



# NAVA BHARAT VENTURES LIMITED

NAVA BHARAT CHAMBERS, RAJ BHAVAN ROAD, HYDERABAD-500082, TELANGANA, INDIA

NAVA BHARAT

NBV/SECTL/ 323 /2019-20  
July 17, 2019

Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No.C/1, G Block  
Bandra Kurla Complex, Bandra (E)  
MUMBAI – 400 051  
NSE Symbol : 'NBVENTURES'

Dept.of Corp.Services  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI – 400 001

Scrip Code: '513023'/'NBVENTURE'

Dear Sir,

**Sub: Submission of Annual Report along with Notice of Annual General Meeting  
(AGM) of the Company for FY 2018-19.**

-o0o-

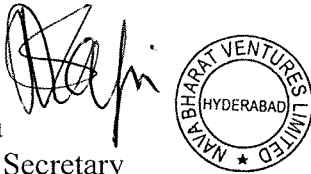
Pursuant regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of annual report of the Company for the financial year 2018-19, together with notice for the 47<sup>th</sup> AGM to be held on Thursday, August 8, 2019, at 10.30 a.m. (IST) at Marigold Hotel, by and Beside Green Park Hotel, Hyderabad.

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,  
for NAVA BHARAT VENTURES LTD.,

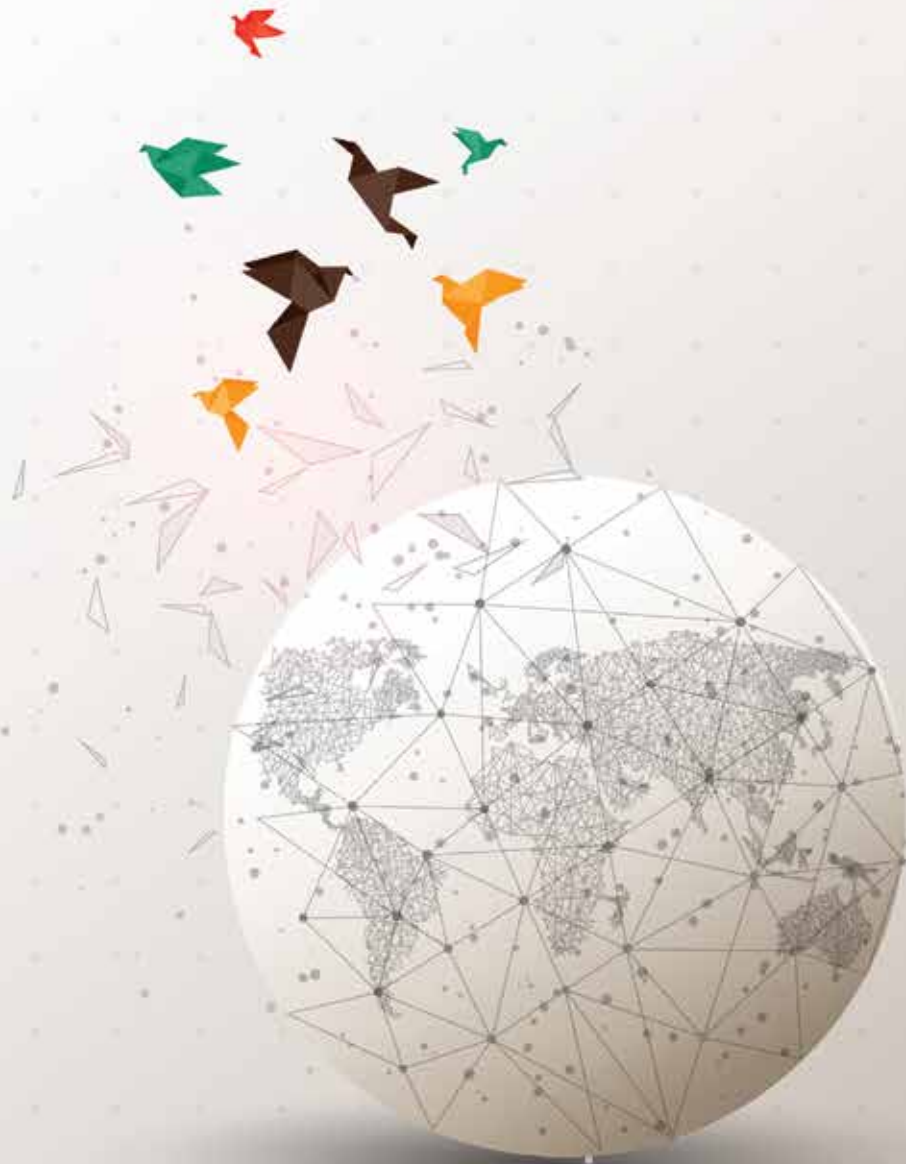
VSN Raju  
Company Secretary  
& Vice President



Encl : as above.



**NAVA BHARAT**

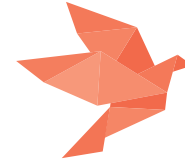


# BEYOND BOUNDARIES

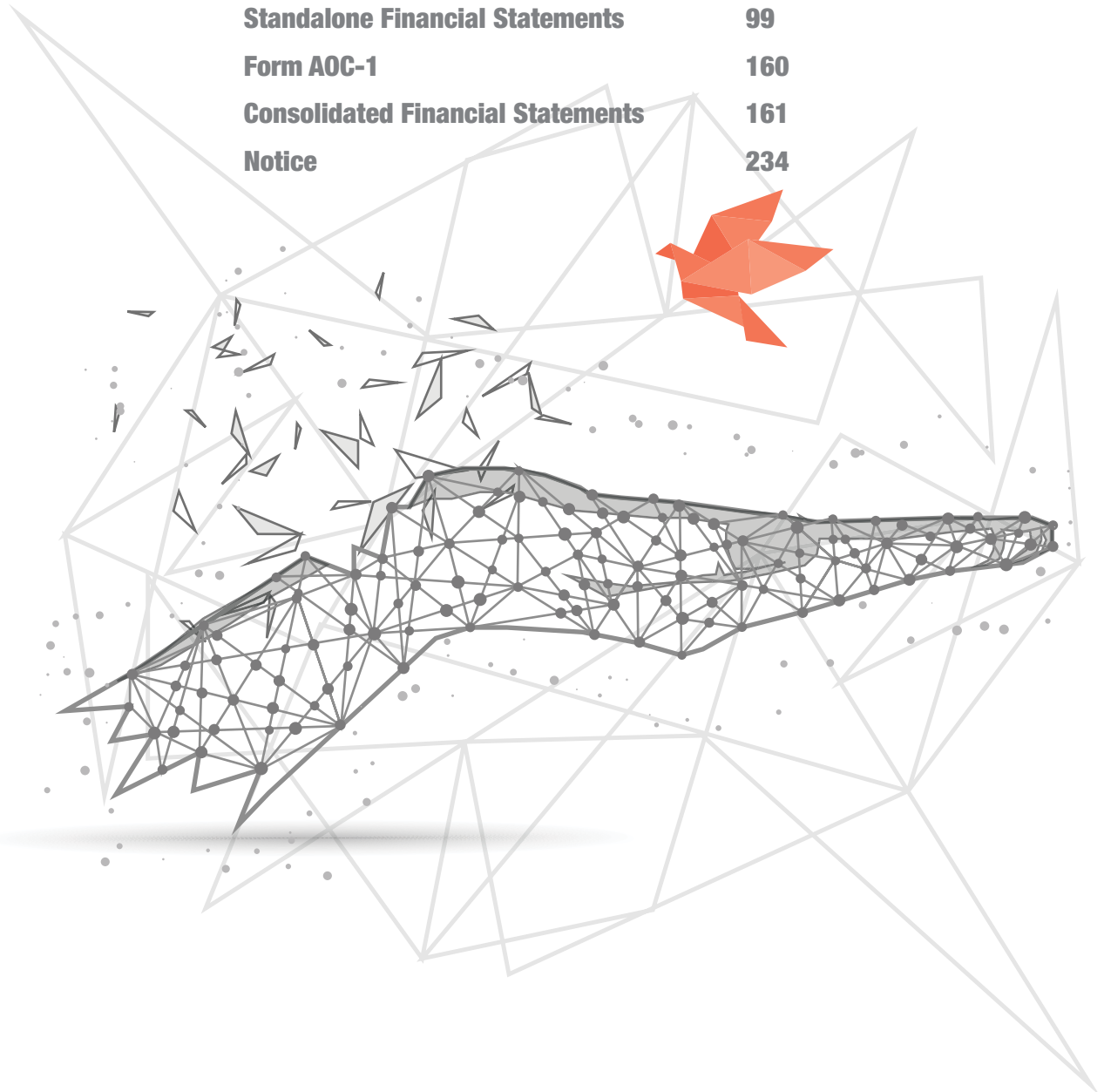
**NAVA BHARAT VENTURES LIMITED**

Annual Report 2018-19

# Between the Covers



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# Corporate Information

## BOARD OF DIRECTORS

### WHOLE-TIME DIRECTORS

Mr. D. ASHOK, Chairman  
 Mr. P. TRIVIKRAMA PRASAD, Managing Director  
 Mr. ASHWIN DEVINENI, Chief Executive Officer (w.e.f May 29, 2019)\*  
 Mr. GRK PRASAD, Executive Director  
 Mr. CV DURGA PRASAD, Director (Business Development)

### INDEPENDENT DIRECTORS

Mr. K. BALARAMA REDDY (upto March 31, 2019)  
 Dr. ERC SHEKAR (upto March 31, 2019)  
 Dr. MVG RAO (upto March 31, 2019)  
 Dr. D. NAGESWARA RAO  
 Dr. CV MADHAVI  
 Mr. K. DURGA PRASAD (w.e.f August 6, 2018)  
 Mr. GP KUNDARGI (w.e.f August 6, 2018)  
 Mr. A. INDRA KUMAR (w.e.f February 7, 2019)

\*upto May 28, 2019 he served as Director (Non-Executive and Non-Independent)

## BOARD COMMITTEES

### AUDIT

Dr. D. Nageswara Rao, Chairman  
 Mr. K. Durga Prasad  
 Mr. A. Indra Kumar

### NOMINATION AND REMUNERATION

Dr. D. Nageswara Rao, Chairman  
 Mr. K. Durga Prasad  
 Mr. A. Indra Kumar

### CORPORATE SOCIAL RESPONSIBILITY

Mr. D. Ashok, Chairman  
 Dr. D. Nageswara Rao  
 Dr. CV Madhavi

### STAKEHOLDERS RELATIONSHIP

Mr. K. Durga Prasad, Chairman  
 Mr. P. Trivikrama Prasad  
 Mr. GP Kundargi

### CHIEF FINANCIAL OFFICER

Mr. T. HARI BABU

### COMPANY SECRETARY & VICE PRESIDENT

Mr. VSN RAJU

### STATUTORY AUDITORS

M/s. Walker Chandiook & Co LLP  
 Chartered Accountants, Hyderabad

### COST AUDITORS

M/s. Narasimha Murthy & Co  
 Cost Accountants, Hyderabad

### SECRETARIAL AUDITORS

M/s. P.S. Rao & Associates  
 Company Secretaries, Hyderabad

### BANKERS

State Bank of India  
 Andhra Bank  
 Bank of India  
 UCO Bank  
 ICICI Bank

### REGISTERED OFFICE

6-3-1109/1  
 'Nava Bharat Chambers'  
 Raj Bhavan Road  
 Hyderabad - 500 082  
 Telangana, India

### REGISTRARS & SHARE TRANSFER AGENTS

Karvy Fintech Private Limited  
 Karvy Selenium Tower B  
 Plot 31-32, Financial District,  
 Nanakramguda, Serilingampally Mandal  
 Hyderabad - 500 032, Telangana, India

## WORKS

### FERRO ALLOY DIVISION

Ferro Alloy Plant (TG)  
 Paloncha - 507 154  
 Bhadradi Kothagudem District (TG)

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

### POWER DIVISION

Power Plant (TG)  
 Paloncha - 507 154  
 Bhadradi Kothagudem District (TG)

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

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

### SUGAR DIVISION

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

### MACHINE BUILDING DIVISION

Nacharam, Hyderabad - 500 076 (TG)







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## About us

Nava Bharat Ventures Limited (NBV), the flagship Company of the multinational NBV Group headquartered at Hyderabad, India, with diversified interests in Power generation, Operation & Maintenance Services for power plants, ferro alloys, Mining, Agribusiness and Healthcare. The Company is in the business for four decades and operates in different geographies spanning across India, South-east Asia and Africa. By virtue of significant investments in power and mining in Africa, the Company's international operations would form a major part in the consolidated financials of the Group.

The Company with its successful track record has developed core expertise in project management and operation & maintenance. The Company has set high standards in operational efficiency, workplace excellence, environment protection and conservation of natural resources. Many accolades and awards that the Company received are a testimony to this.

The Company always believed that the human resources are key to its growth and continues to lay focus on nurturing & retaining the talent. The Company strongly believes in shouldering the responsibility of developing the community from which it draws its resources through HELP - Health, Education and Livelihood Programmes.







## Vision

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



# Key business verticals



Nava Bharat Ventures Limited

Nava Bharat Ventures (standalone)

## Telangana

Manganese Alloys 125K TPA  
Power plant 114 MW

## Odisha

Chromium Alloys 75K TPA  
Power plant 150 MW

## Andhra Pradesh

Sugar 4,000 TCD  
Co-gen plant 9 MW

Nava Bharat Energy India Limited  
(Step-down Subsidiary)

## Telangana

Merchant power plant- 150 MW

Nava Bharat (Singapore) Pte. Ltd.  
(Wholly Owned Subsidiary)

Maamba Collieries (65% stake)

## Zambia

Power plant 300 MW





# Milestones in our journey





# AWARDS

The Company received the following awards/ recognitions during 2018-19:

1. **“Best CSR Performer”** in the segment of Large Industry, by Industries and Commerce Department, Government of Telangana.
2. **National Award for Excellence in Energy Management, 2018** for Excellent Energy Efficient Unit from Confederation of Indian Industry (CII), Hyderabad (The Power Plant, Odisha, received this award).
3. **National Award for Excellence in Energy Management, 2018** for Energy Efficient Unit from Confederation of Indian Industry (CII), Hyderabad (Ferro Alloy Plant, Odisha, received this award).
4. **National Award for Excellence in Energy Management, 2018** for Energy Efficient Unit from Confederation of Indian Industry (CII), Hyderabad (The Sugar Division, Andhra Pradesh, received this award).
5. **National Award for Excellence in Energy Management, 2018** for Energy Efficient Unit from Confederation of Indian Industry (CII) (Eastern Region), Kolkata (Odisha works received this award).
6. **Golden Award for Best Co-Generation** in AP for the season 2017-18 from South Indian Sugarcane & Sugar Technologists Association (SISSTA) (The Sugar Division, Andhra Pradesh, received this award).
7. **Silver Award for Best Technical Efficiency** in AP for the season 2017-18 from South Indian Sugarcane & Sugar Technologists Association (SISSTA) (The Sugar Division, Andhra Pradesh, received this award).
8. **Star Performer – Large Enterprise (Ferro Alloys) for Export Excellence** for the year 2016-17 from EEPIC India, Southern Region, Chennai (Corporate Office received this award).
9. **EIZ Excellence Award** for Outstanding contribution to solving problems of society from The President, The Engineering Institution, Zambia at 3Sixty Convention Centre (Maamba Collieries Limited, Zambia, received this award).





**National Award for Excellence in Energy Management, 2018**



**EIZ Excellence Award**



**Golden Award for Best Co-Generation**



**Silver Award for Best Technical Efficiency**



**Star Performer – Large Enterprise (Ferro Alloys) for Export Excellence**



# Growing forward...step-by-step


## Net Revenue (₹ crore)

2014-15		1,204
2015-16		1,054
2016-17		1,041
2017-18		1,355
2018-19		1,438

## EBIDTA (₹ crore)

2014-15		217
2015-16		183
2016-17		196
2017-18		289
2018-19		320

## Net Profit (₹ crore)

2014-15		142
2015-16		111
2016-17		79
2017-18		162
2018-19		166

## Net cash profit from operations (₹ crores)

2014-15		181
2015-16		149
2016-17		132
2017-18		207
2018-19		208



### Networth (₹ crore)

2014-15		2,535
2015-16		2,615
2016-17		2,625
2017-18		2,770
2018-19		2,907

### Debt-equity (x)

2014-15		0.05
2015-16		0.14
2016-17		0.09
2017-18		0.10
2018-19		0.10

### Return on net worth (%)

2014-15		5.51
2015-16		4.57
2016-17		3.03
2017-18		5.83
2018-19		5.72

### Dividend (%)

2014-15		125*
2015-16		75*
2016-17		50
2017-18		75
2018-19		75

\*Adjusted for the bonus shares issued in FY 2016-17 in the ratio of 1:1





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# Management Discussion and Analysis



## Global economy

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States.

The euro area economy lost more momentum than expected as consumer

and business confidence weakened and car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence and, so, financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets in the spring of 2018 and then in advanced economies

later in the year, weighing on global demand.

As a result of all these contributing factors, global economic growth is now projected to slow from 3.6% in 2018 to 3.3% in 2019. A weak second half of 2018 forced the World Economic Outlook (WEO) to revise the growth down by 0.1%.

**Outlook for tomorrow:** Compared to the projections for 2019, the global economy is expected to show signs of recovery and return to a 3.6% growth in 2020. The





An overview of Maamba Power Plant at Zambia

projected pick up in the second half of 2019 is expected to ride on an ongoing buildup of policy stimulus in China, improvement in the global financial market sentiment, growth in the euro area and stabilisation of conditions in stressed emerging market economies such as Argentina and Turkey.

## Indian economy

India's GDP growth decelerated for a second year in succession - from 8.2% in 2016-17 to 7.2% in 2017-18 and 6.8% in

2018-19. The disappointment was more accentuated because fiscal 2018-19 which was looked upon as a year of considerable promise belied expectations as GDP growth slid every successive quarter from 8% in Q1 to 6.5% in Q4.

Furthermore, India's industrial production (IIP) contracted by 0.1% in March 2019, the lowest in 21 months, mainly due to the manufacturing sector slow down. On an annual basis, IIP growth slowed to a three year low of 3.6% in the 2018-19 fiscal as against 4.4% in the previous fiscal.

Despite the grey clouds, the Indian economy had some positives:

- Improvement in the investment rate has been the most positive development in 2018-19, increasing by 30 basis points to 28.9%.
- Revenue from goods and services tax (GST) witnessed 10% growth from the year-ago period at ₹1.13 trillion in April (for March 2019), the highest ever since the implementation. This is encouraging as it indicates that the tax base is increasing gradually with GST getting stabilised.







- India moved up by 23 places in the World Bank's Ease of Doing Business Index 2018 to the 77th rank.

The fiscal closed with a shade of concern as experts suggest that India could be heading towards an economic slowdown. The Ministry of Finance in its Monthly Economic Report of March 2019 warned that India's economy appears to have slowed down slightly in 2018-19. The proximate factors responsible for this slowdown include declining growth of private consumption, a tepid increase in fixed investment, and muted exports.

### Estimates for 2019 and beyond:

According to Moody's, the Indian economy is expected to grow at 7.3% in calendar years 2019 and 2020. The government spending announced ahead of the general elections in 2019 is expected to support near-term growth.

The International Monetary Fund (IMF) has forecast India's GDP growth at 7.3% in 2019 (2019-20) and 7.5% in 2020. Their optimism is based on the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

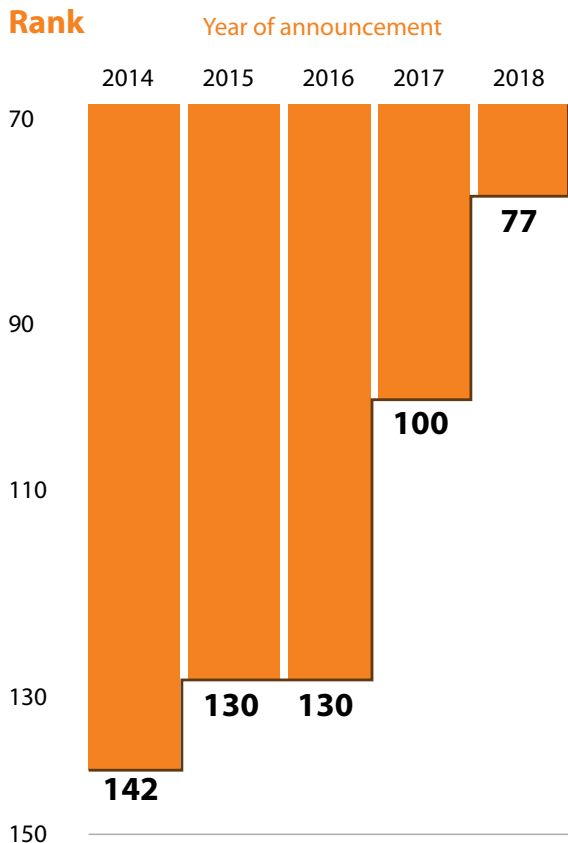
Asian Development Bank and the RBI estimate GDP growth for 2019-20 at 7.2% (from the earlier projection of 7.4%) owing to the rising risks from global economic growth as well as weakening domestic investment activity.

## Moving up the pecking order

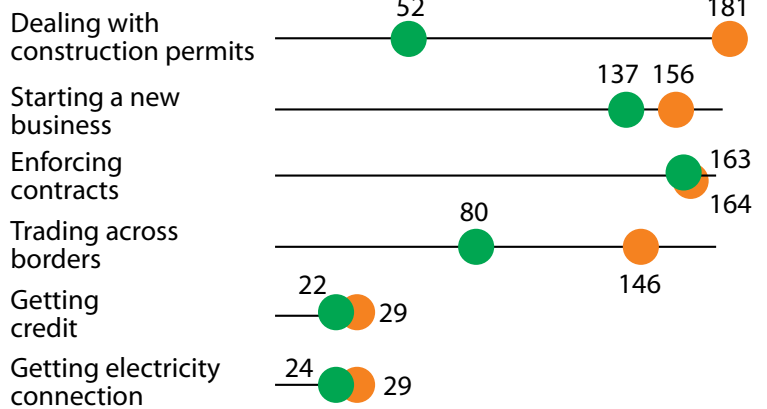
### India climbs 23 places in World Bank rankings

It's the only nation to have made it to the list of top 10 improvers for the second consecutive year.

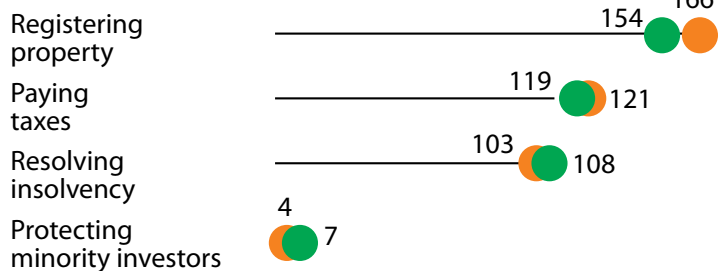
India's ease of doing business ranking



#### The good



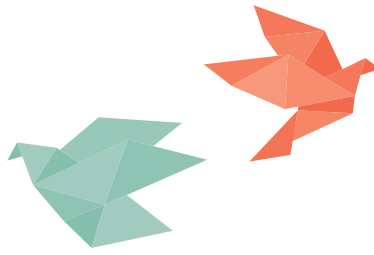
#### The bad



Source: World Bank Doing Business report



# Industry performance and outlook



## 1) Ferro alloys

**Overview:** Ferro alloys are one of the important inputs in the manufacture of alloys and special steel. They impart special properties to steel. The alloys provide increased resistance to corrosion, improves hardness and tensile strength at high temperature, gives wear and abrasion resistance and increases creep strength, etc. The growth of ferro alloys industry is, thus, linked with the development of the Steel Industry, Foundry Industry and to some extent Electrode Industry.

India has an installed capacity of producing 5 million tonne per annum of ferro alloys. The principal ferro alloys are chromium,

manganese and silicon. The product series consists mainly of ferro-manganese, silico-manganese, ferro-silicon and ferro-chrome.

Currently, a major portion of the ferro alloys produced in India is exported. Iran, one of the largest crude steel producer in MENA is currently facing US Sanctions, owing to which the export and import of steel has been adversely affected. Many trade allies of Iran have suspended their trade with Iran which has affected the Iranian economy.

**Performance:** Fiscal 2018-19 started on a positive note as prices remained resilient before dropping marginally from July 2018 onwards. Demand within India remained healthy as steel offtake strengthened.

Against all odds, India continued its trade with Iran. India is one of the largest exporters of ferro alloys to Iran. US sanctions on Iran had limited to NIL effect on ferro alloys import from India. Despite US sanctions, Iran managed to import 23,395 MT ferro manganese from India during CY'18 against 27,409 MT in CY'17. On parallel lines, Iran imported 25,678 MT ferro silico manganese from India in CY'18 against 25,346 MT imported in CY'17.





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Although demand for ferro alloys remained healthy, the industry continued to grapple with raw material shortage and high prices of power (accounting for close to 50% of the production cost).

In India, power cost has been increasing for ferro alloy industry due to cross subsidy surcharge and the recent increase of electricity duty by various States producing ferro alloys has also put pressure on the industry.

Outlook: Rising demand for steels in end user industries such as construction, shipbuilding, automotive and several other

sectors is one of the major drivers for ferro alloy market.

**Global steel sector:** Despite the global economy registering a muted performance, the steel sector continued to gain momentum. As such the World Steel Association has forecasted global steel demand to reach 1,735 MT in 2019, an increase of 1.3% over 2018. In 2020, demand is projected to grow by 1.0% to reach 1,752 MT.

**Indian steel sector:** The Indian steel industry, after recovering from the twin shocks of demonetisation and the GST reform, is one of the important bright

spots for the world's steel industry. With minimal new steel capacity expected to be commissioned until 2021 in India, robust steel demand especially from the construction, infrastructure, and automotive sectors will keep end-product prices high. Meanwhile, India's steel sector consolidation will drive improvement in the industry's capacity utilisation levels and mute the pressure on profitability. Over the long-term India has set a target of reaching 300 Mn MT of steel by 2030.

These factors augur well for the growth of the ferro alloy sector in India.



Approximately 1.5% of Manganese Alloy is required to produce each tonne of steel.





## 2) Power sector

**Overview:** Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non conventional sources such as wind, solar, and agricultural and domestic waste.

With a total installed power generating capacity of 356,100 MW as of March, 2019, India emerges as the world's third-largest

electricity producer; the country has the fifth largest power generation capacity in the world.

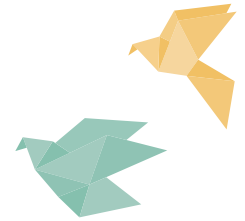
**Thermal power:** It accounts for more than 60% of the country's power generating capacity, primarily owing to India's abundant coal reserves. As on March, 2019, total thermal installed capacity in the country stood at 226.28 GW.

**Performance:** With electricity production of 1,201.543 BU in India in FY18, the country witnessed growth of around 55.72% over the previous fiscal year. Electricity production reached 1,142.00 BU in FY19 (April-February).

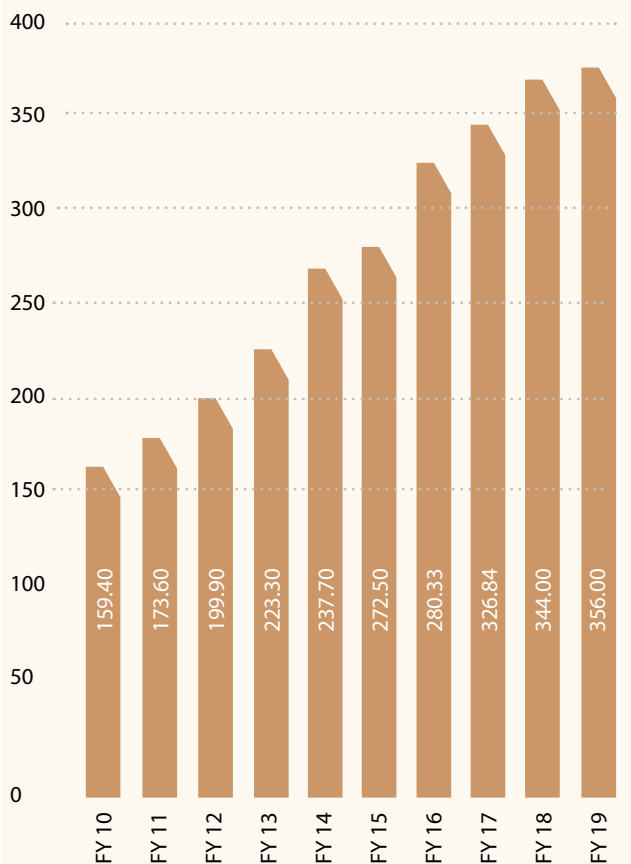
The power sector crossed an important milestone in 2018-19. By the end of

Calendar 2018, a total of 25 states achieved 100% household electrification which included 23.1 million rural and 844,670 urban households. This is a an important milestone in India's journey to achieve 100% household electrification, as envisaged under the Saubhagya scheme.

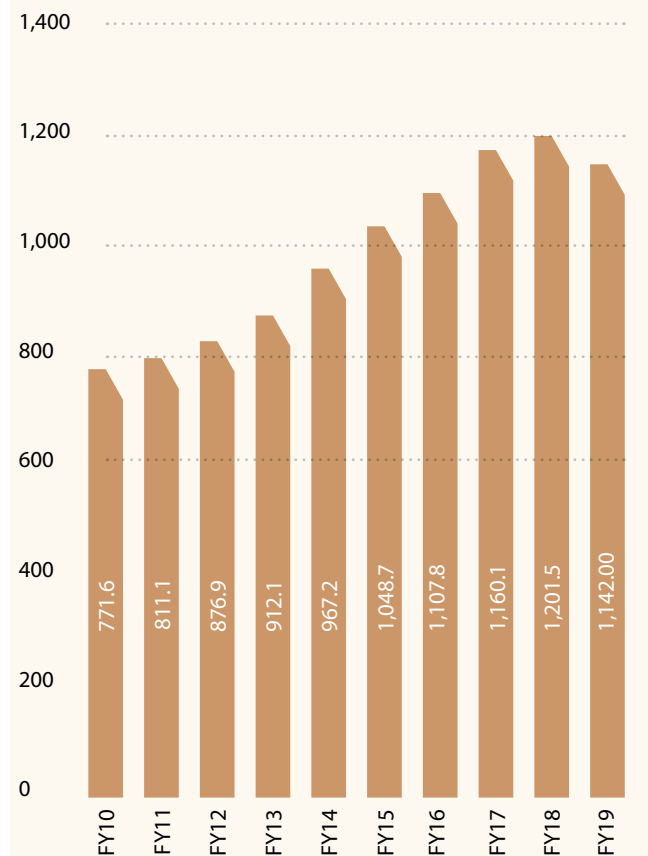
**Optimism and outlook:** The outlook for the power sector as a whole appears positive. This optimism is based on inherent India-centric advantages.



