

REGISTERED OFFICE :  
'Bommidala House'  
# 5-87-15/A, Lakshmipuram Main Road  
GUNTUR - 522 007, INDIA  
Tel : +91 863 2355108  
Fax : +91 863 2358453  
CIN : L05005AP1993PLC015304  
e-mail : bkvind@bommidala.co.in  
PAN : AACCB3364P  
website: [bkvindustries.in](http://bkvindustries.in)

## BKV INDUSTRIES LIMITED

---

Date: 06.09.2022

To  
Department of Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.

**Scrip Code No. 519500**

**Sub: Notice of the 29<sup>th</sup> Annual General Meeting along with Annual Report of the Company for the financial year 2021-22.**

This is to inform that the 29th Annual General Meeting ("AGM") of the Company will be held on Wednesday, 28<sup>th</sup> September, 2022 at 03.30 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2021-22 which is being sent through electronic mode to the Members.

The Annual Report containing the Notice is also uploaded on the Company's website at [www.bkvindustries.in](http://www.bkvindustries.in)

Kindly take the same on your record.

Thanking you.  
Yours faithfully,

**For BKV Industries Limited,**

✓

(Bommidala Rama Krishna),  
Managing Director.

CC to The Calcutta Stock Exchange Limited, Kolkata.



**BKV INDUSTRIES LIMITED**

**29<sup>th</sup>**

---

**ANNUAL REPORT**

---

**2021 - 2022**



**BOARD OF DIRECTORS**

<b>Sri Bommidala Rama Krishna</b> Managing Director	<b>Member :</b> Stakeholders Relationship Committee
<b>Smt. Bommidala Anitha</b> Non Executive Director	<b>Chairperson :</b> Stakeholders Relationship Committee Risk Management Committee  <b>Member :</b> Audit Committee Nomination & Remuneration Committee
<b>Sri Nellore Dolendra Prasad</b> Non Executive - Independent Director	<b>Chairman :</b> Nomination & Remuneration Committee <b>Member :</b> Audit Committee
<b>Sri Tunuguntla Rama Krishna</b> Non Executive - Independent Director	<b>Chairman :</b> Audit Committee  <b>Member :</b> Nomination & Remuneration Committee, Risk Management Committee Stakeholders Relationship Committee
<b>Mr. B. Virat Vishnu</b>	Company Secretary & Compliance Officer
<b>Mr. K. Bhanu Kumar</b>	Chief Financial Officer
<b>Registered Office:</b> "Bommidala House" # 5-87-15/A, Lakshmiapuram Main Road, Guntur - 522 007. Phone: +91-863-2355108 Fax: + 91-863-2358453 CIN: L05005AP1993PLC015304 E mail: bkvind@bommidala.co.in Website: bkvindustries.in	<b>Bankers:</b> <b>Union Bank of India,</b> D.No. 12-21-56, Guntur Main, Near Gowri Shankar Theatre, Kothapet, Guntur - 522 001.

**Stock Exchanges**

<b>BSE Limited,</b> Registered Office: PJ Towers, Floor 19 & 20, Dalal Street, Mumbai - 400 001.	<b>The Calcutta Stock Exchange Ltd.,</b> 7, Lyons Range, Kolkata - 700 001.
---	---

**Statutory Auditors:**

<b>M/s. Kurapati Subba Rao &amp; Co.,</b> Chartered Accountants, # 7-5-33, Opp. Lane to Gayathri Temple, 1st Floor, Near Kalaniketan Mangamur Road, Ongole - 523 002.
---

**Internal Auditors:**

<b>M/s. Jonnalagadda &amp; Associates,</b> Chartered Accountants, New No:104 (Old No:54), Thiruvalluvarpuram, II Street, Choolaimedu, Chennai - 600 094.
--

**Secretarial Auditors:**

<b>M/s. K. Srinivasa Rao &amp; Co.,</b> Company Secretaries, # 6-13-14A, 13/3, Arundelpet, Guntur - 522 002.
---

**Registrars & Share Transfer Agents:**

<b>M/s. KFin Technologies Limited,</b> Karvy Selenium Tower B, Plot No: 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032.
---

NOTICE is hereby given that the **TWENTY NINTH ANNUAL GENERAL MEETING** of the members of BKV INDUSTRIES LIMITED will be held on 28<sup>th</sup> September 2022 at 03.30 P.M. IST (“AGM”) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), to seek the consent of the shareholders of the Company (“Members”), on the agenda herein below through remote electronic voting (“E-voting”).

In view of the pandemic situation of novel strain of corona virus (“COVID- 19”) and pursuant to the guidelines and notification issued by the Ministry of Home Affairs, Government of India and in light of the MCA Circulars and pursuant to applicable provisions of the Companies Act and rules made there under. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

**Ordinary Business:**

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022 and together with the reports of the Board of Directors and Auditors there on.
2. To appoint a Director in place of Smt. Bommidala Anitha (DIN 00112766), who retires by rotation and being eligible, offers herself for re- appointment.

**3. Appointment of Auditors:**

**To consider and if thought fit, to pass with or without modification(s), the following**

**Resolution as an Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force), M/s. Garlapati & Co., Chartered Accountants (Registration No.000892S), be and are hereby appointed as Auditors of the Company, in place of M/s. Kurapati Subba Rao & Co., Chartered Accountants (Registration No:001618S) whose tenure expires at the 29<sup>th</sup> Annual General Meeting, to hold office for a period of five years, from the conclusion of this meeting until the conclusion of 34<sup>th</sup> Annual General Meeting of the Company in the Calendar Year 2027, and that their remuneration be fixed by the Board on recommendations of the Audit Committee in addition to the reimbursement of Goods and Service tax and actual out of pocket expenses incurred in connection with the audit of accounts of the Company for the financial year ending 31<sup>st</sup> March, 2023 and thereafter each year from time to time.”

RESOLVED FURTHER THAT M/S. Garlapati & Co., Chartered Accountants, if appointed shall hold the office for a period of five years, from the conclusion of the Twenty Ninth Annual General Meeting till the conclusion of the Thirty Fourth Annual General Meeting of the Company, and Audit Committee/ Board of Directors of the Company, be and are hereby authorised to do all such act, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution.”

**Special Business:**

4. To appoint Mr. Hari Venkata Nagendra Kola (Din: 09718318) as an Independent Director of the Company and in this regard, to pass with or without modification(s), the following resolution as a Special Resolution;

“RESOLVED THAT Mr. Hari Venkata Nagendra Kola (Din: 09718318), who was appointed as an additional and independent director, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and whose term of office expires at this Annual General Meeting and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a recommendation from the Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of five years w.e.f 29.08.2022 to 28.08.2027.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby severally authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

5. To appoint Mrs. Maddula Durga Sushma (Din: 09717698) as an Independent Director of the Company and in this regard, to pass with or without modification(s), the following resolution as an Special Resolution; a

“RESOLVED THAT Mrs. Maddula Durga Sushma (Din: 09717698), who was appointed as an additional and independent director, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and whose term of office expires at this Annual General Meeting and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a recommendation from the Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of five years w.e.f 29.08.2022 to 28.08.2027.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby severally authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

For and on behalf of Board of directors of  
For **BKV Industries Limited**

**BOMMIDALA RAMA KRISHNA**

Managing Director

DIN:00105030

Place : Guntur

Date: 29.08.2022

**NOTES:**

1. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 22<sup>nd</sup> September, 2022 to Wednesday, 28<sup>th</sup> September, 2022 (both days inclusive), for the purpose of Annual General Meeting.
2. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 20/2020 dated 5th May, 2020, read with Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 2/2021 dated 13<sup>th</sup> January, 2021, Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 dated 12<sup>th</sup> May 2020 Circular No. SEBI/ HO/ CFD/ CMD21/ CIR/ P/ 2021/ 11 dated 15<sup>th</sup> January 2021 and Circular no: SEBI/HO/CFD/CMD2/CIR/P/2022/62 date 13<sup>th</sup> May 2022 issued by the Securities Board of India in this regard. (collectively referred to as “MCA Circulars”) permitted the holding of the AGM through VC/OAVM.  
Therefore, the Meeting will be organized without the presence of Members and their proxies at meeting venue. Members can attend and participate in AGM through VC/ OAVM.
3. In compliance with the provisions of the Companies Act, 2013 (the “Companies Act”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and the MCA and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM, without the physical presence of the Members at a common venue. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) read with Clarification/ Guidance on applicability of Secretarial Standards-1 and 2 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
4. This AGM Notice is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) / Central Depository Services (India) Limited (“CDSL”) as on 02<sup>nd</sup> September, 2022.
5. The Board of Directors of the Company (the “Board”, which term shall deemed to include any Committee(s) constituted/ to be constituted by the Board, from time to time) has appointed Mr. K. Srinivasa Rao (Membership No. F5599), Partner of M/s. K. Srinivasa Rao &Co., Practicing Company Secretaries, as the Scrutinizer to scrutinize the e- voting process in a fair and transparent manner.
6. Pursuant to the provisions of Section 105 the Companies Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/ her behalf and the Proxy need not be a Member of the Company. However, since this AGM is being held pursuant to the applicable MCA and SEBI Circulars as mentioned here in above, through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this AGM Notice.
7. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send a scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., authorizing their representative to attend the AGM through VC/ OAVM on their behalf and to vote through remote e-voting or during the AGM. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to ksrao21@gmail.com with a copy marked to einward.ris@kfintech.com
8. The Member's log-in to the Video Conferencing platform using the remote e - voting credentials shall be considered for record of attendance at the AGM and such Member attending the Meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.
9. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.

10. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are M/s. KFin Technologies Limited ("Kfintech") (formerly known as "Karvy Fintech Private Limited") having their office at Selenium Building, Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad- 500 032. In compliance with the aforesaid MCA Circulars and SEBI Circulars. AGM Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Kfintech/ Depositories. Members may note that the AGM Notice will also be available on the Company's website [www.bkvindustries.in](http://www.bkvindustries.in) and website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) / respectively and on the website Kfintech of <https://evoting.kfintech.com> for any communication, the Members may also send a request to the Company's email : [bkvind@bommidala.co.in](mailto:bkvind@bommidala.co.in) Pursuant to the provisions of Section 108 of the Companies Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing the facility of remote e - voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e - voting system will be provided by Kfin Technologies Limited.

AGM through VC/OAVM: Members will be provided with a facility to attend the AGM through video conferencing platform provided by the Company. Members can join the AGM 15 minutes before and after the scheduled time of commencement of the AGM. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis, in accordance with the MCA Circulars.

11. Instructions for Members for attending the AGM through VC/OAVM are as under:

Attending the AGM: Members will be provided with a facility to attend the AGM through video conferencing platform provided by the Company.

- i. Members are requested to visit: <http://bkvind.makvel.in> and click on the "e-AGM Video Conference & Streaming" to join the Meeting.
- ii. Members may join the Meeting through Laptops, Smart phones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- iii. Members who need assistance before or during the AGM may contact Mr. Bhanu Kumar, CFO - at Tel : +0863 - 2355108 or send an email request at the email id : [bkvind@bommidala.co.in](mailto:bkvind@bommidala.co.in) or [evoting@kfintech.com](mailto:evoting@kfintech.com)

12. Procedure for Remote E-voting In compliance with the provisions of Section 108 of the Companies Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and provisions of Regulation 44 of the Listing Regulations, the MCA Circulars and the circulars issued by the SEBI, the Members are provided with the facility to cast their vote electronically, through the e - voting services provided by Kfin Technologies Limited, on the Resolution set forth in this AGM Notice, through remote e - voting.

- i. The remote e-voting facility will be available during the following period: Day, date and time of Commencement of remote e-voting From: Sunday 25<sup>th</sup> September, 2022 at 10:00 A.M. Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed To: Tuesday, 27<sup>th</sup> September, 2022 at 5:00 P.M. Cutoff date for e - voting: 21<sup>st</sup> September, 2022.
- ii. The remote e - voting will not be allowed beyond the afore said date and time and the e-voting module shall be disabled by Kfintech up on expiry of the afore said period.
- iii. Details of Website : <https://evoting.kfintech.com> once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.



- iv. This AGM Notice is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 27<sup>th</sup> August, 2022. Any person who acquires Equity Shares and becomes a Member after 28<sup>th</sup> August, 2022 and holds shares as on the cut-off date, i.e. 27<sup>th</sup> August, 2022, may obtain the User ID and Password in the manner as mentioned below:
  - a. If email address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - b. Member may call Kfintech's Toll free number 1-800-309- 4001.
  - c. Member may send an email request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) However, Kfintech shall endeavor to send User ID and Password to those new Members whose email ID's are available.
- v. Details of person(s) to be contacted for issues relating to e- voting : N. Shyam Kumar Manager - RIS, Kfin Technologies Limited Unit : BKV Industries Limited, Selenium Building, Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032.  
Tel. No.: +91 40 67162222; Toll Free No.: 1-800-309-4001;  
Fax No.: +91 40 2342 0814.  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

The instructions for remote e-voting are as under:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- ii. Enter the login credentials provided in the email and click on Login.
- iii. Password change menu appears when your login for the first time with default password. You will be required to mandatorily change the default password.
- iv. The new password should comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,).
- v. Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- vi. Login again with the new credentials.
- vii. On successful login, the system will prompt you to select the “EVENT” i.e. “BKV Industries Limited”.
- viii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under “FOR / AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR / AGAINST” taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- ix. Members holding multiple folios may choose to vote differently for each folio / demat account.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit. A confirmation box will be displayed. Click “OK” to confirm or “CANCEL” to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking “SUBMIT”.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/authority letter, etc. together

with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser through email at and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'CLEL\_EVENT No'

- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at <https://evoting.kfintech.com/public/Faq.aspx> or call KFin on 1-800-309-4001 (toll free).

**Those members who have not yet registered their email addresses are requested to get their email addresses registered with KFin, by following the procedure mentioned below:**

Visit the link: AGM/EGM - Mobile & Email Registration

<https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>

- i. Select the company name i.e. BKV INDUSTRIES LIMITED
- ii. Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical
- iii. Enter DPID - Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN.
- iv. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.
- v. In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
- vi. Enter the email address and mobile number.
- vii. System will validate DP ID – Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP at the registered Mobile number as well as email address for validation.
- viii. Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.
- ix. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
- x. Alternatively, members may send an email request addressed to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFin to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.
- xi. Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DP s permanently, so that all communications are received by them in electronic form.
- xii. In case of queries, members are requested to write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or call at the toll free number 1-800- 309-4001

**Login method for e-Voting and Individual shareholders holding securities in demat mode** In terms of SEBI circular dated December 9, 2020

on e-Voting facility provided by Listed Companies,

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL : either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e- Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/Ideas Direct Reg.jsp">https://eservices.nsd.com/SecureWeb/Ideas Direct Reg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>1. Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KFINTECH, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/Easi Registration">https://web.cdslindia.com/myeasi./Registration/Easi Registration</a> Alternatively, the user can directly access e-Voting page by providing demat Account Number and PA N No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free No.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL help desk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22- 23058542-43

Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID at a copy to They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO". In case of any query pertaining to e-voting, please visit Help & FAQs section and e-voting User Manual available at the download section of KFinTech's website <https://evoting.kfintech.com> or at [evoting@kfintech.com](mailto:evoting@kfintech.com) or call Toll free No. 1- 800-309-4001, for any further clarifications.

### 13. Instructions for Members for Voting during the AGM:

As per the MCA circulars on conducting of AGM through VC/OAVM the voting at AGM may conducted through poll by using e voting system provided by the Company or show of hands. The shareholders may cast their votes by using e voting system provided by the Company on resolutions set out in the notice up on mentioning their details i.e. Name, PAN and no. of shares held at the e voting page provided by the Company, visit. <http://bkvind.makvel.in>

As per the provisions of the Companies Act, If the voting at AGM through VC/OAVM conducted by way of show of hands as may be decided by the Chairman then each shareholder can cast one vote irrespective of their shareholding.

### 14. Procedure for registering the email addresses and obtaining the AGM Notice and e-voting instructions by the Members whose email addresses are not registered with the Depositories (in case of Members holding shares in Demat form) or with KFinTech (in case of Members holding shares in physical form) :

- i. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
  - a. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
  - b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Transfer Agents, KFin Technologies Limited by sending an email request at the email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the e-voting instructions.
- ii. To facilitate Members to receive this AGM Notice electronically and cast their vote electronically, the Company has made special arrangements with KFinTech for registration of email addresses of the Members in terms of the MCA Circulars. Eligible Members who have not submitted their email address to the Company or Kfintech are required to

provide their email address to Kfintech, on or before 5:00 p.m. (IST) on 20<sup>th</sup> September, 2022. Process to be followed for Registration of E-mail address with Kfintech for receiving the AGM Notice and login ID and password for e-voting is as under:

- i. Visit the link: <https://ris.kfintech.com/emailregistration/>
- ii. Select the Company name: BKV INDUSTRIES LIMITED.
- iii. Enter the DP ID & Client ID / Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member shall enter one of the Share Certificate numbers.
- iv. Upload a self-attested copy of the PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for update.
- v. Enter your email address and mobile number.
- vi. The system will then confirm the email address for receiving this AGM Notice. The process for registration of email address with the Company for receiving the AGM Notice and login ID and password for e-voting is as under: Members are requested to visit the website of the RTA <https://evoting.kfintech.com> for email registration and click on "Click here for temporary registration of email-id of Members for AGM 2022" and follow the process as mentioned on the landing page to receive the AGM Notice and Voting Instructions.
  - i. After successful submission of the email address, Kfintech will email a copy of this AGM Notice along with the e-voting user ID and password. In case of any queries, Members are requested to write to Kfintech.
  - ii. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs / Kfintech to enable servicing of notices / documents / Annual Reports and other communications electronically to their email address in future.

15. Submission of Questions / Queries prior to AGM:

- a. Members desiring any additional information or having any question or query pertaining to the business to be transacted at the AGM are requested to write to the Company Secretary on the Company's investor email-id: [bkvind@bommidala.co.in](mailto:bkvind@bommidala.co.in) at least 3 (three) days before the date of the AGM so as to enable the Management to keep the information ready. Please note that, Members' questions will be answered only if they hold the shares as on the cut-off date i.e. 22<sup>nd</sup> September, 2022.
- b. Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be closed 72 hours before the time fixed for the AGM.

16. Speaker Registration before AGM:

- a. In addition to the above, the speaker registration may also be allowed during the remote e-voting period. Members who wish to register as speakers are requested to Contact. Mr. K. Bhanu Kumar, Phone No: 9848620957 and email-id: [bkvind@bommidala.co.in](mailto:bkvind@bommidala.co.in) Members shall be provided with a "queue number" before the AGM. Members are requested to remember the same and wait for their turn to be called by the Chairman of the Meeting during the Question and Answer Session. Due to inherent

limitation of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Question and Answer Session.

