remuneration		666.64	561.90
Sri D Nikhil			
Remuneration		48.23	31.12

### c) Amount due from/(due to) related parties as at the year end:

		₹ in lakhs	
Name of the party		31.03.2016	31.03.2015
Key Management personnel:			
Sri D Ashok		(211.39)	(292.62)
Sri P Trivikrama Prasad		(211.39)	(292.62)



NAVA BHARAT

# Notes

to Consolidated financial statements for the year ended 31st March, 2016

## 46 EARNINGS PER SHARE (E.P.S.)

Particulars	31.03.2016	31.03.2015
a) Net Profit as per Statement of Profit and Loss available for Equity Shareholders (₹ in lakhs)	28,730.25	20,604.27
b) Weighted average number of Equity Shares for Basic and diluted EPS	892,87,741	892,87,741
c) Nominal value of the share (₹ )	2.00	2.00
d) Basic earnings per share (₹ )	32.18	23.08
e) Diluted earnings per share (₹ )	32.18	23.08

47 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 : 30th May, 2016

for and on behalf of the Board

**G.R.K. Prasad**  
Executive Director

**T. Hari Babu**  
Chief Financial Officer

**P. Trivikrama Prasad**  
Managing Director

**M. Subrahmanyam**  
Company Secretary &  
Vice President

**D.Ashok**  
Chairman

300 MW Power Plant nearing completion at Maamba, Zambia





**NAVA BHARAT**

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