**Installed electricity generation capacity (GW)**



**Electricity production in India (BU)**

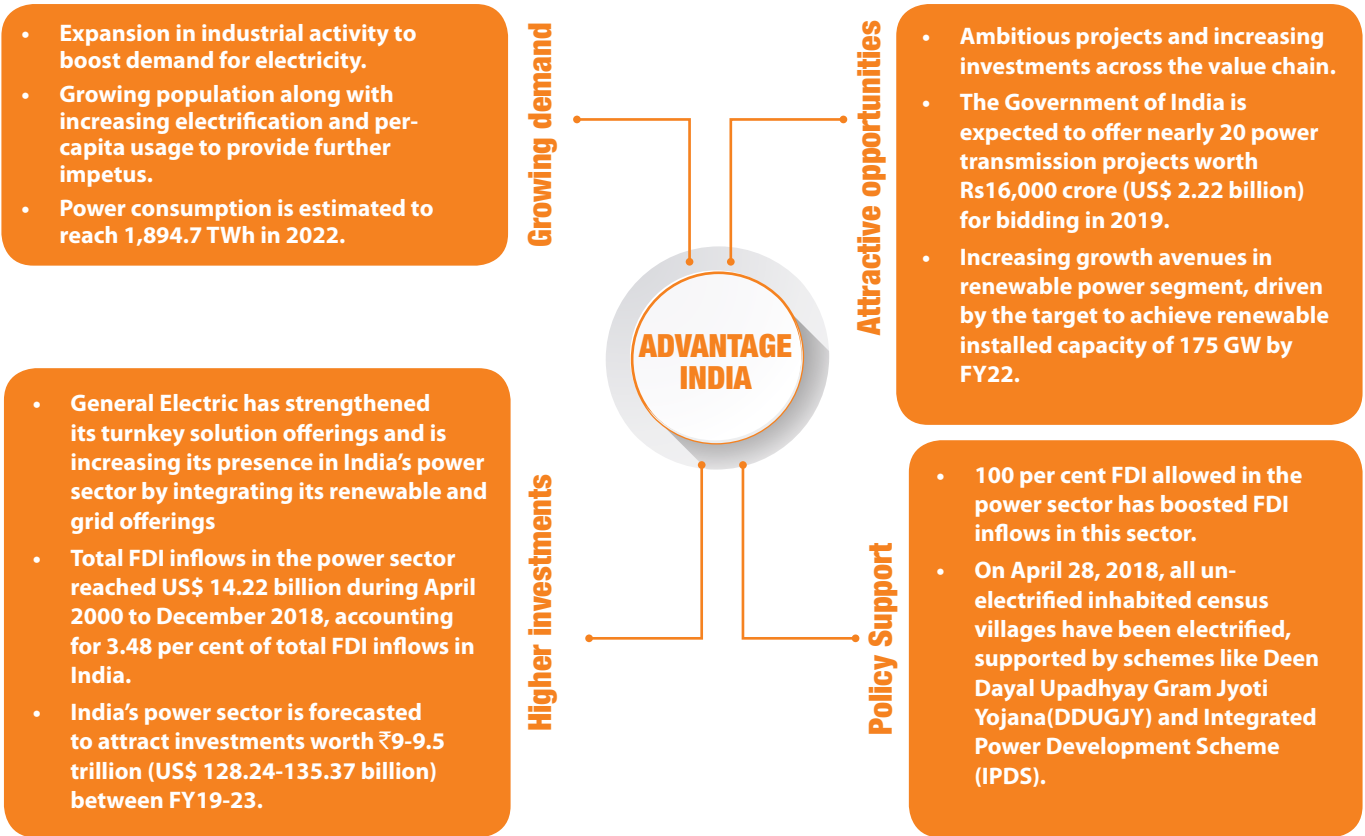




**Thermal power:** For the thermal power segment, generation infrastructure addition is expected to decelerate. According to a report by CRISIL, capacity addition in thermal power generation will slow down over the next five years to less than half the current pace. Only about 35 GW of new coal-fired power plants to be added to India's power generation portfolio from FY19-23. In contrast, India added 80 GW of capacity in the preceding five years.

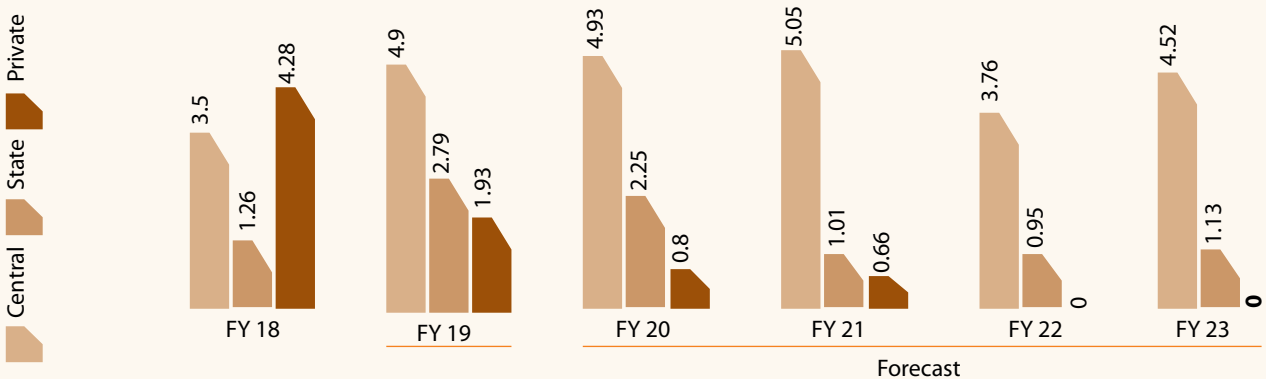
The slowdown in capacity addition is attributed largely to two factors. In the private sector, large capacities that are under construction are stuck because of the financial muddles that promoters find themselves in. Second, new project announcements are limited as players with the appetite to add capacity are opting to buy out some of the bankrupt assets that are available at reasonable valuations. Lenders have proved reluctant to extend

further capital to fire-up stuck power projects as the future of several of these is uncertain and many risk liquidation.



### Slowing Down

India to see about 35GW of thermal power capacity addition from FY 19-23 compared with 80 GW in preceding five Years





### 3) Sugar industry

**Overview:** India is the sugar bowl of the year – the largest producer and consumer of sugar globally. Indian sugar industry supports ~5 crore sugarcane farmers across India and hence has high political importance – hence every aspect of this industry is controlled by the Government. This also helps in keeping the sugar prices at affordable levels.

**Performance:** Indian Sugar Mills Association (ISMA) data pegged India's 2018-19 sugar production at 307 lakh tonnes for the Sugar Season (SS) 2018-19 from the first estimate of 355 lakh tonnes reduced to 315 lakh tonnes later.

This reduction in estimate was owing to the adverse impact on the sugarcane crop in the three main sugarcane growing States, namely, Uttar Pradesh, Maharashtra and Karnataka which contribute for around 80% of country's sugar.

As per the data released by Indian Sugar Mills Association, 527 sugar mills were in operation and they have produced 273.47 lakh tonnes of sugar till 15 March 2019 in sugar season (SS) October-September 2018-19, registering a growth of 5.9% over same period of last season. The production

in Maharashtra and Karnataka was slightly higher than the previous year because the mills commenced sugarcane crushing earlier as compared to the previous season.

Cane price arrears as on 31st December 2018 were around ₹19,000 crore, including ₹2,800 crore of arrears of the previous season. This is substantially higher to the arrears last season as on 31st December 2017 of around ₹10,600 crore. This acts as a significant deterrent for farmers to continue sugar cane cultivation.

**Outlook:** The beleaguered domestic sugar sector, bogged down by mounting sugarcane areas and market glut, is looking at 'sweeter' times next season (2019-20) over projected lower sugarcane crop coupled with higher diversion of the crop for ethanol manufacturing.

Besides, the likely higher off-take of sugar in this summer season is also a positive for the sugar industry. The Centre has raised sugar sales quota to 2.1 million tonnes (MT) for May and a similar quota is expected for June-August.

The monthly quota of 2.1 MT also includes additional quantity given as incentive to mills for achieving 75% of their export target and for producing ethanol from B-heavy molasses instead of sugar.

According to ratings agency ICRA, the hike coupled with seasonal higher sugar demand in the summer, especially for soft drinks, ice creams etc, would help in reducing domestic cane arrears to an extent, though the magnitude of the current problem is huge.

According to Indian Sugar Mills Association (ISMA), water in Maharashtra reservoirs was below normal levels due to lower rainfall in the last monsoon season. This indicates that cane acreage in the state will be 'significantly' lower in the coming season. Even at the pan-India level, there is expectation that sugarcane availability will be much lower compared to the current season, which is still ongoing, thereby reducing sugar production.

Besides, with additional green field and brown field ethanol production capacities coming up, the sugar industry would be better placed to divert larger quantities of 'B' heavy molasses/sugarcane juice, away from sugar into ethanol. This would further reduce sugar production in 2019-20 and insulate the industry from market glut conditions, which depress sugar prices and result in arrears.







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# Operational performance

Pivoted on a strong fundamentals, the Company registered healthy growth in business and profitability in all its divisions.



NBEIL 150 MW Power Plant at Paloncha

## 1) India operations

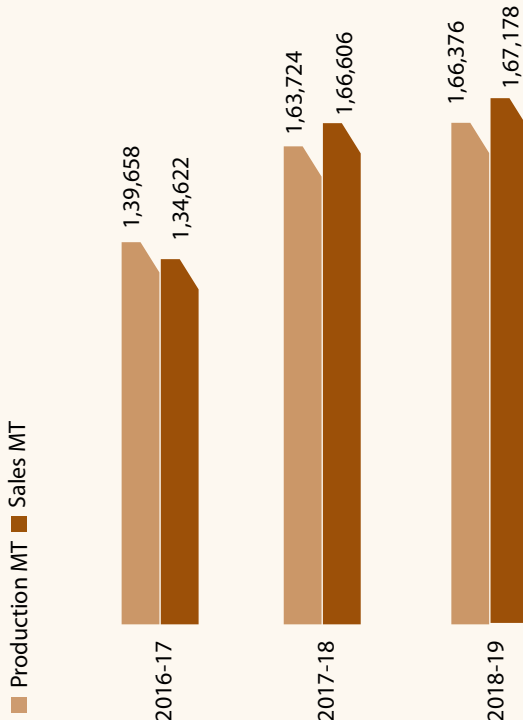
### Ferro alloy

The Company registered its highest ever production and sales of Manganese

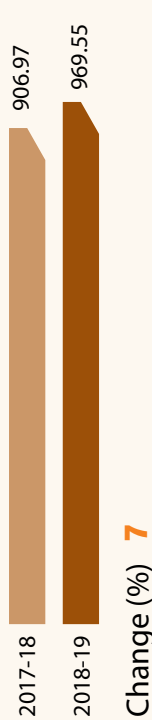
Alloys in 2018-19 with the conversion arrangement chipping in with good volume, notwithstanding planned furnace outages. This performance ensured high productivity and improved profitability. The operations and profitability of the ferro alloy

units in Telangana and Odisha are critically dependent on evolving sector dynamics in the primary steel and stainless steel which have been strong in recent periods.

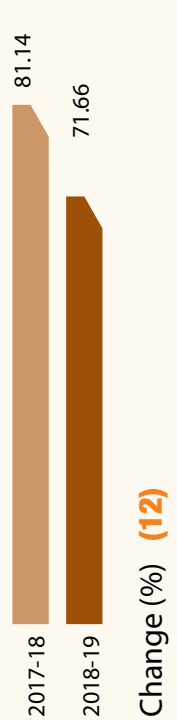
#### Ferro alloy Volumes



#### Revenue (₹ crore)



#### EBIDTA (₹ crore)



## Power

Profitability of the Power division with 284 MW capacity, stems from pricing of power on par with Grid tariff and the Company's ability to obtain maximum coal through lower cost means.

Though Company suffers from higher plant heat rates, the relative smaller sizes of the power plants and boiler technology afford it with greater flexibility and resilience to overcome sectoral volatility. The captive power plants remain agile to exploit periodic spurts in merchant power rates for surplus power while core captive consumption continues.

The 150 MW unit of Nava Bharat Energy India Limited, registered a cash profit of about ₹3,000 Lakh and closed the fiscal 2018-19 with near break-even numbers. Through a mix of washery rejects and coal,

the Company has been able to contain its variable cost within lower quadrant for plants of similar size and higher. These efforts enabled it to remain successful in tenders for short term procurement of power and sale through IEX. The unit registered an average PLF of 49.32% in 2018-19.

The Ash Products Plant attached to this power plant witnessed traction for its products, bricks and pavers, in the construction and infrastructure space which added to the business cash flow.

During the year, the subsidiary (NBEIL) and the holding company (NBVL), successfully executed debt restructuring whereby the residual long term loan of ₹15,500 lakh from consortium of banks is substituted with loan from the holding company with a deferred repayment profile bringing some cash flow relief to the subsidiary over the

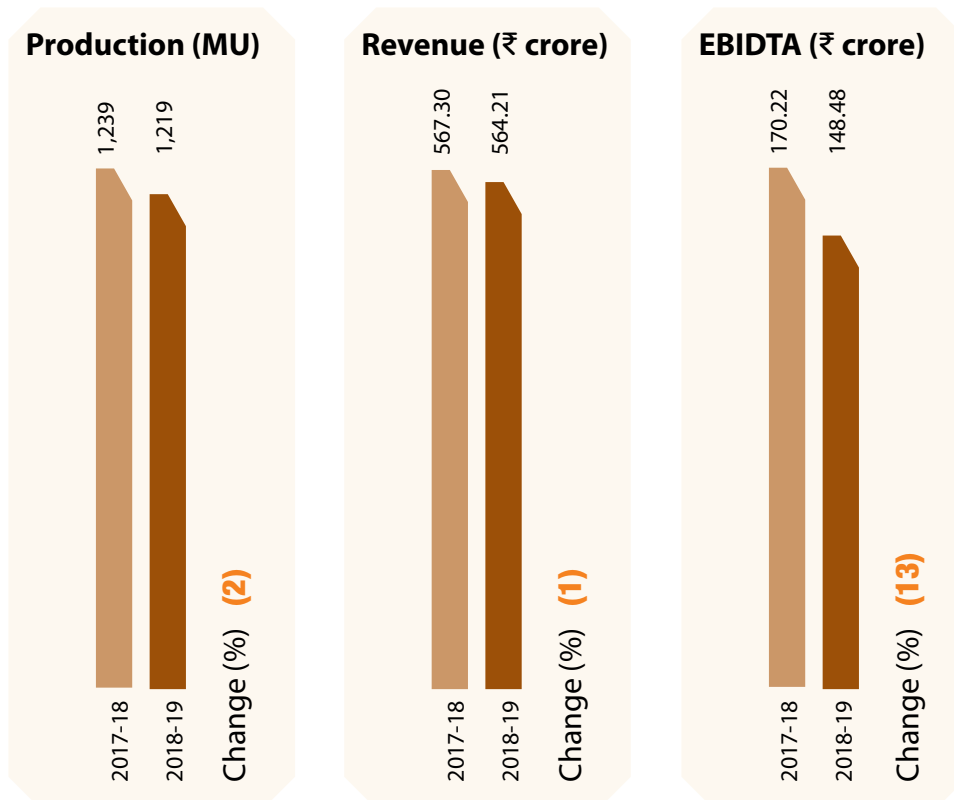
next two years. In effect, NBEIL today has no term borrowings from outside. It has only one loan which is from the holding company.

Going forward, this unit should perform better given that there is no planned maintenance shutdown in the current year (2019-20) and that the unit has bagged a power supply contract which commences from July 2019 until March, 2020.

The Company's 150 MW power plant recorded robust performance amid a challenging business environment and registered a cash profit of ₹3,000 Lakh.



## Power business - Indian





NAVA BHARAT

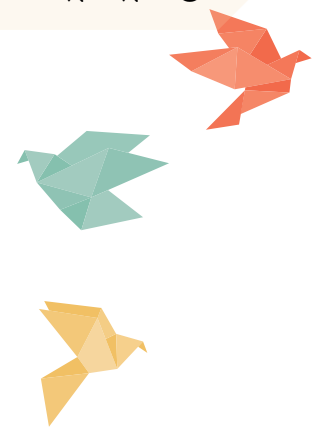
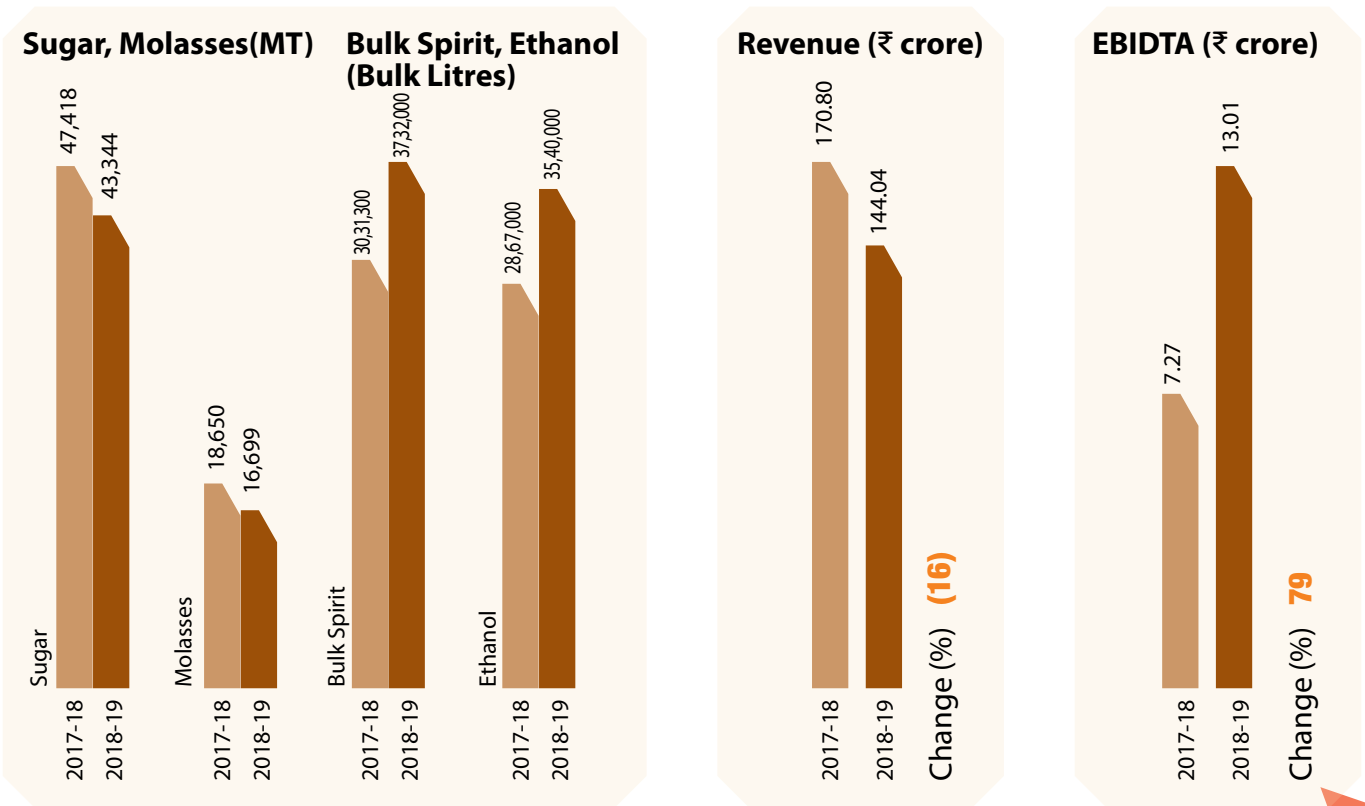
## Sugar

Sugar business was subjected to severe volatility in the last couple of years. As envisaged, the new season (commencing October 2018) pushed the average realisation down despite the release mechanism. Spurt in realisation of Ethanol following the change in Government's procurement policy helped the Company

post positive results in 2018-19. Riding on the by-product wave, the sugar division reported segment profit of ₹543 lakh in 2018-19 (₹28 lakh in 2017-18)

The long-term outlook for sugar prices appears to have improved in the current fiscal owing to a lower sugarcane crop coupled with higher diversion of the crop for ethanol manufacturing.

In the short-term, the Company is exploring options to overcome the pricing pressure as well as to effect mandatory export of sugar, prescribed by the Government. Over the long-term though, the Company does not see promising prospects for this industry in India and remains vigilant for any other opportunity to exploit this asset.



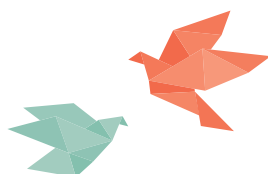
## 2) International operations

### Africa operations

Maamba Collieries Limited (MCL) posted excellent financial results for the first full year of commercial operations with revenues of US\$222.1 Million, Profit before Tax of US\$ 74.0 Million and Profit after Tax of US\$ 44.3 Million. MCL has surplus of US\$ 44.3 Million as at 31st March 2019.

MCL has been able to pare its long term debt by 25% as at March, 2019 and obtained certain cost competitiveness in the region enabling it to look at modified avenues of power offtake which should afford it with better payment security and long term sustenance.

Nava Bharat has 65% equity stake in MCL through its wholly owned subsidiary based in Singapore. Nava Bharat does not have any more equity commitments to MCL which runs on its own course.



**Power generation:** Maamba Collieries Limited (MCL) operated the integrated 300 MW (2X150 MW) coal fired power plant at 87% availability and 75% PLF for 2018-19.

MCL commenced billing for power from the Synchronization of the Power Unit with the Zambian Grid in July 2016 and has realised 70% of the amounts billed, as at 31st March 2019.

This is quite satisfactory considering the severe systemic imbalance being suffered by the Local Utility, ZESCO, on account of substantial delay in tariff rationalisation over the similar period.

While the monthly payment performance has improved in recent months, both ZESCO and the Government of Zambia which extended Sovereign Guarantee against ZESCO's payment obligations under the PPA with MCL, stand committed to discharge the remaining dues.

While discussions and efforts are underway, MCL is gratified that demand for power

continues to grow not only from the local grid but also from bulk consumers in Zambia and surrounding region for direct consumption with Grid facilitating transmission and wheeling.

**Coal mining operations:** The Coal Mining operations of the Company have seen a jump in profitability riding on better average price realisation for the high grade coal and spurt in volume with a steady throughput of thermal grade coal to the 300 MW power station.

Overall debt of MCL has come down by US\$59 Mn during 2018-19



	2018-19	2017-18	Growth (%)
Turnover (US\$ mn)	222	123	81
PBT (US\$ mn)	74	22	235
PAT (US\$ mn)	44	18	149
Average availability (%)	87	69	
Average PLF (%)	75	62	







A front view of the Steam Generator of Maamba Collieries Limited

**Multi Product farm block:** Kawambwa Sugar Limited, another subsidiary of the Company, holds long-term lease rights on a 25,000 acres land at Kawambwa in Luapula farm block in the North Western Zambia, commenced core infrastructure development work on the Multi Product Farm Block.

The Company pursued with the infrastructure development comprising site development, internal roads and preparations for farm block within the Farm Block. Inclement weather during a part of the fiscal affected the pace of progress. It is also working with the Government for developing proper approach road and power connectivity, and water drawl permission initially to the site. These are expected to continue throughout FY 2020.

The Company has commissioned an Independent Market Study focusing on sugar and Potable Alcohol in Zambia and its immediate neighbour Democratic Republic of Congo for both of which decent market access exists.

Meanwhile, phase wise sugar cane plantation and associated works will be carried out, with minimal capital outlay.

Core investment decisions will be taken and pursued only after all the open issues are tied up satisfactorily. Nava Bharat will leverage upon its existing sugar operations to the extent feasible, if the Sugar Project in Zambia is found investment worthy.

### APAC operations

The Healthcare Enabled Service vertical operated under TIASH, a joint venture holding company in Singapore has obtained certain traction with the receipt of first consignment of the IV Iron Infusions from the Danish company into Malaysia where exclusive distribution rights exist.

It has made good marketing strides in Malaysia and is being positioned similar to Pfizer in Canada and Lupin in India. TIASH is also being sounded of other innovations for marketing in APAC region by reputed manufacturers.

The Company expects this business to turn around with profits over next couple of years through which sustained efforts in marketing.

### Malaysia

The Indian thermal power plants are

mandated to comply with prescribed SOX norms which require high quality lime stone dosing to the coal used in power generation.

The Company has identified a lime stone resource, meeting the high quality parameters in Malaysia which can be developed in joint venture with private mine owners, talks are under way in this direction.

Given the widespread requirement of lime stone in a host of industries and resultant increase in procurement costs from limited domestic sources, this procurement strategy from Malaysia should help the Company obtain control on this vital input in power generation, in the long run.

To pursue this strategy, the Company has established a Step Down subsidiary in Malaysia. It will undertake initial exploration to determine the mineability and quantum of reserve in the development phase. During FY 2020 expenditure is likely to be confined to pre-development stage and so will be minimal.

# Financial performance



(based on Consolidated Financial Statements)

Despite the significantly sectoral headwinds and economic volatility, Nava Bharat reported a stellar performance, owing to the patient and passionate efforts of the entire team in strengthening the business foundation.

Business profitability improved significantly as the EBIDTA for 2018-19 stood at ₹1,419.75 crore against ₹862.37 crore in 2017-18 – a jump of 65%. Profit for the year at ₹464.79 crore was 67% higher than the Net Profit in 2017-18 at ₹277.98 crore.

The balance under Tangible Assets increased only marginally as there was no major capital investment which was complete during the year under review.

## Statement of Profit and Loss

Revenue from operations increased by 32% from ₹2,347.78 crore in 2017-18 to ₹3,103.46 crore in 2018-19. This was primarily owing to the significant uptick in the Zambian operations. In addition, the ferro alloy business also made a heartening contribution to business growth.

## Balance Sheet

Shareholders' Fund increased from ₹3,703.27 crore as on March 31, 2018 to ₹4,251.57 crore as on March 31, 2019 – an increase primarily due to ploughing of operational surplus into the business.

## Key Ratios

(based on Standalone Financial Statements)

Particulars	2018-19	2017-18
Debtors Turnover Ratio	7.5	9.7
Inventory Turnover Ratio	2.5	3.0
Current Ratio	2.15	1.98
Debt-Equity Ratio	0.10	0.10
Operating Profit Margin (%)	21	20
Return on Net Worth (%)	6	6





# Internal control and its adequacy

In an increasingly dynamic and competitive business landscape a robust internal control mechanism is an essential business imperative.

Nava Bharat's internal control mechanism aims to safeguard its assets as well as authorise, record and report all transactions correctly and on time.

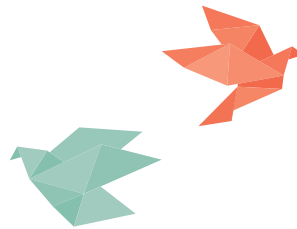
Towards this end, the Company has put in place an effective and robust internal control system, which not only conforms to the local statutory requirements but meets the highest global standards and practices.

The internal control framework constantly monitors and assesses all aspects of risks associated with current activities and corporate profile, including scientific and development risks, partner interest risks, commercial and financial risks.

These control processes facilitate in safeguarding the organisation's assets, preventing and detecting frauds and errors, ensuring accurate and complete accounting and timely preparation of reliable financial information. The control mechanism ensures that the manual and automated processes for transaction approval and recording are adequately and effectively

reviewed. Moreover, it ensures compliance with various policies, practices and statutes in keeping with the organisation's growth and business complexity.

The Company's internal control systems are backed with management reviews and verification by internal as well as statutory auditors. Moreover, an audit committee appointed by the Company's Board of Members undertakes periodic review of the internal audit plan, verifies the adequacy of the internal control system, marks its audit observations and monitors the sustainability of the remedial measures.



# Human resource

Nava Bharat's continued belief in Human Resources as a critical factor in the sustenance and growth of the organization, has enabled it to have seamless focus on nurturing and harnessing the potential of its human capability.

In this endeavour, the Company has worked relentlessly, on enhancing the performance of its human resources, nurturing their talent and improving the current capability levels through various HR interventions. At the same time, it continuously reviews its current HR systems and processes to keep them in tune with contemporary practices.

The company thrives on a metric based performance management system, which continually drives high performance culture. The vital cog to this is the variable pay programme, which, while delivering

high performance culture, recognizes the high contributors.

The company developed programmes to ensure/ sustain availability of talent pool for succession for key positions. As part of this, technical as well as behavioural matrices have been developed and integrated with career development plan for ascertaining the competency gaps and thereby delivering structured training and development initiatives for plugging the gaps.

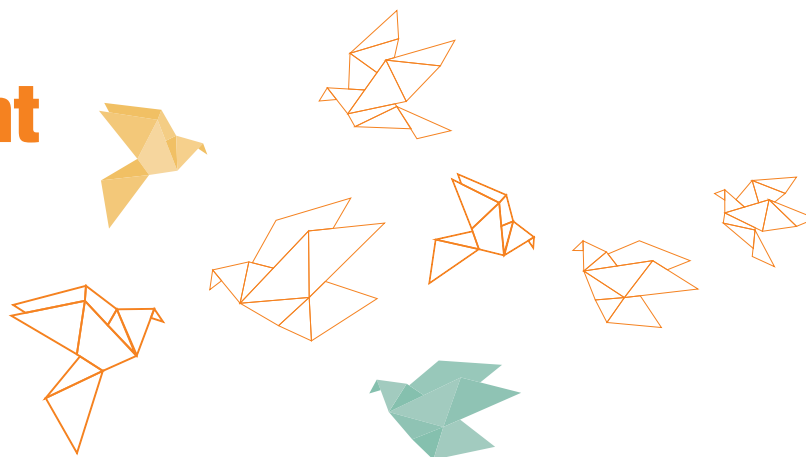
It is an established fact that there is a strong link between work-life balance, employee engagement and productivity. A better work-life balance, leading to a better employee engagement, is maintained and encouraged through various programmes and recreational activities. The various

engagement activities include sports activities, annual day celebrations, staff outing, celebration of important events like Republic Day, Independence Day, Safety Week, World Environment Day, etc. Further, employees are constantly encouraged to take up challenging assignments to improve their capability and commitment.

The Company maintained cordial industrial relations throughout the year without losing a single man-day on account of any industrial strife/ disturbance. The number of permanent employees on the rolls of the Company stood at 852 as on March 31, 2019.



# Risk management



Risk management at Nava Bharat is an integral part of the business model, focusing on making the business model emerge stronger and ensuring that profitable business growth becomes sustainable. The Company has adopted a comprehensive and integrated risk appraisal, mitigation and management process. The risk management framework goes beyond traditional boundaries and seeks to involve all key managers of the Company. The risk mitigation measures of the Company are placed before the Board periodically for review and improvement.

## 1) Ferro alloys

Demand for ferro alloys is singularly dovetailed with the prospects of the steel industry. Moreover, the fortunes of the steel industry mirror the economic climate prevalent across the globe.

Global economy, as predicted by experts is expected to slow down considerably owing to trade wars and protectionist measures adopted by developed nations, geo-political instability prevailing in pockets across the globe. This is expected to taper the demand for steel globally – an assumption corroborated by the World Steel Association.

### Cautionary statement

This document contains statements about expected events and financial and operational results of Nava Bharat Ventures Limited which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant chance that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, and actual results and events to differ materially from those expressed here.

India too, has not had a very positive fiscal. Based on key statistical data, experts feel that the nation could be heading for an economic slowdown. This could impact the demand for steel. However, the new Central Government is aware of this possibility and is working towards spurring investment driven growth in the country. This, when it translates into on-ground reality, will grow the demand for ferro alloys.