- b. Members will be provided with the facility to attend the AGM through VC/ OAVM through may access at <https://bkvind.makvel.in> by clicking "e-AGM Video Conference & Streaming" and join the Meeting by using the remote e-voting credentials.

17. General Instructions/Information for Members for voting on the Resolution at the AGM:

- a. Members who are present at the AGM through VC/ OAVM facility and have not cast their votes on the Resolution through remote e-voting may cast their votes during the AGM through the e-voting system provided by Kfintech during the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting; however, these Members are not entitled to cast their vote again in the Meeting.

- b. The voting rights of Members shall be in proportion to the paid-up value of their shares in the Equity Share capital of the Company as on the cut-off date i.e. 22<sup>nd</sup> September, 2022. Members are eligible to cast their vote either through remote e-voting or in the AGM, only if they are holding Shares as on that date. A person who is not a Member as on the cut-off date is requested to treat this AGM Notice for information purposes only.
- c. The Scrutinizer after scrutinizing the votes through remote e-voting and e-votes cast at the Meeting will, not later than 48 hours of conclusion of the Meeting, make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any and submit the same forthwith to the Chairman or a person duly authorized by the Chairman who shall counter sign the same and declare the results of the voting. The results declared along with the consolidated Scrutinizer's Report will be placed on the website of the Company on or before 30<sup>th</sup> September, 2022 immediately after the results are declared and will simultaneously be forwarded to BSE Limited, where the Equity Shares are listed.
- d. The Resolution shall be deemed to be passed on the date of the Meeting, i.e. 28<sup>th</sup> September, 2022, subject to receipt of the requisite number of votes in favour of the Resolution.
18. The Register of Directors and Key Managerial Personnel and their , maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such document scan send an email to [bkvind@bommidala.co.in](mailto:bkvind@bommidala.co.in) The same will be replied by the Company suitably.
19. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except incase of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent M/s Kfin Technologies Limited for assistance in this regard.
20. The explanatory statement pursuant to Section 102 of the Company's Act., in respect of the business asset out in the AGM notice is annexed hereto.

## 21. EXPLANATORY STATEMENT

### Item no.4

To appoint Mr. Hari Venkata Nagendra Kola (DIN: 09718318) as an Independent Director of the Company and in this regard, to pass with or without modification(s), the following resolution as a Special Resolution;

The Board of Directors had appointed Mr. Hari Venkata Nagendra Kola (DIN: 09718318), as an Additional Director of the Company classified as an Independent Director, for a term of five years commencing from 29<sup>th</sup> August 2022, subject to the approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mr. Hari Venkata Nagendra Kola (DIN: 09718318) shall hold office upto the date of this AGM and is eligible to be appointed as an Independent Director. The Company has, in terms of Section 160(1) of the Act, received a recommendation of Nomination and Remuneration Committee of the Company, recommending his candidature for the office as an Independent Director. Accordingly, it is proposed to approve the appointment of Mr. Hari Venkata Nagendra Kola (DIN: 09718318) as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 29<sup>th</sup> August 2022 upto 28<sup>th</sup> August 2027. Mr. Hari Venkata Nagendra Kola (DIN: 09718318) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("the Act") nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as an Independent Director and has given his consent to act as an Independent Director. The Company has also received a declaration from Mr. Hari Venkata Nagendra Kola (DIN: 09718318) that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Details of Mr. Hari Venkata Nagendra Kola (DIN: 09718318) are provided in Annexure to this Notice, pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The terms and conditions of his appointment shall be available on the website of the Company and open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM.

Brief profile: : He has exceptional educational track record since he is holding master degree in Medicine as well as he has outstanding knowledge in Medical, business Development and management. Qualified/certified in the online proficiency self assessment test for independent directors' data bank by the Indian institute of corporate affairs.

Mr. Hari Venkata Nagendra (DIN: 09718318) is interested in the resolution set out at item no.4 of the notice with regard to his appointment.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. Accordingly, consent of the members is sought by way of an Special Resolution as set out in Item No. 4 of the Notice. The Board recommends the Resolution for your approval.

#### Item No.5

To appoint Mrs. Maddula Durga Sushma (DIN: 09717698) as an Independent Director of the Company and in this regard, to pass with or without modification(s), the following resolution as an Special Resolution;

The Board of Directors had appointed Mrs. Maddula Durga Sushma (DIN: 09717698), as an Additional Director of the Company classified as an Independent Director, for a term of five years commencing from 29<sup>th</sup> August 2022, subject to the approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mrs. Maddula Durga Sushma (DIN: 09717698), shall hold office upto the date of this AGM and is eligible to be appointed as an Independent Director. The Company has in terms of Section 160(1) of the Act, received a recommendation of Nomination and Remuneration Committee of the Company, recommending his candidature for the office as an Independent Director. Accordingly, it is proposed to approve the appointment of Mrs. Maddula Durga Sushma (DIN: 09717698) as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 29<sup>th</sup> August 2022 upto 28<sup>th</sup> August 2027. Mrs. Maddula Durga Sushma (DIN: 09717698) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("the Act") nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as an Independent Director and has given his consent to act as an Independent Director. The Company has also received a declaration from Mrs. Maddula Durga Sushma (Din: 09717698), that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Details of Mrs. Maddula Durga Sushma (Din: 09717698) are provided in Annexure to this Notice, pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The terms and conditions of his appointment shall be available on the website of the Company and open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM.

Brief profile: Mrs. Maddula Durga Sushma (DIN: 09717698), She has good educational track record and very rich experience in the field of financial reporting and Corporate Laws, since she is a Fellow member of ICAI (FCA) , Registered Valuer on Financial Assets from IBBI and Qualified/certified in the online proficiency self assessment test for independent directors' data bank by the Indian institute of corporate affairs.

She has 10 years of vast experience in Accounting. Mrs. Maddula Durga Sushma (DIN: 09717698) is interested in the resolution set out at Item No. 5 of the Notice with regard to her appointment.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. Accordingly, consent of the members is sought by way of an Special Resolution as set out in Item No. 5 of the Notice. The Board recommends the Resolution for your approval

**Additional Information with respect to Item No. 2,3,4 and 5 in this Notice, under regulation 36 of SEBI (LODR) Regulations & Secretarial Standard on General Meetings (“SS-2”), issued by The Institute of Company Secretaries of India Details of Directors Seeking Appointment/Re-appointment and are provided herein below.**

**Item No: 2**

Name	Sri Anitha Bommidala
DIN	00112766
Date of Birth	16/07/1968
Date of appointment/ reappointment	28-09-2022
Designation	Non- Executive Director
Qualifications	LLB
Brief resume and justification for Appointment /reappointment and expertise in specific functional areas and nature of expertise. the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Smt. Bommidala Anitha W/oBommidala Rama Krishna, aged 53 years resident of Guntur and she is a Law Graduate and underwent training in Personnel Management. Nature of Expertise: She has good experience and knowledge in areas like, legal, banking and HR related activities. Her knowledge of legal aspects will be considerable assistance to the management in complying with ever changing various Government and Other Rules, Procedures and Regulations.
Directorships & Committees membership held in other listed companies	Nil
Number of meetings of the Board attended during the financial year 2021-22	5
listed entities from which the person has resigned in the past three years	Nil
Number of shares held	4,06,825
Relationship with other directors	She is a wife of Sri B.Rama Krishna, Managing Director of the company.

**Item No:3**

Information to shareholders under regulation 36 of SEBI (LODR) Regulations includes Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed and Proposed fees payable to the statutory auditor(s) along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change:

The Members of the Company at the 24<sup>th</sup> Annual General Meeting (“AGM”) held on September 6, 2017 had approved the appointment M/s. Kurapati Subba Rao & Co., Chartered Accountants (Registration No:001618S)

as the Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of the 24<sup>th</sup> AGM to the conclusion of the 29<sup>th</sup> AGM. Accordingly, M/s. Kurapati Subba Rao & Co., Chartered Accountants, will complete their term as Statutory Auditors of the Company on conclusion of this AGM and cease to be the Statutory Auditors of the Company. The Board of Directors of the Company (“the Board’), on the recommendation of the Audit Committee (“the Committee”), has recommended for the approval of the Members, the appointment of M/s. Garlapati & Co., Chartered Accountants (Registration No.000892S) Guntur as the Statutory Auditors of the Company for a period of 5 (Five) years in accordance with the requirements of the Companies Act, 2013 (“the Act”), to hold office from the conclusion of this AGM till the conclusion of the 34<sup>th</sup> AGM. Before recommending the appointment of M/s. Garlapati & Co., Chartered



Accountants (Registration No.000892S), as the Statutory Auditors of the Company, the Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, previous track record in the company as statutory Auditors, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s. Garlapati & Co., (Chartered Accountants), to be suitable to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. The Statutory Auditors fulfil the eligibility criteria, including relating to independence and conflict. M/s. Garlapati & Co.,(Registration No.000892S) Guntur is a Chartered Accountant Firm registered with Institute of Chartered Accountants of India. The firm was established in three decades. The firm provides a range of services which include audit & assurance, taxation, advisory & accounting. The firm has significant experience in providing auditing, taxation and advisory services to banks and other financial services clients. They have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act. The proposed remuneration to be paid to M/s. Garlapati & Co., Chartered Accountants (Registration No.000892S), for FY 2022-23 for statutory audits mutually decided by the Board and Auditors which shall not exceed Rs 2 Lakhs. Further, there is no material change in the remuneration paid to the outgoing auditors and the proposed auditors. In view of the aforesaid, the Board recommends the resolution set forth in Item No. 3 for approval of the Members. None of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in the Company, are concerned / interested, financially or otherwise, in the said resolution.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS**

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")

**Item No: 4**

Name	Sri Hari Venkata Nagendra Kola
DIN	09718318
Date of Birth	01/02/1975
Date of appointment/ reappointment	29-08-2022
Designation	Non Executive-Independent Director
Qualifications	MD (Physician)
Brief resume and justification for Appointment /reappointment and expertise in specific functional areas and nature of expertise. the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	he has exceptional educational track record since he is holding master degree in Medicine as well as he has outstanding knowledge in Medical, business Development and management. Qualified/certified in the online proficiency self assessment test for independent directors' data bank by the Indian institute of corporate affairs. He have Expertise/ Competencies in corporate governance, Medical Business development .
Directorships & Committees membership held in other listed companies	Nil
Number of meetings of the Board attended during the financial year 2021-22	NA
listed entities from which the person has resigned in the past three years	Nil
Number of shares held	0
Relationship with other directors	No relationship

**Item No: 5**

Name	Smt Maddula Durga Sushma
DIN	09717698
Date of Birth	05/07/1989
Date of appointment/ reappointment	29-08-2022
Designation	Non Executive-Independent Director
Qualifications	FCA
Brief resume and justification for Appointment /reappointment and expertise in specific functional areas and nature of expertise. the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	She has good educational track record and very rich experience in the field of financial reporting and Corporate Laws, since she is a Fellow member of ICAI (FCA) , Registered Valuer on Financial Assets from IBBI and Qualified/certified in the online proficiency self assessment test for independent directors’ data bank by the Indian institute of corporate affairs. She have 10 years of vast experience in Accounting, Financial Reporting, Auditing Financial Management, Banking and Corporate Laws, she have Expertise/ Competencies in corporate governance, Financial reporting, Corporate Laws ,Banking and Auditing.
Directorships & Committees membership held in other listed companies	Nil
Number of meetings of the Board attended during the financial year 2021-22	NA
listed entities from which the person has resigned in the past three years	Nil
Number of shares held	0
Relationship with other directors	No relationship

The above independent directors is not disqualified from being the provisions of (i) SEBI (Listing Obligations and appointed as a Director/s in terms of Section 164 of the Disclosure Requirements) Regulations, 2015 and (ii) Act and have given their consent to act as a Director.

For and on behalf of Board of directors of

**For BKV Industries Limited**

**BOMMIDALA RAMA KRISHNA**

Managing Director

DIN:00105030

Place : Guntur

Date:29.08.2022

## BOARD'S REPORT

Your Directors have pleasure in presenting you the Twenty-Ninth Annual Report together with Standalone Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022.

### FINANCIAL PERFORMANCE OF THE COMPANY

Particulars	(Rs. In Lakhs)	
	For the year ended 31/03/2022	For the year ended 31/03/2021
Sales & Other Income	70.96	63.34
Profit/(Loss) before interest and Depreciation	17.41	22.40
Less: Finance Cost	-	1.43
Less: Depreciation and Amortisation expenses	0.50	0.58
Profit before Exceptional items& Taxes	16.91	20.39
Exceptional Items	-	-
Profit after Exceptional Items & Taxes	16.91	20.39
Less: Tax expenses	-	-
Profit / (Loss) after tax	16.91	20.39
Other Comprehensive Income / (Loss)	0.18	8.83
Total Comprehensive Income/(Loss) attributable to the owners of the company	17.09	29.22
Less: Appropriations	-	-
Closing Balance (Including Other Comprehensive Income) for the year	17.09	29.22

#### RESULTS OF OPERATIONS AND STATE OF COMPANY AFFAIRS:

The Aqua Farm situated at Isakapalli, which was given on lease during July, 2013 for seven years and the Lessee had requested extension of lease by another seven years with effect from 1<sup>st</sup> July 2020, which the company had agreed operating in volatile and uncertain environment and having given the farm on long term lease, earned a gross income of Rs. 70.96 lakhs including Other Income of Rs. 0.18 lakhs and earned a Net Profit of Rs. 17.09 lakhs (Including income considered under Other Comprehensive Income/(Loss)). The impact of COVID-19 leading to lockdowns from March 2020 had hit the economy badly and the industry was recouping in the last quarter, but the second wave had again disturbed the operations in the first quarter of 2021-22.

Though, the pandemic has affected the day-to-day operations, no material impact on company revenues and finances during the year 2021-22, due to the renewed lease agreement of farm.

#### DIVIDEND AND RESERVES:

In view of considerable accumulated losses, though there is a profit during the current year, no dividend is recommended for the financial year 2021-22 and no amounts were transferred to reserves.

#### SUBSIDIARIES AND JOINT VENTURES / ASSOCIATES

The company does not have any subsidiary and Joint Ventures.

#### PARTICULARS REGARDING ENERGY CONSERVATION etc.:

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in Annexure V to this Report.

**CHANGES AMONG DIRECTORS AND KEY MANAGERIAL PERSONNEL****CHANGES IN BOARD & KMP****Re-appointment of Retiring Director:**

Based on the recommendation of Nomination & Remuneration Committee and approval of the Board, Smt. Bommidala Anitha (DIN:00112766), who retire by rotation pursuant to Section 152 (6) of the Companies Act, 2013 read with the Articles of Association of the Company, at the forth coming Annual Meeting and being eligible, offers herself for re-appointment.

**Independent Directors to be appointed in ensuing AGM:**

Subject to approval of shareholders at this ensuing Annual General Meeting of the company, as per the recommendation of the Nomination and Remuneration Committee the Board has proposed to appoint Mr. Hari Venkata Nagendra Kola (Din: 09718318) and Mrs. Maddula Durga Sushma (Din: 09717698) as independent Directors of the company for a period of five years w.e.f 29.08.2022 for first term, their appointment effective from 29.08.2022 and the Board have opinion that it is very much beneficial to the company and therefore it is desirable to appoint and avail their services as Independent Directors. Accordingly, it is proposed to appoint Mr. Hari Venkata Nagendra Kola (Din: 09718318) and Mrs. Maddula Durga Sushma (Din: 09717698) as Independent Directors of the Company not liable to retire by rotation and to hold office for the first term of 5 (five) consecutive years on the Board of the Company.

**Independent Directors to be ceased after the closure of the financial year:**

Mr Nellore Dolendra Prasad and Mr Tunuguntla Ramakrishna will be completing their second term of five year period as Independent directors on 05.09.2022 and shall not eligible for re-appointment as independent directors for another term. Hence the said independent directors shall be retired as Directors of the company i.e. 05.09.2022 and the Board has not recommended to continue them as a Directors of the company.

**Board evaluation of its own performance:**

As per the provisions of Section 134 (3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the performance of Committees of the Board, namely, Audit Committee, Risk Management Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee and also the directors individually. The manner in which the evaluation was carried out and the process adopted has been mentioned in the Corporate Governance Report.

**Policy for selection and appointment of Directors, Senior Management and their remuneration:**

The Board, on the recommendation of the Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration and also framed the criteria for determining experience, qualifications, positive attributes and independence of directors.

**Declaration Given by Independent Directors:**

All the Independent Directors viz., have submitted declarations confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013, under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and stating that they have registered themselves in the data bank maintained by the Indian Institute of Corporate Affairs and under Regulation 25(8) of SEBI (LODR) Regulations, 2015.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013.**

During the financial year 2021-2022, the Company has not given any guarantees / loan or made any investments. However, during the year, the company has repaid amount Rs. 13.31 lakhs against the Interest Free Unsecured Loan and received from CEO (including Rs. 9.31 lakhs received during the year) and due as on 31st March, 2022 was Rs. 4 lakhs.

**Board and Committee Meetings:**

The Board met 5 times during the financial year 2021-2022 the details of which are given in the Corporate Governance Report.

**Committees of the Board:**

The details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in the "Report on Corporate Governance" forming part of this Annual Report.

In view of the changes in the Board, the committees will be reconstituted after the forthcoming Annual General Meeting.

**PARTICULARS OF EMPLOYEES:**

The ratio of remuneration of each Director to the median of employees' remuneration as per Section 197 (12) of the Companies Act, 2013 and information relating to employees to be disclosed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is disclosed in Annexure VI to the Board of Directors report.

**AUDITORS AND AUDITOR'S REPORT****Statutory Auditors:**

The Shareholders at the 24<sup>th</sup> Annual General Meeting held on 06<sup>th</sup> September, 2017, have appointed M/s Kurapati Subba Rao & Co., Chartered Accountants (Firm Regn.No:001618S) as Statutory Auditors of the Company to hold office until the conclusion of 29<sup>th</sup> Annual General Meeting, who have expressed their inability to continue and the Audit Committee has explored for the appointment of statutory auditors and recommended the same to the Board to appoint M/s. Garlapati & Co., Chartered Accountants (Firm Reg. No. 000892S), Guntur, for a period of five years from the conclusion of the ensuring Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting.

The remuneration of the auditors will be decided by the Audit Committee in addition to the reimbursement of taxes and actual out of pocket expenses incurred in connection with the audit of accounts of the Company for the financial year ending 31st March, 2023 and thereafter each year from time to time. The Statutory Auditors have confirmed their eligibility under Sec. 141 of the Companies Act 2013 and have also expressed their willingness to be appointed as Statutory auditors of the Company.

**Statutory Auditors Report:**

The Report given by the Auditors on the financial statements of the Company forms part of this Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their Report.

Fraud reported by the Auditor under Section 143(12): Nil

**EXPLANATION FOR AUDITORS EMPHASIS OF MATTER:**

Regarding the preparation of accounts on going concern basis, the notes in I independent audit report is self - explanatory and the company had given the farm on long term lease and getting steady income and been able to meet its operational and compliance expenses, though there are considerable carry forward losses.

Maintenance of Cost Records - Not Applicable  
Cost of Audit - Not Applicable

**SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s K. Srinivasa Rao & Co, Company Secretaries, as the Secretarial Auditors to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is given in Annexure -III to this Report.

There were no qualifications, reservations, adverse remarks or disclaimers in their report.

Board Clarification on Secretarial Auditor qualifications: NIL

**RISK MANAGEMENT:**

The Company has put in place a mechanism to identify, assess, monitor and mitigate various risks to its key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The Company has formulated a Risk Management Policy which is also available on the Company's website: [www.bkvindustries.in](http://www.bkvindustries.in)

**INTERNAL FINANCIAL CONTROLS:**

In addition to the Internal Controls on Operations, the Board has laid down standards, processes, and structures to implement internal financial controls to ensure that the financial affairs of the Company are carried out with due diligence. The effectiveness of the internal financial controls is ensured by management reviews, continuous monitoring and self-assessment and review of all financial transactions and operating systems by the internal auditors. During the year, such controls were tested and no reportable material weakness or inefficacy or inadequacy in the operation were observed.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:**

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the Company to be '500 crore or more; or (b) turnover of the company to be '1,000 crore or more; or (c) net profit of the company to be '5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of Section 135 are not applicable to the Company.

**RELATED PARTY TRANSACTIONS:**

All contracts / arrangements / transactions entered into during the financial year with the related parties were on arm's length basis and were in the ordinary course of business. Section 188 (1) of the Companies Act, 2013 exempts related party transactions that are in the ordinary course of business and are on arm's length basis. The Board of Directors and the Audit Committee have also approved the said related party transactions.

There are no materially significant related party transactions with the promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The policy on dealing with Related Party Transactions as approved by the Board is available at the investors section of the Company's website : [www.bkvindustries.in](http://www.bkvindustries.in) The particulars of contracts / arrangements entered into by the Company with related parties as required to be disclosed are given in AOC-2 as Annexure IV to this Report.

**CORPORATE GOVERNANCE REPORT:**

The Company is committed to good corporate governance practices. All material information was circulated to the directors before their meeting or placed at their meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations.

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance along with a Certificate from a Practicing Company Secretary

confirming the compliance with the conditions of Corporate Governance as stipulated under Part E of Schedule V of Sub-Regulation 34 (3) of the Listing Regulations is attached to this report.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (LODR) 2015, Regulations, given in Corporate Governance Report, which is the part of this Annual Report.

**TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND:**

The company has not declared any dividend till date from inception therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**EXTRACT OF THE ANNUAL RETURN:**

The details of the extract of the Annual of the Companies Act, 2013 read with Rule 12 of the Company (Management and Administration) Rules. 2014 is available at the website of the Company : [www.bkvindustries.in](http://www.bkvindustries.in)

**DISCLOSURES:**

Vigil Mechanism & Whistle Blower Policy

The Company has a vigil mechanism and a whistle blower policy. The same has been posted on the Company's website: [www.bkvindustries.in](http://www.bkvindustries.in) and the details of the same are given in the Corporate Governance Report.

**STOCK EXCHANGES:**

As per the requirement of SEBI Listing Regulations, the Company declares that its securities are listed on the Stock Exchanges of Mumbai & Kolkata. The company confirms that it has paid annual listing fees to the Stock Exchange of Mumbai & Kolkata for the Year 2021-2022

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the provisions contained in Section 134 (3) (c) of the Companies Act, 2013, your Directors to the best of their knowledge and belief and according to information and explanations obtained from the management, confirm that:

- i) In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the cash flows and Profit of the Company for the year ended on that date;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors have laid down proper internal financial controls to be followed by the Company relevant to its nature of operations and such controls are adequate and operating effectively.
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**GENERAL:** Your directors state that no disclosure is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.

2. Issue of equity shares with differential rights as to dividend, voting or otherwise. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

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

No Material Changes and commitments affecting the financial position of the company occurred between the end of the financial year and the date of the report.

**UNSECURED LOANS RECEIVED FROM DIRECTORS DURING THE YEAR 2021-2022:**

During the year, the Company has received interest free unsecured loans from the Directors and also a declaration in writing stating that the amount given to the Company is not borrowed by them.

S.No	Name of the Director	Amount Received during the year
1	Bommidala Rama Krishna	Rs. 9,30,920/

**SECRETARIAL STANDARDS:**

The Company is in compliance with the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2).

**DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a prevention of Sexual Harassment and Grievance Handling Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. The Company did not receive any complaints during the year.

**CHANGES IN THE NATURE OF THE BUSINESS:**

There has been no change in the nature of the business of the Company during the financial year ended 31<sup>st</sup> March, 2022.

**PERSONAL RELATIONS AND APPRECIATION:**

Your directors place on record their appreciation for the continued co-operation, support and assistance extended to the Company by its Bankers, Shareholders and Employees. The Directors place on record the appreciation of the contribution of the Independent Directors during their tenure.

By order of the Board of Directors  
For **BKV Industries Limited**

**BOMMIDALA RAMA KRISHNA**

Managing Director

DIN:00105030

Place : Guntur

Date:29.08.2022



**MANAGEMENT DISCUSSION & ANALYSIS****A. INDUSTRY, STRUCTURE, DEVELOPMENT AND OUT LOOK:**

Globally, India is the second biggest aquaculture and fish producer. The country is the fourth biggest seafood exporter in the world, with exports of marine products worth close to USD 7.76 billion. The country currently exports to over 115 countries, and the Government has prioritized the goal of making India the world's top seafood exporter. India shipped 13,69,264 MT of seafood worth Rs 57,586.48 crore (USD 7.76 billion) during 2021-22, despite heavy odds. During the FY 2021-22, the export improved in rupee term by 31.71%, in USD terms by 30.26% and in quantity terms by 19.12%. In 2020-21, India had exported 11,49,510 MT of seafood worth Rs 43,720.98 crore (USD 5,956.93 million).

Frozen shrimp remained the major export item in terms of quantity and value. Frozen shrimp, which earned Rs 42,706.04 crore (USD 5,828.59 million), accounted for a share of 53.18 per cent in quantity and 75.11 per cent of the total dollar earnings. Shrimp exports during the period increased by 31.68 per cent in USD value and 23.35 per cent in quantity. The overall export of frozen shrimps during 2021-22 was pegged at 7,28,123 MT. USA, the largest market, imported (3,42,572 MT) of frozen shrimp, followed by China (1,25,667 MT), European Union (90,549 MT), South East Asia (44,683 MT), Japan (38,492 MT), and the Middle East (37,158 MT). Export of Frozen shrimp shown increase in all the markets by value.

**B. OPPORTUNITIES AND THREATS:**

Fisheries represent a significant economic activity in India and offer vast growth opportunities on account of the long coastline and favorable geographical conditions. This, coupled with the easy availability of healthy and disease-free shrimp, represents one of the key factors impelling the growth of the market. Moreover, due to the easy availability of land and labor and comparatively lower shrimp farming cost, India has become one of the biggest exporters of fresh and frozen shrimp products around the world. In line with this, the escalating demand for shrimp products at a global scale is contributing to the market growth. Furthermore, the growing popularity of regional and international cuisines, along with the rising health consciousness among individuals, is positively influencing the demand for shrimp products in the country. Over the medium-to-long term, fish production in India will improve largely on account of increase in overall aquaculture production. The Indian government is aiming at doubling marine exports by 2025

India faces embargoes related to residue antibiotic traces in shrimp export consignments, restricting shipments of marine products to the European market. The Indian government has been taking several measures to overcome the problem through direct intervention and dialogues. Additionally, due to the rising environmental concerns, the Government of India is introducing various initiatives to encourage organic shrimp farming practices, which is offering lucrative growth opportunities to key players operating in the country. Apart from this, the escalating demand for ready-to-eat (RTE) food products on account of rapid urbanization and hectic lifestyles of individuals are facilitating the consumption of frozen and processed shrimp products in India.

**C. RISKS AND CONCERNS:**

Pursuant to SEBI Listing Regulations, the Company had since constituted a Risk Management Committee. The details of the Committee, its terms of reference are given in the corporate governance report. The methodology for risk management primarily involves mapping of risks with strategy, assessing the risks on its importance, identifying de-risking measures and assigning it to risk owners and continuously monitoring the status of the risks. The risks were categorized into strategy and planning, operations and compliance and the risks associated with each risk category was further classified and identified as 'critical', 'major' and 'moderate'. The company does not face any critical/

major risk, as it had given its farm on long term lease and the same had been extended further by another seven years from July 2020. The lessee had been meeting their commitments as per the lease agreement. The maintenance and compliance expenses of the company are taken care through the lease income; hence, the company does not foresee any major risk for its operations in the short and medium term, except in the event of costs for additional regulatory measures.

The management periodically reviews the risk management frame work to identify the major business risks as applicable to the Company and works out their mitigation strategy.

**D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Given the operations, the Company has well-established processes and defined the roles and responsibilities for people at various levels. The control mechanism also involves well documented policies, authorization guidelines commensurate with the level of responsibility specific to the respective businesses. Adherence to these processes is ensured through frequent internal audits. The internal audits conducted are reviewed by the Audit Committee and requisite guidelines and procedures augment the internal controls. The internal control system is designed to ensure that financial and other records are reliable for preparing financial statements and other information which ensures that all transactions are properly reported and classified in the financial records. The Company had given its farm on long term lease and did not carry any other business operations during the year 2021-22 and the lease was extended in July 2020 further by seven years and carrying minimum compliance operations.

**E. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The financial statements are prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles in India including Ind AS. The management accepts the responsibility of integrity and objectivity of the financial statements and the basis for various estimates and the judgments used in preparing the financial statements.

During March, 2013, the company entered into a lease agreement of its Farm for a period of 84 months with effect from July,2013, as the promoters have decided to meet with lease income, the fixed expenses and statutory compliance costs. In view of Covid-19, slowdown in the global economy and lack of working capital and increase in the lease amount, the company had extended the long-term lease for another period of seven years, on request of Lessee from July 2020 Lessee is paying the lease amount in advance every year and hence the company could meet it's fixed and compliance costs.

With various steps, the company could perform reasonably and ended up with a net profit from operations Rs. 16.91 Lakhs after providing the depreciation for Rs.0.50 Lakhs, excluding gains on remeasurement of employee benefits of Rs.0.18 lakhs during the year.

**Details of significant Changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios along with detailed explanations.**

Sl No	Ratio	Formulae	Year Ended 31-3-22	Year Ended 31-3-21	Variation	Explanation for Variance
1	Current Ratio	Current Assets/Current Liabilities	0.71	0.55	30%	Improved due to higher revenue during the year.
2	Debt Equity Ratio	Debt / Share Holder Equity	NA	NA		
3	Debt Service Coverage Ratio	EBIT/ Debt	NA	NA		
4	Return on Equity	PAT / Average Equity	4.18%	7.46%	-44%	Decreased due to higher remuneration to Managerial Personnel for the full year.
5	Trade Receivables Turnover Ratio	Revenue from Operations/ Average Receivables	NA	NA		
6	Trade Payables Turnover Ratio	Expenses / Average Trade Payables	2.55	1.83	39%	Increased due to higher remuneration and expenses.
7	Net Capital Turnover Ratio	Revenue from Operations/ Average working capital	-10.71	-3.66	193%	Higher ratio due to increase in revenue and improvement in working capital.
8	Net Profit Ratio %	Net Profit / Revenue	24.36%	47.41%	-49%	Decreased due to higher remuneration to Managerial Personnel for the full year.
9	EBITDA %	EBITDA/Revenue	25.07%	50.67%	-51%	Decreased due to higher remuneration to Managerial Personnel for the full year.
10	EBIT %	EBIT/Revenue	24.36%	48.36%	-50%	Decreased due to higher remuneration to Managerial Personnel for the full year.
11	Return on Capital Employed %	PBIT / Average Capital Employed	1.05%	1.92%	-45%	Decreased due to higher remuneration to Managerial Personnel for the full year.
12	Return on Investment % - Fixed Deposits	Income Generated from Invested Funds / Average Invested funds in treasury funds	2.85%	1.63%	75%	Increased due to higher revenue realisation.

**Note:**

1. EBIT: Earning Before Interest and Taxes.
2. EBITDA: Earnings Before Interest, Taxes and Depreciation & Amortisation
3. PBIT: Profit Before Interest and Taxes

**Debtors Turnover:**

As there are no receivables at the year end, and the lease amount was received in advance for the year, hence it is – Not Applicable.

**Details of Changes in Return on Net Worth:**

Due to increase in employee benefit expense, including Managing Director remuneration for full year, increase in other expense and donation the company's return on net worth for the year ended 31<sup>st</sup> March 2022 had decreased to 4.18 % against the previous year 7.46%

**Material Developments in human resources / industrial relations, including number of people employed:**

The company had given it's farm on long term lease and except to the fixed lease income, the company has not been carrying any other operations. It had employed only five employees during the year, which includes the Managing Director. During the year ended 31<sup>st</sup> March,2022, the relations with Lessee and Employees are cordial.

**A. DEVELOPMENTS IN HUMAN RESOURCES:**

In a challenging and competitive environment, the Company believes that people are the key to success and continues to focus on people capabilities. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**B. CAUTIONARY STATEMENT:**

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement. As the company had given its farm assets on long term lease and that being the only source of income for the company, changes in the government regulations, compliance frame work, tax laws and other factors, may affect the future earnings of the company. However, as the entire world is fighting against the unprecedented Covid-19, for the last two years and the company is very cautious about expecting a challenging financial position, as the company has extended the long-term lease of it's farm. The Company cannot guarantee the accuracy of the assumptions and perceived performance of the Company in future.

**C. DISCLOSURE OF ACCOUNTING TREATMENT:**

Where in the preparation of financial statements during the year there was no different treatment from that prescribed in accounting standards followed.

**ANNEXURE - I****REMUNERATION POLICY****1. Preamble**

This Remuneration Policy provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company.

This Policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. This policy reflects the remuneration philosophy and principles of the company and considers the pay and employment conditions with peers/competitive market to ensure that pay structures are appropriately aligned.

**2. Remuneration of Non-Executive Directors**

As the company had earlier incurred substantial losses and do not have any operations other than the lease Income, no remuneration paid from their appointment date, but sitting fees is paid to the Non-Executive Directors("NEDs") during the year 2021-22.

Now the company is showing the signs of turn around, though the losses are not fully recovered. The Company to pay fixed remuneration, over a period of time subject to the statutory ceiling and the sitting fee will be reviewed periodically and aligned to comparable in class companies, over a period of time.

**3. Remuneration of Managing Director**

The compensation paid to the Managing Director is within the scale approved by the Shareholders. The elements of the total compensation are approved by the N&R Committee within the overall limits specified under the Companies Act, 2013.

The elements of compensation of the Managing Director are as follows:

The company do not have adequacy of profit in any financial year, the remuneration payable to the Managing Director

shall be subject to the relevant provisions of the Companies Act, 2013 and the same is paid within the limit specified. Remuneration includes Salary, Perquisites not exceeding the salary amount per annum viz. Medical Expenses, Leave Travel Assistance, Club Fees and Personal Accident Insurance Charges. Further, transport charges, telephone expenses, provident fund, superannuation fund and encashment of leave (if applicable to the company) are provided or reimbursed on actual basis.

During the year ended 31-03-2022 Managing Director remuneration incurred was Rs. 24.00 Lakhs.

#### **4. Remuneration to Key Managerial Personnel/Other Employees:**

The Company's total compensation for Key Managerial Personnel/ other employees consists of fixed compensation as the company incurred substantial losses and only fixed income from the farm lease.

Fixed compensation is determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation includes Basic Salary, Housing Allowance, Leave Travel Allowance and other cash allowance.

Overall compensation shall be subject to periodic reviews which takes into account factors such as affordability based on the Company's performance and the economic environment.

#### **5. Adoption, Changes and Disclosure of Information:**

This Remuneration Policy and any changes thereof are approved by the Board of Directors based on the recommendation(s) of the HR, N&R Committee. The policy may be reviewed at such intervals as the Board or the Committee may deem necessary. Such disclosures of this Remuneration Policy as may be required under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

## **Annexure - II**

### **Criteria for Board Nominations**

The Nomination and Remuneration Committee (N&R Committee) of the Board is responsible for identifying persons for initial nomination as directors and evaluating incumbent directors for their continued service. The following are the qualifications, positive attributes and independence criteria laid down by the Committee of BKV Industries Ltd. in terms of section 178(3) of the Companies Act, 2013 to be considered for nominating candidates for Board positions/re-appointment of directors.

#### **QUALIFICATIONS:**

##### **Personal Traits**

- Highest personal and professional ethics, integrity and values
- Shares the values and beliefs of the Company.
- Inquisitive and objective perspective, practical wisdom and mature judgment
- Demonstrates intelligence, maturity, wisdom and independent judgment.
- Self-confidence to contribute to board deliberations has a stature that other board members will respect his or her views.

#### **Experience and Background:**

- Well accomplished in his/ her respective field.
- Demonstrated success at policy-setting and strategy development levels in a large organization (such as corporation, government, academic institution or profession).
- Leadership role at the time a potential director's initial candidacy is evaluated must either be current or very fresh and recent, and incumbent directors should continue to demonstrate a sophisticated understanding and current knowledge of business issues.

- Absence of adverse events (e.g., bankruptcy, affiliations, securities law sanctions, disqualifications under Companies Act 2013 or other applicable laws etc.) that either disqualify or require adverse disclosures.

**Fit and proper:**

- With respect to Directors being nominated for Independent position, the candidate should comply with the “Independence qualifications” as defined by applicable laws.
- Willingness to devote sufficient time to carry out the duties and responsibilities effectively, including attendance at meetings.
- Commitment to representing the long-term interests of the shareholders and balancing the interests of stake holders.
- Adhere to the code of conduct of the Company.
- Absence of unfair obstruction in the functioning of the Board/Committees.

**POSITIVE ATTRIBUTES:**

The positive attributes for a director would encompass:

- Ethical Integrity & transparency.
- He/ She acquires sufficient knowledge in the Company's business and operations.
- Demonstrate sound judgment gained through experience & expertise in management/ technical/ financial governance or regulatory matters.
- Foresight - ability to see and prepare for future, anticipate needs, opportunities, and threats.
- Managerial abilities required to lead and guide the management such as effective communication skills, cultural sensitivity, flexibility, team player, strategic thinking, and balancing risk with opportunity, ability to juggle several variables and make complicated decisions etc.

**INDEPENDENCE STANDARDS:**

- A Director is independent if the Board affirmatively determines that he meets the Independence criteria provided under the applicable laws. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relating to a director's independence.
- Two core objectives in selecting board members and continued board service are that the skills, experience and perspectives of the Board as a whole should be broad and diverse, and the collective talent should blend together to be as effective as possible.