## 2) Power generation

The thermal power generation sector, although accounting for more than 60% of the power generation in India, continues to be plagued with multifarious issues.

Inefficient coal linkages leading to huge loss to the private generating companies despite India possessing the third largest coal reserves in the World. As a result, are forced to rely on imports making their cost structure unviable.

Lower than expected growth of electricity demand, leading to reduced PLF of existing plants. This position is further accentuated by a huge increase in supply (owing to unplanned increase in generation assets over the recent past). This has resulted in intense competition and no long-term contracts.

Inefficient distribution companies, leading to lack of initiatives to improve efficiency and bill collection. Further the deteriorating condition of DISCOMS across India leads to financial distress for power generating companies.

The abysmally low lower returns earned by the power generation companies (on account of low asset utilisation, escalating costs and reducing and unpredictable revenue) will lead to consolidation and financial erosion for all stakeholders.

## 3) Sugar

Cyclical nature of the sugar industry impact business growth and profitability. With climatic condition become increasingly erratic, the sugar cycle is becoming more unpredictable. As a result, the risks associated with the business are increasing. Moreover, the growing political influence on the sector makes business sustainability in this sector a challenging proposition.







NAVA BHARAT

# Report on Corporate Social Responsibility (2018-19)

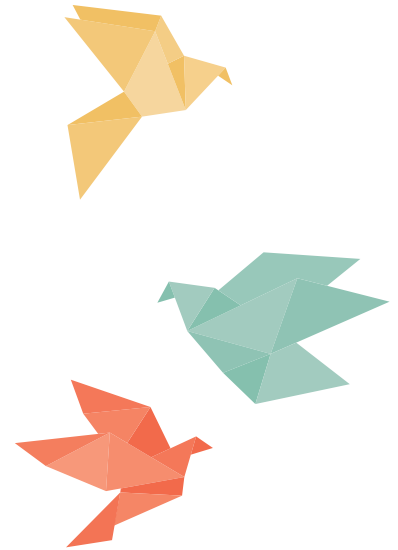
Nava Bharat is committed towards betterment of society and environment with constant efforts to build and nurture long lasting relationships with members of the society in general and the communities around its manufacturing facilities in particular.

Nava Bharat's CSR activities are driven towards achieving Sustainable Development Goals, such as good health and well-being, clean water and sanitation, quality education, decent work, economic growth and gender equality.

The Company has been primarily working in the areas of Health, Education and Livelihood Programmes (HELP) for the holistic development of communities surrounding its manufacturing facilities located in rural and tribal belts.

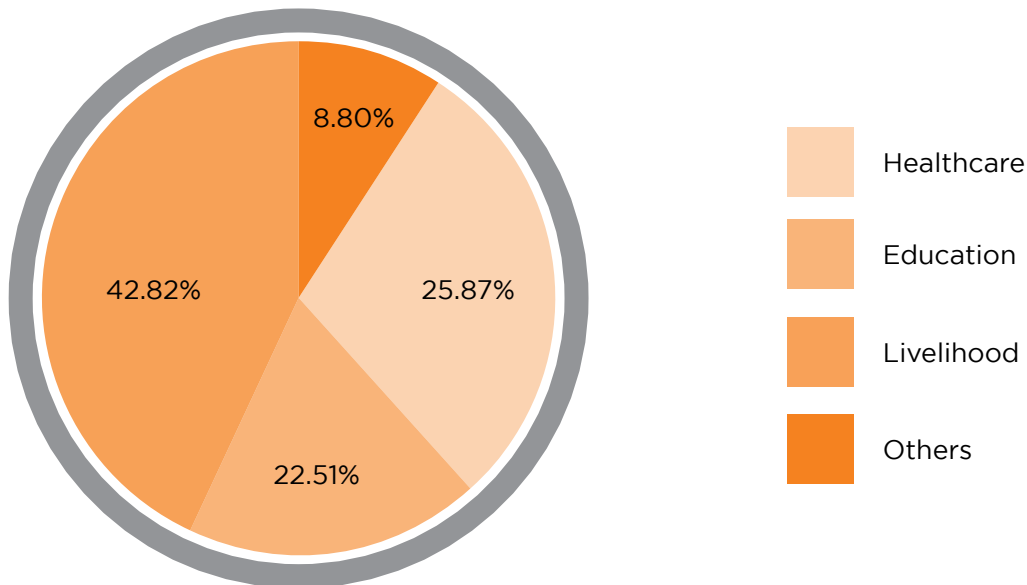
The Company's focus areas inter alia include

- 1. Health**
- 2. Education**
- 3. Livelihood**
- 4. Women empowerment**



Amount spent under CSR for FY 2018-19

## ₹434.44 Lakhs





Nava Bharat spent 2.003% of the average net profits made during the three immediately preceding financial years.

**Division wise break-up of spending during 2018-19:**



(₹ in lakhs)

Division / Plant location	Health	Education	Livelihood	Others	Total
Paloncha, Bhadradri Kothagudem District, Telangana	7.82	73.09	130.17	9.00	220.08
Dhenkanal, Odisha	8.00	14.40	44.98	16.14	83.52
Samalkot, East Godavari, Andhra Pradesh	0.16	10.31	--	1.02	11.49
<b>Total</b>	<b>15.98</b>	<b>97.80</b>	<b>175.15</b>	<b>26.16</b>	<b>315.09</b>

**Nava Bharat Energy India Limited**

Plant location	Health	Education	Livelihood	Others	Total
Paloncha, Bhadradri Kothagudem District, Telangana	96.37	--	10.88	12.10	119.35

*This report highlights the CSR activities of both Nava Bharat Ventures Limited and its Subsidiary Nava Bharat Energy India Limited.*





NAVA BHARAT

# HEALTH

**Spent ₹112.36 Lakhs during 2018-19**

The Company believes in providing primary healthcare to the underprivileged. The Company organises health camps in slums and rural areas for preventive and corrective health check-up of the inhabitants surrounding its plants. These healthcare programmes are run on a regular basis to sustain its healthcare commitment.

During the year 2018-19, the following healthcare projects/programmes were carried out

- 1.Nava Bharat Eye Centre**
- 2.Nava Bharat Primary Health Centre**
- 3.Regular Health camps**
- 4.Water, Sanitation and Hygiene (WASH) programmes**

- i) Safe drinking water
- ii) Toilets in Government schools
- iii) Hand wash facilities in schools



Nava Bharat Eye Centre

### Nava Bharat Eye Centre

With a view to provide "equitable and efficient eye care to all sections of society", Nava Bharat, in association with LV Prasad Eye Institute (LVPEI), established Nava Bharat Eye Centre (NBEC) at Paloncha, Bhadradi Kothagudem District in Telangana, in 2011.

LVPEI is a comprehensive eye health facility with its main campus located in Hyderabad, India. A World Health Organisation Collaborating Centre for Prevention of Blindness, this Institute offers comprehensive patient care, sight enhancement and rehabilitation services and high-impact rural eye health programs.

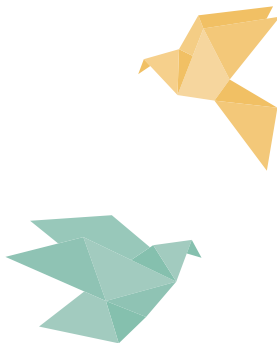
NBEC is equipped with modern eye care facilities, the latest being Retina Diagnosis, Optical Coherence Tomography (OCT), Fundus Camera, among others. The centre is connected to 10 Vision Centres of LVPEI in the following rural locations - Yellandu, Kallur, Manuguru, Aswapuram, Dammapeta, Thallada, Chandrugonda, Tekulapally, Charla and Sujatha Nagar in Bhadradi Kothagudem District.

NBEC provides world-class outpatient care, surgical care and nursing care apart from community eye care & rehabilitation program for the benefit of a large tribal and other underprivileged population. The quality of services will be on par for all segments of society irrespective of their financial status.

NBEC is the 9th rural eye care centre of LVPEI which caters to the population of 0.5 – 1 million within the working radius of 50-60 kms.

NBEC offers a bouquet of services which include: Non-paying services, Outpatient services, In-patient services, Surgical services, Support services, Community based eye care activities or Community based Rehabilitation Program and Primary eye care services (Vision Centre's)

During 2018-19, the Company, through Nava Bharat Energy India Limited - spent ₹69 lakhs towards procurement of new equipment/machinery i.e. B SCAN, Vitrectomy Machine, Lenstar/IOL Master and BIOM for Nava Bharat Eye Centre.





B SCAN



Vitrectomy Machine

With the help of new equipment/machinery NBEC was able to perform complex surgeries such as Eye transplantation, Retina and Glaucoma cases.

Special Surgeries performed:	No. of cases
EYE Transplantation	22
Retinal detachment	17
Glaucoma related	47

Other screening services:	Number of patients
Screened through Vision Centre's	1,19,294
Screened through community screening programs	2,27,958
Rehabilitation provided through community based program	233
Children Screened	12,799
Patients availed low vision services	101

Particulars/Description	Non-Paying	Paying	Total
Total No. of surgeries since inception	14,804	8,645	23,449
Total No. of out-patients since inception	93,236	1,35,061	2,28,297

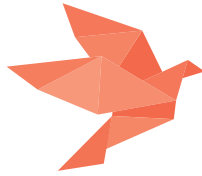






### Nava Bharat Primary Health Centre:

Preventive healthcare programs were conducted by the Company at the Primary Health Centre at Nava Bharat Eye Centre round the year.



#### Impact

Total patients treated / benefited

91

Amount spent

₹1.78 Lakhs

A primary healthcare centre is usually the first point of contact for people with the healthcare system. Hence, primary healthcare Centres should ideally provide comprehensive, affordable, community-based care throughout one's life. For this purpose, the Company, within the Nava Bharat Eye Centre, created an exclusive facility, Nava Bharat Primary Health Centre to conduct general preventive health check-ups round the year.

**Preventive healthcare:** Awareness programmes on preventive healthcare are organised for proactive and timely medical attention, particularly in slum areas surrounding Plant locations.

Under this initiative, a medical team visits such areas and conducts medical examination, gives counseling and medicines to people at free of cost. During the year, Health Campaigns were

conducted in Jagguthanda, Erragunta, Palakoyyathanda, Sekharambanjara, Gandhinagar, Sanjaynagar in and around Paloncha, Bhadadri kothagudam district, Telangana and provided medicines.



Health Campaign at Paloncha



Health Campaign at Hussainpuram, Samalkot

Similar, Health Campaigns were also conducted in Hussainpuram, Samalkot, East Godavari, Andhra Pradesh and provided medicines.

#### Impact

Total patients treated

4,639

Amount spent

₹6.21 Lakhs

Awareness on primary health care and preventive measures for various diseases



### Safe drinking water:

Due to inferior quality of ground water in rural areas, several villagers were exposed to water-borne diseases. To address this, the Company set up safe drinking water plants at several places.

During the year, Nava Bharat Energy India Limited has set-up a drinking water facility with ₹13.15 Lakhs, towards cost of machinery and civil construction at Kommugudem Village, Julurupadu Mandal, Bhadradi Kothagudem District and also restored existing drinking water plant at Meramandali, Dhenkanal, Odisha, at a cost of ₹0.87 Lakhs.

### Toilets in Government Schools:

To promote hygiene in schools and create an enabling environment which secures a child's dignity, safety, health and improves class attendance, especially female children, the Company has been

constructing toilets in several government schools.

During the year, Company has further extended such facilities by creating few more new toilets and wash rooms in government schools around Plant locations in Paloncha, Dhenkanal and Samalkot.

NBEIL has constructed community toilet at Kothagudam at a cost of ₹8.49 Lakhs. It has also constructed wash rooms at MPUP School at Erragunta village, Paloncha with a cost of ₹3.42 Lakhs.

The Company provided Infrastructure facilities such as, exercise parallel bars for physiotherapy, Tables, chairs, almirah (steel), Sewing machines and slider and cost of Speech therapy etc, at a cost of ₹0.90 Lakhs to Siri Institute for mentally handicapped at Samalkot, East Godavari, Andhra Pradesh.

A waste collection area (dustbins) was constructed in the Market yard area at Kharagprasad at a cost of ₹0.44 Lakhs. All waste both dry and wet will be collected here and shifted through Municipality vehicles to the dump area.

This will help neatness in the market locality and support Swachh Bharat mission benefiting people moving/accessing in the market yard.

With a view to enhance and take further the concept of Swachh Bharat in and around Paloncha Municipality Company's NBEIL has provided 4 Dumper bins to the local municipal authorities to clear/remove garbage in Paloncha area together with tools and tackles for use of the same.

About ₹2.31 Lakhs was spent on this activity



Toilet block - handing over ceremony at MPE School (Urdu) Old Paloncha, Government High School



MPUP School at Erragunta village



Dumber bins at Paloncha Municipality



Siri Institute for mentally handicapped at Samalkot





NAVA BHARAT

## EDUCATION

**Spent ₹97.80 Lakhs during 2018-19**

The Company believes that every child must have access to education. To make that possible, we at Nava Bharat, with special focus on ensuring quality education to children in rural and semi-urban areas, extend financial assistance / grant-in-aid to the projects / programmes that provide education, supply material to children and create infrastructure for schools.

The following are some of the programmes in this direction.

### Schools:

#### Nava Bharat High School:

This school has been catering to the educational needs of socially and economically poor children residing in nearby villages located around Nava Bharat business facilities and nearby tribal hamlets. The school has produced quality results in its 38-year journey. Currently, it has around 300 students on rolls. The civil amenities, play grounds, library, science laboratories and IT lab are provided to enable students to be at par with their urban counterparts. The school is affiliated to the Board of Secondary Education, Telangana.

During the year 2018-19, Company spent about ₹30 Lakhs towards renovation of office room with furniture and implemented a food program by providing nutritious food (Snacks and Milk) to students apart from salaries and perks to unaided teachers including teaching aids etc.,

#### Brahmani Public School:

Brahmani Public School located in Kharagprasad, Meramandali District, Dhenkanal, Odisha is a Co-Educational



Brahmani Public School

Secondary School affiliated to the Central Board of Secondary Education (CBSE).

The Company extended financial support to Brahmani Public School, for staff salaries and provided infrastructure facilities like, construction of toilet blocks, development of playground, children park, office room, computer laboratory etc. During 2018-19 an amount of ₹7.05 Lakhs was spent for capacity building and training of teachers, grant in aid etc., an approach road was also laid at the school premises.

Around 800 students benefited by using this approach road and 28 teachers were benefited through the capacity building training program at Brahmani Public School.

### Infrastructure in Government Schools

Dual desks: This initiative was taken to promote a congenial learning atmosphere in schools. Nava Bharat provided 3,938 dual desks to government schools in Paloncha, Mulakalapalli, Tekulapalli, Annapureddypalli, Chandrugonda, and Julurupadu mandals and benefited about 11,814 students. Similar initiatives were

taken at schools in Hussainpuram village, Burugupudi and Kirlampudi mandals in East Godavari District, Andhra Pradesh and at Sibapur village in Dhenkanal district, Odisha.

During 2018-19, further 400 nos. of such dual desks were provided to 26 government schools spread over 7 mandals i.e Paloncha, Kothagudem, Mulakalapalli, Annapureddypalli, Chandrugonda, Julurupadu and Bhadrachalam mandals benefiting about 1,200 students. The cost of these dual desks was ₹16.62 Lakhs.

### Others:

Apart from above, Company considered other infrastructure proposals and accordingly carried out the following:-

- Stage for cultural activities was constructed at MPE School, Hussainpuram, Samalkot, East Godavari District to promote and encourage children participation in extra-curricular activities apart from school class room activities/education. The cost of this project is about ₹2.33 Lakhs.
- In Upper Primary School, Masania, an M.S gate was fixed at a cost of ₹0.18 Lakhs to





keep check on unauthorized entry/access into the school premises and provide safety for children, this has helped about 90 students and school staff

- Carried out renovation work for Upper Primary School at Ranjasingha village at a cost of ₹0.50 Lakhs towards civil works at Motanga Mandal, Dhenkanal, Odisha.

Education Development Programmes

- Free tuitions
- Computer Education
- Spoken English
- Nava Bharat Vignana Dayini

To promote quality education, the Company undertakes numerous education development programmes in government schools around its business facilities covering

### Free tuitions/After class tuitions:

The Company organised tuitions for economically backward students in 22 Government Schools at Paloncha, Lakshmidivipalli and Mulakalapalli Mandals

### Computer education:

Recognising that computer literacy plays an important role in student's career development, the Company recruited instructors to impart training in computer education to students of government schools.

### Spoken English:

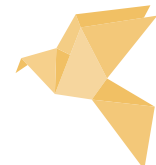
Communication, especially proficiency in English, is an essential skill for success and growth of students. Students in rural areas lack this skill. To help such students with proficiency in English, the Company conducted supplementary spoken English

programs in government schools located in and around the Company's operating facilities.

### Nava Bharat Vignana Dayini:

For proper education of science, it is necessary to conduct various kinds of experimental works, which are practical in nature. These practical functions cannot be carried out in the absence of scientific apparatus and equipment which form the critical building blocks for experiential science education.

To fill this gap, the Company has taken up an initiative named 'Nava Bharat Vignana Dayini' under which a mobile science laboratory visits various government schools and encourages students to carry out scientific experiments by themselves with proper guidance.



Dual desks distribution at Paloncha







NAVA BHARAT

## LIVELIHOOD

**Spent ₹186.05 Lakhs during 2018-19**

To promote employable skills to the unemployed youth, the Company through its Nava Bharat Vocational Institute (NBVI) and Women Empowerment Centre (WEC) is providing training, through various programmes, that enhance an individual's skills which enable them to achieve livelihood on a sustainable basis.

### Nava Bharat Vocational Institute (NBVI), Paloncha:

Nava Bharat Vocational Institute (NBVI) at Paloncha, is contributing to skill development by imparting vocational training to unemployed youth. NBVI imparts training in Welding, Electrician, Fitter, Refrigeration & Air conditioning, and Two Wheeler Mechanic trades for a period of six months. Evaluation of skill is done

periodically through monthly tests. This initiative has played a key role in improving the employability of local youth. The Institute has earned reputation and respect for its quality training and placements.

During the year, an amount of ₹75.41 lakhs was spent towards building rent for Welding Institute, Salaries, stipends, housekeeping charges, Pulse Tig machine, Anshuman Tech electrical board, consumables (gas, electrodes, tools etc.) for all trades and ₹12.10 lakhs towards shifting of welding section to new premises which includes cost of civil and other works. The Company's subsidiary Nava Bharat Energy India Limited, supported for AMC of Welding Simulator, Electrodes and MS plates at a cost of ₹5.52 lakhs towards cost of AMC and other consumables. An amount of ₹5.36 lakhs was spent for construction of compound wall at north-western sides of the Institute.

Considering the success and impact that contributed to unemployed youth, through skill development vocational



Nava Bharat Vocational Institute

training courses by the Nava Bharat Vocational Institute at Paloncha, the Company proposed to construct similar facility at Kharagprasad, Odisha Unit and spent about ₹45.00 Lakhs

**Impact:** Out of 157 trainees 143 candidates got placements.

Persons trained during 2018-19 in the following industrial trade skills:

**Welding : 44**

**Electrical : 51**

**Fitting : 32**

**Two wheeler technicians : 8**

**Refrigerator and air conditioner technicians : 22**

## Women Empowerment Centre, Paloncha



Nava Bharat Women Empowerment Centre is a social enterprise that empowers local women around Paloncha area through skill development. Our training program helps local women realise their creative potential, gain confidence and provide steady employment.

The palm leaf weaving products are biodegradable and environmentally conscious as the inputs primarily comprise locally sourced palm leaves and organic dyes. In this way, the Company aims to help local women grow as individuals and transform their lives.



Beautician course

Garment making is one of the other courses conducted at the Centre. The aspirants of the centre formed a co-operative society called Navayuga Mahila Thrift Mutually Aided Cooperative Society for transacting business of their products.

### IMPACT:-

1. Created self-employment opportunities for women with earnings of ₹4,000/- to ₹5,000/- per month.



Palm leaf products

2. Achieved turnover of about ₹10 Lakhs through sale/marketing of products/services.

3. 216 Persons trained during the financial year 2018-19 in Tailoring, Beautician, Garment making and Palm leaf weaving courses. 75% candidates are self-employed.

4. **Computer Courses:** During the financial year 120 persons trained in DTP and Tally courses.



## OTHER CSR INITIATIVES

Spent ₹38.26 Lakhs during 2018-19



Apart from the focus areas detailed above, Nava Bharat strives to serve the society through various other measures. The following are some of the programmes carried out during the year in this direction:

Under environment sustainability, NBEIL took the initiative to develop greenery along the side of National Highway and spent ₹12.10 lakhs towards planting saplings.

Similar initiative was also undertaken by the Samalkot Sugar Division spent ₹0.78 Lakhs towards greenery development on the bank of Godavari canal.

With a view to promote awareness and road safety to general public moving on the highway adjacent to the Factory at Samalkot Flyover, Company installed road safety/caution display boards, light blinkers, road studs etc, at a cost of ₹1.82 Lakhs.

A Community Centre was built at Sibapur Village, Dhenkanal, Odisha for community gathering and meetings benefiting about 2000 villagers.

The cost of construction is ₹1.82 Lakhs.

Solar lights were provided at Sibapur village near Dhenkanal, Odisha for the benefit of the villagers with a cost of ₹7.28 Lakhs for lamps and installation work.

Construction of Kitchen & Dining hall at Biswakuntala Children home, Dhenkanal with a cost of ₹7.04 Lakhs for Civil Works and Kitchen Utensils. This has benefited the 46 inmates of the Children home.

### CSR Committee

The CSR Committee consists of Board members headed by Mr. D Ashok as its Chairman.

The Committee is responsible for the following:

- finalising and approving the budget for each financial year
- reviewing and approving activities/ programmes/ projects for each financial year as per allocated budgets
- overseeing the execution of the Company's CSR Policy
- ensuring that the CSR Policy is embedded across Nava Bharat's operations and the CSR initiatives are aligned with the policy

The activities are implemented under the guidance and support of the Committee and the Board. The monitoring mechanisms include meetings, visits and status reports by project teams/Company personnel or such other agencies as may be entrusted with.

The following directors are members of the CSR Committee

1. Mr. D Ashok, Chairman
2. Dr. D Nageswara Rao, Member
3. Dr. CV Madhavi, Member

Committee visited Odisha Unit during January, 2019 and interacted with concerned officials of the Company and reviewed the progress of the CSR activities and their implementation. The Committee has expressed its satisfaction over the progress of the projects/programmes and observed that the impact was impressive.





NAVA BHARAT

# Directors' Report

## Dear members,

Your directors are pleased to present the 47th annual report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2019.

## FINANCIAL SUMMARY

The financial performance of the Company (standalone and consolidated), for the financial year ended March 31, 2019 is summarized below:

The numbers in this report are rounded off to the nearest Million, wherever required.

(₹ in Million)

Particulars	Standalone		Consolidated	
	For the year ended			
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Total income for the year	14,378	13,551	31,951	24,172
Profit before Finance charges, Depreciation & Tax	3,202	2,899	14,197	8,623
Less: Finance charges	246	153	3,509	2,463
Profit before Depreciation and Taxation	2,956	2,746	10,688	6,160
Less: Depreciation	369	374	2,920	2,284
Profit for the year after Depreciation	2,587	2,371	7,768	3,876
Less: Current tax	880	677	1,086	862
Deferred tax expense	45	79	2,035	234
Profit after Tax	1,662	1,616	4,648	2,780
Non-Controlling Interest	-	-	1,072	400
Total other comprehensive income for the year	10	1	1,112	43
Total comprehensive income for the year	1,672	1,617	5,760	2,823
Appropriations				
Dividend on Equity Share Capital	253	169	253	169
Corporate Dividend Tax	52	34	52	34

## REVIEW OF OPERATIONS

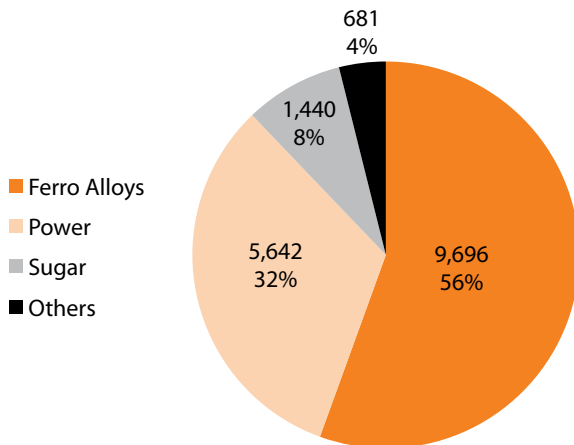
The year 2018-19 was a year of operational excellence supported by your Company's strong fundamentals. Your Company's Ferro Alloys division saw all-time high production and sale of Silico Manganese. PLF pertaining to power plant in Telangana in 2018-19 was higher over 2017-18 due to sustained and increased captive consumption mitigating the vagaries of sale of surplus power while in Odisha it was down due to reduced CPP consumption on account of furnace-2 outage in the first quarter for lining works. Sugar cane crushing volume went down in 2018-19 relative to 2017-18 due to reduction in cane growing area but average recovery was maintained same for both the years.

At standalone level, your Company recorded a revenue of ₹13,587 Mn, EBITDA of ₹ 3,202 Mn, PBT of ₹ 2,587 Mn and PAT of ₹ 1,662 Mn as against a revenue of ₹ 13,086 Mn, EBITDA of ₹ 2,899 Mn, PBT of ₹ 2,372 Mn and PAT of ₹ 1,616 Mn in the previous year.

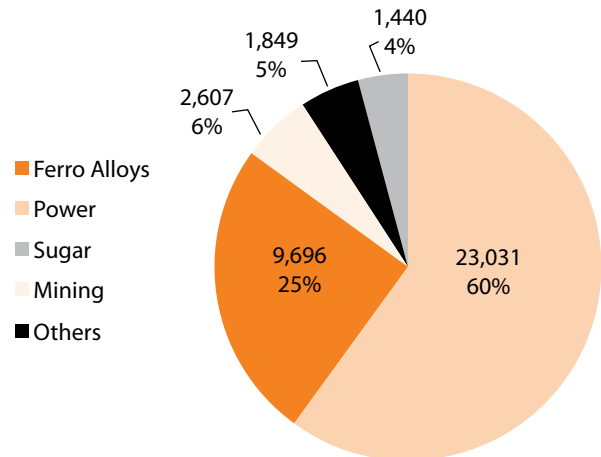
Silico manganese performance continues to report remarkable for the fiscal with a significant increase in revenue. For FY19 the revenue stood at ₹9,696 Mn compared to at ₹9,070 Mn in FY18 reflecting a growth of 7%, driven by increase in overall volumes. The sugar revenue stood at ₹1,440 Mn compared to ₹1,708 Mn reflecting a de-growth of 16% due to pricing pressure, however, riding on by-products the sugar segment reported a segment profit of ₹ 54 Mn compared to ₹ 3 Mn in previous year.



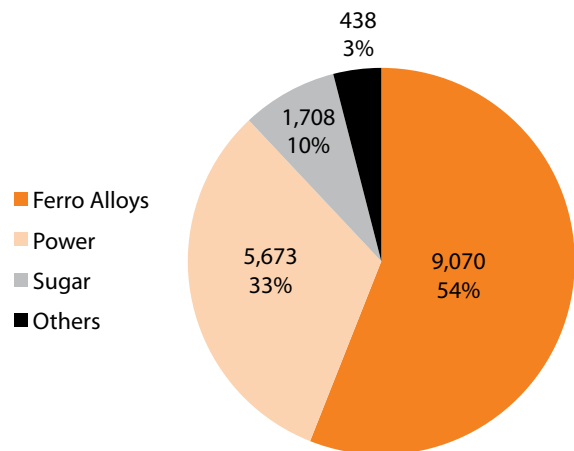
**FY 2018-19 Standalone Segment Revenue from operations (₹Mn)**



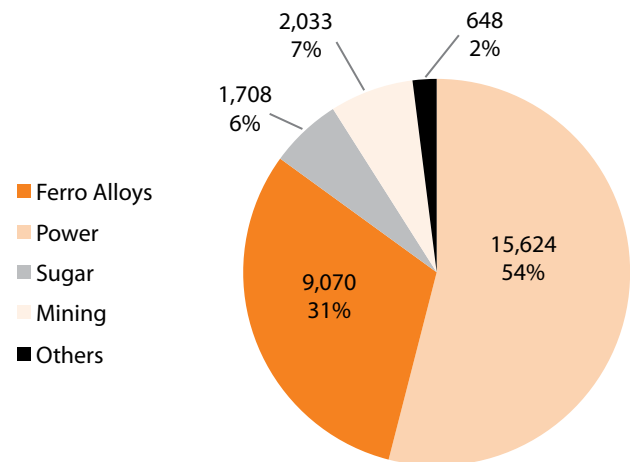
**FY 2018-19 Consolidated Revenue from operations (₹Mn)**



**FY 2017-18 Standalone Segment Revenue from operations (₹Mn)**



**FY 2017-18 Consolidated Revenue from operations (₹Mn)**



During the year under review, at consolidated level, your Company achieved a revenue of ₹ 31,035 Mn, EBITDA of ₹ 14,197 Mn, PBT of ₹ 7,768 Mn and PAT of ₹ 4,648 Mn as against a revenue of ₹ 23,478 Mn, EBITDA of ₹ 8,623 Mn, PBT of ₹ 3,876 Mn and PAT of ₹ 2,780 Mn respectively in the previous year. PAT (Consolidated) ₹4,648 Mn (2X times to previous year), grew by 67% y-o-y.

The power revenue for FY19 stood at ₹23,031 Mn compared to at ₹15,624 Mn in FY18 reflecting a growth of 47%, driven by increase in PLF 75% compared to 62% in previous year of the 300 MW Zambian power plant. The Mining revenue stood at ₹2,607 Mn compared to ₹2,033 Mn reflecting a growth of 28%. The Deferred tax expense has increased significantly during the year. The increase was on account of provision for deferred tax on the 300 MW Zambian power plant.

**FERRO ALLOYS**

Your Company achieved production of 1,05,032 MT and sales of 1,05,611 MT of Silico Manganese for FY 2018-19, surpassing all previous records.

Your Company has registered the largest production ever of Ferro Alloys and matching sales for FY 2018-19 with conversion arrangement chipping in with good volume, notwithstanding planned furnace outages. This performance ensured high productivity and decent profitability after considering the cost of input power on an arm's length basis.

The operations and profitability of the Ferro alloy units in Telangana and Odisha are critically dependent on evolving sector dynamics in the primary steel and stainless steel which have been strong in recent periods.





## POWER

Profitability of the Power division with 284 MW capacity, stems from pricing of power on par with Grid tariff and the Company's ability to obtain maximum quantum of coal through lower cost means. Though your Company suffers from higher plant heat rates compared to large power plants, the relative smaller sizes of the power plants and boiler technology afford it with greater flexibility and resilience to overcome the sector volatility. The captive power plants remain agile to exploit periodic spurts in merchant power rates for sale of surplus power while core captive consumption continues.

The Power division has two idle independent power assets aggregating to 80 MW, operation of which requires sustained better pricing under merchant power route and judicial orders enabling metering and open access (in Odisha). The captive power operations are regulated by the Company in order to be compliant of extant regulations concerning captive consumption.