M/s K. Srinivasa Rao & Co., Company Secretaries have certified none of the Directors on the Board of the Company as stated for the Financial year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
The Members,  
**BKV INDUSTRIES LIMITED**  
Guntur.

We have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of BKV INDUSTRIES LIMITED having CIN: L05005AP1993 PLC015304 and having registered office at Bommidala House, D.NO. 5-87-15/A. Lakshmiapuram Main Road, Guntur-522007, A.P. (here in after referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we here by certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	NAME OF DIRECTOR	DIN
1	BOMMIDALA RAMAKRISHNA	00105030
2	BOMMIDALA ANITHA	00112766
3	NELLORE DOLENDRA PRASAD	01816366
4	TUNUGUNTLA RAMA KRISHNA	02324865

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Place: Guntur  
Date: 25<sup>th</sup> May, 2022

For **K. Srinivasa Rao & Co.**  
Company Secretaries  
**CS K. Srinivasa Rao**  
Partner  
FCS:5599 CP No:5178  
UDIN: F005599D000384571

**Annexure - III**  
**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]*

To,  
The Members,  
**M/s. BKV INDUSTRIES LIMITED**  
Guntur.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. BKV INDUSTRIES LIMITED (here in after called the Company) for the financial year ended 31.03.2022. 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 here by report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed here under 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 here in after:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Take overs) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (up to 10<sup>th</sup> November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11<sup>th</sup> November, 2018): (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);  
The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and



(g) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);

(vi). The Company has identified the following laws as specifically applicable to the Company:

Not Applicable since the Company has long term lease income from it's Farm and did not carry any other business.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and the Uniform Listing Agreement entered with the said stock exchange pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors about the schedule of 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.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurating with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For **K. Srinivasa Rao &Co.**,  
Company Secretaries.,

**CS K. Srinivasa Rao,**  
Partner

FCS.No. 5599/ C. P. No:5178

UDIN: F005599D000869660

Place : Guntur

Date :29.08.2022

\*\*\*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  
**M/s. BKV Industries Limited**  
Guntur

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. Wherever 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.

For **K. Srinivasa Rao &Co.,**  
Company Secretaries.,

**CS K. Srinivasa Rao**  
Partner  
FCS.No. 5599/ C. P. No:5178  
UDIN: F005599D000869660

Place : Guntur  
Date :29.08.2022

**List of core skills/ expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:**

Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies in Policy Making, Finance, Business Strategy, Risk Management, Corporate Governance, Value Creation, Marketing, Stakeholder management, operations and process Optimization, Taxation.

<b>Names of Directors</b>	<b>Special Knowledge / Practical Experience / Skills / Expertise / Competencies</b>	<b>Other Skills</b>
Bommidala Rama Krishna	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies in Policy Making, Finance, Business Strategy, Risk Management, Corporate Governance, Value Creation, Marketing, Stakeholder management, operations and process Optimization, Taxation.	Work, Health, safety, Information Technology and sustainability Experience related to health, safety, environment, Social Responsibility, Information Technology and Sustainability.
Bommidala Anitha	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies Legal, Stakeholder Management, Risk Management, Operations and Process Optimization.	Work, Health, safety, Information Technology and sustainability Experience related to Social Responsibility, Information Technology and Sustainability.
Nellore Dolendra Prasad	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies Finance, Strategy, Risk Management, Corporate Governance.	Work, Health, safety, Information Technology and sustainability Experience related to health, safety, environment, Social Responsibility and Sustainability.
Tunuguntla Rama Krishna	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies Legal, Finance, Strategy, Risk Management, Corporate Governance.	Work, Health, safety, Information Technology and sustainability Experience related to health, safety, environment, Social Responsibility.
Venkata Nagendra Kola (Appointed w.e.f 29.08.2022)	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies, corporate governance, Medical Business development	Work, Health, safety, Information Technology and sustainability Experience related to health, safety, environment, Social Responsibility.
Mrs. Maddula Durga Sushma (Appointed w.e.f 29.08.2022)	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies, corporate governance, Financial reporting, Corporate Laws, Banking & Auditing	Work, Health, safety, Information Technology and sustainability Experience related to health, safety, environment, Social Responsibility.

**Annual Secretarial Compliance Report of BKV Industries Limited For The Year Ended 31.03.2022**

[Pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

**M/s BKV INDUSTRIES LIMITED**

Bommidala house,

D.No.5-87-15/A, Lakshmiipuram Main Road, Guntur - 522007.

We K. Srinivasa Rao & Co., Company Secretaries, Guntur have examined:

- (a) All the documents and records made available to us and explanation provided by M/s BKV INDUSTRIES LIMITED (CIN: L05005AP1993PLC015304) (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,

- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31.03.2022 (“Review Period” i.e 01.04.2021 to 31.03.2022) in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued there under; and
  - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India (“SEBI”);  
The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-
    - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: Not Applicable as there was no reportable event during the financial year under review.
    - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Take overs) Regulations, 2011;
    - (d) Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 - Not Applicable as there was no reportable event during the financial year under review.
    - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable as there was no reportable event during the financial year under review.
    - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable as there was no reportable event during the financial year under review.
    - (g) Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013; Not Applicable as there was no reportable event during the financial year under review.
    - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    - (j) other regulations as applicable and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued there under, except in respect of matters specified below:

Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NIL		

- (a) The listed entity has maintained proper records under the provisions of the above Regulations and Circulars/ Guidelines issued there under in so far as it appears from my/our examination of those records.
- (b) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.,	Observations/ remarks of the Practicing Company Secretary, if any.
NIL			

(a) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial Compliance report for the year ended 31.03.2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NIL				

Report is to be read with our letter of even date annexed herewith and forms an integral part of this Report.

For **K. Srinivasa Rao &Co.**,  
Company Secretaries.,

**CS K. Srinivasa Rao**  
Partner  
FCS.No. 5599/ C. P. No:5178  
UDIN: F005599D000384703

Place : Guntur

Date :25<sup>th</sup> May, 2022.

## ANNEXURE

**To**

**M/s. BKV INDUSTRIES LIMITED,**

Bommidala house, D.no. 5-87-15/A.

Lakshmipuram Main Road, Guntur - 522007

The Secretarial Compliance Report of even date is to be read along with this letter.

1. Maintenance of secretarial records under regulations, circulars and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI ACT) and the Securities Contracts (Regulation) Act, 1956 (SCRA) rules made there under and Regulations, circulars and guidelines issued there under by SEBI, is the responsibility of the management of the listed entity. Our responsibility is to express an opinion on these 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 these records. The verification was done to ensure that correct facts are reflected in the said records. We believe that the processes and practices we followed, provide are as on able basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the listed entity
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 SEBI ACT and SCRA, and regulations, circulars and guidelines prescribed thereunder, is the responsibility of management. Our examination was limited to the verification of documents and records made available to us and explanations provided to us with respect to the practices and processes followed in matters relating to this Report.

6. The Secretarial Compliance Report is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **K. Srinivasa Rao &Co.,**  
Company Secretaries.,

**CS K. Srinivasa Rao**  
Partner  
FCS.No. 5599/ C. P. No:5178  
UDIN: F005599D000384703

Place: Guntur  
Date: 25.05.2022

**Annexure - IV**  
**FORM NO. AOC-2**  
**Related Party Transactions**  
**[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014**

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

1. Details of contracts or arrangements or transactions not at arm's length basis: - NIL There were no transactions with related parties, which were not at arm's length basis.
2. Details of material contracts or arrangements or transactions at arm's length basis: - NIL

Remuneration to the Managing Director and Key Managerial Personnel, Interest Free Unsecured Loans have been extended by the Managing Director to the company are the only related party transactions entered during the year by the company, which are in the nature of ordinary course of business and not material transactions.

For **BKV Industries Limited**

**BOMMIDALA RAMA KRISHNA**  
Managing Director  
DIN:00105030

**BOMMIDALA ANITHA**  
Director  
DIN:00112766

Place: Guntur  
Date: 29.08.2022

**Annexure V**

**Information to be given under Section 134 read with Rule 8(3) of the Companies (Accounts) Rules, 2014**

**A. CONSERVATION OF ENERGY**

i	The steps taken or impact on conservation of energy	Not Applicable
ii	The steps taken by the Company for utilizing alternate sources of energy	Not Applicable
iii	The capital investment on energy conservation equipment	NIL, Not Applicable

**B. TECHNOLOGY ABSORPTION**

i	The efforts made towards technology absorption	Not Applicable
ii	The benefits derived like product improvement, cost reduction, product Development or import substitution	Not Applicable
iii	In case of imported technology (imported during the last three years reckoned from the Beginning of the financial year) (a) The details of technology imported (b) The year of import (c) Whether the technology been fully absorbed (d) If not fully absorbed, areas where absorption	Not Applicable
iv	The expenditure incurred on Research and Development	NIL, Not Applicable

**C. FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows.	<b>2021-22</b> <b>in Rs.</b>	<b>2020-21</b> <b>in Rs.</b>
Foreign exchange earned	NIL	NIL
Foreign exchange outgo	NIL	NIL

**Annexure - VI**

**The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

A. Information as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014:

1. Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Particulars	Median Ratio with that of employees
1	Bommidala Rama Krishna, Managing Director	9.15:1
2	Bommidala Anitha, Director	0.03:1
3	Nellore Dolendra Prasad, Director	0.02:1
4	Tunuguntla Rama Krishna, Director	0.03:1

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, if any, in the financial year:

Sl. No.	Particulars	% Increase in Remuneration
1	Bommidala Rama Krishna, Managing Director	60%
2	Bommidala Anitha, Director	Only sitting fee paid
3	Nellore Dolendra Prasad, Director	Only sitting fee paid
4	Tunuguntla Rama Krishna, Director	Only sitting fee paid
5	B. Virat Vishnu (CS)	25%
6	K. Bhanu Kumar (CFO)	Nil

3. Percentage increase in the median remuneration of employees in the financial year 11.38 %

4. Number of permanent employees on the rolls of company: 5 Nos.

5. 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:

a) The average increase/ (Decrease) in salaries of employees other than managerial personnel is 18.73%.

b) Average increase/(Decrease) in managerial remuneration is 43.84%.

c) Managing Director remuneration was increased from Oct 20 onwards, as negotiation of higher lease income was carried out during that period. Managing Director Remuneration was paid only for 6 months during 20-21, but full year remuneration was paid during 21-22, resulting the higher % increase.

6. Key parameters for any variable component of remuneration availed by the directors:

The Non-Executive Directors are not paid any remuneration, except sitting fees, as the company had been having fixed income and only marginal profit is earned. Managing Director's remuneration was revised and fixed at Rs. 24.00 lakhs per annum from 1-10-2020 and in view of profits inadequate, subject to the limits laid down by the Companies Act, 2013 and over all remuneration approved by the Shareholders. No variable component is there in the remuneration payable to the Managing Director.

7. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None

8. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

A (1) Information as per Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014: There were no other employees covered under these rules.

By order of the Board of Directors  
For **BKV Industries Limited**

**BOMMIDALA RAMA KRISHNA**  
Managing Director  
DIN:00105030

Place: Guntur

Date:29.08.2022



**ANNEXURE TO THE BOARD'S REPORT**
**COMPLIANCE REPORT ON CORPORATE GOVERNANCE FOR THE YEAR APRIL 01, 2021 TO MARCH 31, 2022.**

Pursuance to new SEBI (LODR) Regulations 2015, and Listing Agreement with Stock Exchanges, your directors present below a detailed Compliance Report on Corporate Governance:

**Company's philosophy on code of Governance**

Corporate Governance aims at achieving high level of efficiency, accountability, responsibility and fairness in dealing with all stakeholders. Your company is committed to Good Corporate Governance to ensure that all functions of the company are discharged in a professionally sound and competent manner, which leads to increasing employee, customer satisfaction and shareholder value.

**Board of Directors Composition:**

The strength of the Board of Directors as on 31/03/2022 is 4 Board comprises of Executive and Non-Executive Directors. The Non- Executive Directors bring external and wider perspective to the Board's deliberations and decisions. The Board comprises of one Managing Director and 3 Non- Executive directors. The Composition of the Board is in conformity with Regulation 17 of the SEBI (LODR) Regulations with the Stock Exchanges. Section 149(3) of the Companies Act, 2013 requires the appointment of a woman director, in compliance with the requirement Smt. Bommidala Anitha, a woman director had been continued to be in the Board from the inception.

The Board has formulated a policy on Remuneration and the criteria for Board nominations which outline the appointment criteria and qualifications for appointment on the Board and the matters related to remuneration of Directors. The said policy has been published elsewhere in the Annual Report as per Annexure I & II. The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in SEBI (LODR) Regulations. Details of familiarization programs imparted to Independent Directors is available at [www.bkvindustries.in](http://www.bkvindustries.in)

**No. of Board Meetings held during the year along with the dates of the Meetings:**

Board meets generally to take stock of the assets management, to discuss and decide on company/business policy and strategy apart from normal Board business.

During the financial year ended March 31, 2022 Five Board Meetings were held on 23<sup>th</sup> April, 2021, 29<sup>th</sup> June, 2021, 09<sup>th</sup> August, 2021, 13<sup>th</sup> November, 2021 and 14<sup>th</sup> February, 2022.

The following table gives the composition and category of the Directors of the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of Directorships and Committee Memberships/ Chairmanships held by them in other companies.

Name of the Director	Category of Directorship	No. of Board Meeting Attended	Attendance at last AGM	* No. of Directorships in other public companies	No. of Memberships / chairmanships of committees of other companies
Sri Bommidala Rama Krishna Managing Director DIN: 00105030	Executive Director	5	Yes	None	None
Smt. Bommidala Anitha DIN: 00112766	Non Executive Director	5	Yes	None	None
Sri Nellore Dolendra Prasad DIN: 01816366	Non Executive Independent Director	3	No	None	None
Sri Tunuguntla Rama Krishna DIN:02324865	Non Executive Independent Director	5	Yes	None	None

\*Excludes alternate directorships, Directorships in Indian Private Limited companies & Foreign Companies

**Independent Directors Meeting:**

During the year ended March 31, 2022 Two Meetings of Independent Directors were held on 09<sup>th</sup> August, 2021, 14<sup>th</sup> February, 2022.

**Membership on other Boards:**

None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five committees across all the companies in which they are Directors. For this purpose, only membership and chairmanship in Audit Committee and Stakeholders Relationship Committee are considered. Every director informs the Company about the Committee positions he/she occupies in other companies and notifies the changes as and when it takes place.

**Code of Conduct & Ethics:**

The Company has adopted the code of conduct & ethics for all Board members and Senior Management as required under the SEBI (LODR) Regulations. The Code is posted on the Company's website: [www.bkvindustries.in](http://www.bkvindustries.in)

**Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually and the Committees viz., Audit, Nomination & Remuneration, Stake holders Relationship and Risk Management. A structured questionnaire was prepared after taking into consideration the inputs received from the Directors covering various aspects such as attendance, quality contributions to Board deliberations, providing perspectives and feedback going beyond the information provided by the management, commitment to shareholder and other stakeholders interests etc.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its minority shareholders etc. The performance evaluation of Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors at their meeting held separately.

- |      |  |     |
|------|--|-----|
| i.   | Observations of board evaluation carried out for the year. | NIL |
| ii.  | Previous year's observations and actions taken.            | NIL |
| iii. | Proposed actions based on current year observations.       | NIL |

**Board training and Induction:**

At the time of appointment, the Director is explained in detail the compliances required from him under the Companies Act, 2013 and SEBI Listing Regulations and other relevant regulations.

By way of an introduction to the Company, the MD/CFO interacts with the newly appointed Director and explains the functioning of various operations, developments, the Company's market share, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill his role as a Director of the Company.

**Board Committees:**

The Board has constituted Committees consisting of Executive and Non- Executive Directors to ensure focused attention on various facets of business and for better accountability.

Pursuant to the Companies Act, 2013 as on March 31, 2022 the Company has the following Committees:

1. Audit Committee,
2. Nomination & Remuneration Committee,
1. Stakeholders Relationship Committee,
4. Risk Management Committee,

Each of the above Committees has been mandated to operate within a given framework. The Minutes of the proceedings of the Committee Meetings are circulated to the Directors and noted at the Board Meeting.

**Directors retiring by rotation:**

The information is provided in the Notes appended to the Explanatory Statement of the Notice under the heading "Information under the Regulations of the SEBI (LODR) Regulations, 2015 regarding reappointment of Directors ".

**Disclosure of transactions where Non-Executive Directors have pecuniary interest:**

None of the Non-Executive Directors have any pecuniary relationship or transactions vis-a-vis the Company. The directors periodically disclose their interest in different companies and transactions/contracts with such companies are taken on record in the Board Meetings.

No. of equity shares held by the non-executive directors as on 31.03.2022.

Name of Smt. Bommidala Anitha - Non Executive Director No. of Shares held - 4,06,825 & Percentage- 2.63%

**Audit Committee:**
**(a) Brief description of terms of reference**

The Terms of reference of this committee cover the matters specified for Audit Committee under Regulation 18 of the SEBI (LODR) Regulations as well as Section 177 of the Companies Act, 2013, besides other terms as maybe referred by the Board of Directors. As on March 31, 2022, the Audit Committee of the Board comprises three members viz., Sri Tunuguntla Rama Krishna, Independent Director, Sri Nellore Dolendra Prasad, Independent Director and Smt. Bommidala Anitha. Sri Tunuguntla Rama Krishna, Independent Director and Chairman of the Audit Committee and was present at Annual General Meeting.

**(b) Composition, Meetings and attendance during the year**

The Audit Committee comprises of three non-executive directors. During the financial year ended 31<sup>st</sup> March, 2022 the committee met 4 times i.e. 29<sup>th</sup> June, 2021, 09<sup>th</sup> August, 2021, 13<sup>th</sup> November, 2021 and 14<sup>th</sup> February, 2022.

Name of the Director	Designation	Category	No. of meeting attended	
			Held	Attended
Sri Tunuguntla Rama Krishna	Chairman	Independent Non - Executive Director	4	4
Sri Nellore Dolendra Prasad	Member	Independent Non - Executive Director	4	3
Smt. Bommidala Anitha	Member	Non - Executive Director	4	4

**Terms of reference of Audit Committee:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of under takings or assets of the Company, wherever it is necessary and appointment of valuers;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors;
17. To recommend to the Board, appointment of Cost Auditors, if required and review of the reports there on;
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing experience and background, etc. of the candidate;
19. Oversee the vigil mechanism established for directors and employees-[Section 177(10) read with rule 7(2) Companies (Meetings of Board and its Powers)] Rules, 2014.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The scope of the Audit Committee also includes matters which are set out in SEBI (LODR) Regulations 2015, read with Section 177 of the Companies Act, 2013 and the rules made there under, as amended from time to time.

**Nomination and Remuneration Committee**

Nomination and Remuneration Committee comprising of three non- executive Directors Namely Sri Nellore Dolendra Prasad (Chairman), Smt. Bommidala Anitha and Sri Tunuguntla Rama Krishna as members.

Name of the Director	Designation	Category	No. of meetingat ended	
			Held	Attended
Sri NelloreDolendra Prasad	Chairman	Independent Non - Executive Director	2	2
Smt. Bommidala Anitha	Member	Non - Executive Director	2	2
Sri TunuguntlaRama Krishna	Member	Independent Non - Executive Director	2	2

The composition of the Nomination and Remuneration Committee and particulars of meetings held on 29<sup>th</sup> June 2021, and 14<sup>th</sup> February 2022 attended by the members of the Committee are given below:

Terms of reference:

The terms of reference of the Nomination and Remuneration Committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with criterial aid down and recommend to the board their appointment, removal and shall carry out evaluation of every director's performance.
3. Formulation of criteria for evaluation of Independent Directors and the Board.
4. Devising a policy on Board diversity.
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
6. Determine and recommend to the Board, the remuneration payable including any revision in remuneration payable to Managing Director/ Executive Directors/ Non-Executive Directors.
7. Take into consideration and ensure compliance of the provisions under Schedule V of the Companies Act, 2013 and the Rules made there under while determining the remuneration.
8. Consider such other matters as the Board may advise the Committee.

**Remuneration to Executive Directors:**

The details of the remuneration paid to Managing Director for the financial year 2021-2022 are given below:

Name of the Director	Sri Bommidala Rama Krishna Managing Director
Salary	Rs. 24,00,000
Benefits	-
Provident Fund	-
<b>Total</b>	<b>Rs. 24,00,000</b>

Remuneration paid as per Schedule V, Part II of the Companies Act, 2013

**Non - Executive Directors**

During the year, the company paid only sitting fees for Rs. 20,000/- attending the Board Meetings and Committee Meetings. In view of considerable earlier losses, though there is a profit during the current year, the company did not pay remuneration to the non-executive directors.

The detailed Remuneration Policy formulated by the Committee for members of the Board, Key Managerial Personnel and other employees of the Company is annexed to the Directors Report. The Company does not have any Employees Stock Option Scheme.

**Stakeholders Relationship Committee**

The composition of the Stakeholders Relationship Committee and particulars of meetings held on 29<sup>th</sup> June 2021, 09<sup>th</sup> August 2021, 13<sup>th</sup> November 2021 and 14<sup>th</sup> February 2022 attended by the members of the Committee are given below:

Name of the Director	Designation	Category	No. of meeting at ended	
			Held	Attended
Smt. Bommidala Anitha	Chairperson	Non - Executive Director	4	4
Sri Tunuguntla Rama Krishna	Member	Independent Non - Executive Director	4	3
Sri Bommidala Rama Krishna	Member	Executive Director	4	3

**Functions of the Committee:**

The company has a Stakeholders Relationship Committee comprises of three directors namely Smt. Bommidala Anitha, Non-executive Director, Sri Bommidala Rama Krishna, Managing Director and Sri Tunuguntla Rama Krishna, Non-executive Independent Director. The role and terms of reference of the Stakeholders Relationship Committee shall, inter-alia, include the following:

1. Dealing with the investors complaints like delay in transfers of shares, non- receipt of balance sheet, non- receipt of declared dividends/share certificates, dematerialization of shares, replacement of lost/stolen/ mutilated share certificates, etc.,
2. Investigate into investors complaints and take necessary steps for redressed there of.
3. To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Companies Act, 2013 and the Rules made thereunder, SEBI (LODR) Regulations 2015 and the guidelines issued by SEBI or any other regulatory authority.

The Stakeholders Relationship Committee met four times and reviewed shareholders complaints position and expressed satisfaction over the compliance of the investor grievances. All complaints received from the shareholders by the company are forwarded to Registrars and Share Transfer Agents "M/s. KFin Technologies Limited" for furnishing replies to the shareholders explaining the position of the complaints. The Registrars and Share Transfer Agents "M/s. KFin Technologies Limited" submits "Investor Grievance Report" every quarter which will be reviewed by the Stake holders Relationship Committee.

The Company received a total 12 no's of complaints from 01.04.2021 to 31.03.2022 from its shareholders, all of which were resolved within stipulated time to the satisfaction of the shareholders.

In terms of SEBI (LODR) Regulations 2015, the designated e-mail address for investor's complaints is [www.bkvind@bommidala.co.in](mailto:www.bkvind@bommidala.co.in)

**Name, designation and address of Compliance Officer:**

Mr. B. Virat Vishnu, Company Secretary and Compliance Officer,  
 BKV Industries Limited,  
 Bommidala House, # 5-87-15/A Lakshmipuram, Main Road, Guntur - 522 007.

**Risk Management Committee:**

Business risk evaluation and management is an ongoing process the organization. The Company has a reliable risk management frame work to identify, monitor and minimize risks.

Broadly, the scope of the Risk Management Committee comprises of

- (i) Reviewing the risks and evaluates treatment including initiating the mitigation actions and ownership and
- (ii) Defining framework for identification, assessment, monitoring, mitigation and reporting of risks. Within its overall scope, the Committee reviews risk trends, exposure, and potential impact analysis and mitigation plan.

The company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The company has introduced several improvements to risk management, internal controls and internal audit management and assurance and process to drive a common view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

During the financial year 2021-2022, the Committee met on 14<sup>th</sup> February, 2022.

The Composition of the Risk Management Committee as at March 31, 2022 and particulars of meetings held and attended by the members of the Committee are given below:

Name of the Director	Designation	Category	No. of meeting attended	
			Held	Attended
Smt. Bommidala Anitha	Chairperson	Non –Executive Director	1	1
Sri Tunuguntla Rama Krishna	Member	Independent Non – Executive Director	1	1

**General Body Meetings: Annual General Meetings:**

Details of location of the last three Annual General Meetings of the Company are given below:

Date of AGM	Time	Place	Details of Special Resolutions Passed
12 <sup>th</sup> September 2019	03.30 P.M.	Bommidala ColdComplex, Bypass Road, Lalpuram, Guntur	No Special Resolutions passed
26 <sup>th</sup> September 2020	03.30 P.M.	Through Video Conferencing (“VC”)/ Other Audio – Visual Means (“OAVM”)	Special resolution passed for Authority U/s 180 (1) (a) of the Companies Act., 2013 and Enhancement of Sri Bommidala Rama Krishna Remuneration.
27 <sup>th</sup> September 2021	03.30 P.M.	Through Video Conferencing(“VC”) /Other Audio-Visual Means (“OAVM”)	No Special Resolution passed

There has been no ordinary or special resolution passed by the company's shareholders through Postal Ballot during the previous three years.

**Extra-Ordinary General Meetings:**

No Extra Ordinary General Meetings have been conducted by the company during the last three years.

**Disclosures:**

- (i) During the year, there were no related party transactions that are material in nature and that may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in Notes to Accounts.

Disclosures from Senior Management that there had been no material financial and commercial transactions that had a potential conflict with the interest of the Company at large were placed before the Board.

- (ii) There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by Stock Exchanges or Securities Exchange Board of India or any statutory authority on any matter related to the capital markets during the last three years.
- (iii) Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, the Company has a Whistle-Blower Policy and Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimization of the persons who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in appropriate or exceptional cases. No employee of the Company was denied access to the Audit Committee. The said Vigil Blower Policy & Vigil mechanism has been posted at company's mail: [bkvind@bommidala.co.in](mailto:bkvind@bommidala.co.in)
- (iv) The Company has complied with all the mandatory requirements on Corporate Governance as specified in SEBI (LODR) Regulations. A compliance report in the prescribed format has been submitted to the Stock Exchanges for all the quarters.
- (v) The Company has also complied with the following non-mandatory requirements:

**Shareholder Rights:**

The quarterly financial results are published in leading financial newspapers and uploaded on the Company's websites besides being sent to the Stock Exchanges. The Company has therefore not been sending the quarterly financial results to the shareholders.

**Audit qualifications:**

Company's financial statements are unqualified.

**Reporting of Internal Auditor:**

The Internal Auditors of the Company directly report to the Audit Committee.

**Compliance certificate:**

Certificate from Auditors of M/s Kurapati SubbaRao & Co, Ongole confirming compliance with the conditions of Corporate Governance as required under Clause E of SCHEDULE V read with Regulation 34(3) Regulations of the SEBI (LODR) Regulations, 2015 is annexed to this Report.

**Declaration regarding compliance by Board Members and Senior Management with the Company's Code of Conduct for Director's and senior management:**

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2022 as envisaged in under Clause D of SCHEDULE V and Regulation 26 of the SEBI (LODR) Regulations 2015, with the Stock Exchanges.

Declaration that none of the Directors are disqualified

As stipulated by SEBI, a certificate from a Practicing Company Secretary has been obtained, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI or Ministry of Corporate Affairs (MCA) or any such statutory authority, and the same is annexed to this report



**Share Capital Audit:**

A qualified practicing Company Secretary carried out the audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Share Capital audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The audit is carried out every quarter and report thereon is submitted to the Stock Exchanges and is placed before the Board of Directors.

**Compliance:**

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify the instances of non-compliances, if any.

**Compliance of Clause 5A of the SEBI Listing Regulations, 2015:**

The disclosure as required under Clause 5A of the SEBI Listing Regulations is given below:

**Particulars of shareholders No. of Equity Shares:**

Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.

NIL

Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year.

NIL

Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.

NIL

**Transfer of Unpaid/Unclaimed amounts to Investor Education and Protection Fund:**

The Company did not declare any dividends from the inception hence, the question of transfer and payment in respect of such claims does not arise.

**Prevention of Insider Trading:**

Under the New Regulations notified by The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the requirements of initial disclosures are applicable to promoter, key managerial personnel and director of a company and requirements of continual disclosures are applicable to promoters, employees and director of a company. As required under the New Regulations, the Company has formulated a Code of practices and procedures for fair disclosures of unpublished price sensitive information and a Code of Conduct to regulate, monitor and report trading by insiders in securities of the Company.

**Means of Communication:**

The quarterly audited / un-audited financial results of the Company are published in Business Standard (National newspaper) and Andhra Prabha (vernacular newspaper). The financial results, shareholding pattern and other updates on the working of the Company have been posted on the Company's website: [www.bkvindustries.in](http://www.bkvindustries.in)

Company also submits, inter-alia, to the Stock Exchanges, the full version of the Annual Report; quarterly report on corporate governance; quarterly/ yearly financial results; quarterly shareholding pattern; quarterly secretarial audit report; details of appointment/resignation of Directors and such other reports as may be specified. In terms of the Regulations of the SEBI Listing Regulations with the Stock Exchanges, the Company also submits the statements, information and reports at <http://listing.bseindia.com> specified by BSE.

Under the SEBI Complaints Redress System (SCORES), the investor complaints are processed in a centralized web-based complaints redress systems wherein the concerned Companies can upload Action Taken Reports (ATRs) for the complaints and the investors can view the action taken on their complaints and its current status online. The Company has also designated the email id: [bkvind@bommidala.co.in](mailto:bkvind@bommidala.co.in) for investor servicing.

**General Shareholder Information:**

Annual General Meeting:

28<sup>th</sup> September 2022 at 03.30 P.M through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”), to seek the consent of the shareholders of the Company.

Financial Calendar

- a. Financial year: April to March
- b. First Quarter Results: In the Second week of August.
- c. Half yearly Results: In the Second week of November.
- d. Third Quarter Results: In the Second week of February.
- e. Fourth Quarter Results: In the Last week of May.

Dates of Book Closure: 22<sup>nd</sup> September 2022 to 28<sup>th</sup> September 2022 (both days inclusive).

Listing on Stock Exchanges: The Company's shares are presently listed on the following stock Exchanges:

- i. BSE Limited
- ii. The Calcutta Stock Exchange Ltd.

ISIN Number for NSDL & CDSL: INE 356 C 01022

**Registrars & Share Transfer Agents:**

M/s. KFin Technologies Limited

Karvy Selenium Tower, B, Plot No. 31 & 32, Gachibowli,

Financial District, Nanakramguda, Serilingampally, HYDERABAD - 500 032.

Phone No: 040 - 23312454

Fax No: 040 - 23001153

Contact Persons: Mr. N. Shyam Kumar

**E-mail ID of the Grievance Redressal Division:**

As required by the Regulation 13 SEBI (LODR) Regulations 2015, the company has opened separate e-mail ID of the Grievance Redressal Division viz. [bkvind@bommidala.co.in](mailto:bkvind@bommidala.co.in) mail ID for quick attention of the company.

**Share Transfer System:**

SEBI has notified the compulsory trading of equity shares of the Company in dematerialization form. The Company appointed M/s.KFin Technologies Limited as Registrars & Share Transfer Agents for transfers.

For demat shares, the Company is registered with NSDL and CDSL. The ISIN allotted to Equity Shares is INE356C01022.

Annual Custody/Issuer fee for the year 2021-2022 have been paid.

Distribution of Shareholding as on 31st March, 2022.

Shareholding (Range)	No. of Shareholders	Amount	%
1-5,000	14,058	32,51,135	21.04
5,001-10,000	49	3,47,454	2.25
10,001-20,000	21	2,78,773	1.80
20,001-30,000	6	1,49,339	0.97
30,001-40,000	2	70,300	0.46
40,001-50,000	3	1,25,148	0.81
50,001-1,00,000	4	3,18,251	2.06
1,00,001 & above	6	1,09,08,184	70.61
<b>Total</b>	<b>14,149</b>	<b>1,54,48,584</b>	<b>100.00</b>

Categories of Shareholding as on 31st March, 2022.

Category	No. of Shares	%
Promoters & Associates	1,08,15,784	70.01
Foreign Institutional Investors	-	-
Public Financial Institutions & Banks	5,000	0.03
Mutual Funds & UTI	41,900	0.27
Corporate Bodies	5,94,958	3.85
NRI's and OCB's	1,81,863	1.28
Indian Public	38,09,079	24.56
<b>Total</b>	<b>1,54,48,584</b>	<b>100.00</b>

Market Price: High / Low during each month in financial year 2021-22 in BSE and performance.

Month	High (Rs.)	Low (Rs.)
April, 2021	5.52	3.00
May, 2021	8.17	5.79
June, 2021	13.96	7.86
July, 2021	13.90	7.22
August, 2021	12.80	5.59
September, 2021	9.41	6.77
October, 2021	8.25	6.18
November, 2021	7.71	5.96
December, 2021	15.41	6.05
January, 2022	11.97	6.78
February, 2022	10.81	6.56
March, 2022	9.66	6.68

Dematerialization of Shares: 82.25% Equity shares of the company have been dematerialized as on 31<sup>st</sup> March, 2022.

**Dematerialization of shares and liquidity**

The Company's shares are compulsorily traded in dematerialized form. Through Kfin Technologies L., the Company's Registrars & Share Transfer Agents, connectivity has been established with both the Depositories in India viz., National Securities Depository Ltd. (NSDL) and Central Depository Services (India) CDSL). The Company's shares are traded on the BSE Limited and the Calcutta Stock Exchange Limited. BSE Ltd. Is in electronic form. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository system is: INE356C01022.

Category	No. of Shareholders	Total Shares	%
Physical	10,601	27,41,900	17.75
NSDL	1,616	1,18,72,883	76.85
CDSL	1,932	8,33,801	5.40
<b>Total</b>	<b>14,149</b>	<b>1,54,48,584</b>	<b>100.00</b>

Outstanding GDRs/ ADRs/ Warrants or any Convertible CERTIFICATE instruments, conversion date and likely impact on equity: The Company does not have any outstanding GDRs/ ADRs/ Warrants or any Convertible instruments.

**Plant Location:**

Shrimp Farm - Given on Long Term Lease Iskapalli, Allur Mandal, Potti Sreeramulu Nellore, Nellore Dist.,  
No. of Employees as on 31.3.2022 - 05 (Five)

**Address of Company for Correspondence:**

B K V Industries Limited,  
"Bommidala House",  
# 5-87-15/A,  
Lakshmipuram Main Road,  
Guntur - 522007.

**MANAGING DIRECTOR CERTIFICATION****Pursuant to Regulation 17(8) read with Schedule Part II(B) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015**

The Board of Directors

BKV Industries Limited

#5-87-15/A, Lakshmipuram Main Road, Guntur - 522007.

Sir,

I, Bommidala Rama Krishna, Managing Director certified that:

- A. We have reviewed the Balance Sheet and Profit and Loss and all its Notes on financial statements as well as the Cash Flow Statements, Statement of changes in equity and the Director's Report for the year ended 31<sup>st</sup> March, 2022.
  - a. These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading.
  - b. These statements together present a true and fair view of the company, and are in compliance with the existing Accounting Standards and/ or 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 Companies Code of Conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, the deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps we have taken to rectify these deficiencies.
- We have also disclosed to the auditors as well as Audit Committee, that to the best of our knowledge that there are no.
  - a. Significant changes in the internal control over financial reporting during the year.
  - b. Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud of which we have become aware and the involvement there in, if any of the management or an employee having significant role in the company's internal control system over financial reporting during the year.

On Behalf of Board of Directors  
For **BKV Industries Limited**

**BOMMIDALA RAMA KRISHNA**  
Managing Director  
DIN:00105030

Place: Guntur

Date: 25<sup>th</sup> May, 2022

**CERTIFICATE**

To  
The Members of  
**BKV Industries Limited,**

We have examined the compliance of conditions of Corporate Governance by BKV Industries Limited ('the company'), for the year ended 31<sup>st</sup> March 2022 as per Regulation 15 (2) of the Listing Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

**For Kurapati Subba Rao & Co,**  
Chartered Accountants

**CA K. Rajendra Prasad**  
M.No.: 207646  
UDIN:22207646AJOIUU9156

Place: Guntur  
Date: 25<sup>th</sup> May, 2022

## Independent Auditors' Report

To  
The Members of  
BKV Industries Limited,  
Report on the Audit of the standalone Indian Accounting standards (Ind AS) Financial Statements.

### Opinion

We have audited the accompanying standalone financial statements of BKV Industries Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the afore said standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manners or required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, (Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive profit, the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

Our findings with respect to going concern:

As included in Note No. 25 to the Standalone Ind AS financial statements, the company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intend to liquidate the company or to cease operations or has no realistic alternative but to do so.

Management has not identified a material uncertainty that cast significant doubt on the company's ability to continue as going concern and accordingly none is disclosed in the financial statements.

### Auditor's Response to KAMS

As part of our audit of the standalone Ind AS financial statements, we applied the necessary audit procedures under auditing standards and after considering the terms of the lease agreement the extending lease period of the farm, despite the Covid-19 global developments and slowdown in the global economics, as the lease income is a consistent income to the company to meet it's commitments. We concluded to concur with management's use of going concern basis of accounting in preparation of the Company's financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the

information included in the Board's Report including Annexures to Board's Report, Corporate Governance Report, Management Discussion and Analysis Report excluding standalone Ind AS financial statements and our auditor's report there on.