## SUGAR

The 4000 TCD integrated sugar posted positive results for FY 2018-19 despite the pressures on margins in the initial part of the FY 2018-19. Following the crop holiday and attendant reductions in crop support schemes, the Company expects lower volumes in the coming season. Your Company does not see long term prospects for this business in India and remains vigilant for any other opportunity to exploit this asset and leverage its rich experience.

## DIVIDEND

Your Board of directors having considered various corporate actions, ongoing capex and debt repayments for the FY 2019-20 and decided to recommend same dividend as in last year on the equity shares at the rate of 75% (₹ 1.50) per share of ₹ 2/- each for the FY 2018-19, subject to shareholders' approval at the ensuing annual general meeting (AGM). The aggregate dividend payout amounts to ₹ 305 Mn, including corporate dividend tax of ₹ 52 Mn.

## BUY-BACK

The Board of Directors took in to account the book value of the Equity Share as at March 31, 2019, average market price and available free cash and then decided to do a Share Buy-back signifying its intent to deploy a part of the free cash in such corporate actions, going forward.

Your Board of directors has approved the proposal for Buy-Back of fully paid up Equity Shares of face value of ₹ 2 (Rupees Two only) each for an aggregate amount not exceeding ₹ 25.00 crores

(Rupees Twenty Five crores only) ("the Maximum Buyback Size") and at a price not exceeding ₹ 160/- (Rupees One hundred and Sixty only) per Equity Share (the "Maximum Buyback Price") from the shareholders of the Company excluding members of promoters, promoter group and persons acting in concert, payable in cash from the open market through stock exchanges mechanism, in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and the Act.

## SELECTIVE REDUCTION OF CAPITAL

Your Board of directors also approved selective reduction of capital and extinguishment of shares of the Company held by two trusts viz., Nav Energy Private Ltd and Nava Bharat Ventures Employee Welfare Trust aggregating to 1,27,47,020 equity shares, 7.14% of the paid up share capital.

The shares held by the former are treasury stock, emerged out of an erstwhile amalgamation through a court directed process where it was directed that these shares be vested in a trustee, who shall hold such shares for the benefit of the Company and for sale thereof as directed by the Company at a fair price after obtaining the valuation report and for payment of net sale proceeds thereof to the Company. However, given the historical trend of the share price being below book/fair value in general, such sale could not happen.

The Nava Bharat Ventures Employee Welfare Trust was formed to provide a corpus to benefit the employees of the Company and its subsidiaries by extending a loan to the Welfare Trust. The Company appointed an independent trustee who acquired Company's shares from the market and held them in trust. In the meantime, SEBI precluded the continuation of Employee Welfare Trusts in listed companies and mandated to sell the shares held by such trusts on the recognized stock exchange(s) by October 2019.

Your directors deliberated and formed an opinion that the sale of such a large quantity of shares held by both the trusts in the open market would jeopardize the interests of shareholders and as such would not be prudent. Accordingly, the Board of directors of your Company approved to extinguish the two trusts and their shareholding by way of selective reduction of capital along with the loan to the Employee Welfare Trust as per the provisions of Section 66 of the Act subject to approval of Shareholders and other requisite approvals. This measure is expected to improve the return on equity for the existing shareholders, going forward.

## RESERVES

No amounts were proposed to be transferred to Reserves for the period under review.

### FIXED DEPOSITS

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

### LISTING OF EQUITY SHARES

The securities of the Company are listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Further, the Company has no equity shares carrying differential rights.

### SUBSIDIARY COMPANIES

The Company has direct and step down subsidiaries in India and overseas. Consolidated financial statements have been prepared by the Company in accordance with the requirements of Ind AS 27 issued by Institute of Chartered Accountants of India (ICAI) and as per the provisions of the Companies Act, 2013 ("the Act").

As per the provisions of Section 136 of the Act, separate audited financial statements of subsidiaries are placed by the Company on its website at [www.nbventures.com](http://www.nbventures.com) and the Company shall provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.

The annual accounts of the subsidiary companies shall also be available for inspection by any shareholder in the registered offices of the holding Company and of the subsidiary companies concerned.

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement pursuant to Rule 8(1) of Companies (Accounts) Rules, 2014 is enclosed as **Annexure - 1** to this report.

Statement containing the salient features of the financial statement of subsidiaries and associate company for the year ending March 31, 2019 in **Form AOC-1** (Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) is attached at the end of the notes to "Accounts to Financial Statements".

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

NBS, a wholly owned subsidiary of the Company, is the investment arm and holding Company of the overseas strategic investments while rendering trading services for ferro alloys within the Group. NBS controls the investments in coal mining and power generation, principal investment being in Zambia.

### MAAMBA COLLIERIES LIMITED (MCL)

MCL is a step down subsidiary of the Company in Zambia with NBS holding 64.69% of the equity stake while the balance 35.31% is held by ZCCM Investments Holdings Plc and others. MCL had revamped the coal mine operations and since established a 300 MW (2 X 150 MW) coal fired power project.

MCL has operated the integrated 300 MW (2X150 MW) coal fired power plant at about 87% availability and 75% PLF for FY 2018-19.

MCL has posted excellent financial results for the first full year of commercial operations with revenues of US\$ 222 Mn, profit before tax of US\$ 74 Mn and profit after tax of US\$ 44 Mn. MCL has surplus of US\$ 44.3 Mn. as at March 31, 2019 the distribution against which can happen in due course after MCL complying with the prescribed covenants under the term loan financing. Your Company does not have any more equity commitments to MCL which runs on its own course.

MCL commenced billing for power from the Synchronization of the Power Unit with the Zambian Grid in July 2016 and has realized 70% of the amounts billed, as at March 31, 2019. This is quite satisfactory considering the severe systemic imbalance being suffered by the Local Utility, ZESCO, on account of substantial delay in tariff rationalization over the similar period. Both ZESCO and the Government of Zambia which extended Sovereign Guarantee against ZESCO's payment obligations under the PPA with MCL, stand committed to discharge the remaining dues.

MCL has been able to pare its long term debt by 25% and obtained certain cost competitiveness in the region enabling it to look at modified avenues of power off take which should afford it with better payment security and long term sustenance. While discussions and efforts are underway, MCL is gratified that demand for power continues to grow not only from the local grid but also from bulk consumers in Zambia and surrounding region for direct consumption with Grid facilitating transmission and wheeling.

As the long term debt continues to be serviced on track and reduced on an ongoing basis, MCL expects to have a reasonably better off-take arrangement with the Grid and/ or others soon, paving way for distribution of returns to shareholders, from FY 2020-21 onwards.

### NAVA ENERGY PTE. LIMITED, SINGAPORE (NEPL)

NEPL, Singapore, is a wholly owned subsidiary (WOS) of the Company and is the intermediate holding company in Singapore, engaged in O&M services of power plants abroad. It will avail



technical support from Nava Bharat Ventures Limited, the Holding Company having requisite expertise and operating experience of power plants and supplement it with technical support from Original Equipment Manufacturers (OEMs) or EPC contractors, as required.

Nava Energy Pte. Limited, Singapore renders O&M services for the 300 MW power plant of MCL in Zambia. The Technical support for the O&M operations of the Zambian Company are done both on-site and off-site and will be dynamically adjusted to meet the inflationary and statutory changes in respective geographic areas, but ensuring that the revenue remains intact and range bound.

NEPL has set up a Zambian company, Nava Energy Zambia Limited (NEZL) as its operating subsidiary to facilitate compliance with local laws in engagement of subcontractors and employees to discharge the O&M contract obligations.

#### **NAVA ENERGY ZAMBIA LIMITED, ZAMBIA (NEZL)**

Nava Energy Zambia Limited is a Zambian Step down subsidiary and a WOS of NEPL. NEZL has engaged qualified and experienced personnel and Sub-contractors in Zambia. In order to achieve smooth transition from the construction phase to operations phase, NEZL has been at the power plant site in Zambia for the last two years and has assimilated the technical aspects of the 300 MW power plant operations from SEPCO being the EPC contractor.

#### **NAVA AGRO PTE. LIMITED, SINGAPORE (NAPL)**

NAPL is a wholly owned subsidiary of the Company and is intended to be the intermediate holding company in Singapore to pursue investments in commercial agriculture and related businesses, initially in Zambia through Kawambwa Sugar Limited.

#### **KAWAMBWA SUGAR LIMITED, ZAMBIA (KSL)**

Kawambwa Sugar Limited (formerly Kariba Sugar Limited) (KSL) is a Zambian company (step-down-subsiadiary) which has been allocated 10,000 ha of land by the Government of Zambia to pursue Sugar business initially. NAPL holds 100% shareholding of KSL.

Your Company considers the 25,000 Acre Luana Farm Block in North Western Zambia to be the springboards for lucrative and emerging value add opportunities in commercial agricultural processing at a time when good quality agrarian resources are fast diminishing across the world.

KSL has pursued with the infrastructure development comprising site development, internal roads and preparations for Farm Block within the Farm Block and taken up with the Government for

proper approach road and power connectivity to the site. These are expected to continue throughout FY 2019-20. In parallel KSL intends to complete market study and decide on future course of action.

#### **NAVA HOLDING PTE. LIMITED (NHPL)**

Nava Holding Pte. Ltd. (NHPL) was incorporated in Singapore, to hold investments in Healthcare enabled services being undertaken by the Group, investments for the proposed procurement of Lime Stone from Malaysia and other investment initiatives in emerging areas.

#### **Healthcare Enabled Services in APAC region**

#### **TIASH PTE. LIMITED (TPL), SINGAPORE**

Nava Holding Pte. Ltd. holds 65% equity stake in Tiash Pte. Ltd. and balance 35% is held by Mr. Timothy Robert Cushway, CEO and original founder as Sweat Equity. The healthcare enabled services under TIASH, and its operating subsidiaries in Singapore and Malaysia entail low capital outlay, principally for marketing, distribution and administration of the IV Iron medicine in APAC region, known for premium lifestyle healthcare. TIASH has made good marketing strides in Malaysia where exclusive distribution rights exist for the world's leading medicine in this space and being positioned similarly like Pfizer in Canada and Lupin in India. During the short time of its existence, TIASH has obtained good traction and is being sounded of other innovations for marketing in APAC region by reputed manufacturers.

#### **Procurement Strategy for Imported Lime Stone**

Your Company considers that it is prudent to have captive resource of lime stone, in the long run, for usage in its coal fired power plants to meet the revised Emission standards being applied to all coal fired power stations in India pushing up demand. The step down subsidiary is evaluating certain potential resources in Malaysia, known for quality lime stone deposits. Accordingly, NHPL incorporated a wholly owned subsidiary viz., KINTA VALLEY MINING RESOURCES SDN. BHD. (KVMR) in Malaysia, to carry-on the business of mining of limestone in Malaysia.

#### **INDIAN SUBSIDIARIES**

#### **NAVA BHARAT ENERGY INDIA LIMITED (NBEIL)**

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

The 150 MW Unit of Nava Bharat Energy India Limited (NBEIL),

performed reasonably well in FY 2018-19 and closed the year with near breakeven numbers. NBEIL strives hard to contain the coal cost despite there being no linkage. Through a mix of washery rejects and coal, the company has been able to contain variable cost to be within lower quadrant for plants of similar size and higher. This has also enabled it to remain successful in the tenders for short term procurement of power and sale through IEX and to register average PLF of 49.32% in FY 2018-19. The Ash Products Plant attached to this power plant has obtained traction with acceptance of its products, tiles and pavers, in the construction and infrastructure space based on their relative merits over conventional alternatives. The Company intends to utilize a part of the capacity of Ash Products Plant for other value-add products.

#### **NAVA BHARAT PROJECTS LIMITED (NBPL)**

NBPL has been providing services to Group Company, Nava Energy Pte. Limited, Singapore, in relation to Project Management and technical support services under O&M contract for 300 MW power plant of Maamba Collieries Limited at Maamba, Zambia.

The Company's wholly owned subsidiary, A9 Realty Pvt Ltd. , was merged with the Company vide order dated January 21, 2019 of the Regional Director, South East Region, Ministry of Corporate Affairs.

Investigations into the allotment of Coal Blocks to Brahmani Thermal Power Pvt. Ltd. formerly Navabharat Power Private Limited (NPPL):

In respect of certain allegations of misrepresentation pertaining to the allotment of coal blocks to NPPL, thereby lead to an investigation by the Central Bureau of Investigation (CBI) and the Enforcement Directorate (ED) of the Government of India. CBI has filed its final report against NPPL and two of its the then directors and the prosecution witnesses are being examined before the Special Court and stands posted for further evidence of the Prosecution Witnesses on July 09, 2019 and July 10, 2019.

The Enforcement Directorate filed a complaint before the Special Court, New Delhi District Courts against nine persons including Nava Bharat Projects Limited and Mr. P. Trivikrama Prasad under Section 3 and 4 of Prevention of Money Laundering Act (PMLA), 2002. The Hon'ble Special Court (PC Act), New Delhi also took cognizance of the complaint of the Enforcement Directorate and Ordered, issue of Summons to accused therein. Accordingly, the Company was served Summons to appear in the Court of the Hon'ble Ld. Judge Mr. Bharat Parashar, Special Judge (PC Act) CBI-0, accordingly, the Company through its authorized representative appeared before

the said Court. Scrutiny of the documents supplied through the complaint has been completed and arguments commenced on framing of charges and are under way, the case is posted to July 8, 2019 for further hearing of the Arguments on framing of charges.

Enforcement Directorate, Hyderabad: The Enforcement Directorate, Hyderabad, (ED) vide its Provisional Attachment Order dated July 22, 2014 attached to the extent of ₹1,396 Mn. in respect of the investment made by the Company in the share capital of Nava Bharat Energy India Limited (NBEIL), subsidiary of NBPL, and the said Provisional Attachment Order was also confirmed by the Adjudicating Authority under Prevention of Money Laundering Act, 2002 vide Order dated May 20, 2015. Subsequently, the ED issued a letter dated July 9, 2015 to Nava Bharat Projects Limited requesting to transfer entire 73,99,99,994 equity shares of ₹2/- each of face value of Nava Bharat Energy India Limited held by the Company within one week. Against the said confirmation Order of the Adjudicating Authority and letter dated July 9, 2015 of ED, an appeal was filed before the Appellate Tribunal constituted for hearing the appeals against the Order of the Adjudicating Authority under PMLA. The Appellate Tribunal granted stay against operation of the Letter dated July 9, 2015, subject to certain conditions vide Order dated July 30, 2015 and the said stay has been extended from time to time, and continues during the pendency of the Appeal.

The Company along with NBEIL approached the Appellate/ Adjudicating Authority of the Enforcement Directorate vide separate applications with a request to allow provision of alternate security by it to release attachment on the equity shares of NBEIL held by NBPL worth of ₹1,386 Mn. and filed Counters followed by a rejoinders. However, the Appellate Tribunal has decided to hear the said application along with the main appeal and consequent upon the outcome and basing upon which, the fate of the application will be decided.

Now the Appeals are posted to July 30, 2019 for hearing.

#### **BRAHMANI INFRA TECH PRIVATE LIMITED (BIPL)**

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

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





been adjudicated by a local court which also is devoid of merits concerning development of real estate and so is not considered fair by BIPL. Accordingly an appeal is being preferred before the Hon'ble High Court of Telangana against the orders of the lower court. Pending the outcome of the Appeal, the matter is being reflected as a contingent liability.

#### **KINNERA POWER COMPANY PVT. LTD (KPCPL) (Associate Company)**

KPCPL is an associate of the Company with 26% equity stake which is continued as specified by National Highway Authority of India (NHAI). As per the professed intention and there being no economic interest, the Company plans to fully off-load its stake in KPCPL in favour of Meenakshi Infra Group in due course as per the regulations. Accordingly, no economic interest from KPCPL is being factored in the consolidated financials nor the accounts of KPCPL appended in the Annual report of the Company.

#### **OUTLOOK AND FUTURE PLANS**

"Management Discussion and Analysis" contains a section on the Company's outlook and future plans and members may please refer the same on this.

#### **CHANGE IN THE NATURE OF BUSINESS**

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

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

In accordance with the provisions of Section 134 (3)(m) of the Act the required information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo have been enclosed as **Annexure - 2**, to this report.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The annual report on CSR activities, in terms of Section 135 of the Act, and the details about the policy developed and implemented by the company on CSR initiatives taken during the year are enclosed as **Annexure-3** to this report. A detailed policy on CSR is placed on the Company's website under the web link: <http://www.nbventures.com/corporatepolicies.htm>

#### **EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Act, an extract of the annual return in the prescribed format is enclosed as **Annexure - 4** to this Report.

#### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Sec.188 in Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 are enclosed as **Annexure - 5** to this report.

The policy on materiality of related party transactions and also on dealing with the related party transactions as approved by the Audit Committee and the Board of Directors was placed on the website of the Company under the web link:

[http://www.nbventures.com/corporate\\_policies.htm](http://www.nbventures.com/corporate_policies.htm)

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The details of loans given, guarantees provided and investments made during the Financial Year ended on March 31, 2019 are enclosed in **Annexure - 6** to this Report in compliance with the provisions of Section 186 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014. The particulars of aggregate loans, guarantees and investments under Section 186 of the Act are disclosed in Financial Statements which may be read as part of this Report.

Further, pursuant to the authority vested by the members in the Board at their AGM held on August 24, 2016 to make amendments to the matters specified therein, the Board of Directors at their meeting held on May 29, 2019 approved an increase in the value of Guarantee and Indemnity and performance bank Guarantee limits for the O&M Contract from US\$ 43.67 Mn to US\$ 45.74 Mn and US\$ 2.20 Mn to US\$ 2.61 Mn respectively with commensurate increase in O&M fee on account of indexation.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulation") is presented in a separate section forming part of this Report.

#### **BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility Report as stipulated under Regulation 34(f) of the Listing Regulations is not applicable for the financial year 2018-19 since the Company did not form part of top 500 companies in terms of market capitalization as on March 31, 2019.

## CORPORATE GOVERNANCE

A separate report on Corporate Governance as stipulated under Regulation 34(3) of the Listing Regulations is attached hereto as a part of this report. The report on Corporate Governance also contains certain disclosures required under the Act.

Disclosure under Regulation 34(3) read with Schedule V of the Listing Regulations.

### Related Party disclosure as per Schedule V of the Listing Regulations

(₹ in Million)

Sl. No.	In the accounts of	Particulars	Amounts at the year ended 2018-19	Maximum amount of Loans/ Advances/ Investments outstanding during the year 2018-19
1	Nava Bharat Ventures Limited (NBVL) (Holding Company)	Loans given to: Nava Bharat (Singapore) Pte Ltd (Wholly owned subsidiary of NBVL) Nava Bharat Energy India Ltd (Subsidiary of NBVL)	4,495 (USD 65.00) 1,542	4,835 (USD 65.00) 1,800
2	Nava Bharat Ventures Limited (NBVL) (Holding Company)	Investment by the Loanee, i.e., Nava Bharat (Singapore) Pte Ltd (Wholly owned subsidiary of NBVL) In the shares of its subsidiary company, i.e. Maamba Collieries Ltd	8,940 (USD 129.28)	9,617 (USD 129.28)
3	Nava Bharat (Singapore) Pte Ltd (NBS) (Wholly owned subsidiary of NBVL)	Loans given to: Maamba Collieries Ltd (Subsidiary of NBS)	6,208 (USD 89.77)	6,678 (USD 89.77)
4	Nava Holding Pte Ltd (NHPL) (Wholly owned subsidiary of NBVL)	Loans given to: TIASH Pte Ltd (Subsidiary of NHPL)	134 (USD 1.94)	144 (USD 1.94)

## DIRECTORS

The Board of directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors with one woman Independent Director.

### INDEPENDENT AND NON-EXECUTIVE DIRECTORS

During the year under review, pursuant to regulation 17(1A) of the Listing Regulations (the Regulations), as amended from time to time, the following non-executive and independent directors of the Company have technically vacated the office of directorship w.e.f. April 1, 2019 owing to attainment of age i.e. 75 years as prescribed under the Regulations.

S.No	Name of the director	DIN	Designation
1	Mr. K. Balarama Reddy	00012884	Independent Director
2	Dr. ERC Shekar	00013670	Independent Director
3	Dr. MVG Rao	00012704	Independent Director

The Board also took note of the expiry of term of Dr. CV Madhavi, Independent woman director, on August 7, 2019.

The Board thanked the above directors and placed on record its deep appreciation for being part of growth journey of the Company through their significant contributions and valuable advices from time to time.



The term of Dr. D. Nageswara Rao expires on August 7, 2019. Subject to the approval of shareholders at the ensuing AGM, your Board of directors, based on the recommendations of Nomination and Remuneration committee and prior approval of Audit Committee, considered and approved the re-appointment of Dr. D. Nageswara Rao as independent director for a further period of two (2) years w.e.f August 8, 2019.

#### **CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the year under review, Mr. K. Durga Prasad and Mr. GP Kundargi have been co-opted as additional directors (non-executive and independent) w.e.f August 6, 2018 and Mr. A. Indra Kumar has been co-opted as an additional director (non-executive and independent) w.e.f February 7, 2019.

#### **NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR**

Mr. Ashwin Devineni was appointed as director (non-executive and non-independent) w.e.f. August 18, 2017 by the Board of Directors of the Company.

#### **WHOLE-TIME DIRECTORS**

The following are the whole-time directors of the Company.

Mr. D. Ashok, Chairman, Mr. P. Trivikrama Prasad, Managing Director, Mr. GRK Prasad, Executive Director, and Mr. CV Durga Prasad, Director (Business Development).

The current term of Mr. D. Ashok, Chairman expires on August 13, 2019. Subject to the approval of shareholders at the ensuing AGM, your Board of directors considered and approved the re-appointment of Mr. D. Ashok for a term of 2 years from August 14, 2019, on such terms as prescribed in the respective resolution. Mr. D. Ashok, Chairman during his next term while providing strategic leadership, will mentor and facilitate the transition and succession planning for the executive management.

The current term of Mr. CV Durga Prasad, Director (Business Development) expires on June 27, 2019. Subject to the approval of shareholders at the ensuing AGM, your Board of directors considered and approved the appointment of Mr. CV Durga Prasad as Director (Business Development) for a further period from June 28, 2019 to March 31, 2021, on such terms as prescribed in the respective resolution. Mr. CV Durga Prasad in his next term, would spend considerable time in developing and grooming the leadership for the business development function.

The Board, pursuant to the recommendation(s) of Nomination and Remuneration Committee and prior approval of the Audit

Committee, at its meeting held on May 29, 2019 approved the appointment of Mr. Ashwin Devineni as Chief Executive Officer (CEO) of the Company for a period of 5 years with effect from May 29, 2019, subject to shareholders' and other requisite approvals.

None of the directors on the Board is a member of more than ten committees across all the Companies in which directorship is held. Necessary disclosures regarding committee positions in other public companies as on March 31, 2019 have been made by the Directors.

#### **DECLARATIONS OF INDEPENDENT DIRECTORS**

The independent directors declared pursuant to section 149(7) of the Act affirming that they meet the criteria of independence as provided in sub-section (6) of section 149 of the Act.

#### **DIRECTORS RETIRING BY ROTATION**

Pursuant to the provisions of the Act, Mr. CV Durga Prasad retires at the AGM and, being eligible, offered himself for re-appointment.

#### **NUMBER OF MEETINGS OF THE BOARD**

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

The Board met five (5) times during the FY 2018-19 viz. on May 30, 2018, June 16, 2018, August 6, 2018, November 3, 2018 and February 7, 2019.

#### **PERFORMANCE EVALUATION OF THE BOARD**

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the working of its Audit committee, Nomination and Remuneration committee, Corporate Social Responsibility committee and Stakeholders Relationship committee. A structured set of criteria was adopted after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. Evaluation of the Board Members is conducted on an annual basis by the Board, Nomination and Remuneration committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The Nomination and Remuneration committee had specified criteria for performance evaluation of Directors, Committees and Board as a whole and recommended the same to the Board for evaluation.

**Performance indicators for evaluation of Independent Directors:**

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

Ability to contribute to and monitor corporate governance practices.

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

Active participation in long term strategic planning.

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

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

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

**POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION AND OTHER DETAILS**

The Company adopted a policy relating to the remuneration. This Policy covers the remuneration and other terms of employment for the Company's Executive Team. The remuneration policy for Members of the Board and for Management, aims at improving the performance and enhancing the value of the Company by motivating and retaining them and to attract the right persons to the right jobs in the Company. The object of this Remuneration Policy is to make your Company a desirable workplace for competent employees and thereby secure competitiveness, future development and acceptable profitability. In order to achieve this, it is imperative that the Company is in a position to offer competitive remuneration in all its operational locations.

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

A detailed policy on remuneration of the Directors and Senior Management is placed on the Company's website under the web link: <http://www.nbventures.com/corporatepolicies.htm>

**POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE**

The Nomination and Remuneration committee identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

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

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

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

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

The criteria of independence is as prescribed in the Act and the Listing Regulations.

The Independent Directors shall abide by the Code for independent directors as specified in Schedule IV of the Act.

**COMMITTEES OF THE BOARD**

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

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





Name of the Committee	Composition of the Committee (upto March 31, 2019)	Composition of the Committee (w.e.f April 19, 2019)	Remarks
Audit Committee	Mr. K Balarama Reddy, Chairman	Dr.D.Nageswara Rao, Chairman	The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Act and regulation 18 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.  All recommendations made by the Audit committee during the year were accepted by the Board.
	Dr.MVG Rao, Member	Mr. K. Durga Prasad, Member	
	Dr.D.Nageswara Rao, Member	Mr. A. Indra Kumar, Member	
Nomination and Remuneration Committee	Mr. K Balarama Reddy, Chairman	Dr.D.Nageswara Rao, Chairman	The Nomination and remuneration committee of the Board of directors was constituted in conformity with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.
	Dr.MVG Rao, Member	Mr. K. Durga Prasad, Member	
	Dr.D.Nageswara Rao, Member	Mr. A. Indra Kumar, Member	
Corporate Social Responsibility Committee	Mr. D. Ashok, Chairman		The Corporate Social Responsibility committee of the Board of directors was constituted in conformity with the requirements of Section 135 of the Act.
	Dr. D. Nageswara Rao, Member		The Committee monitored the implementation of the CSR Policy from time to time.
	Dr. CV Madhavi, Member		
Stakeholders Relationship Committee	Mr. K. Balarama Reddy, Chairman	Mr. K. Durga Prasad, Chairman	The Stakeholders Relationship committee of the Board of directors was constituted in conformity with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.
	Mr. P. Trivikrama Prasad, Member	Mr. P. Trivikrama Prasad, Member	
	Dr. MVG Rao, Member	Mr. GP Kundargi, Member	

## PARTICULARS OF EMPLOYEES

The names and other particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed as **Annexure - 7** to this Report.

Names of the top ten employees in terms of remuneration drawn and the name of every employee employed throughout the financial year and in receipt of remuneration of ₹ 1.02 cores or more, or employed for part of the year and in receipt of ₹ 8.50 lakhs or more per month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are enclosed as **Annexure- 8** to this Report.

## NAVA BHARAT VENTURES GENERAL EMPLOYEE BENEFITS SCHEME

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

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

Presently, the Trust holds 1.57% of the total paid up share capital of the Company as on March 31, 2019.



The Board at its meeting held on May 29, 2019 inter-alia approved selective reduction of paid up equity share capital of the Company by cancellation and extinguishment of the total shares held by Nava Bharat Ventures Employee Welfare Trust through its Trustee-Barclays Wealth Trustees India Pvt. Ltd. along with the outstanding loan owed by the trust to the Company, subject to the requisite sanctions from shareholders and others.

Auditor's Certificate pursuant to Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 in respect of Nava Bharat Ventures General Employee Benefits Scheme, 2015 would be placed in the meeting. The prescribed details are disclosed on the Company's website under the link: <http://www.nbventures.com/corporatepolicies.htm>

The Trustee shall not be eligible to exercise voting rights in General Meetings on the shares of the Company held by the Trust.

Pursuant to Rule 16 of Companies (Share Capital and Debentures) Rules, 2014, it is disclosed that the Trustee abstained from voting at the AGM held on August 6, 2018.

#### **EMPLOYEES' STOCK OPTION SCHEME**

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Directors confirm that:

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

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

#### **STATUTORY AUDITORS & AUDITOR'S REPORT**

M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Regn. No. 001076N / N500013) has been appointed as the statutory auditors of the Company for a period of 5 years i.e., till the conclusion 50th AGM by the members of the Company at their meeting held on August 9, 2017.

The Auditors' Report on the financial statements of the company for financial year ended March 31, 2019 does not contain any reservation, qualification or adverse remarks and their report together with notes to Financial Statements are self-explanatory and hence do not call for any further comments under Section 134 of the Act.

#### **COST AUDIT**

The Board appointed M/s. Narasimha Murthy & Co., Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for Sugar, Industrial Alcohol, Steel (Ferro Alloys) and Electricity for the Financial Year 2018-19 on the recommendations of the Audit committee. The same was ratified by the Members at the 46th AGM held on August 6, 2018.

The Cost Audit reports for FY 2017-18 were filed with Ministry of Corporate Affairs on September 3, 2018.

Further, the Board of directors based on the recommendations of the audit committee, appointed M/s. Narasimha Murthy & Co., Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for Sugar, Industrial Alcohol, Steel (Ferro Alloys) and Electricity for the FY 2019-20, subject to ratification of members at the ensuing AGM.

#### **INTERNAL AUDITORS FOR COSTING SYSTEMS AND COST ACCOUNTING RECORDS**

M/s. Sagar & Associates, Internal Auditors conducted internal audit of cost records for the Financial Year 2018-19.

The Board appointed M/s. Sagar & Associates, as Internal Auditors for conduct of internal audit of cost records for the Financial Year 2019-20.

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act, is required by the Company and accordingly such accounts and records are made and maintained, (Rule 8(5)(ix)).



### MAINTENANCE OF COST RECORDS

During the year under review, Section 148(1) of the Act is applicable to your Company and accordingly such accounts and records are made and maintained by the Company as specified.

### SECRETARIAL AUDIT

As per the provisions of Section 204 of the Act the Board of directors has appointed M/s. P.S. Rao & Associates, Practicing Company Secretaries, to conduct secretarial audit pursuant to the recommendations of the Audit committee for the Financial Year 2018-19.

The Secretarial Audit Report for the financial year ended March 31, 2019 issued by Practicing Company Secretary is enclosed as **Annexure - 9** to this Report and does not contain any reservation, qualification or adverse remarks.

Further, the Board has appointed M/s. P.S.Rao & Associates, Practicing Company Secretaries to conduct secretarial audit pursuant to the recommendations of the Audit committee for the FY 2019-20.

### MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments in the business operations of the Company from the financial year ended March 31, 2019 to the date of the signing of the Directors' Report.

### MATERIAL ORDERS PASSED BY THE REGULATORS

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

### INSURANCE

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

### ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, the units undertake

corrective action in their respective areas and strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit committee of the Board periodically.

The Board of directors of the Company have adopted various policies like related party transactions policy, whistle blower policy, policy to determine material subsidiaries and such other procedures for ensuring orderly and efficient conduct of its business for safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A of the Companies Act 1956 (Section 124 (5) of the Companies Act, 2013), an amount of ₹22,46,622/- relating to FY 2010-11, which remained unclaimed for a period of 7 years had been transferred by the Company on August 30, 2018 to the Investor Education and Protection Fund.