Our opinion on the standalone Ind AS financial statements does not cover the other information and does not express any form of assurance conclusions there on.

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

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

### **Management's Responsibility for Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including comprehensive income (Profit), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements 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 standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of Standalone Ind AS Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

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

Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Standalone Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### **Emphasis of Mater**

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

Note No.25 in the Standalone Ind AS financial statements which indicates that the company has accumulated losses, the company earned net profit during the current year, though the company incurred net profit in the previous year and the company's current liabilities exceeded the current assets as at the Balance sheet Date. These conditions indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, as the company has consistent lease income even though the economic slow down uncertainty due to Covid-19 pandemic situation to meet its financial commitments and hence, the accounts have drawn up on going concern basis.

As more specifically explained in Note:32 to the financial statements, the company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment and other assets. Based on current indicators of future economic conditions, the company expects to recover the carrying amount of these assets. The company continues to evaluate them as highly probable considering the lease and inherent uncertainty around the extent and timing of the potential future impact of the Covid-19 pandemic The company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Our opinion is not qualified in this matter.

**1. Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "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, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income(Profit), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the afore said standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long- term contracts including derivative contracts.
  - iii. There has been no delay in transforming amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The management of the Company and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associates respectively that, to the best of its knowledge and belief,
    - (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company and by the associates to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of any of such , associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) No funds have been received by the Company and respective associates from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company and any of such associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The company has not declared any final or interim dividend during the year from it's inception. Hence, the applicability of Section 123 of the Act to the extent it applies to the payment of dividend does not arise. The company do not have any Holding Companies and it's subsidiary companies and joint venture companies. No associate companies have declared any interim and final dividend for the year. Hence, the question of applicability of Sec 123 of the Act, to the extent it applies to declaration of dividend -approval of the members of the respective companies at the respective ensuing Annual General Meeting does not arise.

**For Kurapati Subba Rao & Co,**  
Chartered Accountants,  
Firm Regn. No. 001618S

**CA K. Rajendra Prasad**

Partner,  
M.No.:207646  
UDIN: 22207646AJOGTQ8787

Place: Guntur  
Date :25<sup>th</sup>May 2022

**Annexure - A of Independent Auditors' Report****Referred to in Paragraph of Report on Other Legal and Regulatory Requirements of our report of even date on the Accounts of the BKV Industries Limited, for the year ended 31st March 2022.**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has maintained proper records showing full particulars of intangible assets.
- (c) The company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were notified on such verification.
- (d) The title deeds of all the immovable properties of the Company shown under the Property, Plant and Equipment schedule are held in the name of Company.
- (e) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets or both during the year.
- (f) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transaction Act, 1988 and rules made thereunder.
- (ii) The company has given its farm on operating lease and hence does not hold any Inventory and the Company has not been sanctioned any working capital limits during the year from banks or financial institutions on the basis of security of current assets. Hence Paragraph 3 (ii) is therefore not applicable to the company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. -Hence, Clause 3 (iii) of the order is not applicable.
- (iv) The Company has not granted any loans/ investments/ guarantees, to which the provisions of Section 185 and 186 of the Act are applicable -Hence, Clause 3 (iv) of the order is not applicable.
- (v) The Company has not accepted deposits during the year. Hence, Clause 3 (v) of the Order is not applicable.
- (vi) As the company's farm given on operating lease and no other manufacturing activity is undertaken during the financial year 2021- 22 maintenance of cost records under section 48 does not arise. Thus paragraph 3 (vi) of CARO is not applicable to the company.
- (vii) (a) According to the information and explanations given to us, and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, goods and service tax, Duty of customs, cess, and any other statutory dues to the appropriate authorities. There are no arrears of undisputed statutory dues outstanding as at March 31, 2022 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of income tax or goods and service tax or duty of customs or duty of excise or value added tax, cess have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Companies Act. The Company does not hold any investment in any joint venture as defined under the Companies Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies as defined under the Companies Act. The Company does not hold any investment in any joint venture as defined under the Companies Act.
- (x) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence Paragraph 3(x) of the order is not applicable to the company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company/as per Nidhi rules 2014 and hence, Clause 3(xii) of the Order is not applicable.
- (xiii) All the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) (a) The Company has an Internal audit system commensurate with the size and nature of the business.
- (b) We have considered the reports of the Internal auditors for the period under audit.
- (xv) According to the information and explanation provided to us and based on our examination of records, the Company has not entered in to any non-cash transactions with Directors or persons connected with him and hence Clause 3(xv) is not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of

Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In our opinion and according to the information and explanations given to us, Sec 135 of the Companies Act, is not applicable to the company, as the net worth, turnover and net profit are within the limits applicable for the CSR activity. Accordingly, clause 3(xx) of the Order is not applicable.

**For Kurapati Subba Rao & Co,**  
Chartered Accountants,  
Firm Regn. No. 001618S

**CA K. Rajendra Prasad**  
Partner,  
M.No.:207646  
UDIN: 22207646AJOGTQ8787

Place: Guntur

Date :25<sup>th</sup> May 2022

### **“Annexure - B” of Independent Auditors' Report**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date) Report on the Internal Financial Controls under Clause (l) of Subsection 3 of Section 143 of the Companies Act, 2013 (the act).

We have audited the internal financial controls over financial reporting of BKV Industries Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS 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.

#### **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, issued by ICAI and deemed to be prescribed

under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial Reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2022, based on 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 Kurapati Subba Rao & Co,**  
Chartered Accountants,  
Firm Regn. No. 0016185

**CA K. Rajendra Prasad**  
Partner,  
M.No.:207646  
UDIN: 22207646AJOGTQ8787

Place: Guntur

Date :25<sup>th</sup> May 2022

**Balance Sheet as at 31st March 2022**

(Rs. In lakhs)

Particulars	Note No	As at 31-03-2022	As at 31-03-2021
<b>ASSETS</b>			
Non - Current Assets	2		
Property, Plant and Equipment	(a)	413.06	413.42
Capital Work in Progress	(b)	7.89	-
Intangible Assets	(c)	-	-
Financial Assets	3		
Investments	(a)	0.03	0.03
Loans		-	-
Other Financial Assets	(b)	1.48	1.48
Other non - current Assets	4	0.03	0.03
Total non - current Assets		422.49	414.96
Current Assets			
Inventories		-	-
Financial Assets	5		
Trade Receivables		-	-
Cash & Cash equivalents	(a)	1.71	10.58
Loans	(b)	-	-
Other Financial Assets		-	-
Current Tax Asset (Net)	6	12.28	8.86
Other Current Assets	7	1.95	0.84
Total Current Assets		15.94	20.27
Total Assets		438.43	435.23
<b>EQUITY AND LIABILITY</b>			
Equity	8		
Equity share capital	(a)	154.49	154.49
Other Equity	(b)	254.10	237.00
Total Equity		408.59	391.49
Liabilities			
Non - Current Liabilities			
Financial Liabilities	9	-	-
Borrowings		-	-
Other Financial Liabilities		-	-
Provisions	10	7.36	6.64
Other Non - Current Liabilities		-	-
Total Non - Current Liabilities		7.36	6.64
Current Liabilities			
Financial Liabilities	11		
Borrowings	(a)	4.00	8.00
Trade Payables		-	-
Total outstanding dues of Micro, Small and Medium enterprises	(b)	-	-
Total outstanding dues of creditors other than Micro, Small and Medium enterprises		0.01	10.58
Other Financial Liabilities	(c)	0.01	-
Provisions	10	0.39	0.37
Other Current Liabilities	12	18.07	18.15
Total Current Liabilities		22.48	37.10
Total Liabilities		29.84	43.74
Total Equity and Liabilities		438.43	435.23

Significant Accounting policies and notes to the financial statements are an integral part of this Balance Sheet.  
As per our attached report of even date.

For and on behalf of the Board

**For Kurapati Subba Rao & Co.,**

Chartered Accountants,  
Firm Regn.No: 001618S,

**K. Rajendra Prasad,**  
Partner.  
(M.No:207646)

Date: 25.05.2022  
Place: Guntur

**Bommidala Rama Krishna**  
Managing Director  
DIN:00105030

**B. Virat Vishnu**  
Company Secretary

**Bommidala Anitha**  
Director  
DIN: 00112766

**K. Bhanu Kumar**  
Chief Financial Officer



**Statement of Profit and Loss for the Year Ended 31st March 2022**

(Rs. In lakhs)

S.No:	Particulars	Note No.	For the Year ended	
			31/3/2022	31/3/2021
I	Revenue From Operations	13	70.18	61.62
II	Other Income	14	0.78	1.72
III	<b>Total Income (I+II)</b>		<b>70.96</b>	<b>63.34</b>
IV	<b>EXPENSES</b>			
	Employee benefits expense	15	35.78	26.25
	Finance costs	16	-	1.43
	Depreciation and amortization expense	2	0.50	0.58
	Other expenses	17	17.77	14.69
	<b>Total expenses (IV)</b>		<b>54.05</b>	<b>42.95</b>
V	Profit/(loss) before exceptional items and tax (III-IV)		16.91	20.39
VI	Exceptional Items		-	-
VII	Profit/(loss) after exceptional items before tax (V-VI)		16.91	20.39
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax			
IX	Profit/(loss) for the year (VII-VIII)		16.91	20.39
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the year (IX+XII)		16.91	20.39
XIV	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to Profit of (Loss) Remeasurements Gains/(Loss) on defined benefit plans		0.18	8.83
	(ii) Income tax relating to items that will not be reclassified to Profit or (Loss)		-	-
	B (i) Items that will be reclassified to Profit or (Loss)		-	-
	(ii) Income tax relating to items that will be reclassified to Profit of (Loss)		-	-
	<b>Total Comprehensive Income</b>		<b>0.18</b>	<b>8.83</b>
XV	Total Comprehensive Income for the year (XIII+XIV)			
	(Comprising Profit/ (Loss) and Other Comprehensive Income for the year		17.09	29.22
XVI	Earnings per equity share (for continuing operation)			
	(1) Basic	19	0.11	0.19
	(2) Diluted			

Significant Accounting policies and notes to the financial statements are an integral part of this Profit and Loss. As per our attached report of even date.

For and on behalf of the Board

**For Kurapati Subba Rao & Co.,**

Chartered Accountants,  
Firm Regn.No: 001618S,

**K. Rajendra Prasad,**  
Partner.  
(M.No:207646)

Date: 25.05.2022  
Place: Guntur

**Bommidala Rama Krishna**  
Managing Director  
DIN:00105030

**B. Virat Vishnu**  
Company Secretary

**Bommidala Anitha**  
Director  
DIN: 00112766

**K. Bhanu Kumar**  
Chief Financial Officer

**Statement of Cash Flows for the Year Ended 31st March 2022**

(Rs. In lakhs)

Particulars	Year ended	
	31/3/2022	31/3/2021
<b>A. Cash flow from operating activities</b>		
Net Profit before Income Tax	16.91	20.39
Adjustments for		
Depreciation and amortisation expense	0.50	0.58
Interest income classified as investing cash flows	-0.78	-1.72
Finance costs	-	1.43
Remeasurement of employee benefits	0.18	8.83
<b>Operating Profit before working Capital changes</b>	<b>16.81</b>	<b>29.51</b>
<b>Adjustments for changes in working capital</b>		
Increase/ (Decrease) in trade payables	-10.57	9.43
(Increase)/Decrease in other financial assets	-	2.77
(Increase)/decrease in other non-current assets	-	-
(Increase)/decrease in other current assets	-1.10	1.38
Increase/(Decrease) in employee benefit obligations	0.72	-7.27
(Decrease)/Increase in other financial liabilities	0.02	-0.15
Increase in other current liabilities	-0.08	3.03
<b>Cash generated from operations</b>	<b>5.80</b>	<b>38.70</b>
Income Tax paid	-3.42	-0.56
<b>Net cash inflow from (used in) operating activities</b>	<b>2.38</b>	<b>38.14</b>
<b>B. Cash flows from investing activities</b>		
(Purchase)/ Sale of Fixed Assets	-8.03	-
Interest received	0.78	1.72
<b>Net cash outflow from (used in) investing activities</b>	<b>-7.25</b>	<b>1.72</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from borrowings ( Net )	-4.00	-30.49
Interest paid	-	-1.43
<b>Net cash inflow (outflow) from financing activities</b>	<b>-4.00</b>	<b>-31.92</b>
<b>D. Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>-8.87</b>	<b>7.94</b>
E. Cash and cash equivalents at the beginning of the year	10.58	2.64
<b>Cash and cash equivalents at end of the year</b>	<b>1.71</b>	<b>10.58</b>

Significant Accounting policies and notes to the financial statements are an integral part of this Cash Flow Statement. As per our attached report of even date.

For and on behalf of the Board

**For Kurapati Subba Rao & Co.,**

Chartered Accountants,  
Firm Regn.No: 001618S,

**K. Rajendra Prasad,**

Partner.  
(M.No:207646)

Date: 25.05.2022

Place: Guntur

**Bommidala Rama Krishna**

Managing Director  
DIN:00105030

**B. Virat Vishnu**  
Company Secretary

**Bommidala Anitha**

Director  
DIN: 00112766

**K. Bhanu Kumar**  
Chief Financial Officer

**Statement of Changes in Equity for the Year Ended 31st March 2022**
**A. Equity Share Capital**

(Rs. In lakhs)

As at 31st March 2020					154.49
Changes in equity share capital during the year					-
As at 31st March 2021					154.49
Changes in equity share capital during the year					-
<b>As at 31st March 2022</b>					<b>154.49</b>

**B. Other Equity**

(Rs. In lakhs)

Particulars	Reserves and Surplus		Revaluation Surplus	Other items of Other Comprehensive Income	Total
	Securities Premium Reserve	Surplus in Statement of Profit and Loss			
Balance as at 01st April 2020	211.81	-378.66	376.83	-2.19	207.79
Remeasurements Gains/(Loss) on defined benefit plans	-	-	-	8.83	8.83
Additions during the year	-	20.39	-	-	20.39
Total Comprehensive Income	-	20.39	-	8.83	29.22
<b>Balance as at 31st March 2021</b>	<b>211.81</b>	<b>-358.27</b>	<b>376.83</b>	<b>6.64</b>	<b>237.00</b>
Balance as at 01st April 2021	211.81	-358.27	376.83	6.64	237.00
Remeasurements Gains/(Loss) on defined benefit plans	-	-	-	0.18	0.18
Additions during the year	-	16.91	-	-	16.91
Total Comprehensive Income	-	16.91	-	0.18	17.09
<b>Balance as at 31st March 2022</b>	<b>211.81</b>	<b>-341.36</b>	<b>376.83</b>	<b>6.82</b>	<b>254.10</b>

For and on behalf of the Board

**For Kurapati Subba Rao & Co.,**

 Chartered Accountants,  
Firm Regn.No: 001618S,

**K. Rajendra Prasad,**

 Partner.  
(M.No:207646)

Date: 25.05.2022

Place: Guntur

**Bommidala Rama Krishna**

 Managing Director  
DIN:00105030

**B. Virat Vishnu**  
Company Secretary

**Bommidala Anitha**

 Director  
DIN: 00112766

**K. Bhanu Kumar**  
Chief Financial Officer

**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022.****1. Corporate Information**

BKV Industries Limited-and reduced ('the company') is a public limited company in India having its registered office at Guntur, in the State of Andhra Pradesh engaged in the aqua culture business. However, the company had since given its aqua farm situated at Isakapally for lease for seven years from July, 2013 and the same is since extended by another seven years from July 2020. The Company's shares are listed at BSE Limited.

**1.2. Statement of Compliance**

The financial statements have been prepared in accordance with Ind AS notified and reversed under section 133 of the Companies Act, 2013 (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act.

**1.3. Significant Accounting Policies****1.3.1 Basis of Preparation**

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period. As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current assets per the operating cycle and other criteria set out in IndAS1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest Rs. In Lakhs with to decimals and negative numbers disclosed in brackets.

**Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

**1.3.2 Property Plant and Equipment (PPE)**

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Only in case of class of assets of land property, the Company has availed fair value as deemed cost on the date of transition to Ind AS and except when, there are indications of major changes in the land value and also in view of Covid-19, the revaluation of the land will be under taken once in every five years.

Cost include purchase price of assets or its construction cost including inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use.

For eligible assets, interest and other costs incurred on/ related to borrowings to finance such assets or fixed assets during construction period and related pre-operative expenses are capitalized.

The component of assets is capitalized only if the life of the components varies significantly and whose cost is significant in relation to the cost of the respective asset. The carrying amount of any component accounted for as separate asset is derecognized when replaced.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Capital Work in progress includes preoperative and development expenses, equipment to be installed, construction and erection materials, advances etc. Such items are classified to the appropriate categories of PPE when completed and ready for intended use.

**Depreciation and Amortization**

Depreciation on PPE is provided as per Schedule II of the Companies Act, 2013 on Written Down Value method, over the useful life of Property (excluding the freehold land), Plant, and Equipment at all location of the Company.

No depreciation is charged on Free hold land. Depreciation on Property, Plant and Equipment commences when the assets are ready for their intended use. The residual value for all the above assets are retained at 5% of the cost. On tangible fixed assets added/disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used. Depreciation methods, useful lives, residual values are reviewed and adjusted as appropriate, at each reporting date.

### 1.3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price of incurred less accumulated amount of amortization and impairment losses. Such assets are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

### 1.3.4 Derecognition of Tangible and Intangible assets

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

### 1.3.5 Leases

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as finance lease. A lease that no substantial transfer of risk and reward of the property to the Company, such lease is classified as operating lease.

#### **Company as a lessee:**

The Company at the commencement of the lease contracture cognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the lease term. The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right of use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. The estimated useful lives of right-of- use assets are determined on the same basis as those of property, plant and equipment. The Company applies IndAS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets. For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease.

#### **Company as a lessor:**

Lease income is recognized on a straight-line basis over the terms of the lease, except for contingent rental income which is recognized when it arises and where scheduled increase in rent compensates the loss or for expected inflationary costs.

Lessor accounting under Ind AS 116 is substantially unchanged compared to IndAS17. Therefore, Ind AS116 did not have an impact on leases of the company as the Company as the lessor, there are no changes. However, As per the revised lease terms are as follows: a. The Company has extended 7 years lease of Farm with all assets located in the farm from July 2020 onwards to M/s CPF (India) Private Limited. b. the lease rent is agreed to increase by 10% every two years. c. Lease rent to be paid in advance every year. d. Company had agreed to provide the fencing in the boundary of the land, wherever required. The company is in the process of getting the boundary fencing done, however, due to Covid-19, the process is getting delayed and the costs incurred will be capitalized under Property, Plant and Equipment and further, the company didn't take any assets on lease.

### 1.3.6 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

### 1.3.7 Financial Assets and Financial Liabilities Initial recognition and measurement

Financial assets and financial liabilities are recognized and measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Trade receivables are recognized at their transaction value as the same do not contain significant financing component. Trade payables in respect of the amount due on account of goods or services purchased in the normal course of business and are recognized at their transaction value and services availed value as the same do not contain significant financing component.

#### **Non-derivative financial assets Subsequent measurement**

Financial assets carried at amortized cost - a financial asset is measured at the amortized cost, if both the following conditions are met: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI) - Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling the financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments principal and interest on principal amount outstanding. The election is made on instrument by instrument basis.

Financial assets at Fair Value Through Profit or Loss (FVTPL) - Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at a mortised cost or at fair value through other comprehensive income. The election is made on instrument by instrument basis.

As there are no investments made by the company in the categories under FVTPL and FVTOCI, the question of election of such a measurement during the period of reporting did not arise.

Impairment and Derecognition of Financial Assets All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any evidence of impairment of a financial asset or group of financial assets.

In accordance with Ind AS 109, the Company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12- months expected credit losses (expected credit losses that results from those default events on the financial instrument that are possible within 12 months after the reporting date) : or
- Full lifetime expected credit losses (expected credit losses that results from all possible default events over the life of the financial instrument.)

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

#### **Non-derivative financial liabilities**

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual

obligations. Any discount or premium on redemption / settlement is recognized in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

### **Equity Instruments**

Equity Instruments are recognized at the value of the proceeds net of direct costs of the capital issue.

### **Subsequent measurement**

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortized cost using the effective interest rate method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in statement of profit and loss.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortized cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### **De-recognition of financial instruments.**

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for recognition under Ind AS 109.

A Financial liability (or apart of a Financial Liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **Derivative financial instruments and hedge accounting**

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet strict conditions with respect to documentation, strategy and economic relationship of the hedged transaction.

For the reporting periods under review, the Company do not have any derivative instruments including forward currency contracts, and hence question of derivative and hedge accounting does not arise.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis and to realize the assets and settle the liabilities simultaneously.

#### **1.3.8 Inventories**

Inventories are valued at lower of cost or net realizable value. Cost of inventories is ascertained on 'weighted average' basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

Cost in respect of raw materials and stores and spares includes all expenses incurred in bringing the material to the location and excludes the credit availed with respect to duties and taxes. Cost in respect of finished goods represents prime cost and includes appropriate portion of overheads. Cost in respect of process stock represents, cost incurred up to the stage of completion, including the landed cost of raw materials.

#### **1.3.9 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an out flow of resources and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision is the best estimate of the

consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an out flow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognized but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

#### 1.3.10 Employee Benefits Short term obligations

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

#### **Post-employment obligation**

Contribution to defined contribution plans such as Provident Fund, ESI earned leave, are not applicable to the company, as the number of employees is lower than the prescribed limit under the respective Acts.

The liability or asset is recognized in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by the Actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash out flows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation. The company do not have any plan assets for meeting the gratuity liability.

Remeasurement gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in other comprehensive income net of taxes.

#### 1.3.11 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of rebates or taxes collected on behalf of the government. The specific recognition criteria described below must also be met before revenue is recognized.

#### **Lease income**

Lease income is recognized on a straight-line basis over the terms of the lease, except for contingent rental income which is recognized when it arises and where scheduled increase in rent compensates the loss or for expected inflationary costs.

#### **Sale of services**

Revenue in respect of maintenance services is recognized on an accrual basis, in accordance with the terms of the respective contract.

#### **Other Income**

Interest income

Interest income from a financial asset is recognized and accrued on time proportion basis.

#### **Dividend Income**

Dividends Revenue is recognized when the Company's right to receive the payment is established.



### 1.3.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

### 1.3.13 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

As there are substantial carry forward tax losses and depreciation, and that it is not probable that there will be taxable profits, in the near future, hence, no current tax and deferred tax asset is recognized by the company.

### 1.3.14 Foreign Currency Transactions and Derivatives

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate as at the date of transaction and are not re-translated. The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary assets and liabilities in foreign currency, are recognized in the Statement of Profit and Loss.

### 1.3.15 Segment Reporting

Operating segments are identified and reported taking into account the different risk and return, organization structure and internal reporting system. However, the company during the period under reporting, do have only one segment of lease income from the farm, and hence, the company has one reportable segment.

### 1.3.16 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued up on conversion of all dilutive potential equity shares.

### 1.3.17 Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting

date are not accounted, but disclosed. No adjusting or significant events have occurred between 31<sup>st</sup> March 2022 and reporting date and the date of authorization.

#### 1.3.18 Dividend Distribution

Dividends paid are recognized in the period in which the interim dividends are approved by the Board of Directors and in the case of final dividend, when approved by the Shareholders.

#### 1.3.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby the profit/(loss) and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from operating, investing and financing activities of the Company are segregated based on available information.

For this purpose, cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short term balances with original maturity of three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 1.4 Significant management judgement in applying accounting policies and estimation uncertainty.

1.4.1 The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions about the recognition and measurement that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

1.4.2 Recognition of deferred tax assets - The Company did not recognize the Deferred Tax Assets, as it is not probable future taxable income will be available against which deductible temporary difference, in view of carry forward tax losses and unabsorbed depreciation.

1.4.3 Evaluation of indicators for impairment of non- financial assets in assessing impairment, management has estimated economic usefulness of the assets, the recoverable amount of each asset or cash- generating units based on expected future cash flows and use of an interest rate to discount them. Estimation of uncertainty relates to assumption about economically future operating cash flows and the determination of a suitable discount rate.

1.4.4 Classification of leases - The Company entered into leasing arrangement for farm assets. The classification of the leasing arrangement as operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term.

1.4.5 Impairment of financial assets at each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets. The company has considered the short-term deposits with the Banks considered under cash and cash equivalents, as they are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.4.6 Provisions at each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

1.4.7 Useful life of depreciable assets -Management reviews it's estimates of the useful lives of Plant, Property and Equipment, Investment Property and Intangible Assets at each reporting date, based on expected utility of the assets.

1.4.8 Defined benefit obligation (DBO)- Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

1.4.9 Fair value measurements -Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based its assumptions on observable data as far as possible but where it is not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction on the reporting date.

#### **Impact of COVID-19 (pandemic)**

1.4.10 The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition, impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets.

#### **1.5 New Amendments not yet adopted by the Company**

Indian Parliament has approved the code on Social Security 2020, which may not impact the company, as the total number of employees are only 5 no's as on 31<sup>st</sup> March 2022. However, the company will assess and give appropriate impact in its financial statements in the period in which the Code becomes effective and related rules are published.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes forming part of the Financial Statements

Assets:

Note 2: Non Current Assets:

(a) Property, Plant and Equipment

(Rs. In lakhs)

Particulars	Free Hold Land	Buildings	Furniture, Fittings & Electrical Installations	Office Equipment	Plant & Machinery	Vehicles	Data Processing Equipment	Total
Gross carrying amount as on 01st April 2020	398.51	45.33	1.57	0.97	281.99	1.75	0.06	730.16
Additions / (Delitions) during the year	-	-	-	-	-	-	-	-
Closing gross carrying amount as at 31st March 2021	398.51	45.33	1.57	0.97	281.99	1.75	0.06	730.16
Additions / (Delitions) during the year	-	-	-	0.14	-	-	-	0.14
Closing gross carrying amount as at 31st March 2022	398.51	45.33	1.57	1.11	281.99	1.75	0.06	730.30
Accumulated depreciation as at 01st April 2020	-	39.09	1.54	0.91	272.89	1.69	0.06	316.16
Depreciation charge during the year	-	0.54	0.01	0.01	-	0.02	-	0.58
Accumulated depreciation as at 31st March 2021	-	39.63	1.55	0.92	272.89	1.71	0.06	316.74
Depreciation charge during the year	-	0.48	-	0.01	-	0.01	-	0.50
<b>Accumulated depreciation as at 31st March 2022</b>	-	<b>40.11</b>	<b>1.55</b>	<b>0.93</b>	<b>272.89</b>	<b>1.73</b>	<b>0.06</b>	<b>371.24</b>
<b>Net carrying amount Year ended 31st March, 2022</b>	<b>398.51</b>	<b>5.22</b>	<b>0.02</b>	<b>0.18</b>	<b>9.10</b>	<b>0.02</b>	-	<b>413.06</b>
Net carrying amount Year ended 31st March, 2021	398.51	5.70	0.02	0.05	9.10	0.04	-	413.42

Description	31.03.2020	31.03.2021	Additions/ Adjustments	Capitalised during the year	Others	31.03.2022
Capital Work in Progress (CWIP)	-	-	7.89	-	-	7.89

CWIP Agering Schedule

Amount in CWIP for a period of	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital Work in Progress (CWIP)	7.89	-	-	-	7.89

Of the above there are no projects where the cost has exceeded the budget and there was no delay in completion of the project.

## Notes forming part of the Financial Statements

## Intangible Assets and Intangible Assets under Development

Particulars	Intangible Assets	Total
Closing gross carrying amount as at 31st March 2020	-	-
Additions / (Delitions) during the year	-	-
Closing gross carrying amount as at 31st March 2021	-	-
Additions / (Delitions) during the year	-	-
<b>Closing gross carrying amount as at 31st March 2022</b>	-	-
Accumulated depreciation as at 31st March 2020	-	-
Additions / (Delitions) during the year	-	-
Depreciation charge during the year	-	-
Accumulated depreciation as at 31st March 2021	-	-
Additions / (Delitions) during the year	-	-
Depreciation charge during the year	-	-
<b>Accumulated depreciation as at 31st March 2022</b>	-	-
<b>Net carrying amount Year ended 31st March, 2022</b>	-	-
Net carrying amount Year ended 31st March, 2021	-	-

**Note:**

There are no Intangible assets and Intangible assets under development (IAUD), hence the aging of IAUD is not disclosed.

Hence, incase of the cost of the project than budget and delay in completion of the project does not arise.

**Leased assets**

Land, Buildings, Furniture & Fittings and equipment includes the following amounts where Company is a lessor under operating lease:

Particulars	(Rs. In lakhs)	
	31-03-2022	31-03-2021
Land, Buildings, Plant and Machinery, Furniture, Fittings and equipment		
Cost / Deemed cost	727.39	727.39
Less Accumulated depreciation	314.54	314.07
<b>Net Carrying Amount</b>	<b>412.85</b>	<b>413.32</b>

## Notes forming part of the Financial Statements

**Note 3: Financial assets**

Investments

(a) Non - current investments

(Rs. In lakhs)

Particulars	As at 31 - Mar - 22	As at 31 - Mar - 21
Investment in government securities		
Unquoted		
NSC Bonds	0.03	0.03
<b>Total</b>	<b>0.03</b>	<b>0.03</b>
Total non - current investments measured at cost	0.03	0.03
Aggregate amount of unquoted investments.	0.03	0.03
Aggregate amount of impairment in the value of investments.	-	-

**Note:** There are no Investments by the Company in any subsidiaries or Joint ventures in India and out side India during the year and as on 31<sup>st</sup> March 2021 and as on 31<sup>st</sup> March 2022. Hence, the question of compliance with Regulation with the no. of layers prescribed under Section 2 (87) of Act., read with Companies ( Restricted on number of layers) Rule 2017 do not arise.

(b) Other financial assets

Particulars	As at 31 - Mar - 22	As at 31 - Mar - 21
(unsecured considered good - Unless otherwise stated)		
Electricity Deposit -		
Current	-	-
Non Current	-	-
Security Deposit with Government authorities		
Considered good	1.48	1.48
Considered doubtful	-	-
Less: Allowance for doubtful receivable	-	-
<b>Total</b>	<b>1.48</b>	<b>1.48</b>

**Note:**

Movement in allowance for doubtful receivable is Nil (Previous year Nil)

As the security deposit discounting for time value is impractical and not material. Hence fair valuation is not carried out during the year.

**Note 4: Other Non Current Asset**

Particulars	As at 31 - Mar - 22	As at 31 - Mar - 21
(unsecured considered good - Unless otherwise stated)		
Interest accrued and due on Investment	0.03	0.03
<b>Total</b>	<b>0.03</b>	<b>0.03</b>

**Note 5: Current Assets**

Financial Assets:

**Trade Receivables**

Particulars	March 31, 2022	March 31, 2021
<b>Unsecured</b>		
Considered good - Unsecured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
Less: - Loss allowance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Notes forming part of the Financial Statements**
**Ageing of trade receivables**
**As on March 31, 2022**

(Rs. In lakhs)

Particulars	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>Undisputed</b>							
Considered good	-	-	-	-	-	-	-
Having significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Considered good	-	-	-	-	-	-	-
Having significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Sub-total</b>	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-

**As on March 31, 2021**

Particulars	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>Undisputed</b>							
Considered good	-	-	-	-	-	-	-
Having significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Considered good	-	-	-	-	-	-	-
Having significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Sub-total</b>	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-

Movement in the allowance for impairment of trade receivables – Not Applicable

 There are no unbilled receivable as at 31<sup>st</sup> March 2022 (Pervious year – Nil).

**(a) Cash and cash equivalents**

Particulars	As at 31- Mar- 22	As at 31- Mar- 21
Cash on hand	0.11	0.18
Balances with banks		
- in current accounts	1.60	3.40
- In Deposit Accounts –HDFC*	-	7.00
<b>Total</b>	<b>1.71</b>	<b>10.58</b>

\* Represent Deposits with original maturity of less than or equal to three months .

**(b) Loans**

(Rs. In lakhs)

Particulars	As at 31- Mar- 22	As at 31- Mar- 21
(Unsecured, considered good)		
Loan to employees - Current	-	-
Non Current	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Notes forming part of the Financial Statements**
**Note:**

- (a) Company has not extended any loans or advances in the nature of loans repayable on demand or without specify any terms or period of repayment to promoters, key manager personal and related parties during the year and there are no dues as at the end of 31<sup>st</sup> March 2021 and as at 31<sup>st</sup> March 2022.
- (b) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entities including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (c) The Company has not received any funds from any person(s) or entity (ies) including foreign entities (funded party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other person or entities identified in any moment whatsoever by or on behalf of the funding party ( Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**Note 6: Current Tax assets (Net)**

(Rs. In lakhs)

Particulars	As at 31- Mar- 22	As at 31- Mar- 21
Advance Income Taxes	12.28	8.86
<b>Total</b>	<b>12.28</b>	<b>8.86</b>

**Note 7: Other current assets**

Particulars	As at 31- Mar- 22	As at 31- Mar- 21
(unsecured considered good- Unless otherwise stated)		
Advances for Expenses		
Considered Good	0.91	0.10
Considered doubtful	-	-
Less: Allowance for doubtful advances	-	-
Balances with Government authorities	0.92	0.60
Others*	0.12	0.14
<b>Total</b>	<b>1.95</b>	<b>0.84</b>
• Include pre paid expenses	0.12	0.03

**Note 8: Equity share capital and other equity**
**(a) Equity share capital**

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised Share Capital 115000000 (Previous year: 115000000) equity shares of Rs 1/ each	1,150.00	1,150.00
<b>As at 31 March 2022</b>	<b>1,150.00</b>	<b>1,150.00</b>
Issued, Subscribed and fully paid up 15448584 (Previous year: 15448584) equity shares of Rs 1/ each	154.49	154.49
<b>As at 31 March 2022</b>	<b>154.49</b>	<b>154.49</b>



## Notes forming part of the Financial Statements

## Shares held by Promoters as at 31st March 2022

Particulars	No.of shares	%	% Change during the year
Bommidala Saroja Devi	1,13,716	0.74	-
Bommidala Anitha	4,06,825	2.63	-
Bommidala Srinivas	2,36,900	1.53	-
Bommidala Rama Krishna	98,66,821	63.87	-
Bommidala Kasiviswanadham	1,58,822	1.03	-
Polisetty Gnana Dev	14,200	0.09	-
Pitchaiah Pulikonda	5,000	0.03	-
B. Rajeswari	5,000	0.03	-
Polisetty Ekanadha Gupta	5,000	0.03	-
Devisetty Rama Devi	3,500	0.02	-
<b>Total</b>	<b>1,08,15,784</b>	<b>70.01</b>	

## Shares held by Promoters as at 31st March 2021

Particulars	No.of shares	%	% Change during the year
Bommidala Saroja Devi	1,13,716	0.74	-
Bommidala Anitha	4,06,825	2.63	-
Bommidala Srinivas	2,36,900	1.53	-
Bommidala Rama Krishna	98,66,821	63.87	-
Bommidala Kasiviswanadham	1,58,822	1.03	-
Polisetty Gnana Dev	14,200	0.09	-
Pitchaiah Pulikonda	5,000	0.03	-
B. Rajeswari	5,000	0.03	-
Polisetty Ekanadha Gupta	5,000	0.03	-
Devisetty Rama Devi	3,500	0.02	-
<b>Total</b>	<b>1,08,15,784</b>	<b>70.01</b>	-

## Reconciliation of Equity Shareholding

Particulars	As at 31 March 2022	As at 31 March 2021
As at 1 April 2021		
No.of Shares	1,54,48,584	1,54,48,584
Additions	-	-
<b>Total</b>	<b>1,54,48,584</b>	<b>1,54,48,584</b>

The Company has only one class of equity shares having a par value of Rs.1/ per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. After distribution of all preferential amounts if any, the distribution will be proportion to the number of equity shares held by the shareholders.