### TRANSFER OF UNCLAIMED SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more (relevant shares) upto and including the financial year 2010-11 were transferred by the Company in the name of IEPF on December 5, 2017 and September 24, 2018 and the statement containing such details as prescribed is placed on Company's website [www.nbventures.com](http://www.nbventures.com).

### VIGIL MECHANISM

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

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

The details of such mechanism are communicated to all the directors and employees and it was also disclosed on the website of the Company at <http://www.nbventures.com/corporatepolicies.htm>

### RISK MANAGEMENT POLICY

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

### DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution policy as stipulated under Regulation 43A of the Listing Regulations is not required to be disclosed in the annual report and on the website of the Company as the provisions of the said regulation are not applicable to your company. However, the Dividend Distribution Policy is placed on the Company's website under the weblink: [http://www.nbventures.com/corporate\\_policies.htm](http://www.nbventures.com/corporate_policies.htm) on voluntary basis.

### INDUSTRIAL SAFETY AND ENVIRONMENT

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

### AWARDS

Your Company received the following awards/recognitions during 2018-19:

**"Best CSR Performer"** in the segment of Large Industry, by Industries and Commerce Department, Government of Telangana, at the **"Industry Awards – 2018"** function (Paloncha works received this award).

**National Award for Excellence in Energy Management, 2018 for Excellent Energy Efficient Unit** from Confederation of Indian Industry (CII), Hyderabad (The Power Plant, Odisha, received this award).

**National Award for Excellence in Energy Management, 2018 for Energy Efficient Unit** from Confederation of Indian Industry (CII), Hyderabad (Ferro Alloy Plant, Odisha, received this award).

**National Award for Excellence in Energy Management, 2018 for Energy Efficient Unit** from Confederation of Indian Industry (CII), Hyderabad (The Sugar Division, Andhra Pradesh, received this award).

**National Award for Excellence in Energy Management, 2018 for Energy Efficient Unit** from Confederation of Indian Industry (CII) (Eastern Region), Kolkata (Odisha works received this award).

**Golden Award for Best Co-Generation in AP for the season 2017-18** from South Indian Sugarcane & Sugar Technologists Association (SISSTA) (The Sugar Division, Andhra Pradesh, received this award).

**Silver Award for Best Technical Efficiency in AP for the season 2017-18** from South Indian Sugarcane & Sugar Technologists Association (SISSTA) (The Sugar Division, Andhra Pradesh, received this award).

**Star Performer – Large Enterprise (Ferro Alloys) for Export Excellence for the year 2016-17** from EEPC India, Southern Region, Chennai (Corporate Office received this award).

**EIZ Excellence Award for Outstanding contribution to solving problems of society** from The President, The Engineering Institution, Zambia at 3Sixty Convention Centre (Maamba Collieries Limited, Zambia, received this award).

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

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

### INDUSTRIAL RELATIONS

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

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance towards sexual harassment at the workplace and the details of sexual harassment complaints as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder are as follows:

No of Complaints Received : Nil







No of Complaints disposed off : NA

During the year under review, the Company has complied with the provisions related to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS**

During the year under review, the Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

#### **ACKNOWLEDGEMENT**

Your Directors would like to express their grateful appreciation for the assistance, patronage and co-operation received from the Financial Institutions, the Company's Bankers, Insurance

companies, the Govt. of India, Governments of various countries, Govt. of Telangana, Govt. of Andhra Pradesh and Govt. of Odisha, the State utilities, Shareholders and employees and other stakeholders, during the year under review.

For and on behalf of the Board

**P. Trivikrama Prasad**

Managing Director

DIN: 00006887

**D. Ashok**

Chairman

DIN: 00006903

Place : Hyderabad

Date : May 29, 2019



## Annexure - 1

**Performance and Financial Information of each of subsidiaries under Rule 8 of Companies (Accounts) Rules, 2014 for the year ended March 31, 2019**

₹ in lakhs

Sl. No.	Name of Subsidiary Company	Share Capital	Turnover/ Total Income	Profit/(loss) after Taxation
1	Nava Bharat (Singapore) Pte. Limited	1,21,609.07	3,777.95	246.66
2	Maamba Collieries Limited	1,33,840.75	1,60,114.29	30,663.33
3	Nava Energy Pte. Limited	0.69	9,659.24	764.22
4	Nava Energy Zambia Limited	0.93	7,818.11	378.50
5	Nava Agro Pte. Ltd.	1,003.44	-	(3.34)
6	Kawambwa Sugar Ltd.	712.30	247.49	(36.03)
7	Nava Holding Pte. Ltd	1,452.95	45.79	42.40
8	Tiash Pte Limited	0.07	28.67	(191.71)
9	Compai Pharma Pte. Ltd, Singapore	0.07	13.34	(88.94)
10	Compai Healthcare Sdn. Bhd., Malaysia	0.02	3.49	(237.87)
11	TIS Pte Limited	190.56	261.36	(4.20)
12	The Iron Suites Pte. Ltd.	4.85	110.93	(170.48)
13	Kinta Valley Mining Resources Sdn. Bhd., Malaysia.	-	-	0.58
14	Nava Bharat Projects Limited	9,080.40	1,386.01	569.52
15	Nava Bharat Energy India Limited	20,000.00	27,187.97	66.17
16	Brahmani Infratech Private Limited	6,312.50	400.99	155.56

Note: Indian Rupee equivalent figures have been arrived at by applying at the year end interbank exchange rate of USD @ ₹69.1550 and Ringgit @ ₹16.9520.

For and on behalf of the Board

**P. Trivikrama Prasad**  
 Managing Director  
 DIN: 00006887

**D. Ashok**  
 Chairman  
 DIN: 00006903

Place : Hyderabad  
 Date : May 29, 2019





## Annexure - 2

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

#### (A) CONSERVATION OF ENERGY:

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

###### I) Sugar Division:

- i. Replacement of 303 CFM reciprocating type air compressor with 380 CFM Screw type compressor to reduce the power consumption.
- ii. Increased juice drainage area at mills and reduced the bagasse pol from 1.49% to 1.37% to increase the sugar recovery.
- iii. Increase in power export from 27.75 kWh to 28.70 kWh per tonne of cane.
- iv. Increase in bagasse savings from 7.42% to 8.55% per tonne of cane.
- v. Reduction in lube oil consumption from 24.57 ml to 23.48 ml per tonne of cane.

Due to the measures taken as mentioned above, the total estimated savings were 4,80,000 kWh of power, 1,090 Litres of Lubricant oil and 4,970 Tonnes of bagasse per season. Sugar recovery increased by 0.015 % on cane.

###### II) Power Division:

###### Power Plant (Telangana)

- i. New line for main steam attemperator stages from STG-3 feed water line to Boiler-4.
- ii. Providing mechanical drain traps for ash handling conveying air lines to drain moisture content in air lines at different location.
- iii. Providing of 40 W LED fittings in place of 70 W well glass fittings at CHP-1 & 2.
- iv. 120 W LED flood light fittings in place of 250 W HPSV lamps at 132 kV Switch yard & DM plant area.
- v. 2X22 W LED lamps in place of 2X36 W FL lamps at PP Office and TG Hall.

Due to the measures taken as mentioned above, the total energy savings were 1,56,859 kWh per year.

###### Power Plant (Odisha)

- i. Replacing 344 nos. of existing CFL, T5 & HPSV luminaries with suitable LED luminaries & lamps at RWPH, Engineering office, Unit-2 control room, Gate-5 and Masania Boundary., resulted in lighting energy savings.
- ii. Providing VFD for one of the Condensate Extraction Pump in Unit-2 resulted in energy savings.
- iii. Replacing the oversized FAP makeup pump with appropriate suitable pump, resulted in energy savings.
- iv. Utilizing the CCSY lighting transformer for gate-5 and Boundary lights, resulted in lighting energy savings.
- v. Conducting Lighting Audit and Redesigning the Lighting Network in both the Units, resulted in lighting energy savings.
- vi. Optimizing the compressed air consumption by reducing Silo vent filter bags purging air pressure, resulted in air compressor energy savings.
- vii. Running efficient Air compressors of Unit-1, to meet the air demand of Unit-2 when Unit-1 is not running by extending the ACW supply & changing the operation Criteria, resulted in energy savings.
- viii. Replacing the existing controllers in one of the field of both the ESP's in Unit-2 with Microprocessor based controllers, resulted in energy savings.
- ix. Reducing the Boiler start up time and ID Fan consumptions by changing the bed material charging process, resulted in energy savings.
- x. Replacing of damaged/eroded Economizer tubes in both the boilers of Unit-2 resulted in improved Boilers performance and thermal energy savings.
- xi. Performance evaluation of HP heater in Unit-1 and replacing the damaged partition plate resulted in improvement of plant heat rate & thermal energy savings.



The total estimated savings on account of various measures taken at PP (O) Units put together were 4,08,400 kWh per year in energy and 1,300 tonnes per year in coal consumption.

### III) Ferro Alloy Division

#### Telangana

- i. Installation of 176 nos of various types of LED luminaries & LED lamps at Furnace area to replace the existing SV lamp luminaries, by which 42,000 kWh could be saved per year approximately.
- ii. Installation of 2 Nos of VFDs for Reverse Air Fans of GCP-1 and GCP-2, by which 3,24,000 kWh saved per year approximately.
- iii. Installation of 11kW VFDs for 7Nos of Cooling towers at Pump House, by which 21,000 kWh saved per year approximately
- iv. Trimming of impeller for one of the 300HP pump at Pump House, by which 80,000 kWh saved per year approximately.

#### Odisha

- i. Installation of Variable Frequency Drives for Press machine -1 and Press Machine -2 at Briquetting plant, resulting in conservation of electrical energy.
- ii. Replacement of 107 Nos of Metal Halide Lamps with Energy Efficient LED lamps in plant areas, resulting in conservation of electrical energy.
- iii. Modification of Discharge Chutes of Chrome Ore inlet hopper in both Dryers to feed the chrome ore directly on the outlet conveyor, resulting in reduction of power and fuel consumption during dry season.
- iv. Common duct arrangement for Smoke Blower and Furnace auxiliary Blowers in Furnace -1.

The total estimated savings on account of various measures taken at FAP(O) Units put together were 3,93,041 kWh per year in energy and 282.37 tonnes per year in LPG consumption.

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

- I) Sugar Division/Power Division/Ferro Alloy Division(O)  
 Nil.

### II) Ferro Alloy Division – Telangana

Installation of LPG LOT (Liquid Off Take) system at Sinter Plant for substitution of HSD has resulted a cost saving ₹28.80 lakhs in addition to significant improvement in environmental and working conditions. The earlier consumption of HSD @ 2.7 litres/ton of Sinter has been substituted by 1.3 kg of LPG.

### III) Power Division – Odisha

Utilizing passive day lighting in TG zero meter floor by providing additional windows openings in U-3, resulted in lighting energy savings.

### (iii) The capital investment on energy conservation equipments

#### I) Sugar Division:

Invested ₹15.45 Lakhs towards replacement of 303 CFM reciprocating type air compressor with 380 CFM Screw type air compressor.

#### II) Power Division:

##### Power Plant (Telangana)

- i. ₹1.50 Lakhs on procurement & installation of new line for main steam attemperator.
- ii. ₹0.38 Lakhs on procurement & installation mechanical drain traps for ash handling conveying air lines.
- iii. ₹8.76 Lakhs on procurement of LED fittings.

##### Power Plant (Odisha)

- i. ₹3.97 lakhs towards procurement of LED lighting Luminaries.
- ii. ₹6.97 lakhs towards procurement of VFD for one of the Condensate Extraction Pump in Unit-2.
- iii. ₹4.36 lakhs towards procurement of Microprocessor based controllers for ESP of Unit-2.

### III) Ferro Alloy Division:

#### Telangana

- i. ₹8.80 lakhs on procurement of LED lighting Luminaries and LED luminaries.





- ii. ₹17.52 lakhs on procurement of VFDs for GCP- 3 and GCP-4 RA fan motors.
- iii. ₹2.10 lakhs on procurement of 7 Nos. of 11kW VFDs for Cooling towers.
- iv. ₹0.60 lakhs on trimming of impeller.

#### **Odisha**

- i. ₹2.65 Lakhs towards Installation of Variable Frequency Drives for Press machine -1 and Press Machine -2 at Briquetting plant.
- ii. ₹3.36 Lakhs towards purchase of LED light fittings.
- iii. ₹0.15 Lakhs towards Modification of Discharge Chutes of Chrome Ore inlet hopper in both Dryers.
- iv. ₹7.20 Lakhs towards Common duct arrangement for Smoke Blower and Furnace auxiliary Blowers in Furnace -1.

### **(B) TECHNOLOGY ABSORPTION:**

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

##### **I) Sugar Division:**

Nil.

##### **II) Power Division:**

###### **Power Plant (Telangana)**

- i. By maintaining the higher CoC of 9 enables to reduce the cooling water chemicals cost by ₹2.5 Lakhs/ annum and reduced the cooling water blow down quantity to the extent of 300 kL/day which in turn reduction of fresh water drawl by 300 kL/day.
- ii. Providing stage - 2 attemperator for Boiler - 3 to improve the steam quality to STG-2.
- iii. Up-gradation of Unit - 2 AVR system from UNITROL-F to UNITROL- 6080. This is taken up due to unavailability of spares and services.
- iv. The unbilled power due to load variations/ fluctuations is minimized by modifying the load ramp up/down procedures.

###### **Power Plant (Odisha)**

- i. Establishment of one no. of sewage water treatment system (Phytorid bed) for individual toilet block near finished product yard.

- ii. Installation of 5 no. of flow-meters for measurement of water consumption, waste water generation & recycling.
- iii. Up-gradation of DCS at Unit-2 with Windows-10 based system.
- iv. Up-gradation of existing obsoleted VFD of CW pump-2 with latest version VFD.
- v. Application of Ceramic Blanket on HPH-1 & 2, LP & HP flash tanks in Unit-2.
- vi. Replacing five no. of existing Cooling tower GI drive shaft with carbon fiber shaft with SS coupling in Unit-2.

### **III) Ferro Alloy Division:**

#### **Telangana**

- i. Arranged hydraulic lifting system in place of manual control for 5 nos. of mechanical tripping trollies.
- ii. Replaced the Fork lift Solid tyres of TVS Road star model with Sun Bear E2 model tyres (2-stage Rich Natural Rubber tread, Heat stabilized center area).
- iii. Replaced 11kV overhead line and its 4 pole structure from colony to sinter plant with underground cable and HT isolator
- iv. Up gradation of GCP 1&2 PLC and SCADA with latest controller and software.
- v. Installed dust suppression system at new RM Yard by providing 21 nos. of Rain guns.
- vi. Installed Hydraulic Press brake at Casing workshop.
- vii. Installed Turbo ventilators at Casing workshop, Transformer oil go-down and General stores while replacing the sheets.

#### **Odisha**

- i. Replacement of conventional Furnace oil burner with auto modulating imported Package type LPG burner for Dryer-1.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution

##### **I) Sugar Division:**

Nil.

## II) Power Division:

### Power Plant (Telangana)

- i. Boiler-3&4, IBSH supports spares repaired & reused thereby material cost & service cost is saved by ₹17.63 Lakhs.
- ii. CHP-1 6.6kV switchgear, existing panels replaced utilizing the material available at RED TAG zone in NBVL-PP (O). Material cost is saved by ₹16.88 Lakhs.
- iii. Boiler-4, fuel feed system spares repaired & reused. Material cost is saved by ₹6.53 Lakhs.
- iv. Boiler-1 & 2 startup vent silencers are erected with winches instead of cranes. Service cost is saved by 4.00 Lakhs.
- v. LDO is used in place of HSD for Boiler-4 refractory dry out, alkali boil out, steam blowing and cold startup after replacement of in-bed evaporator and super heater coils. Savings during start up is ₹5.30 Lakhs.
- vi. AAQM station-1&3 preventive maintenance works are executed departmentally. Thereby service cost is saved by ₹1.60 Lakhs.
- vii. Unit-2 SIEMENS DCS is replaced with YIL DCS. AMC charges of ₹ 1.89 Lakhs for balance FY to SIEMENS could be avoided as new DCS is having one year warranty.
- viii. Provided high capacity Silencers for Boiler 1&2. Noise levels are reduced from 130 dBA to 78 dBA during Boiler startup and emergencies.
- ix. Providing belt weigher for Conveyor-3A at CHP-1. The quantity of FAP coal fines is recording at actuals.
- x. Installed air blasters to Boiler-2 coal bunkers. Thereby jamming problems in coal bunkers is avoided.
- xi. The startup operation procedure of STG-2&3 is modified and startup time is reduced by about 1 hr.

### Power Plant (Odisha)

- i. Reuse of waste water and sustaining ZLD status.
- ii. Monitoring of water consumption.
- iii. Increased reliability of the system.

- iv. Reduced frequent tripping of CW pump due to failure of VFD.
- v. Minimized heat loss.
- vi. Increased MTBF & Life of the bearings.

## III) Ferro Alloy Division:

### Telangana

- i. Safe operation and reduced manpower.
- ii. Doubled the life span of the tyres.
- iii. Avoided nuisance trippings.
- iv. Improved the operational performance and stability of the system.
- v. Suppressed dust during RM handling activities and improved environmental conditions.
- vi. Reduction of human efforts in fabrication of casings.
- vii. Minimized the heat and improved the working environment.

### Odisha

- i. Installation of Variable Frequency Drives for Press machine -1 and Press Machine -2 at Briquetting plan, resulting in saving of 14,265 kWh of electrical energy.
- ii. Replacement of 107 Nos of Metal Halide Lamps with Energy Efficient LED lamps in plant areas, resulting in saving of 72,900 kWh of electrical energy
- iii. Modification of Discharge Chutes of Chrome Ore inlet hopper in both Dryers to feed the chrome ore directly on the outlet conveyor, resulting in saving of 79,726 kWh of Electrical Energy and 282.36 MT of LPG.
- iv. Common duct arrangement for Smoke Blower and Furnace auxiliary Blowers in Furnace -1, resulting in saving of 1,57,680 kWh of Electrical energy.
- v. Installation and commissioning of imported package type auto modulating LPG burner for Dryer -1 for heating of ore in place of furnace oil burner system improved the operational conditions by reducing the pollution and increased the dryer output



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

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

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

**(iv) The expenditure incurred on Research and Development**

**I. Sugar Division/Power Division/Ferro Alloy Division(Telangana):**

Nil.

**II. Power Division**

Power Plant – Odisha

Experiment for the reduction of emission levels in Unit-2 by replacing the existing controllers in one of the field of both the ESP's in Unit-2 with advanced Microprocessor based controllers (MK-IV controllers).

**The expenditure incurred: ₹4.36 Lakhs.**

**III. Ferro Alloy Plant**

**Odisha**

- i. ₹15.50 lakhs

	(₹ in lakhs)	
<b>(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:</b>	<b>Current Year 31.03.2019</b>	<b>Previous Year 31.03.2018</b>
Foreign Exchange Outgo:		
i. CIF value of Imports	18,995.59	20,670.97
ii. Interest	972.22	833.39
iii. Others	75.73	174.48
Foreign exchange Earnings at FOB Value		
i. Export of Goods	28,300.32	40,501.55
ii. Others	9,629.76	7,417.97

For and on behalf of the Board

**P. Trivikrama Prasad**  
Managing Director  
DIN: 00006887

**D. Ashok**  
Chairman  
DIN: 00006903

Place : Hyderabad  
Date : May 29, 2019

## Annexure - 3

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (Pursuant to Rule 8 of Companies [Corporate Social Responsibility Policy] Rules, 2014)

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The Company endeavours to <ul style="list-style-type: none"> <li>provide learning and acquiring knowledge through measures including formal schools;</li> <li>provide health care services through measures including preventive health care; and</li> <li>provide livelihood through measures including vocational training.</li> </ul>		
	Web-link:	<a href="http://www.nbventures.com/csr_programmes.htm">http://www.nbventures.com/csr_programmes.htm</a>		
2.	Composition of the CSR Committee	Mr. D. Ashok Dr. D. Nageswara Rao Dr. C.V. Madhavi	Chairman of the Company Independent Director Independent Director	Chairman Member Member
3.	Average net profit of the Company for last three financial years	₹ 15,642.5 lakhs		
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 312.85 lakhs		
5.	Details of CSR spend during the financial year	a. Total amount spent for the financial year : ₹ 3,15,12,171.48 b. Amount unspent, if any : Nil c. Manner in which the amount spent during the financial year : Attached		
6.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.	Please refer to Item No.5 (b) above.		
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.	We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.		

Place: Hyderabad  
 Date : May 29, 2019

**T. Hari Babu**  
 Chief Financial Officer

**P. Trivikrama Prasad**  
 Managing Director  
 DIN: 00006887

**D.Ashok**  
 Chairman  
 CSR Committee  
 DIN: 00006903





**CSR Projects / Programmes, budget allocation together with modalities of execution for 2018-19:  
Status as on March 31, 2019**

(In Rupees)

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken		Outlay (budget) project or program wise (₹ Lacs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads	Cumulative Expenditure up to the date of reporting period	Amount spent directly or through implementing agency
			Project or Program	Local Area or other				
<b>HEALTH</b>								
1	Primary Health Center at NBEC, Paloncha	(i) Promoting preventive health care	Project	Paloncha	1.80	1,78,112	1,78,112	Through LPEI, Hyderabad
2	Health Campaign in surrounding areas of Paloncha	(ii) Promoting preventive health care	Project	Erragunta, Jagguhanda, Gandhinagar, Sekharambanjara, Palakoyyathanda & Sanjaynagar, Paloncha(Md.), Bhadradi Kothagudem (Dt.)	6.00	6,03,837	6,03,837	Direct
3	Construction of Diarrhoea patient room at Govt. Hospital, Motanga	(i) Promoting preventive health care	Project	Motanga (v)	6.80	6,68,643	6,68,643	Direct
4	Health campaign in Hussainpuram	(ii) Promoting preventive health care	Project	Hussainpuram(V), Samalkot	0.25	16,968	16,968	Direct
5	Provide sanitation material (dustbins) to the Market of Kharagprasad	(i) Promoting sanitation	Project	Kharagprasad(V), Motanga	0.50	43,953	43,953	Direct
6	Restoration of the existing safedinking waterplant at Meramandali	(ii) Making available safe drinking water	Project	Meramundali(V), Motanga	1.00	87,060	87,060	Direct
<b>EDUCATION</b>								
7	Free tutorials for economically backward students in Govt. schools	(ii) Promoting education	Project	Paloncha, Kothagudem & Mulakalapalli Mandals.	3.60	3,57,364	3,57,364	Direct
8	Computer faculty in Govt. Schools, Paloncha, Kothagudem	(ii) Promoting education	Project	Paloncha, Kothagudem & Mulakalapalli Mandal	6.75	6,71,419	6,71,419	Direct
9	Nava Bharat High School, Paloncha	(ii) Promoting education	Project	Paloncha	27.00	27,04,035	27,04,035	Direct
10	Nutritious food to students of Nava Bharat High School	(ii) Promoting education	Project	Paloncha	0.60	60,048	60,048	Direct
11	Supplementary Spoken English Programme, Paloncha	(ii) Promoting education	Project	Paloncha & Kothagudem Mandals	4.00	3,94,521	3,94,521	Direct
12	Mobile Science Laboratory for Govt. schools in Kothagudem area	(ii) Promoting education	Project	Paloncha & Kothagudem Mandals,	4.00	3,90,793	3,90,793	Direct

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken			Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads	Cumulative Expenditure up to the date of reporting period	Amount spent directly or through implementing agency
			Project or Program	Local Area or other	District and State			
13	Grant in Aid to Brahmani Public School & Nimidha School	(ii) Promoting education	Project	Kharagprasad(V), Motanga	Dhenkanal, Odisha	5.95	5,93,220	Direct
14	Providing M.S gate to UP School, Masania	(ii) Promoting education	Project	Masania(V), Motanga	Dhenkanal, Odisha	0.15	18,417	Direct
15	Construction of Additional class room at High School at Sibapur	(ii) Promoting education	Project	Sibapur(V), Motanga	Dhenkanal, Odisha	4.00	5,14,241	Direct
16	Construction of Toilets at Sibapur Ashram School	(ii) Promoting education	Project	Sibapur(V), Motanga	Dhenkanal, Odisha	0.75	1,52,765	Direct
17	Renovation work at Ranjasingha UP School	(ii) Promoting education	Project	Ranjasingha (V) Motanga	Dhenkanal, Odisha	0.50	49,892	Direct
18	Capacity building - Teachers of Brahmani Public School & Approach Road renovation at Brahmani Public School	(ii) Promoting education	Project	Kharagprasad(V), Motanga	Dhenkanal, Odisha	1.10	1,11,616	Direct
19	Renovation of Nava Bharat High School office room, Paloncha	(ii) Promoting education	Project	Paloncha	Bhadradi Kothagudem, Telangana	3.00	3,33,256	Direct
20	Construction of Toilets MPE School (Urdu), Old Paloncha, G.H.School-Cooliline	(ii) Promoting education	Project	Paloncha & Kothagudem	Bhadradi Kothagudem, Telangana	7.40	7,36,322	Direct
21	Dual desks in Government School, Paloncha	(ii) Promoting education	Project	Paloncha, Kothagudem, Mulakalapili, Chandrugonda, Julurupadu, Bhadrachalam & Annapureddypalli Mandals	Bhadradi Kothagudem, Telangana	16.00	16,61,512	Direct
22	Infrastructure to MPE School, Hussainpuram	(ii) Promoting education	Project	Hussainpuram(V), Samalkot	East Godavari, Andhra Pradesh	2.15	2,33,370	Direct
23	Construction of Toilets at Municipal Elementary School, Samalkot	(ii) Promoting education	Project	Samalkot	East Godavari, Andhra Pradesh	5.25	5,26,507	Direct
24	Promoting road safety and awareness to the public at Samalkot Flyover	(ii) Promoting education	Project	Canalroad, Samalkot	East Godavari, Andhra Pradesh	1.50	1,82,056	Direct
25	Providing of Infrastructure to Siri Institute for mentally handicapped, Samalkot	(ii) Promoting education	Project	Samalkot	East Godavari, Andhra Pradesh	0.90	89,600	Direct



Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken			Outlay (budget) project or program wise (₹ Lacs)	Amount spent on the projects or programs (1) Direct expenditure on projects or programs. (2) Over-heads	Cumulative Expenditure up to the date of reporting period	Amount spent directly or through implementing agency
			Project or Program	Local Area or other	District and State				
<b>LIVELIHOOD</b>									
26	Nava Bharat Vocational Institute (NBVI), Paloncha	(ii) Promoting employment enhancing vocational skills	Project	Paloncha	Bhadradi Kothagudem, Telangana	74.00	75,40,996	75,40,996	Direct
27	Women Empowerment Center, Paloncha	(iii) Empowering women	Project	Paloncha	Bhadradi Kothagudem, Telangana	42.00	42,66,130	42,66,130	Direct
28	Nava Bharat Vocational Institute (NBVI), Paloncha shifting of welding section to new premises	(ii) Promoting employment enhancing vocational skills	Project	Paloncha	Bhadradi Kothagudem, Telangana	12.07	12,10,663	12,10,663	Direct
29	Construction of Vocational Institute, Kharagprasad	(ii) Promoting employment enhancing vocational skills	Project	Kharagprasad(V), Motanga	Dhenkanal, Odisha	45.00	44,98,599	44,98,599	Direct
<b>OTHER PROJECTS/PROGRAMS</b>									
30	Greenery development on the bank of Godavari canal	(iv) environment sustainability	Project	Samalkot	East Godavari, Andhra Pradesh	0.80	78,814	78,814	Direct
31	Construction of Community Centre at Sibapur Village	(x) Rural development	Project	Sibapur(V), Motanga	Dhenkanal, Odisha	1.80	1,81,683	1,81,683	Direct
32	Providing solar light at Sibapur village	(x) Rural development	Project	Sibapur(V) & Charadagadia (V), Motanga	Dhenkanal, Odisha	6.30	7,28,245	7,28,245	Direct
33	Construction of Kitchen & Dining hall at Biswakuntala Children home, Dhenkanal	(iii) Setting up home for orphans	Project	Baladiabandha (V), Dhenkanal	Dhenkanal, Odisha	6.00	7,04,294	7,04,294	Direct
34	Providing water facility at Burial Ground	(x) Rural development	Project	Hussainpuram(V), Samalkot	East Godavari, Andhra Pradesh	0.25	23,570	23,570	Direct
<b>ADMINISTRATIVE EXPENSES</b>									
35	Administrative expenses	Salary of Chief Administrator (SD), Vehicle maintenance and fuel expenses	Program	Paloncha	Bhadradi Kothagudem Telangana	9.00	8,99,652	8,99,652	Direct
						<b>Grand Total</b>	<b>309.67</b>	<b>3,15,12,171</b>	<b>3,15,12,171</b>

For and on behalf of the Board

**P. Trivikrama Prasad**  
Managing Director  
DIN:00006887

**D. Ashok**  
Chairman  
CSR Committee  
DIN: 00006903

Place : Hyderabad  
Date : May 29, 2019

## Annexure - 4

### FORM NO. MGT- 9

#### Extract of Annual Return as on the financial year ended on March 31, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration ) Rules, 2014]

<b>I Registration and other details</b>	
i	Corporate Identity Number (CIN) of the Company : L27101TG1972PLC001549
ii	Registration date : November 7, 1972
iii	Name of the company : Nava Bharat Ventures Limited
iv	Category/sub-category of the company : Company Limited by shares/Indian non-government
v	Address of the registered office & contact details : 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road, Hyderabad - 500 082, Telangana Tel: 91 40 23403501; e-Fax: 91 80 6688 6121 E-mail: investorservices@nbv.in; Website: www.nbventures.com
vi	Listed company (Yes/No) : Yes
vii	Name, address & contact details of the Registrar & transfer agent, if any. : Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited) Unit: Nava Bharat Ventures Limited Karvy Selenium Tower B, Plot No.31 & 32 Financial district, Nanakramguda,Serilingampally Mandal Hyderabad - 500 032, Telangana Tel: 91 40 6716 1500, 91 40 6716 1562; Fax: 91 40 2300 1153 Mr.M.S.Madhusudhan/Mr.Mohd. Mohsinuddin E-mail: mohsin.mohd@karvy.com; Website: www.karvyfintech.com

### II Principal business activities of the Company

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

Sl. No.	Name and description of main products/services	NIC code of the product /service	% to total turnover of the company
1	Ferro Alloys	24104	70.94
2	Power (net of inter unit sales)	35102	13.45
3	Sugar	10721	10.60