**Notes forming part of the Financial Statements**
**Details of shareholders holding more than 5% shares in the company**

Particulars	As at 31 March 2022	As at 31 March 2021
Sri Bommidala Rama Krishna		
No.of Shares	98,66,821	98,66,821
% of holding	63.87	63.87

**(b) Other Equity**

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium reserve	211.81	211.81
Revaluation Reserve	376.83	376.82
Items of other Comprehensive Income (Items that will not be reclassified to Profit and Loss)	6.82	6.64
Surplus in statement of Profit and Loss	-341.36	-358.27
<b>Total</b>	<b>254.10</b>	<b>237.00</b>

**Note 9: Non Current Liabilities**
**Financial Liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Non current - Unsecured		
Borrowing	-	-
Other Financial Liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 10: Provisions:**
**Employee benefit obligations**

Particulars	As at 31 March 2022	As at 31 March 2021
Defined Benefit Obligations		
Gratuity - Current	0.39	0.37
Non Current	7.36	6.64
<b>Total</b>	<b>7.75</b>	<b>7.01</b>

**Notes forming part of the Financial Statements**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:  
(Rs. In lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Total	Impact of minimum funding requirement/ asset ceiling	Net Amount
As of 01- 04 -2020	<b>14.43</b>	-	<b>14.43</b>	-	<b>14.43</b>
Current service cost	0.39	-	0.39	-	0.39
Past service cost	-	-	-	-	-
Interest expense/(income)	1.01	-	1.01	-	1.01
<b>Total amount recognised in profit and (loss)</b>	<b>1.40</b>	-	<b>1.40</b>	-	<b>1.40</b>
Remeasurement's					
(Gain)/Losses due to Demographic Assumption changes.	-8.62	-	-8.62	-	-8.62
(Gain)/Loss due to Experience on DBO	-0.20	-	-0.20	-	-0.20
(Gain)/Loss from change in Financial assumptions.	-	-	-	-	-
<b>Total amount of (Gain)/ Loss recognised in OCI</b>	<b>-8.82</b>	-	<b>-8.82</b>	-	<b>-8.82</b>
Contributions:					
Employers benefit payments	-	-	-	-	-
<b>As of 31 - 03 - 2021</b>	<b>7.01</b>	-	<b>7.01</b>	-	<b>7.01</b>
As of 01- 04 -2021	7.01	-	7.01	-	7.01
Current service cost	0.44	-	0.44	-	0.44
Past service cost	-	-	-	-	-
Interest expense/(income)	0.49	-	0.49	-	0.49
<b>Total amount recognised in profit and (loss)</b>	<b>0.93</b>	-	<b>0.93</b>	-	<b>0.93</b>
Remeasurement's					
(Gain)/Losses due to Demographic Assumption changes.	-0.18	-	-0.18	-	-0.18
(Gain)/Loss due to Experience on DBO	-	-	-	-	-
(Gain)/Loss from change in Financial assumptions.	-	-	-	-	-
<b>Total amount of (Gain) / Loss recognised in OCI</b>	<b>-0.18</b>	-	<b>-0.18</b>	-	<b>-0.18</b>
Contributions:					
Employers	-	-	-	-	-
Benefit payments	-	-	-	-	-
<b>As of 31- 03- 2022</b>	<b>7.76</b>	<b>0.00</b>	<b>7.76</b>	<b>0.00</b>	<b>7.76</b>

Particulars	31-Mar-22	31-Mar-22
Principal actuarial assumptions used:		
Discount rate	7.05%	6.14%
Salary escalation rate	6.50%	6.50%
Attrition rate	5.00%	5.00%

**Note 11 : Financial Liabilities**
**(a) Borrowings**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Interest free loan repayable on demand and unsecured</b>		
Loans from related parties		
Balance at the beginning of the year	8.00	41.50
Loan availed during the year	9.31	21.52
Less: repayment made during the year	13.31	55.02
Balance at the end of the year	4.00	8.00
<b>Total</b>	<b>4.00</b>	<b>8.00</b>

## Notes forming part of the Financial Statements

The repayment schedule is summarised as under:

(Rs. In lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Repayable</b>		
with in one year	4.00	8.00
in the second year	-	-
in the third to fifth year	-	-
<b>Total</b>	<b>4.00</b>	<b>8.00</b>

**Note:**

- (a) The Company has borrowed only from Managing Director hence quarterly returns and statement of current assets filing with banks and financial institutions, declarations of the Company as willful defaulter and utilisation of funds for specific purpose is not applicable.
- (b) As there are no secured and unsecured loans raised from Banks or Financial Institution's by the Company during the year and pending as on 31<sup>st</sup> March 2021 & 31<sup>st</sup> March 2022, the filing of registration /satisfaction of charges is not applicable.

**(b) Trade payable**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Total outstanding dues of Creditors Micro and Small Enterprises	-	-
Total outstanding dues of Creditors other than Micro and Small Enterprises		
Trade payable towards related parties	-	9.60
Trade payable towards others	0.01	0.98
<b>Total</b>	<b>0.01</b>	<b>10.58</b>

**Note:**

The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status.

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year ended 31 March 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

Particulars	As at 31 March 2022	As at 31 March 2021
Amount due to vendors		
Principal	-	-
Interest	-	-
Interest paid beyond appointed day	-	-
Amount of interest due and payable for the period of delay in making payment	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-
Amount of further interest remaining due and payable even in succeeding years until the amount is actually paid.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Notes forming part of the Financial Statements

## Aging of trade payables non current and current

31st March 2022

(Rs. In lakhs)

Particulars	< 1 year	1-2 years	2-3 years	> 3 years	Total
MSME					
Others	0.01	-	-	-	0.01
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.01</b>

31st March 2021

Particulars	< 1 year	1-2 years	2-3 years	> 3 years	Total
MSME					
Others	10.58	-	-	-	10.58
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>10.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.58</b>

Note: There are no unbilled dues payable as on 31st March 2022 (Previous Year - NIL)

**( c ) Other Financial Liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Other Liabilities	0.01	-
<b>Total</b>	<b>0.01</b>	<b>-</b>

**Note 12: Other Current Liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Advance received from Lessee	17.54	17.54
Statutory Liabilities	-	0.04
Other liabilities	0.53	0.57
<b>Total</b>	<b>18.07</b>	<b>18.15</b>

**Note 13: Revenue from operations**

Particulars	31st March 2022	31st March 2021
<b>Other Operating Revenue</b>		
Lease revenue from Aqua farm	70.18	61.62
<b>Total</b>	<b>70.18</b>	<b>61.62</b>

**Note 14: Other Income**

Particulars	31st March 2022	31st March 2021
Interest income from		
Bank Deposits	0.40	0.29
Financial assets measured at amortised cost	-	1.43
Interest on Income Tax refund	0.38	-
<b>Total</b>	<b>0.78</b>	<b>1.72</b>

## Notes forming part of the Financial Statements

**Note 15: Employee benefit expenses**

(Rs. In lakhs)

Particulars	31st March 2022	31st March 2021
Salaries, wages and bonus	10.49	9.42
Director Remuneration	24.00	15.00
Contribution to other Funds - Gratuity	0.93	1.40
Staff welfare expenses	0.36	0.43
<b>Total</b>	<b>35.78</b>	<b>26.25</b>

**Note 16: Finance costs**

Particulars	31st March 2022	31st March 2021
Interest and finance charges on financial liabilities at amortised cost	-	1.43
<b>Total</b>	<b>-</b>	<b>1.43</b>

**Note 17: Other expenses**

Particulars	31st March 2022	31st March 2021
Repairs & Maintenance - Machinery	0.04	0.06
Telephone and communication charges	0.20	0.16
Postage & Telegram	0.04	0.01
Rates and Taxes	4.42	4.41
Legal and Professional charges	6.51	6.15
Travelling and Conveyance	1.61	0.19
Insurance	0.02	0.02
Printing and Stationery	0.31	0.36
Advertisement	2.54	2.40
Sitting fee	0.20	-
Statutory Auditors payment ( refer Note. 17 (a) below)	0.40	0.40
Other expenses	0.48	0.53
Donation	1.00	-
<b>Total</b>	<b>17.77</b>	<b>14.69</b>

**Note 17 (a): Details of Statutory Auditors payment**

Particulars	31st March 2022	31st March 2021
<b>Payment to auditors</b>		
As auditor:		
Statutory Audit fee	0.25	0.25
<b>In other capacities</b>		
Certification Fee	0.15	0.15
<b>Total</b>	<b>0.40</b>	<b>0.40</b>

**Notes forming part of the Financial Statements**
**18. Contingent Liabilities & Provisions:**

Estimated amount of contracts remaining to be executed on capital account and not provided for: NIL - (Previous year : NIL)

Claims against the company not acknowledged as debt: NIL - (Previous year : NIL)

**19. Earnings per share**

(Rs. In lakhs)

Particulars	Year ended	
	31.03.2022	31.03.2021
Nominal value of the equity share	1.00	1.00
Profit / (Loss) attributable to equity shareholders	17.09	29.22
Basic Earnings per equity share	0.11	0.19
Weighted average number of equity shares outstanding During the year	1,54,48,584	1,54,48,584
Dilutive effect on profit	-	-
Profit attributable to equity shareholders for computing Diluted EPS	17.09	29.22
Shares outstanding during the year	-	-
Weighted average number of equity shares for computing Diluted EPS	1,54,48,584	1,54,48,584
Diluted earnings per equity share	0.11	0.19

**20. Related Party Disclosures:**
**1. Key Management personnel:**

Bommidala Rama Krishna - Managing Director

B. Virat Vishnu - Company Secretary

K. Bhanu Kumar - Chief Financial Officer

**2. Enterprises in which Key Management Personnel have significant influence:**
Corporates:
Partnership Firms:

- |   |                              |
|---|------------------------------|
| 1. Bommidala Ventures (P) Ltd.,         | 6. Hindustan Tobacco Company |
| 2. Bommidala Exports (P) Ltd.,          | 7. Bommidala Exports         |
| 3. Digital Key board (P) Ltd.,          |                              |
| 4. A One Duty Free (P) Ltd.,            |                              |
| 5. Hotel Shivam International (P) Ltd., |                              |

**Notes forming part of the Financial Statements**

Transactions during the year with related parties

(Rs. in lakhs)

Particulars	Key Management Personnel		Enterprises in which Key Management Personnel has significant influence
	31.03.2022	31.03.2021	
i) Remuneration ( included in Salaries & Wages)	31.50	21.90	-
ii) Unsecured Loan received, Unsecured Loan repayment	9.31 13.31	21.52 55.02	- -
iii) Unsecured Loan Balance at the year end	4.00	8.00	-
iv) Remuneration Payable	-	9.60	-

**21. Farm Given on Lease: Un expired operational lease period is 63 months from 31.03.2022.**

(Rs. in lakhs)

a. Details of the Operating Lease Assets	Land	Ponds & Other Fixed Assets Shown under Plant & Machinery	Buildings	Electrical Installation
Total Gross Value of the asset	398.51	281.99	45.33	1.57
Total accumulated Depreciation	-	272.89	40.11	1.55
Total Depreciation recognized in Statement of Profit and Loss during the lease period	-	-	0.50	-
b. Minimum Lease Payments receivable under operating lease in the aggregate for the periods:			<b>2021-22</b>	<b>2020-21</b>
Not Later than one year			75.44	70.18
More than One Year and less than five years			336.39	318.62
More than Five years			23.35	114.64
c. Total Lease Rent recognized			70.18	61.62
d. The direct costs for maintenance of the leased assets are recognized as expenses in the statement of the Profit and Loss for the year ended 31.03.2022.				

**22.** In view of carried forward losses/ unabsorbed depreciation in respect of past years and the company do not have the probable taxable income in the near future and hence, cumulative net deferred tax assets after deducting deferred tax liabilities have not been recognized by the company in accordance with the Ind AS prescribed under Companies Act, 2013.

**23.** The Company is engaged only in a single business segment viz. shrimp business/lease of the shrimp farm, hence no separate segment reporting is required.

**24.** Foreign Exchange Earnings/ Outgo - NIL

**25.** The company's ability to continue as a going concern.

The Company has accumulated substantial losses, however, the Company earned a net profit during the current year and previous year. But current liabilities exceeds the current assets, which may indicate existing of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, as the company has consistent lease income and extended the existing lease period of the farm by seven years from July 2020, despite, the Covid-19, global developments and slow down in the global economies, as the lease income is a consistent income to the company to meet its commitments, and hence, the company accounts have drawn upon going concern basis.

**26.** As per the limits specified under Companies Act, 2013, the company's operations do not satisfy the criteria of Corporate Social Responsibility (CSR), hence the provisions of expenditure on CSR are not applicable.

**27.** Fair Value Measurement Hierarchy:

The Company categorizes financial assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:



**Notes forming part of the Financial Statements**

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or Indirectly.

Level 3: Techniques which are used inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Fair Value Measurement Hierarchy

(Rs. In lakhs)

Particulars	31st March, 2022					31st March, 2021				
	Carrying Amount	Fair Value			Total	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
<b>Financial Assets</b>										
Investment	0.03	-	-	-	0.03	0.03	-	-	-	0.03
Loans	-	-	-	-	-	-	-	-	-	-
Cash, Cash equivalents & Bank balances	1.71	-	-	-	1.71	10.58	-	-	-	10.58
Other Financial Assets										
Others	1.48	-	-	-	1.48	1.48	-	-	-	1.48
<b>Total</b>	<b>3.22</b>	-	-	-	<b>3.22</b>	<b>12.09</b>	-	-	-	<b>12.09</b>
<b>Financial Liabilities</b>										
Borrowings	4.00	-	-	-	4.00	8.00	-	-	-	8.00
Trade Payables	0.01	-	-	-	0.01	10.58	-	-	-	10.58
<b>Total</b>	<b>4.01</b>	-	-	-	<b>4.01</b>	<b>18.58</b>	-	-	-	<b>18.58</b>

**28. Fair Value Disclosure**

All the financial assets and liabilities are disclosed at amortised cost and all are incurred/earned in the normal course of business and are recognized at their transaction value and services availed value as the same do not contain significant financing component and liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(Rs. In lakhs)

Particulars	31 st March, 2022				31 st March, 2021			
	FVTPI	FVOCI	Amortised Cost	Total	FVTPI	FVOCI	Amortised Cost	Total
<b>Financial Assets</b>								
Investment	-	-	0.03	0.03	-	-	0.03	0.03
Loans	-	-	-	-	-	-	-	-
Cash, Cash equivalents & Bank balances			1.71	1.71			10.58	10.58
Other Financial Assets								
Security Deposit	-	-	1.48	1.48	-	-	1.48	1.48
<b>Total</b>	-	-	<b>3.22</b>	<b>3.22</b>	-	-	<b>12.09</b>	<b>12.09</b>
<b>Financial Liabilities</b>								
Borrowings	-	-	4.00	4.00	-	-	8.00	8.00
Trade Payables	-	-	0.01	-	-	-	10.58	10.58
<b>Total</b>			<b>4.01</b>	<b>4.00</b>	-	-	<b>18.58</b>	<b>18.58</b>

## Notes forming part of the Financial Statements

**29.** Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies. The Company's principal financial liabilities comprise borrowing from the Managing Director, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations, as and when required. The Company's principal financial assets include the loans, deposit, cash and short-term deposits that derive directly from operations.

In view of limited operations viz., leasing income and meeting the corporate compliances, the Company is marginally exposed to market risk, credit risk and liquidity risk. The Board discusses on financial risks and appropriate risk governance frame work for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that the risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board review and agree policies for managing each of these risks, which are summarized below:

a. Market risk

Market risk or uncertainty arising from possible events and circumstance from business movement and their impact on future performance of business. As the company entered into seven years lease agreement during July 2013 for its farm and has extended for another seven years with increase of lease rent and the lessee is meeting the commitment in advance. As the company has consistent lease income to meet it's commitments hence the uncertainty is very limited.

The Company is exposed to market risk through it's financial instruments and specially to interest rate and risk, price risks, which results from both it's operating and investing risks. During the current year, the company do not have any investments others than the Electricity Deposit with state government and cash and bank balances including short term bank deposits, which are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value Hence, the company do not perceive any risk on this count.

b. Interest rate risk

As there are no investments and borrowings in the market, the company do not get exposed to any interest rate risk, other than investing the surplus funds in short term bank deposits.

c. Credit risk

Credit risk is the risk that the counter party will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The company is exposed to only other operating activity viz., lease income.

d. Liquidity risk

The Company's objective is to meet the day to day operational commitments in time, as there are only limited operations other than the compliance and leasing activity, the Company manages it's activity with the lease income and incase of any exigency, the Company resorts to the borrowings from the Managing Director for a short term, which will generally be repaid once, the leasing income is received. Hence, with limited operations, the company do not foresee any liquidity risk.

e. Business concentration risk:

The company is solely depending upon the lease income from one customer, which is highly concentrated risk. However, from the past eight years of track record of the lessee, it is clear that the lease payments for the whole year is received in advance, and the company has only lease operations and was incurring the asset maintenance costs in addition to the compliance costs. Hence, the Board had considered the concentration risk while taking the decision of extending the lease.

lease income and generally the advance payment is received during the second quarter for the entire ensuing year, hence the credit risk is very limited.

**Notes forming part of the Financial Statements****30. Capital Management**

Company's capital comprises of equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of company capital management is to maximize the shareholder value. The Company manages its capital and makes adjustments to it in the light of economic and market conditions. The Capital as on 31<sup>st</sup> March, 2022 is Rs.408.59 lakhs (Pervious year Rs. 391.49 lakhs).

**31. Micro, small and medium enterprises**

The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. Kindly refer note no. 11(b) for details of trade payables to micro and small enterprises.

**32. Impact of Covid-19**

The Company does not foresee any large scale contraction on cash flows as our operations are limited to leasing the aqua farm in view of extension of the lease for another 7 years period with reasonable increase of lease rent and very limited scope to apply force majeure clause as the lessees operations were not hampered during the Covid-19 affected period also.

The company has made detailed assessment of the recover ability and carrying value of its assets comprising property, plant and equipment, investments and trade receivables. Based on current indicators of future economic conditions, the company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the Covid-19 which may be different from that estimated as at the date of approval of the financial results. The company will continue to closely monitor any material changes arising of future economic conditions and impact of its business.

**33.** There are no proceeding initiated or pending against the Company for holding any benami property under Prohibition of Benami Property Transaction Act., 1988 and Rules made thereunder.

**34.** The Company is not carried out any revaluation of it's property, plant and equipment during the year.

**35.** The title deeds of immovable properties (other than immovable property where the company is lessee, are duly executed infavour of lessee) disclosed in the standalone financial statements are held in the name of the Company.

**36.** No scheme of arrangement has been approved by the competent authority in terms of Sec. 230 to 237 of The Companies Act, 2013 during the year and earlier, hence the disclosure of effect of such arrangement accounted for in the books of accounts of the Company do not arise.

**37.** Company has not traded or invested in cypto currency or virtual currency during the year.

**38.** The Company does not have any transaction not recorded in the books of accounts that has been reported or disclosed as income during year in tax assessment under Income Tax Act, 1961.

**39. Disclosure of Struck off Companies**

The company do not have any transactions including purchases, sales investments and balances with any struck off companies under Sec 248 of the Companies Act, 2013 during the year and as on 31<sup>st</sup> March, 2022. Hence, the provision of the details as required is not applicable for the year.

**40.** Since AGM will be held through VC/OAVM, the Attendance slip, Proxy form - MGT-11 & Route Map is not annexed in this Notice. The Member's log-in to the Video Conferencing for record of attendance at the AGM and members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

For and on behalf of the Board

**For Kurapati Subba Rao & Co.,**

Chartered Accountants,

Firm Regn.No:001618S

**CA K Rajendra Prasad**

Partner (M.No:207646)

Place: Guntur

Date: 25.05.2022

**Bommidala Rama Krishna**

Managing Director

DIN:00105030

**Bommidala Anitha**

Director

DIN:00112766

**REGISTERED / BOOK POST**

*If undelivered please return to:*

**BKV INDUSTRIES LIMITED** “and reduced”

“Bommidala House”,  
D.No.5-87-15/A,  
Lakshmipuram Main Road,  
Guntur -522007  
Andhra Pradesh.