### III Particulars of holding, subsidiary and associate companies

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Nava Bharat (Singapore) Pte. Limited 18, Duxton Hill Singapore - 089601	Not Applicable	WOS	100.00	2 (87)
2	Maamba Collieries Limited Head Office: P.O.Box 99, Maamba Zambia	Not Applicable	Subsidiary	64.69	2 (87)
3	Nava Energy Pte. Ltd. 18, Duxton Hill Singapore - 089601	Not Applicable	WOS	100.00	2 (87)
4	Nava Energy Zambia Limited Izuma House, P.O. Box 99, Maamba Zambia	Not Applicable	Subsidiary	100.00	2 (87)
5	Nava Agro Pte. Limited 18, Duxton Hill Singapore - 089601	Not Applicable	WOS	100.00	2 (87)
6	Kawambwa Sugar Limited 20849 Alick Nkata Road Mass Media Lusaka Province, Lusaka, Zambia	Not Applicable	Subsidiary	100.00	2 (87)
7	Nava Holding Pte. Limited 18 Duxton Hill Singapore - 089601	Not Applicable	WOS	100.00	2(87)
8	Tiash Pte. Limited 18 Duxton Hill Singapore - 089601	Not Applicable	Subsidiary	65.00	2(87)
9	Compai Pharma Pte. Limited 18 Duxton Hill Singapore - 089601	Not Applicable	Step down subsidiary	100.00	2(87)
10	TIS Pte. Limited 18 Duxton Hill Singapore - 089601	Not Applicable	Step down subsidiary	90.00	2(87)
11	The Iron Suites Pte. Limited 160, Robinson Road # 04-11, Spore Business Federation Ctr Singapore - 068914	Not Applicable	Step down subsidiary	90.00	2(87)
12	Compai Healthcare Sdn. Bhd. Suite 501, Block B, Pusat Dagangan Phileo Damansara II, No.15, Jalan 16/11 of Jalan Damansara, 43650, Petaling Jaya, Selangor Darul Ehsan, Malaysia	Not Applicable	Step down subsidiary	100.00	2(87)
13	Nava Bharat Projects Limited 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082, Telangana	U70102TG2007PLC052362	WOS	100.00	2 (87)
14	Nava Bharat Energy India Limited 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082, Telangana	U40106TG2008PLC058560	Subsidiary	26.00	2 (87)
15	Brahmani Infratech Private Limited 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082, Telangana	U40109TG1999PTC032289	Subsidiary	65.74	2 (87)
16	Kinnera Power Company Private Limited 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082, Telangana	U40100TG1993PTC016204	Associate	26.00	2 (6)

#### IV Shareholding pattern [Equity share capital break-up as a percentage of total equity]

##### i) Category-wise shareholding

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>A. Promoter and Promoter Group</b>										
<b>(1) Indian</b>										
(a)	Individual/HUF	3,11,47,646	0	3,11,47,646	17.44	3,12,83,646	0	3,12,83,646	17.52	0.08
(b)	Central government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies corporate	3,82,55,062	0	3,82,55,062	21.42	3,90,55,291	0	3,90,55,291	21.87	0.45
(e)	Bank/Financial institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any other - Trust Nav Energy Private Limited [Holding shares of the company{NBVL} for the benefit of the company (NBVL)]	99,47,020	0	99,47,020	5.57	99,47,020	0	99,47,020	5.57	0.00
<b>Sub-total (A) (1)</b>		<b>7,93,49,728</b>	<b>0</b>	<b>7,93,49,728</b>	<b>44.43</b>	<b>8,02,85,957</b>	<b>0</b>	<b>8,02,85,957</b>	<b>44.96</b>	<b>0.53</b>
<b>(2) Foreign</b>										
(a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b)	Other Individuals	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Banks/Financial institutions	0	0	0	0	0	0	0	0	0
(e)	Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of promoter and promoter group</b>										
<b>(A) = (A)(1) + (A)(2)</b>		<b>7,93,49,728</b>	<b>0</b>	<b>7,93,49,728</b>	<b>44.43</b>	<b>8,02,85,957</b>	<b>0</b>	<b>8,02,85,957</b>	<b>44.96</b>	<b>0.53</b>
<b>B. Public Shareholding</b>										
<b>(1) Institutions</b>										
(a)	Mutual funds	2,11,31,417	0	2,11,31,417	11.83	1,61,78,944	0	1,61,78,944	9.06	-2.77
(b)	Banks/Financial institutions	1,58,343	3,410	1,61,753	0.09	1,44,777	3,410	1,48,187	0.08	-0.01
(c)	Central government	0	0	0	0.00	0	0	0	0.00	0
(d)	State government(s)	0	0	0	0.00	0	0	0	0.00	0
(e)	Venture capital funds	0	0	0	0.00	0	0	0	0.00	0
(f)	Insurance companies	0	0	0	0.00	0	0	0	0.00	0
(g)	Foreign portfolio corp /Foreign portfolio investors	1,87,99,980	0	1,87,99,980	10.53	2,11,04,903	0	2,11,04,903	11.82	1.29



Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(h)	Foreign venture capital funds	0	0	0	0.00	0	0	0	0.00	0
(i)	Any other	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-total (B)(1)</b>		<b>4,00,89,740</b>	<b>3,410</b>	<b>4,00,93,150</b>	<b>22.45</b>	<b>3,74,28,624</b>	<b>3,410</b>	<b>3,74,32,034</b>	<b>20.96</b>	<b>-1.49</b>
<b>(2) Non-Institutions</b>										
<b>(a) Bodies corporate</b>										
i)	Indian	65,17,980	2,680	65,20,660	3.65	67,79,341	680	67,80,021	3.80	0.15
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0
<b>(b) Individuals</b>										
i)	Individual shareholders holding nominal share capital upto ₹1 lakh	1,91,39,006	10,58,161	2,01,97,167	11.31	2,18,10,029	8,13,132	2,26,23,161	12.67	1.36
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,58,22,993	2,78,500	2,61,01,493	14.62	2,48,38,560	1,78,500	2,50,17,060	14.01	-0.61
<b>(c) Any other</b>										
i)	Unclaimed shares suspense account	9,10,935	0	9,10,935	0.51	8,66,665	0	8,66,665	0.49	-0.02
ii)	Directors and relatives	5,80,262	0	5,80,262	0.32	8,51,317	0	8,51,317	0.48	0.15
iii)	Nava Bharat Ventures employee welfare trust - held by the Trustee - Barclays Wealth Trustees India Private Limited*	28,00,000	0	28,00,000	1.57	28,00,000	0	28,00,000	1.57	0.00
iv)	Clearing members	1,47,820	0	1,47,820	0.08	1,46,906	0	1,46,906	0.08	0.00
v)	Trusts	72,322	0	72,322	0.04	72,372	0	72,372	0.04	0.00
vi)	Non Resident Indians									
(a)	Repatriation	980,672	5,240	985,912	0.55	859,425	5,240	864,665	0.48	-0.07
(b)	Non Repatriation	379,485	0	379,485	0.21	435,343	0	435,343	0.24	0.03
vii)	Foreign Nationals	2,610	0	2,610	0.00	0	0	0	0	0.00
viii)	NBFC	1,07,683	0	1,07,683	0.06	17,375	0	17,375	0.01	-0.05
ix)	IEPF	2,74,240	0	2,74,240	0.15	3,20,591	0	3,20,591	0.18	0.03
x)	Alternative Investment fund	52,015	0	52,015	0.03	62,015	0	62,015	0.03	0.00
<b>Sub-total (B)(2)</b>		<b>5,77,88,023</b>	<b>13,44,581</b>	<b>5,91,32,604</b>	<b>33.12</b>	<b>5,98,59,939</b>	<b>9,97,552</b>	<b>6,08,57,491</b>	<b>34.08</b>	<b>0.96</b>
<b>Total public shareholding (B)= (B)(1)+(B)(2)</b>		<b>9,78,77,763</b>	<b>13,47,991</b>	<b>9,92,25,754</b>	<b>55.57</b>	<b>9,72,88,563</b>	<b>10,00,962</b>	<b>9,82,89,525</b>	<b>55.04</b>	<b>-0.53</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		0	0	0	0.00	0	0	0	0	0
<b>GRAND TOTAL(A+B+C)</b>		<b>17,72,27,491</b>	<b>13,47,991</b>	<b>17,85,75,482</b>	<b>100.00</b>	<b>17,75,74,520</b>	<b>10,00,962</b>	<b>17,85,75,482</b>	<b>100.00</b>	

\* Nava Bharat Ventures Employee Welfare Trust: Shares held by the Trustee - Barclays Wealth Trustees India Private Limited - held 28,00,000 equity shares (1.57%), which is an employee benefit trust as per SEBI (Share Based Employee Benefits) Regulations, 2014 and is a non-promoter & non public category.

(ii) Shareholding of promoter (including promoter group)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged or encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged or encumbered to total shares	
<b>Individuals</b>								
(1)	Mr. D. Ashok	22,26,000	1.25	0	22,26,000	1.25	0	0
(2)	Mrs. Devineni Ramaa	5,23,230	0.29	0	5,23,230	0.29	0	0
(3)	Mr. Ashwin Devineni	34,29,212	1.92	0	35,65,212	2.00	0	0.08
(4)	Mr. Nikhil Devineni	25,50,000	1.43	0	25,50,000	1.43	0	0
(5)	Mrs. Devineni Bhaktapriya	98,02,900	5.49	0	98,02,900	5.49	0	0
(6)	Dr. Devineni Rajasekhar jointly with Mr. D. Ashok	15,630	0.01	0	15,630	0.01	0	0
(7)	Mrs. Alluri Nilima	10,50,000	0.59	0	10,50,000	0.59	0	0
(8)	Mr. P. Trivikrama Prasad	38,50,488	2.15	0	38,50,488	2.15	0	0
(9)	Mr. P. Trivikrama Prasad (HUF)	7,02,630	0.39	0	7,02,630	0.39	0	0
(10)	Mrs. Pinnamaneni Rajashree	69,97,556	3.92	0	69,97,556	3.92	0	0
	<b>Total</b>	<b>3,11,47,646</b>	<b>17.44</b>	<b>0</b>	<b>3,12,83,646</b>	<b>17.52</b>	<b>0</b>	<b>0.08</b>
<b>Bodies Corporate</b>								
(11)	Nav Developers Limited	1,58,40,362	8.87	0	1,60,93,517	9.01	0	0.14
(12)	A. N. Investments Private Limited	89,35,000	5.00	0	92,88,074	5.20	0	0.20
(13)	S. R. T. Investments Private Limited	69,60,000	3.90	0	70,87,000	3.97	0	0.07
(14)	A9 Homes Private Limited	22,64,000	1.27	0	22,64,000	1.27	0	0
(15)	V9 Avenues Private Limited	22,19,980	1.24	0	22,19,980	1.24	0	0
(16)	AV Dwellings Private Limited	20,35,720	1.14	0	21,02,720	1.18	0	0.04
	<b>Total</b>	<b>3,82,55,062</b>	<b>21.42</b>	<b>0</b>	<b>3,90,55,291</b>	<b>21.87</b>	<b>0</b>	<b>0.45</b>
<b>Trust</b>								
(17)	Nav Energy Private Limited [Holding shares of the company (NBVL) for the benefit of the company {NBVL}]	99,47,020	5.57	0	99,47,020	5.57	0	0
	<b>Total</b>	<b>99,47,020</b>	<b>5.57</b>	<b>0</b>	<b>99,47,020</b>	<b>5.57</b>	<b>0</b>	<b>0</b>
	<b>GRAND TOTAL</b>	<b>7,93,49,728</b>	<b>44.43</b>	<b>0</b>	<b>8,02,85,957</b>	<b>44.96</b>	<b>0</b>	<b>0.53</b>

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





**(iii) Change in promoters' (including promoter group) shareholding (specify if there is no change)**

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(1)	Mr. D. Ashok				
	At the beginning of the year	22,26,000	1.25	22,26,000	1.25
	At the end of the year			22,26,000	1.25
(2)	Mrs. Devineni Ramaa				
	At the beginning of the year	5,23,230	0.29	5,23,230	0.29
	At the end of the year			5,23,230	0.29
(3)	Mr. Ashwin Devineni				
	At the beginning of the year	34,29,212	1.92	34,29,212	1.92
	Acquisition during the year*	1,36,000	0.08	35,65,212	2.00
	At the end of the year			35,65,212	2.00
(4)	Mr. Nikhil Devineni				
	At the beginning of the year	25,50,000	1.43	25,50,000	1.43
	At the end of the year			25,50,000	1.43
(5)	Mrs. Devineni Bhaktapriya				
	At the beginning of the year	98,02,900	5.49	98,02,900	5.49
	At the end of the year			98,02,900	5.49
(6)	Dr. D. Rajasekhar jointly with Mr. D. Ashok				
	At the beginning of the year	15,630	0.01	15,630	0.01
	At the end of the year			15,630	0.01
(7)	Mrs. Alluri Nilima				
	At the beginning of the year	10,50,000	0.59	10,50,000	0.59
	At the end of the year			10,50,000	0.59
(8)	Mr.Pinnamaneni Trivikrama Prasad				
	At the beginning of the year	38,50,488	2.15	38,50,488	2.15
	At the end of the year			38,50,488	2.15
(9)	Mr. Pinnamaneni Trivikrama Prasad (HUF)				
	At the beginning of the year	7,02,630	0.39	7,02,630	0.39
	At the end of the year			7,02,630	0.39
(10)	Mrs. Pinnamaneni Rajashree				
	At the beginning of the year	69,97,556	3.92	69,97,556	3.92
	At the end of the year			69,97,556	3.92
(11)	Nav Developers Limited				
	At the beginning of the year	1,58,40,362	8.87	1,58,40,362	8.87
	Acquisition during the year*	2,53,155	0.14	1,60,93,517	9.01
	At the end of the year			1,60,93,517	9.01
(12)	A N Investments Private Limited				
	At the beginning of the year	89,35,000	5.00	89,35,000	5.00
	Acquisition during the year*	3,53,074	0.20	92,88,074	5.20
	At the end of the year			92,88,074	5.20

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(13)	S R T Investments Private Limited				
	At the beginning of the year	69,60,000	3.90	69,60,000	3.90
	Acquisition during the year*	1,27,000	0.07	70,87,000	3.97
	At the end of the year			70,87,000	3.97
(14)	A V Dwellings Private Limited				
	At the beginning of the year	20,35,720	1.14	20,35,720	1.14
	Acquisition during the year*	67,000	0.04	21,02,720	1.18
	At the end of the year			21,02,720	1.18
(15)	A9 Homes Private Limited				
	At the beginning of the year	22,64,000	1.27	22,64,000	1.27
	At the end of the year			22,64,000	1.27
(16)	V9 Avenues Private Limited				
	At the beginning of the year	22,19,980	1.24	22,19,980	1.24
	At the end of the year			22,19,980	1.24
(17)	Trust: Nav Energy Private Limited (Holding shares of the company [NBVL] for the benefit of the company {NBVL})				
	At the beginning of the year	99,47,020	5.57	99,47,020	5.57
	At the end of the year			99,47,020	5.57

\*The reason for increase in shareholding during the year at Sl.Nos. 3,11,12,13,14 is due to acquisition from the market.

**(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoter including promoter group & Holders of GDRs & ADRs)**

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(1)	Reliance Capital Trustee Company Limited				
	At the beginning of the year	57,47,492	3.22	57,47,492	3.22
	Sale during the year	(57,47,492)	(3.22)	0	0.00
	At the end of the year			0	0.00
(2)	Morgan Stanley Asia (Singapore) Pte.				
	At the beginning of the year	42,22,968	2.36	42,22,968	2.36
	At the end of the year			42,22,968	2.36
(3)	Retail Employees Superannuation PTY Ltd as Trustee for Retail Employees Superannuation Trust				
	At the beginning of the year	34,32,572	1.92	34,32,572	1.92
	At the end of the year			34,32,572	1.92



Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(4)	Nava Bharat Ventures Employee Welfare Trust through its Trustee - Barclays Wealth Trustees India Private Limited				
	At the beginning of the year	28,00,000	1.57	28,00,000	1.57
	At the end of the year			28,00,000	1.57
(5)	UTI - Top 100 Fund				
	At the beginning of the year	63,16,337	3.54	63,16,337	3.54
	Acquisition during the year	8,14,957	0.45	71,31,294	3.99
	At the end of the year			71,31,294	3.99
(6)	Sunitha Vemulapalli				
	At the beginning of the year	20,16,630	1.13	20,16,630	1.13
	At the end of the year			20,16,630	1.13
(7)	East Bridge Capital Master Fund Limited				
	At the beginning of the year	18,15,676	1.02	18,15,676	1.02
	At the end of the year			18,15,676	1.02
(8)	IDFC Classic Equity Fund				
	At the beginning of the year	86,95,088	4.87	86,95,088	4.87
	Acquisition during the year	26,15,353	1.46	1,13,10,441	6.33
	Sale during the year	(23,02,850)	(1.29)	90,07,591	5.04
	At the end of the year			90,07,591	5.04
(9)	J. Caird BMD MB				
	At the beginning of the year	14,22,675	0.80	14,22,675	0.80
	Sale during the year	(14,22,675)	(0.80)	0	0.00
	At the end of the year			0	0.00
(10)	J. Caird MB				
	At the beginning of the year	12,56,626	0.70	12,56,626	0.70
	Acquisition during the year	83,810	0.05	13,40,436	0.75
	Sale during the year	(13,40,436)	(0.75)	0	0.00
	At the end of the year			0	0.00
(11)	J.Caird Investors (Bermuda) L.P.				
	At the beginning of the year	0	0.00	0	0.00
	Acquisition during the year	16,74,555	0.94	16,74,555	0.94
	At the end of the year			16,74,555	0.94
(12)	J. Caird Partners, L.P				
	At the beginning of the year	0	0.00	0	0.00
	Acquisition during the year	15,30,643	0.86	15,30,643	0.86
	At the end of the year			15,30,643	0.86
(13)	Kanumilli Rajasri				
	At the beginning of the year	9,80,028	0.55	9,80,028	0.55
	Acquisitions during the year	780	0.00	9,80,808	0.55
	At the end of the year			9,80,808	0.55

\* The shares of the company are traded on daily basis and hence the date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.



(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. D. Ashok				
	At the beginning of the year	22,26,000	1.25	22,26,000	1.25
	At the end of the year			22,26,000	1.25
2	Mr. P. Trivikrama Prasad				
	At the beginning of the year	38,50,488	2.15	38,50,488	2.15
	At the end of the year			38,50,488	2.15
	Mr. P. Trivikrama Prasad (HUF)				
	At the beginning of the year	7,02,630	0.39	7,02,630	0.39
	At the end of the year			7,02,630	0.39
3	Mr. Ashwin Devineni				
	At the beginning of the year	34,29,212	1.92	34,29,212	1.92
	Acquisition during the year	1,36,000	0.08	35,65,212	2.00
	At the end of the year			35,65,212	2.00
4	Mr. GRK Prasad				
	At the beginning of the year	65,172	0.04	65,172	0.04
	At the end of the year			65,172	0.04
5	Mr. CV Durga Prasad				
	At the beginning of the year	1,41,830	0.08	1,41,830	0.08
	At the end of the year			1,41,830	0.08
6	Mr. K. Durga Prasad*				
	As on date of appointment	0	0	0	0
	Acquisitions during the year	2,700	0.00	2,700	0.00
	At the end of the year			2,700	0.00
7	Mr. A. Indra Kumar^				
	As on the date of appointment (under HUF)	2,62,480	0.15	2,62,480	0.15
	At the end of the year			2,62,480	0.15

\*Appointed as Additional Director (non-executive and independent) with effect from August 06, 2018 and shares acquired in between November 6, 2018 and November 21, 2018.

^Appointed as Additional Director (non-executive and independent) with effect from February 07, 2019.

Hence shareholding details of both the Directors have been disclosed with effect from respective appointment dates.



## V. Indebtedness

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	333,75,98,263	-	-	333,75,98,263
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15,90,560	-	-	15,90,560
<b>Total (i+ii+iii)</b>	<b>333,91,88,823</b>	-	-	<b>333,91,88,823</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	155,00,00,000	-	-	155,00,00,000
Reduction	(168,55,04,438)	-	-	(168,55,04,438)
Net change	(13,55,04,438)	-	-	(13,55,04,438)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	320,36,84,385	-	-	320,36,84,385
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>320,36,84,385</b>	-	-	<b>320,36,84,385</b>

## VI Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole time director and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of remuneration	Name of the MD/WTD/Manager				Total
		Mr.D.Ashok	Mr.P.Trivikrama Prasad	Mr.GRK Prasad	Mr.CV Durga Prasad	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,71,10,000	1,71,10,000	2,73,50,000	2,13,50,000	8,29,20,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	14,50,339	14,36,825	17,08,254	17,62,934	63,58,352
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	as % of profit	5,64,58,549	5,64,58,549	-	-	11,29,17,098
	others (specify)	-	-	-	-	-
5	Others, please specify					
	Personal Accident Insurance premium	6,452	6,452	2,852	2,852	18,608
	Employer's PF Contribution	11,52,000	11,52,000	14,40,000	14,40,000	51,84,000
	Gratuity provision	13,26,923	13,26,923	5,76,923	5,76,923	38,07,692
	EL Provision	6,00,000	6,00,000	-	-	12,00,000
	<b>Total (A)</b>	<b>7,81,04,263</b>	<b>7,80,90,749</b>	<b>3,10,78,029</b>	<b>2,51,32,709</b>	<b>21,24,05,750</b>
	<b>Ceiling as per the Act</b>					28,22,92,745



**B. Remuneration to other directors:**

(Amount in ₹)

Sl. No.	Particulars of remuneration	Name of the Directors								Total
		Mr.K.Balarama Reddy	Dr.MVG Rao	Dr. ERC Shekar	Dr. D.Nageswara Rao	Dr. CV Madhavi	Mr.K.Durga Prasad *	Mr. GP Kundargi*	Mr.A. Indra kumar*	
1	Independent Directors									
	(a) Fee for attending board committee meetings	1,95,000	1,95,000	45,000	2,10,000	1,05,000	30,000	30,000	-	8,10,000
	(b) Commission	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	-	-	-	25,00,000
	(c) Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>6,95,000</b>	<b>6,95,000</b>	<b>5,45,000</b>	<b>7,10,000</b>	<b>6,05,000</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>	<b>33,10,000</b>
2	Other Non Executive Directors	Mr. Ashwin Devineni								
	(a) Fee for attending board committee meetings	0								
	(b) Commission	0								
	(c) Others, please specify	0								
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>6,95,000</b>	<b>6,95,000</b>	<b>5,45,000</b>	<b>7,10,000</b>	<b>6,05,000</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>	<b>33,10,000</b>
	Total Managerial Remuneration									21,57,15,750
	Overall Ceiling as per the Act									31,05,22,020

\* Mr. K. Durga Prasad and Mr. GP Kundargi were appointed as Additional Directors (non-executive and independent) with effect from August 06, 2018 and Mr. A. Indra Kumar was appointed as Additional Director (non-executive and independent) with effect from February 07, 2019.

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

(Amount in ₹)

Sl. No.	Particulars of remuneration	Key Managerial Personnel		Total	
		Mr.T. Hari Babu Chief Financial Officer	Mr.VSN Raju Company Secretary & Vice President		
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		67,85,758	59,84,100	1,27,69,858
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		-	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	-	-
2	Stock Option				
3	Sweat Equity				
4	Commission as % of profit				
	others, specify				
5	Others, please specify				
	Personal Accident Insurance premium		2,051	2,051	4,102
	Employer's PF Contribution		3,42,140	3,25,619	6,67,758
	<b>Total</b>		<b>71,29,949</b>	<b>63,51,370</b>	<b>1,34,81,319</b>



**VII Penalties/Punishment/Compounding of Offences:**

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

For and on behalf of the Board

Place : Hyderabad  
Date : May 29, 2019

**P. Trivikrama Prasad**  
Managing Director  
DIN: 00006887

**D. Ashok**  
Chairman  
DIN: 00006903

## Annexure - 5

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

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

### 1. Details of contracts or arrangement or transactions:

Sl. No	The Name of the Related Party and Nature of Relationship	Nature of contracts/arrangements / transactions	Duration of the contract	Salient terms of contracts/arrangements /transactions	Justification for entering into contracts	Amount paid as Advance, if any
1	Mr. Ashwin Devineni S/o Mr. D.Ashok, Chairman	Revision of remuneration by subsidiary Nava Bharat (Singapore) Pte. Ltd.	5 years	Remuneration of USD 875,000 per annum with an annual increment not exceeding 25%	The Company has been undertaking various new ventures in overseas through Nava Bharat (Singapore) Pte. Limited.	NIL
2	Mr. Nikhil Devineni S/o Mr. D. Ashok, Chairman	Appointment as Vice President (commercial) of the Company w.e.f February 07, 2019.	N.A	Remuneration of ₹ 10.00 Lakhs per month	Appointment and remuneration commensurate with the qualification and experience of the appointee.	NIL
3	Nava Bharat Energy India Limited Step Down Subsidiary	Lease rent received, sale of fly ash bricks, utility charges received	N.A	The provision of certain goods, material services or facility extended to the Company's Subsidiary, Nava Bharat Energy India Limited for operation of its 150 MW Power Plant at Paloncha. The aggregate value not exceeding ₹ 50 crores in a Financial Year.	Nava Bharat Energy India Limited is fully owned by the Company the Unit of which was located in the same Company's premises and hence the terms and conditions will be decided mutually.	NIL

The Board approved the above transactions at their respective meetings and the same were also approved by the shareholders.



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

Sl. No	The Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements / transactions	Duration of the contract	Salient terms of contracts/ arrangements / transactions	Justification for entering into contracts	Amount paid as Advance if any
1	Dr. D. Rajasekhar Brother of Mr. D. Ashok, Chairman	Rent paid per Month ₹1,13,400/- (exclusive of Goods and Services Tax)	N.A.	Rent paid for the Registered Office of the Company at 3rd Floor of 'Nava Bharat Chambers' for 3016 Sft	The Company has let out 2nd Floor of the Premises at a rent of ₹ 4,26,950/- (exclusive of Goods and Services Tax) upto May 31, 2018 and ₹ 4,69,644/- (exclusive of Goods and Services Tax) till March 31, 2019 admeasuring an area of 8539 Sft at a rent of ₹ 50/- and ₹55/- per Sft respectively. The rent paid by the Company is lower than the rent received by the Company in the same premises. Hence, rent paid is below the arm's length price and in the ordinary course of business.	NIL
2	Nava Bharat (Singapore) Pte. Limited	Interest on Loan 5% per annum i.e., ₹ 2282.97 lakhs	N.A.	The Interest income on loan is ₹ 2282.97 lakhs.	The Commission on guarantees and interest on loan are similar to the charges by others and on an arm's length basis.	NIL
3	Nava Energy Pte. Ltd.	a) Guarantee Commission on Corporate Guarantees @ 2.00% i.e., ₹ 538.10 lakhs b) Rendering technical support (O&M) services income was ₹ 6808.69 lakhs	N.A.	The income on account of guarantee commission is ₹ 538.10 lakhs. Technical support (O&M) services ₹6808.69 lakhs	The Commission on guarantees and income from Technical support (O&M) services are similar to the charges by others and on an arm's length basis.	NIL
4	Nava Bharat Energy India Limited (NBEL) Step Down Subsidiary	Inter Corp Loan given to Company's subsidiary was ₹ 18000 lakhs and Interest accrued on the same was ₹1062.92 lakhs Security provided by pledge of shares of ₹5200 lakhs.	N.A.	Inter Corp Loan given to Company's subsidiary was ₹ 18000 lakhs and Interest accrued on the same was ₹1062.92 lakhs	Interest rate for working capital Borrowings from banks by Nava Bharat Energy India Ltd. is 9.50%. Hence, interest paid by the NBEL is in-line with the arm's length price and in the ordinary course of business.	NIL

The Board approved the above transactions at their respective meetings.

For and on behalf of the Board

**P. Trivikrama Prasad**  
Managing Director  
DIN:00006887

**D. Ashok**  
Chairman  
DIN: 00006903

Place : Hyderabad  
Date : May 29, 2019

## Annexure - 6

Particulars of Loans, Guarantees or Investments during the FY 2018-19 under Section 186 of the Companies Act, 2013

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Purpose	Date of making loan/ acquisition/ giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (listed/unlisted entities)	Amount of loan/security/ acquisition / guarantee ₹ in lakhs	Time period for which it is made/given	Date of passing of Board Reso- lution	Rate of Interest	For Loans Date of maturity
		07.02.2019	Nava Agro Pte Ltd., 18, Duxton Hill, Singapore-089601	353.50	--	03.11.2018	--	--
	For making investments in on going projects, taken up by the Subsidiaries	24.09.2018 & 03.12.2018	Nava Holding Pte. Ltd 18, Duxton Hill, Singapore-089601	799.01	--	18.08.2017	--	--
Towards Equity Share Capital		21.05.2018	Nava Bharat (Singapore) Pte. Ltd., 18, Duxton Hill, Singapore-089601	684.50	--	24.03.2018	--	--

**Note:** The aggregate investments made as on March 31, 2019 has been provided in the financial statement vide Note No. 6

For and on behalf of the Board

**P. Trivikrama Prasad**  
 Managing Director  
 DIN:00006887

**D. Ashok**  
 Chairman  
 DIN: 00006903

Place : Hyderabad

Date : May 29, 2019





## Annexure - 7

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

Sr.No.	Requirements	Disclosure	Ratio
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	<b>Name of the Director</b>	
		Mr. D. Ashok, Chairman	205.20x
		Mr. P. Trivikrama Prasad, MD	205.16x
		Mr. GRK Prasad, ED	81.59x
		Mr. CV Durga Prasad, Director (BD)	65.96x
		Dr. ERC Shekar, Director	1.31x
		Mr. K. Balarama Reddy, Director	1.31x
		Dr. D. Nageswara Rao, Director	1.31x
		Dr. MVG Rao, Director	1.31x
		Dr. CV Madhavi, Director	1.31x
		Mr. K. Durga Prasad	0.00x
		Mr. GP Kundargi	0.00x
		Mr. A. Indra Kumar	0.00x
II	The Percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	<b>Name of Director</b>	<b>% increase in remuneration</b>
		Mr. D. Ashok, Chairman	14.29
		Mr. P. Trivikrama Prasad, MD	14.29
		Mr. GRK Prasad, ED	Nil
		Mr. CV Durga Prasad, Director (BD)	Nil
		Dr. ERC Shekar, Director	Nil
		Mr. K. Balarama Reddy, Director	Nil
		Dr. D. Nageswara Rao, Director	Nil
		Dr. MVG Rao, Director	Nil
		Dr. CV Madhavi, Director	Nil
		Mr. K. Durga Prasad	Not Applicable
		Mr. GP Kundargi	Not Applicable
		Mr. A. Indra Kumar	Not Applicable
		Mr. T. Haribabu, CFO	12.00
		Mr. VSN Raju, CS & VP	14.00
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees increased by 5.68%.	
IV	The number of permanent employees on the rolls of the Company	There were 852 permanent employees on the rolls as on March 31, 2019.	
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average percentage increase already made in the salaries of employees other than managerial personnel was 7.39%. The ratio of percentile increase in salaries of employees and managerial personnel is 1:1.59.  There were no exceptional circumstances for increase in the managerial remuneration.	
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed that the remuneration is as per the remuneration policy of the Company	

For and on behalf of the Board

**P. Trivikrama Prasad**  
Managing Director  
DIN:00006887

Place : Hyderabad

Date : May 29, 2019

**D. Ashok**  
Chairman  
DIN: 00006903



## Annexure - 8

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

Sl. No.	Name & Designation	Remuneration received (₹ in lakhs)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of Commencement of employment	Age	The last employment held before joining the Company	The percentage of equity shares held by the employees in the Company within the meaning of clause (iii) of Rule 5(2)	Whether the employee is a relative of any director or manager of the company
1	Mr. D. Ashok Chairman	781.04	Contractual	M.B.A. (U.S.A.) 37 years	28.08.1981	62	...	Not Applicable	Yes *
2	Mr. P. Trivikrama Prasad Managing director	780.90	Contractual	M.B.A. (U.S.A.) 37 years	01.08.1981	65	...	Not Applicable	No
3	Mr. GRK Prasad Executive director	310.78	Contractual	B.Sc., F.C.A. & F.C.S. 38 years	16.08.1995	61	General Manager, DCL Polyesters Ltd.	Not Applicable	No
4	Mr. CV Durga Prasad Director (Business Development)	251.32	Contractual	B.Com 46 years	01.07.1973	67	...	Not Applicable	No
5	Mr. J.Ramesh Executive Vice President (FAP-O)	215.75	Contractual	B.Com., M.B.A. 36 years	01.04.1997	62	Director Nav Chrome Ltd.		No
6	Mr. P.J.V. Sarma Senior Executive Vice President (Strategy & Planning)	112.92	Contractual	B.Tech., AICWA, PSDFM 38 years	02.08.2010	60	Regional Director, IICI Lombard General Insurance Co. Ltd.		No
7	Mr. Y Sreenivasa Murthy Vice President	71.84	As per Company's Rules	B.E., MBA (Finance), MBA (Marketing) 32 years	12.09.2016	56	Director Operations & GM Pentair Valves & Controls India Pvt Ltd.	No employee was in receipt of remuneration above the remuneration of Managing Director/ Whole-time Director	No
8	Mr. Nikhil Devineni Vice President (Commercial)	17.88	Contractual	MBA (Barcelona)	07.02.2019	30	Manager – Business Development in Kobe Green Power Co. Ltd. Laos		Yes*
9	Mr. T. Hari Babu Chief Financial Officer	71.30	As per Company's Rules	B.Com. A.C.A. 30Years	08.07.1993	58	Manager (Accounts), Suchitra Components Ltd		No
10	Mr. VSN Raju Company Secretary & Vice President	63.51	As per Company's Rules	B.Com., A.C.S. 23 years	28.04.2016	49	CS & VP Gati Limited		No

**Notes:** 1. Gross remuneration includes salary, taxable allowances, commission, value of perquisites as per the Income-Tax Rules, 1962 and Company's contribution to Provident and Superannuation Funds.

2. The experience shown above refers to the total period in years of career.

\* Mr. D. Ashok is father of Mr. Nikhil Devineni and Mr. Ashwin Devineni

For and on behalf of the Board

**P. Trivikrama Prasad**  
 Managing Director  
 DIN: 00006887

**D. Ashok**  
 Chairman  
 DIN: 00006903

Place : Hyderabad

Date : May 29, 2019





NAVA BHARAT

## Annexure - 9

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

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

To  
The Members  
Nava Bharat Ventures Limited  
Hyderabad

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company according to the provisions of:

- (i) The Companies Act, 2013 (the Act) (applicable Sections as on date) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed by the Securities and Exchange Board of India ('SEBI') thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (f) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the Financial Year under review:-
- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vii) The industry specific laws that are applicable to the Company are as follows:
- (a) Electricity Act, 2003;
  - (b) Sugar Factories Control Act, 1950;
  - (c) Sugar Cess Act, 1982 (applicable up to June 30, 2017);
  - (d) Food Safety And Standards Act, 2006;
  - (e) The Essential Commodities, Act 1955;
  - (f) Mines Act, 1952;
  - (g) Mines and Mineral (Regulation and Development) Act, 1957;
  - (h) Explosives Act, 1884;
  - (i) Indian Boilers Act, 1923;
  - (j) Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010;
  - (k) Central Electricity Authority (Safety Requirements for Construction, Operation and Maintenance of Electrical Plants and Electric Lines) Regulations 2011;



- (l) The Water (Prevention and Control of Pollution) Act, 1974;  
 (m) The Air (Prevention and Control of Pollution) Act, 1981; and  
 (n) The Environment (Protection) Act, 1986.

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

- (i) Secretarial Standards SS-1, SS-2 and SS-3 with respect to meetings of the Board of Directors, General Meetings and Dividends, respectively, issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

We report that, during the period under review, the Company has duly complied with the provisions of the Companies Act, 2013, Regulations of SEBI and other acts, as specified above, applicable to the industry of the Company.

We further report that

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, the following changes took place in the Board of Directors:

S. No.	Name of the Director	Appointment/ Cessation/ Reappointment	Our Comments
1	Mr. Ashok Devineni	Re-appointment	Retired by rotation and reappointed as per the provisions of Section 152 of the Act at the Annual General Meeting held on August 06, 2018
2	Mr. Ashwin Devineni	Appointment	Appointed as a Non-executive and Non-Independent Director, who has been co-opted by regularizing his appointment made by the Board as an Additional Director w.e.f. August 18, 2017
3	Mr. CV Durga Prasad	Reappointment	Appointed as the Director (Business & Development) for a term of one year w.e.f. June 28, 2018
4	Mr. GRK Prasad	Reappointment	As the Executive Director for a term of five years w.e.f. June 28, 2018
5	Mr. Kode Durga Prasad	Appointment	Co-opted as an Additional Director w.e.f. August 06, 2018 to act as an Independent Director

S. No.	Name of the Director	Appointment/ Cessation/ Reappointment	Our Comments
6	Mr. GP Kundargi	Appointment	Co-opted as an Additional Director w.e.f. August 06, 2018 to act as an Independent Director.
7	Mr. Indra Kumar Alluri	Appointment	Co-opted as an Additional Director w.e.f. February 07, 2019 to act as an Independent Director
8	Mr. ERC Shekar	Cessation	Ceased to be the Director w.e.f. April 01, 2019
9	Mr. MVG Rao	Cessation	Ceased to be the Director w.e.f. April 01, 2019
10	Mr. K. Balarama Reddy	Cessation	Ceased to be the Director w.e.f. April 01, 2019

Adequate notice was given to all the directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As a general practice of the Board, decisions were taken on unanimous consent.

We further report that no prosecutions were initiated and no fines or penalties were imposed for the year, under the Companies Act, SEBI Act, SCRA or other SEBI Regulations, on the Company or its directors and officers.

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

We further report that in terms of the provisions of section 124(6) of the Act, 46,351 Equity shares belonging to 96 shareholders were transferred to the Investor Education and Protection Fund.

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

**P.S. RAO**  
 COMPANY SECRETARY

PLACE: HYDERABAD  
 DATE: MAY 29, 2019

ACS NO: 9769  
 C P NO: 3829

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



## 'Annexure A'

To,  
The Members,  
Nava Bharat Ventures Limited  
Hyderabad

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

1. Maintenance of Secretarial records 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 the 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 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 the 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 P.S. RAO & ASSOCIATES**  
COMPANY SECRETARIES

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

PLACE: HYDERABAD  
DATE: MAY 29, 2019



# Report on Corporate Governance

[Pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')]

## (1) Company's philosophy on Corporate governance:

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

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

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

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

The Company implemented the norms of governance as provided in Chapter IV and Schedule II of the Listing Regulations.

## (2) Board of Directors:

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

The Board of directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors with one woman Independent Director.

The details of the Board of directors including their attendance at the meetings of Board and shareholders, directorships / chairmanships / memberships on the Boards / Committees of other Companies and names of the listed entities where the person is a director and the category of directorship as required under regulation no. 34 read with schedule V of the Listing Regulations are as below.

Name	DIN	Category	No. of Board Meetings		Attend-ance at the last AGM	No. of director-ships in other Companies		Chairmanships / memberships in other Companies		Name of other listed entities where he/she is a director and the category of directorship
			Held	Attended		Private	Public	Chairmanship	Membership	
Mr. D. Ashok	00006903	Executive (Promoter)	5	5	Yes	2	2	2	1	
Mr. P. Trivikrama Prasad &	00006887	Executive (Promoter group)	5	5	Yes	3	2	-	-	
Mr. K. Balarama Reddy#	00012884	Independent Director	5	5	Yes	4	6	2	6	
Dr. ERC Shekar#	00013670	Independent Director	5	3	Yes	1	2	2	-	Sunflag Iron and Steel Co Ltd - Independent Director
Dr. MVG Rao#	00012704	Independent Director	5	5	Yes	2	3	4	-	Laurus Labs Limited - Independent Director
Dr. D. Nageswara Rao	02009886	Independent Director	5	4	Yes	5	-	-	-	
Dr. CV Madhavi	06472632	Independent Director	5	5	Yes	-	-	-	-	
Mr. CV Durga Prasad	00006670	Executive and Professional	5	5	Yes	-	1	-	-	
Mr. GRK Prasad	00006852	Executive and Professional	5	5	Yes	-	3	-	3	
Mr. Ashwin Devineni\$	00007540	Non-executive & Non independent (Promoter group)	5	5	Yes	-	-	-	-	
Mr. K. Durga Prasad*	07946821	Independent Director	5	2	NA	-	1	-	4	CCL Products (India) Limited - Independent Director
Mr. GP Kundargi*	02256516	Independent Director	5	2	NA	-	1	-	3	The Sandur Manganese and Iron Ores Limited - Independent Director
Mr. A. Indra Kumar@	00190168	Independent Director	5	-	NA	6	5	3	4	Avanti Feeds Limited- Managing Director

&Attended one meeting through video conference out of five meetings held in this financial year.

#Technically vacated the Office of Directorship with effect from April 1, 2019 owing to the attainment of age of 75 years pursuant to regulation 17(1A) of the Listing Regulations.

\$Attended two meetings through video conference out of five meetings held in this financial year.

\*Appointed as Additional Director (non-executive and independent) with effect from August 6, 2018 and attended two meetings out of two meetings held after their co-option.

@Appointed as Additional Director (non-executive and independent) with effect from February 7, 2019.



(b) Number of meetings of the Board of directors held and dates on which held:

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

During the financial year, five Board meetings were held as detailed below:

May 30, 2018	June 16, 2018	August 06, 2018
November 03, 2018	February 07, 2019	

(c) Disclosure of relationships between directors inter-se:

Other than, Mr. D. Ashok and Mr. Aswin Devineni, who are related to each other, as father and son respectively within the meaning of Section 2 (77) of Companies Act, 2013 read with Rule 4 of Companies (Specification of Definitions Details) Rules, 2014, none of the directors are related to each other.

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

None of the non-executive directors hold any equity shares or convertible instruments in the Company except the following:

S. No	Name and designation of the Director	No. of Shares held
1	Mr. Ashwin Devineni, Non-executive Director	35,65,212
2	Mr. K. Durga Prasad, Independent Director	2,700
3	Mr. A. Indra Kumar, Independent Director	2,62,480 (HUF)

(e) Web link where details of familiarisation programmes imparted to Independent directors:

The details of the programmes conducted by the Company are posted on the Company's website under the web link:

[http://www.nbventures.com/corporate\\_policies.htm](http://www.nbventures.com/corporate_policies.htm)

(f) List of core skills/expertise/competencies identified by the Board of directors:

The Company requires skills, expertise and competencies in the areas of strategy, finance, accounting, legal and regulatory matters, the environment, sustainability and operations of the Company's businesses to efficiently carry on its core businesses such as manufacturing of ferro alloys, generation of thermal power, power trading and manufacturing of sugar.

The Board comprises qualified members who bring in the required skills, expertise and competence as mentioned above

which allow them to make effective contributions to the Board and its committees. The members of the Board are committed to ensuring that the Company is in compliance with the highest standards of corporate governance.

(g) Confirmation that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management:

The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management:

(h) During the year under review, no Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment.

### (3) Audit committee:

The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

(a) Brief description of terms of reference:

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

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. Recommendation of appointment etc., of the statutory auditors and their fee for audit and other services;
- iii. Examination and review of annual financial statements/ audit report with particular reference to directors' responsibility statement, changes in accounting policies, major accounting entries involving estimates, disclosure of related party transactions, qualifications in the draft audit report, etc.;
- iv. Discussions with internal auditors on significant findings and with Statutory Auditors of the nature and scope of audit and on areas of concern;
- v. Review of quarterly financial statements, uses and application of funds raised, performance of statutory and internal auditors, adequacy of internal control system and internal audit function;
- vi. Review of management discussion and analysis report on financial condition and results of operations, significant

related party transactions, internal control weaknesses reported by the statutory auditors and internal auditors and the appointment and remuneration of internal auditors.

- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Evaluation of internal financial controls and risk management systems; and
- xi. Review of the functioning of the Whistle Blower mechanism
- xii. Review of the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower

(b) Composition, name of members and chairperson:

The composition of the Audit committee and the details of meetings attended by its members are given below:

Name of the Director	Category	Chairman/Member
Mr. K. Balarama Reddy	Independent Director	Chairman
Dr. MVG Rao	Independent Director	Member
Dr. D. Nageswara Rao	Independent Director	Member

(c) Meetings and attendance during the year 2018-19:

During the year, five meetings of the Audit committee were held as detailed below. All members attended all the five meetings during the FY 2018-19.

May 29, 2018	June 16, 2018	August 4, 2018
November 2, 2018	February 7, 2019	

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

The Nomination and Remuneration committee of the Board of directors was constituted in conformity with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.

(a) Brief description of terms of reference:

The functioning and terms of reference of the Nomination and Remuneration committee are as prescribed under the erstwhile listing agreement and the Listing Regulations. It determines the Company's policy on all elements of the remuneration packages of the directors including the executive directors. The role of the committee includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of directors a policy relating to, the remuneration of the directors, Key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent directors and the Board of directors;
3. Devising a policy on diversity of Board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board of directors for their appointment and removal;
5. Performance evaluation of independent directors; and
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

(b) Composition, name of members and chairperson:

The Nomination and Remuneration Committee comprised three Independent directors.

Name of the Director	Category	Chairman / Member
Mr. K. Balarama Reddy	Independent Director	Chairman
Dr. MVG Rao	Independent Director	Member
Dr. D. Nageswara Rao	Independent Director	Member

(c) Meetings and attendance during the year 2018-19:

During the year, three meetings of the Nomination and Remuneration Committee were held as detailed below. All Members attended all the three meetings during the FY 2018-19.

May 29, 2018	August 4, 2018	February 7, 2019

(d) Performance evaluation criteria for Independent directors:

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

- Contribution to and monitoring Corporate Governance practices.
- Ability to contribute to address top management issues.
- Active participation in long term strategic planning.
- Commitment to the fulfilment of obligations and responsibilities.

The performance evaluation of independent director is done by the Board annually based on criteria of attendance and contributions at Board/ Committee meetings and also the role played by them other than at meetings.

The Nomination and Remuneration Committee had specified criteria for performance evaluation of Directors, Committees and Board as a whole and recommend the same to the Board for evaluation.



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

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

Performance evaluation was done by the respective bodies on February 07, 2019.

#### (5) Remuneration of Directors:

The Company's remuneration policy for directors, key managerial personnel and Senior Management is placed on the Company's website under the web link: <http://www.nbventures.com/corporatepolicies.htm>.

Further, the Company has adopted specific criteria for performance evaluation of Independent directors, Board, Committees and other individual directors.

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

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

The members at their meeting held on August 27, 2015 approved the payment of commission to the Non-executive Directors including Independent Directors for each year for a period of 5 years commencing from April 1, 2016, not exceeding 1% of the net profits of the Company in any financial year subject to an overall ceiling of ₹ 25 lakhs per annum for every financial year to be paid and distributed equally among all the non-executive directors including Independent Director of the Company in addition to the sitting fee payable to them, as may be decided by the Board from time to time, for attending every meeting of the Board or Committee.

The sitting fees paid to all non-executive directors were as follows:

S.No	Type of the meeting	Sitting fee per meeting in ₹
1	Board	15,000/-
2	Committees	15,000/-

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

Keeping in view the size, scale and complexity of the Company's operations and the level of involvement of the non-executive directors in the supervision and control of the Company and their guidance for the growth of the Company as members of the Board and also as Chairman or Members of the relevant Committees of the Board, the Board and Shareholders decided that such remuneration/commission should be commensurate with their roles which have undergone significant qualitative changes.

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

(i) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc., for the FY 2018-19 :

Name of the Director	Sitting Fee (Board & Committees) (₹)	Salaries (₹)	Perquisites and allowances (₹)	Commission and incentive as approved by General Body (₹)	Total (₹)
Mr. D. Ashok Chairman	0	96,00,000	1,20,45,714	5,64,58,549	7,81,04,263
Mr. P. Trivikrama Prasad Managing Director	0	96,00,000	1,20,32,200	5,64,58,549	7,80,90,749
Dr. ERC Shekar	45,000	0	0	5,00,000	5,45,000
Dr. MVG Rao	1,95,000	0	0	5,00,000	6,95,000
Mr. K. Balarama Reddi	1,95,000	0	0	5,00,000	6,95,000
Dr. D. Nageswara Rao	2,10,000	0	0	5,00,000	7,10,000
Dr. CV Madhavi	1,05,000	0	0	5,00,000	6,05,000
Mr. K. Durga Prasad	30,000	0	0	0	30,000
Mr. GP Kundargi	30,000	0	0	0	30,000
Mr. A. Indra Kumar	0	0	0	0	0
Mr. Ashwin Devineni	0	0	0	0	0
Mr. CV Durga Prasad Director (Business Development)	0	1,20,00,000	1,31,32,709	0	2,51,32,709
Mr. GRK Prasad Executive Director	0	1,20,00,000	1,30,78,029	60,00,000	3,10,78,029

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

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

- (iii) Service contracts, notice period, severance fees:

There are neither specific contracts nor any severance fees. Terms of appointment are as decided by the Board and General Body.

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

The Company has no options outstanding as at the beginning of the year and has not granted any stock options during the financial year 2018-19.

#### (6) Stakeholders' Relationship committee:

The Company has Stakeholders' Relationship committee at the Board level, which consists of three directors namely Mr. K. Balarama Reddy, Dr. MVG Rao and Mr. P. Trivikrama Prasad as at the end of the financial year.

(a) Name of non-executive Director heading the Committee	Mr. K. Balarama Reddy, Non-executive and Independent director chairs the Stakeholders relationship committee. It deals with the complaints of the Shareholders on a regular basis.
(b) Name and designation of Compliance Officer	Mr. VSN Raju Company Secretary & Vice President
(c) Number of Shareholders' complaints received so far	5
(d) Number of complaints not solved to the satisfaction of shareholders	Nil
(e) Number of pending complaints	Nil

#### (7) General Body meetings:

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

Nature of meeting	Date & time	Venue of meeting
46th Annual general meeting	August 6, 2018 at 10.30 a.m.	Marigold Hotel By and beside Green Park Hotel Hyderabad – 500 016
45th Annual general meeting	August 9, 2017 at 10.00 a.m.	Marigold Hotel By and beside Green Park Hotel Hyderabad – 500 016
44th Annual general meeting	August 24, 2016 at 10.00 a.m.	Marigold Hotel By and beside Green Park Hotel Hyderabad – 500 016

- (b) Special resolutions passed in the previous three Annual general meetings:

Nature of meeting	Number of special resolutions passed
46th Annual general meeting - August 6, 2018	Nil
45th Annual general meeting - August 9, 2017	Nil
44th Annual general meeting - August 24, 2016	Nil

- (c) Special resolutions passed through postal ballot – details of voting pattern:

During the year, one postal ballot was conducted i.e., on March 23, 2019 but no special resolution was passed through the postal ballot.

- (d) Person conducted the postal ballot exercise:

Name of the Scrutinizer: Mrs. D. Renuka, Practicing Company Secretary

Name of the Service provider for e-voting process: Karvy Fintech Pvt. Ltd.

- (e) Special resolutions proposed to be conducted through postal ballot:

No resolutions are proposed to be conducted now through postal ballot.

- (f) Procedure for postal ballot:

The procedure for postal ballot will be as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

#### (8) Means of communication:

- (a) Quarterly results:

The quarterly, half-yearly and annual results of the Company were normally published by the Company in the newspapers.

Annual reports with audited financial statements are sent to the shareholders through permitted mode.

- (b) Newspapers wherein results normally published:

The results are normally published by the Company in the newspapers (Business Standard) in English version, circulating in the whole of India and in regional newspaper (Nava Telangana) in the vernacular language in all editions.

- (c) Any website, where displayed:

The results are also displayed on the Company's website: www.nbventures.com

- (d) Whether it also displays official news releases:

The newsletters and press releases from time to time were also displayed on the Company's website.





(e) Presentations made to institutional investors or to the analysts:

The presentations to institutional investors or to the analysts are covered in the Company's website.

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

**(9) General shareholder Information:**

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

Date	August 08, 2019
Time	10:30 a.m. (IST)
Venue	Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad - 500016, TG

For the Financial year 2018-19:

Board Meeting for consideration of Audited Accounts and recommendation of Dividend for 2018-19	May 29, 2019
Posting of annual report	on or before July 17, 2019
Book closure dates	August 3, 2019 to August 8, 2019 (both days inclusive)
Last date for receipt of proxy forms	August 6, 2019
Date of the 47th annual general meeting	August 8, 2019
Dividend on equity shares	₹1.50 per share (75%) of face value of ₹2/- each
Dividend pay-out date	Within 30 days from the date of declaration

(b) Financial year:

The financial year of the Company starts from 1st April every year and ends on 31st March of subsequent year.

Financial Calendar:

Financial year 2018-19 (April 1, 2018 to March 31, 2019)		
1	First quarter results	August 6, 2018
2	Second quarter and half year results	November 3, 2018
3	Third quarter results	February 7, 2019
4	Annual results (audited)	May 29, 2019

(c) Dividend payment date:

The dividend would be paid within 30 days from the date of declaration for the financial year 2018-19, if approved by the members.

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

National Stock Exchange of India Ltd Exchange Plaza, 5th Floor Plot No.C/1, 'G' Block Bandra-Kurla Complex Bandra(E), Mumbai - 400 051	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001
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The Listing fee was remitted to the above stock exchanges for FY 2019-20.

(e) Stock code:

Stock Codes/Symbol:

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

Corporate Identity Number (CIN):

The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, the Government of India is L27101TG1972PLC001549

International Securities Identification Number (ISIN):

ISIN is a unique identification number allotted to dematerialised scrip. The ISIN has to be quoted in each transaction relating to dematerialised shares of the Company. The ISIN for the equity shares of the Company is INE725A01022.

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

Market price data: High/Low (daily closing prices) on National Stock Exchange of India Limited during each month in the Financial Year 2018-19:

Month	Equity Shares of ₹2/- each				Closing NIFTY 50
	High (₹)	Low (₹)	Closing (₹)	Volume (No.)	
<b>2018</b>					
April	151.75	136.50	149.75	50,77,830	10,739.35
May	153.25	120.90	143.50	1,72,61,870	10,736.15
June	145.60	126.80	129.85	1,12,05,376	10,714.30
July	133.85	122.25	132.95	47,29,318	11,356.50
August	138.95	123.15	129.50	1,09,86,282	11,680.50
September	135.30	119.40	119.40	71,61,384	10,930.45
October	122.50	108.90	115.70	31,63,198	10,386.60
November	125.70	117.75	119.05	34,69,862	10,876.75
December	122.00	115.65	120.70	21,61,465	10,862.55
<b>2019</b>					
January	120.00	106.40	106.40	37,29,990	10,830.95
February	110.65	96.50	101.35	31,78,957	10,792.50
March	110.40	102.00	103.25	33,88,978	11,623.90



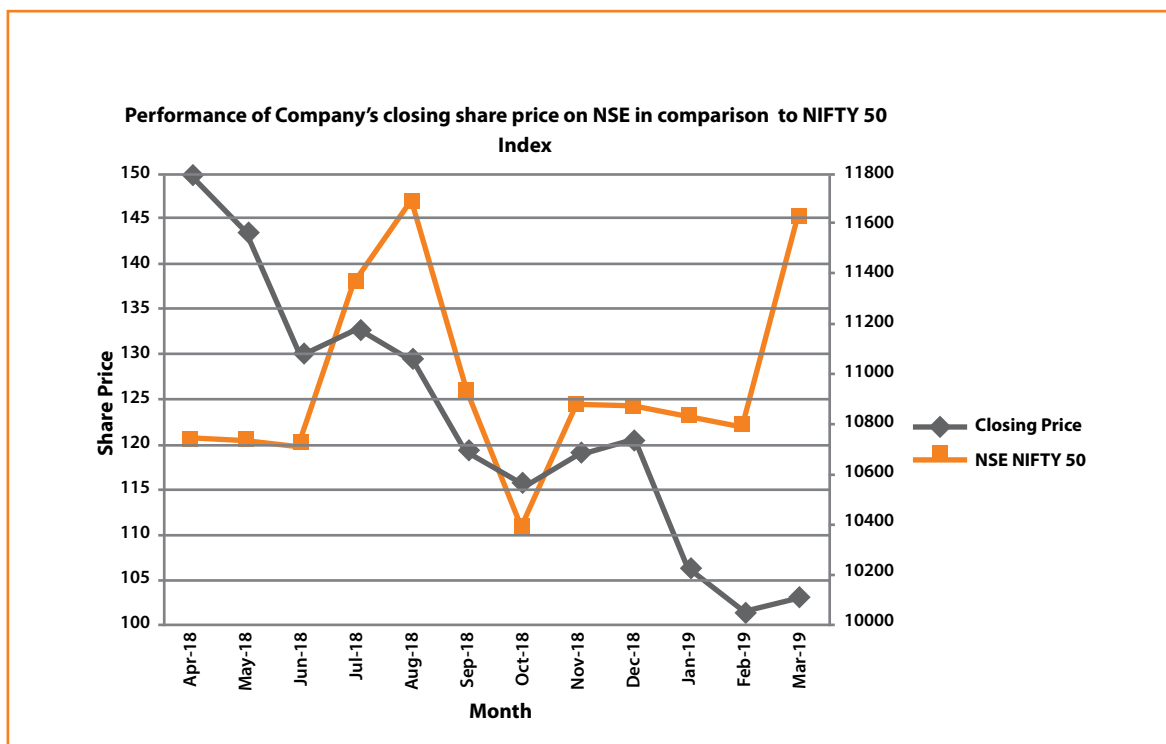


Market Price Data: High/Low (daily closing prices) on BSE Limited during each month in the FY 2018-19:

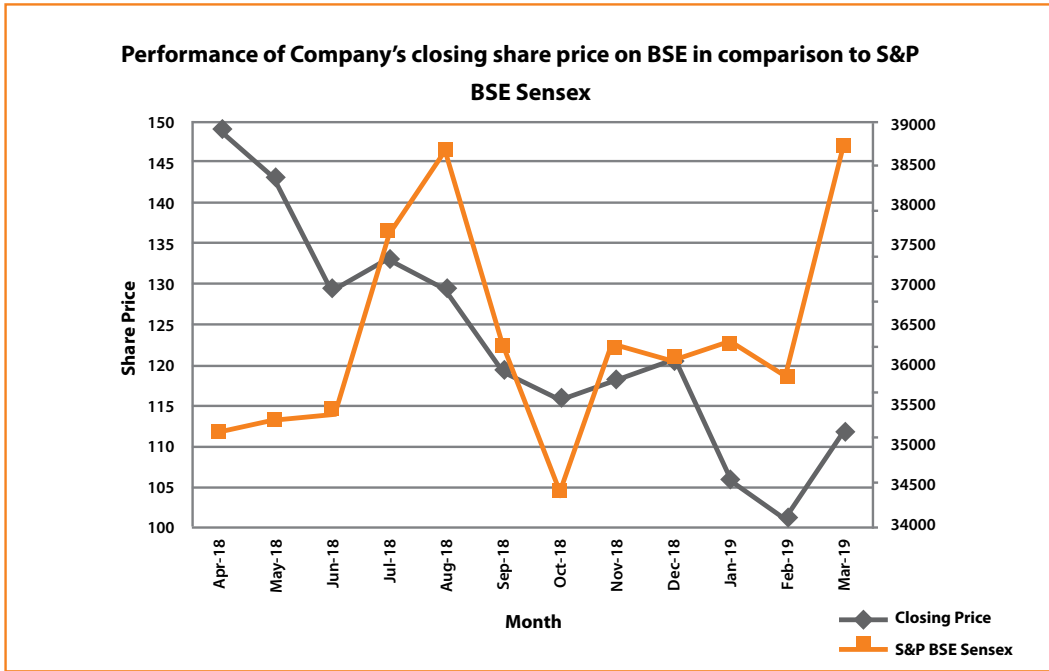
Month	Equity Shares of ₹2/- each			Volume (No.)	Closing S&P BSE SENSEX	Closing S&P BSE SmallCAP	Closing S&P BSE AllCap
	High (₹)	Low (₹)	Closing (₹)				
<b>2018</b>							
April	150.85	136.70	149.15	3,62,642	35,160.36	18,401.67	4,347.82
May	154.10	121.45	143.40	22,58,276	35,322.38	17,249.45	4,255.06
June	145.95	126.55	129.60	14,26,767	35,423.48	16,032.15	4,174.26
July	133.85	121.70	133.35	5,16,366	37,606.58	16,584.16	4,395.97
August	138.75	122.90	129.60	19,47,547	38,645.07	17,193.20	4,547.53
September	135.30	119.65	119.65	4,92,720	36,227.14	14,430.68	4,132.97
October	123.00	109.15	115.95	2,63,892	34,442.05	14,201.37	3,975.40
November	125.50	117.75	118.30	3,03,048	36,194.30	14,427.16	4,127.54
December	121.75	115.25	120.50	4,80,417	36,068.33	14,706.69	4,161.09
<b>2019</b>							
January	119.95	106.05	106.05	12,41,793	36,256.69	13,926.22	4,080.32
February	110.90	96.70	101.15	2,29,024	35,867.44	13,689.84	4,051.06
March	111.75	101.95	111.75	3,82,452	38,672.91	15,027.36	4,368.94

(g) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

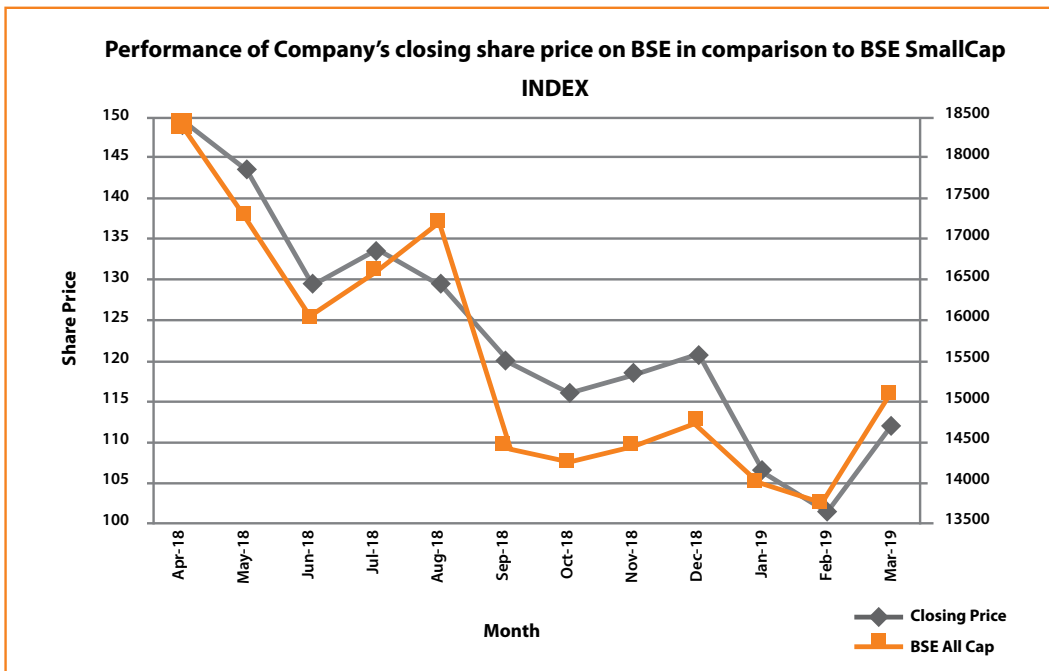
The Company is not forming part of NIFTY 50. Overall performance of the scrip of the Company in comparison to NIFTY 50 is as follows:



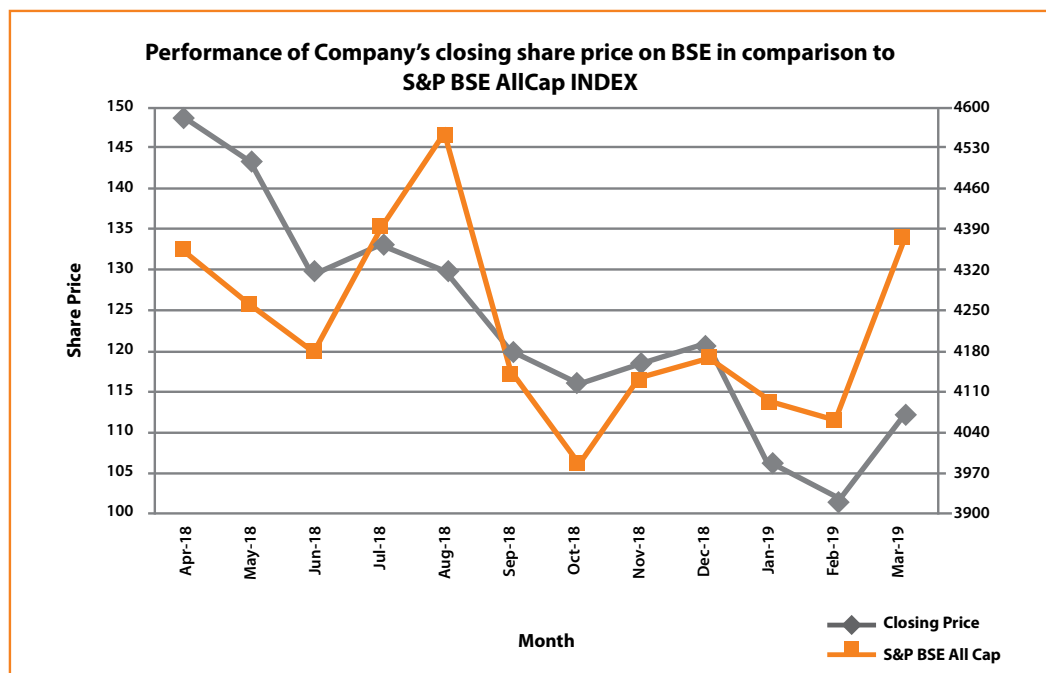
The Company is not forming part of S&P BSE Sensex. Overall performance of the scrip of the Company in comparison to S&P BSE Sensex is as follows:



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



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



(h) In case the securities are suspended from trading, the director's report shall explain the reason thereof:

No, not applicable.

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

Registrars & Transfer Agents (for shares held in both physical and demat mode)

Registrars & Transfer Agents (for shares held in both physical and demat mode)	Karvy Fintech Private Limited (Unit: <b>Nava Bharat Ventures Limited</b> ), Karvy Selenium Tower B, Plot 31 & 32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, Telangana
Telephone Numbers	91 40 6716 1500 / 6716 2222
Direct	91 40 6716 1562
Fax No.	91 40 2300 1153
Contact Person	Mr. M. S. Madhusudhan / Mr. Mohd. Mohsin Uddin
E-mail id	madhusudhan.ms@karvy.com; mohsin.mohd@karvy.com
Website	www.karvyfintech.com

(j) Share transfer system:

Karvy Fintech Private Limited, Hyderabad, is the Company's Registrars and Share Transfer Agents. Share Transfers are registered and returned in the normal course within a period of less than 15 days from the date of receipt, if the documents are in order in all respects, in line with Schedule VII to the Listing Regulations. Request for dematerialisation of shares are processed and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. The Registrars and Share Transfer Agents were delegated the power of share transfer to expedite the transfer formalities. It is in line with Schedule VII of the LODR and Reg. 40 of the Listing Regulations.



(k) Distribution of shareholding:

Range of equity shares held	As on March 31, 2019			
	Shareholders		Shareholding	
	Number	%	Number	%
1-1	367	1.42	367	0.00
2-10	1,884	7.29	11,820	0.01
11 -50	4,555	17.62	1,59,519	0.09
51-100	4,435	17.16	4,07,192	0.23
101 -200	3,698	14.31	6,53,196	0.36
201-500	4,088	15.82	15,32,544	0.86
501-1000	2,721	10.53	22,33,225	1.25
1001-5000	2,836	10.97	66,43,263	3.72
5001-10000	566	2.19	42,08,482	2.36
10001 and above	697	2.70	16,27,25,874	91.12
<b>Total</b>	<b>25,847*</b>	<b>100.00</b>	<b>17,85,75,482</b>	<b>100.00</b>

\*No. of shareholders based on grouping of PAN (without grouping 26,969 shareholders).

(l) Dematerialization of shares and liquidity:

Dematerialized shares as on March 31, 2019:

Number of shares	% of total shares	Number of shareholders	% of total shareholders
17,75,74,520	99.44	26,482*	98.19

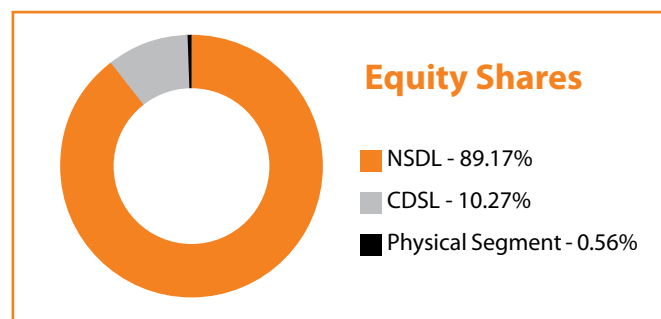
\*No. of shareholders without grouping of PAN.

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

- Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the Depository Participant(DP) with whom he/ she has opened a Depository Account;
- DP processes the DRF and generates a unique number viz. DRN;
- DP forwards the DRF and share certificates to the Company's Registrar & Share Transfer Agent;
- The Company's Registrar & Share Transfer Agent after processing the DRF, confirms the request to the Depositories by cancellation of physical share certificates; and
- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

The break-up of shares in demat and physical form as on March 31, 2019 is as follows:

Particulars	No. of shares of ₹ 2/-each	% of Shares
Demat Segment		
NSDL	15,92,29,976	89.17
CDSL	1,83,44,544	10.27
Sub-total	17,75,74,520	99.44
Physical Segment	10,00,962	0.56
<b>Total</b>	<b>17,85,75,482</b>	<b>100.00</b>



(m) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

No GDRs/ADRs/Warrants or any Convertible instruments have been issued by the Company during the year under review or outstanding as at the end of the Financial Year 2018-19.

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

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

(o) Plant locations:

The Company's plants are located at:

Paloncha – 507 154	Kharagprasad village – 759 121
Bhadradi Kothagudem district	Dhenkanal district
Telangana	Odisha
Samalkot - 533 440	Dharmavaram - 534 430
East Godavari District	Prathipadu Mandal
Andhra Pradesh	East Godavari District
	Andhra Pradesh

(p) Address for correspondence:

Registered Office	Nava Bharat Ventures Limited 6-3-1109/1, 'Nava Bharat Chambers' Raj Bhavan Road Hyderabad – 500 082, Telangana India
Telephone Numbers	+91 40 2340 3501/2340 3540
e-Fax	+91 080 6688 6121
e-mail id	investorservices@nbv.in
Grievance Redressal Division e-mail id	grd@nbv.in
Website	www.nbventures.com

- (q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

Not applicable

**(10) OTHER DISCLOSURES:**

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

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

There have been no materially significant related party transactions between the Company and its Directors, the Management, subsidiaries or relatives, except for those disclosed in the Board's report. Detailed information on materially significant related party transactions is enclosed as **Annexure - 5** to the Board's report and the details of all Related Party Transactions during FY 2018-19 are given at note no. 35 to the Standalone Financial Statement.

Related party disclosure in the format prescribed in Schedule V(A) of the Listing Regulations is given in Directors' Report.

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

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

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

The Company has established a mechanism for Whistle Blower Policy and no personnel had been denied access to the Audit Committee. The Policy is placed on the website of the Company under the web link: [http://www.nbventures.com/corporate\\_policies.htm](http://www.nbventures.com/corporate_policies.htm)

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

**Mandatory Requirements**

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

- (e) Web link where policy for determining 'material' subsidiaries is disclosed:

The Company had formulated a policy for determining 'material' subsidiaries and the policy is available on the Company's website under the web link: [http://www.nbventures.com/corporate\\_policies.htm](http://www.nbventures.com/corporate_policies.htm)

- (f) Web link where policy on dealing with related party transactions:

The Board has formulated a policy for related party transactions and revised it in the light of Listing Regulations and including any statutory modification(s) and re-enactment(s) thereof subsequent amendments thereto which is available on the Company's website under the web link : [http://www.nbventures.com/corporate\\_policies.htm](http://www.nbventures.com/corporate_policies.htm)

- (g) Disclosure of commodity price risks and commodity hedging activities:

The Company's ferro alloy operations, to some extent Sugar operations and power generation based on imported coal are subjected to the worldwide commodity risk and the fiscal



policies on import or export. Currently, the Company does not have recourse to any hedging mechanism to mitigate the volatility of prices. However, it does regulate the production of manganese alloys duly considering the international market indices from time to time, both for import of feed stock and export of finished product to sustain reasonable earnings, as much as possible.

- (h) Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A):

**Not applicable**

- (i) A certificate from the company secretary in practice 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 the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed separately to this report.
- (j) Whether the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year: **No**
- (k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: ₹ 86.39 lakhs.

- (l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- number of complaints filed during the financial year : Nil
  - number of complaints disposed of during the financial year : NA
  - number of complaints pending as on end of the financial year : Nil

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

All the above requirements are complied with.

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

**Discretionary Requirements**

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

- The Board:**  
Since the Chairperson is an Executive Chairman, the maintenance of Office to the Non-executive Chairperson at the Company's expense is not applicable.
- Shareholders' rights:**  
All the quarterly financial results are placed on the Company's Website: [www.nbventures.com](http://www.nbventures.com) apart from publishing the same in the Newspapers.
- Modified opinion(s) in audit report:**  
There are no modified opinion(s) in the Audit Reports.
- Separate Posts of Chairman and CEO:**  
The Company has separate posts of Chairman and Managing Director.
- Reporting of internal auditor:**  
The Internal auditor reports to the Chairman of the Audit Committee directly.

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

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

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

As required under Regulation 30 of the Listing Regulations, the Board of directors of the Company approved the Policy for determining materiality of an event or information and for making



disclosures to Stock Exchanges effective from December 1, 2015 and has been hosted on the website of the Company at the following weblink: [http://www.nbventures.com/corporate\\_policies.htm](http://www.nbventures.com/corporate_policies.htm)

**Preservation of Documents:**

The Company adopted the policy on preservation of documents in accordance with the Regulation 9 of the Listing Regulations, which was placed on the Website of the Company at [http://www.nbventures.com/corporate\\_policies.htm](http://www.nbventures.com/corporate_policies.htm)

**Corporate governance requirements with reference to Subsidiary Companies:**

Independent directors viz. Mr. K. Balarama Reddy and Dr. MVG Rao are the directors on the Boards of the non-listed Indian Subsidiary Companies as at the end of the financial year 2018-19, as detailed below:

Name of the Independent director	Director on the Board of subsidiary Companies
Mr. K. Balarama Reddy	1. Nava Bharat Projects Limited 2. Nava Bharat Energy India Limited 3. Brahmani Infratech Private Limited
Dr. MVG Rao	1. Nava Bharat Projects Limited 2. Nava Bharat Energy India Limited 3. Brahmani Infratech Private Limited

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

**Meetings of Independent directors:**

The Company's Independent directors met on February 7, 2019, without the presence of Non-independent directors. The meeting was attended by all the Independent directors except Dr. ERC Shekar.

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

**Prohibition of Insider trading:**

In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and to preserve the confidentiality

and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct for Prohibition of Insider Trading. This Policy also provides for periodical disclosures from the designated employees as well as pre-clearance of transactions by such persons.

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

**Website:**

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

**NSE Electronic Application Processing System (NEAPS):**

The NEAPS is a web based application designed by NSE for Corporates. The shareholding pattern, corporate governance report and various other reports are filed electronically on NEAPS. The Company is also filing various reports through NEAPS.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, financial results, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):**

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

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

**Code of Conduct:**

The Company has in place a comprehensive Code of Conduct (the Code), pursuant to Regulation 17(5) of Listing Regulations, applicable to all the senior management personnel and directors including independent directors to such extent as may be applicable to them depending on their roles and responsibilities.



The Code covers duties of independent directors AND also gives guidance and support needed for ethical conduct of business and compliance of law.

Further a policy on obligation of directors and senior management personnel for disclosure of committee positions and commercial transitions pursuant to Regulation 26(2) (5) and (6) of Listing Regulation is in place.

A copy of the Code of Conduct has been placed on the Company's website ([www.nbventures.com](http://www.nbventures.com)). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

All the Board members and the senior management personnel have confirmed compliance with the Code.

Declaration on compliance with Code of Conduct is annexed.

#### **Compliance certificate:**

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

#### **Compliance certificate from practicing company secretary regarding compliance of conditions of corporate governance:**

Compliance certificate from Mrs. D. Renuka, Practicing Company Secretary regarding compliance of conditions of corporate governance pursuant to para E of Schedule V to the Listing Regulations is enclosed separately to this Report.

#### **Transfer of shares to Investor Education & Protection Fund (IEPF):**

Pursuant to the provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), the Company is required to transfer equity shares in respect of which dividends have not been claimed for seven consecutive years or more (relevant shares) to IEPF. The Company has transferred 46,351 (Cumulative shares as on March 31, 2019 are 3,20,591) equity shares of ₹2/- each to IEPF during the year. Details of these shares are available on the Company's website: [www.nbventures.com](http://www.nbventures.com).

Further, shares in respect of which dividend will remain unclaimed for seven consecutive years (relevant shares) will be transferred to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, after sending an intimation of such proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be placed on the Company's website: [www.nbventures.com](http://www.nbventures.com).

#### **Unclaimed Equity Dividends and Shares:**

Section 124(5) of the Companies Act, 2013 and Rules made there under mandates that dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF).

The details of unclaimed dividend as on March 31, 2019 are as follows:

Sl. No.	Financial Year	Date of Declaration of Equity Dividends	Dividend per share (₹)	% of Equity Dividend	Date of transfer to Unpaid Dividend A/c (₹)	Amount outstanding as on 31.03.2019 (₹)	Due date for transfer to IEPF
1	2017-2018	06.08.2018	1.50	75%	06.09.2018	19,94,616	06.09.2025
2	2016-2017	09.08.2017	1.00	50%	09.09.2017	14,57,367	09.09.2024
3	2015-2016	24.08.2016	3.00	150%	23.09.2016	21,58,461	23.09.2023
4	2014-2015	27.08.2015	5.00	250%	28.09.2015	34,78,740	28.09.2022
5	2013-2014	08.08.2014	5.00	250%	08.09.2014	34,00,025	08.09.2021
6	2012-2013	16.08.2013	5.00	250%	16.09.2013	33,67,315	16.09.2020
7	2011-2012	08.08.2012	4.00	200%	07.09.2012	17,06,984	07.09.2019

The Company is sending periodic communication to the concerned shareholders, advising them to lodge their claims with respect to

unclaimed dividend. Shareholders are informed that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

Section 124(6) read with the 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016' ('Rules'), requires that all shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more (relevant shares), shall be transferred by the Company in the name of IEPF along with statement containing such details as may be prescribed by the authority from time to time.

The Company also sent individual communication to the concerned members whose shares are liable to be transferred to IEPF Account as required under the said rules and the Company published notices in the newspapers inviting the members' attention to the aforesaid rules.

**Guidance for Investor to file claim:**

The shareholders are requested to note that, after the above referred transfer(s) is made, refunds from the IEPF can be claimed only by complying with the provisions of Rule 7 of the said Rules.

**Disclosures with respect to unclaimed suspense account:**

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

In accordance with the requirement of Clause F of Schedule V of Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account in demat:

Particulars	No. of Shareholders	No. of Equity Shares of ₹ 2/- each
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2018	1,246	9,10,935
Shareholders who approached the Company for transfer of shares from suspense account during the year	7	7,460
Shareholders to whom shares were transferred from the suspense account during the year	7	7,460
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	--	36,810
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	1,239	866,665

The voting rights on the shares outstanding in the suspense account as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

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

For and on behalf of the Board

**P. Trivikrama Prasad**  
 Managing Director  
 DIN:00006887

Place : Hyderabad

Date : May 29, 2019

**D. Ashok**  
 Chairman  
 DIN: 00006903





## CEO and CFO certification

for FY ended March 31, 2019

(Pursuant to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors  
Nava Bharat Ventures Limited  
Hyderabad

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee, wherever applicable;
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting."

For **Nava Bharat Ventures Limited**

Place: Hyderabad  
Date: May 29, 2019

**T.Hari Babu**  
Chief Financial Officer

**P.Trivikrama Prasad**  
Managing Director  
DIN: 00006887



## Declaration on Compliance with Code of Conduct

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the provisions as provided under Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board laid down a Code of Conduct for all Board members and Senior Management personnel of the Company. The Code of Conduct is also posted on the website of the Company.

The Members of the Board and Senior Management personnel have affirmed compliance with code of conduct on an annual basis in respect of the financial year ended March 31, 2019.

On behalf of the Board  
For **Nava Bharat Ventures Limited**

**P. Trivikrama Prasad**  
Managing Director  
DIN: 00006887

Place: Hyderabad  
Date: May 29, 2019

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## Certificate on Corporate Governance

To  
The Members of  
Nava Bharat Ventures Limited

I have examined the compliance of conditions of Corporate Governance by NAVA BHARAT VENTURES LIMITED, Hyderabad, for the year ended on March 31, 2019, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the Listing Agreement entered into by the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**D. Renuka**  
Practicing Company Secretary  
Membership No.: 11963  
CP No.: 3460

Place: Hyderabad  
Date: May 29, 2019





## 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 of  
Nava Bharat Ventures Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nava Bharat Ventures Limited having CIN: L27101TG1972PLC001549 and having registered office at 6-3-1109/1, Nava Bharat Chambers, Raj Bhavan Road, Hyderabad-500082 (hereinafter referred to as 'the Company'), and produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my 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 me by the Company and its officers, I hereby certify as on date that, none of the Directors on the Board of the Company as stated below, 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 Authorities.

S.No	Name of the Director	DIN	Date of appointment in the Company
1	Mr. D. Ashok	00006903	March 19, 1992
2	Mr. P. Trivikrama Prasad	00006887	March 19, 1992
3	Mr. GRK Prasad	00006852	June 28, 2003
4	Mr. CV Durga Prasad	00006670	June 28, 2003
5	Mr. Ashwin Devineni	00007540	August 18, 2017
6	Mr. D. Nageswara Rao	02009886	July 25, 2008
7	Mrs. CV Madhavi	06472632	January 31, 2013
8	Mr. K. Durga Prasad	07946821	August 6, 2018
9	Mr. GP Kundargi	02256516	August 6, 2018
10	Mr. A Indra Kumar	00190168	February 7, 2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the basis of my 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: Hyderabad  
Date: May 29, 2019

**D. Renuka**  
Practicing Company Secretary  
Membership No.: 11963  
CP No.: 3460





# Standalone Financial Statements





NAVA BHARAT

# Independent Auditor's Report

## To the Members of Nava Bharat Ventures Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Nava Bharat Ventures Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of the recoverability of carrying value of 60 MW thermal power generation station located at Odisha and 20 MW thermal power generation station located at Dharmavaram to the tune of ₹19,800.29 lakhs and ₹7,969.22 lakhs, respectively:</b></p> <p>The Company has not generated power from its 20 MW thermal power plant situated at Dharmavaram, Andhra Pradesh, and 60 MW thermal power plant at Odisha owing to mismatch between demand and supply of power and pending receipt of certain approvals from the regulatory authorities. Accordingly, there is a risk that these units may not achieve the anticipated business performance to support their carrying value, leading to an impairment charge that has not been recognized by the management.</p> <p>Significant judgement is required in forecasting the future cash flows of each unit, together with the rate at which they are discounted and in the assessment of net-realizable value of these units. Therefore, we have identified impairment of property, plant and equipment as a significant risk.</p> <p>Refer note 3(i) to the standalone financial statements.</p>	<p>We have considered key judgements made by the management in cash flow forecasts used in the determination of the value in use for each of the units and the expected realizable value of these units.</p> <p>We have assessed the Company's cash flow forecast models in respect of these units and the reasonability of the expected value on sale/disposal by performing the following:</p> <ul style="list-style-type: none"> <li>- We have tested the design and operating effectiveness of the controls put in place by the management in relation to the impairment assessment of property, plant and equipment;</li> <li>- checking the mathematical accuracy of the model;</li> <li>- assessing the appropriateness of the discount rates applied in determining the value in use of each unit;</li> <li>- assessing the reasonableness of the key assumptions regarding future profitability and revenue growth rates, potential electricity to be generated, realizable value of the underlying asset; and</li> <li>- performing an overall evaluation of the individual unit's cash flow models based on our knowledge of the Company, our discussion with the management of the Company's strategic plan combined with the external data which we considered relevant.</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of the realisability of deferred tax assets amounting to ₹16,647.78 lakhs:</b></p> <p>The Company has recognized deferred tax assets aggregating to ₹16,647.78 lakhs in the nature of credit of Minimum Alternate Tax (MAT) as at 31 March 2019. The recognition of these assets requires estimates to be applied in relation to the future profitability of the Company.</p> <p>Management's assessment of the recognition and recoverability of deferred tax assets requires estimations and significant judgements around the assumptions primarily relating to sufficiency of the future taxable profits.</p> <p>Accordingly, we have considered this as a key audit matter.</p> <p>Refer note 17(i) to the standalone financial statements.</p>	<p>We have tested the underlying data for the recognition and realisability of deferred tax assets.</p> <p>We have also evaluated management's rationale and workings in relation to the recognition of deferred tax assets and have also considered the status of recent tax audits and enquiries, changes to the tax laws.</p> <p>In assessing management's conclusions with respect to the recognition of deferred tax assets, we have evaluated the reasonability of future projected profitability by assessing the forecasts against past results and our expectations of future business performance. We have also tested controls over the calculation of the asset and management's assessment of its recoverability, using our knowledge of the Company.</p>
<p><b>Litigations and contingent liabilities:</b></p> <p>The Company faces a number of legal and regulatory cases. There is a high level of judgement required in estimating the level of provisioning and/or the level of disclosures required. The details of the cases outstanding as at 31 March 2019 have been set out in note 34(b) and 34(d) to the financial statements.</p> <p>We focused on this area as the eventual outcome of the claims is uncertain and the position taken by the management is based on the application of material judgement and estimation. Accordingly, unexpected adverse outcomes could significantly impact the financial position and hence considered the same as key audit matter.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>- Where relevant, reading external legal advice obtained by the management;</li> <li>- Discussing open matters and developments with the Company's in-house legal team;</li> <li>- Assessing and challenging management's conclusions through understanding precedents set in similar cases; and</li> <li>- Obtaining relevant third party legal confirmations, together with follow up discussions, where appropriate on certain cases.</li> <li>- We have also tested the design and operating effectiveness of the controls put in place by the management in relation to assessment of the outcome of these pending litigations;</li> </ul>

**Information other than the Financial Statements and Auditor's Report thereon**

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge

obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Standalone Financial Statements**

7. 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 financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in



accordance with the accounting principles generally accepted in India, including the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.
  12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the 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.

#### Report on Other Legal and Regulatory Requirements

14. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
15. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
16. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:
- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the standalone financial statements dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - (e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
  - (f) we have also audited the internal financial controls over

financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 May 2019 as per Annexure II expressed unmodified opinion;

- (g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed in note 34(b), 34(c) and 34(d) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

Place: Hyderabad  
Date: 29 May 2019



**Annexure I to the Independent Auditor's Report of even date to the members of Nava Bharat Ventures Limited, on the financial statements for the year ended 31 March 2019**

## Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties which were transferred as a result of amalgamation of companies in earlier years wherein the title deeds are in the name of the erstwhile companies/Entities:

Nature of property	Total Number of Cases	Whether lease-hold / freehold	Gross block as on 31 March 2019 (₹ in lakhs)	Net block on 31 March 2019 (₹ in lakhs)	Remarks
Land	Multiple	Freehold	232.31	232.31	

The title deeds of the land on which buildings of sugar manufacturing facility representing a gross block of ₹1,400.82 lakhs and net block of ₹996.25 lakhs as on 31 March 2019 situated at Samalkot, East Godavari District, Andhra Pradesh, India, are not held in the name of the Company, owing to the expiry of lease period of the underlying land on which these immovable properties are constructed on 12 August 1996.

- (ii) In our opinion, the management has conducted physical

verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
- (b) the schedule of repayments of principal and interest has been stipulated wherein in respect of one loan granted to one party, the principal and interest amounts are repayable on demand and in our opinion, repayment of the principal amount is regular. Further, since the repayment of interest amounts has not been demanded in respect of the said loan, in our opinion, repayment of the interest is regular. In respect of the other loan granted to the aforesaid party, the schedule of repayments of interest and principal has been stipulated and repayments/receipts of the principal amount and the interest are regular, except for 1 instance (including interest), wherein the repayment or receipt of principal amount and the interest is not regular. In respect of the loan granted to other party, the schedule of repayments of interest and principal has been stipulated and as the interest and principal amounts were not due for payments during the year, the repayment of interest and principal amounts are regular.
- (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has complied with the provision of Section 186 in respect of investments, loans and guarantees. In our opinion, the Company has not entered into any transaction covered under Section 186 of the Act in respect of security. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 of the Act.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie,



the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the

appropriate authorities, though there has been a slight delay in a few cases. Further no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise, goods and service tax and value added tax on account of any dispute, are as follows:

### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Various Sales Tax Acts	Central Sales Tax	64.88	-	2000-01	The Andhra Pradesh Sales Tax and VAT Appellate Tribunal, Hyderabad	
		2.20	-	2004-05	Assistant Commissioner of Sales Tax, Range-II, Cuttack.	
	Andhra Pradesh General Sales Tax	79.36	-	2003-04	Assistant Commissioner of Commercial Taxes, Warangal	
Customs Act, 1962	Customs duty	206.06	-	2012-13	CESTAT, Chennai	
		17.62	-	1985-87	Hon'ble High Court of Judicature at Hyderabad for the combined states of Telangana and Andhra Pradesh	
Central Excise Act, 1944	Excise duty	737.00	-	2012-13	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore	
		55.29	-	1997-98	CESTAT, New Delhi	
		100.72	-	2011-16	Commissioner of Customs and Central Excise (Appeals), Hyderabad	
		1.09	-	2000-01 to 2001-02	Hon'ble High Court of Judicature at Hyderabad for the combined states of Telangana and Andhra Pradesh	
		12.96	-	2000-01 to 2005-06	Commissioner of Central Excise (Appeals), Visakhapatnam	
Finance Act, 1994 (as amended)	Service Tax	130.88	-	2009-14	Commissioner of Service Tax (Appeals), Hyderabad	
		18.72	-	2014-15	Commissioner of Service Tax (Appeals), Hyderabad	



Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Finance Act, 1994 (as amended)	Service Tax	474.74	-	2007-08	CESTAT, Kolkata	
		26.29	-	April 2011 to March 2017	Assistant Commissioner of Central Excise, Kakinada	
		65.62	-	October 2007 to March 2017	Commissioner of Central Excise (Appeals), Visakhapatnam	
Income Tax Act, 1961	Income tax	311.60	311.60	AY 2005-06	Hon'ble High Court of Judicature at Hyderabad for the combined states of Telangana and Andhra Pradesh	
		546.33	546.33	AY 2006-07	Hon'ble High Court of Judicature at Hyderabad for the combined states of Telangana and Andhra Pradesh	
		325.24	325.24	AY 2008-09	Commissioner of Income Tax (Appeals)	
		61.62	61.62	AY 2009-10	Commissioner of Income Tax (Appeals)	
		53.32	53.32	AY 2009-10	Income Tax Appellate Tribunal (ITAT)	
		66.19	66.19	AY 2010-11	ITAT	
		2,078.02	-	AY 2010-11	Hon'ble High Court of Judicature at Hyderabad for the combined states of Telangana and Andhra Pradesh	
Income Tax Act, 1961	Income tax	176.11	176.11	AY 2011-12	ITAT	
		290.01	290.01	AY 2012-13	Commissioner of Income Tax (Appeals)	
		85.19	85.19	AY 2013-14	Commissioner of Income Tax (Appeals)	
		45.87	45.87	AY 2016-17	Commissioner of Income Tax (Appeals)	

(viii) The Company has not defaulted in repayment of loans or borrowings to any banks during the year. The Company did not have any outstanding loans or borrowings from financial institution or government or outstanding debentures during the year.

(ix) In our opinion, the Company has applied moneys raised by way of term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments) during the year.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid (and)/provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

Place: Hyderabad  
Date: 29 May 2019





NAVA BHARAT

## Annexure II

### Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Nava Bharat Ventures Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 the Company's business, including adherence to the 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 Act.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.

5. 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 IFCoFR.

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

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, 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').

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

Place: Hyderabad  
Date: 29 May 2019





NAVA BHARAT

# Balance Sheet

as at March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	78,664.63	80,796.13
Capital work-in-progress		181.38	627.51
Investment property	4	243.00	247.28
Other intangible assets	5	363.78	306.25
Financial assets			
(i) Investments	6	1,23,335.20	1,21,306.50
(ii) Loans	7(a)	60,295.75	42,363.75
(iii) Other financial assets	8(a)	6,291.17	3,375.97
Deferred tax assets (net)	17	7,135.67	10,765.99
Non-current tax assets (net)		273.70	390.21
Other non-current assets	9(a)	560.72	505.63
		<b>2,77,345.00</b>	<b>2,60,685.22</b>
<b>Current assets</b>			
Inventories	10	33,717.27	28,789.21
Financial assets			
(i) Trade receivables	11	18,994.25	17,261.21
(ii) Cash and cash equivalents	12(a)	1,478.35	1,917.97
(iii) Bank balances other than (ii) above	12(b)	1,431.65	1,295.34
(iv) Loans	7(b)	77.50	2,500.00
(v) Other financial assets	8(b)	996.73	1,238.98
Other current assets	9(b)	6,714.45	12,051.43
		<b>63,410.20</b>	<b>65,054.14</b>
<b>Total Assets</b>		<b>3,40,755.20</b>	<b>3,25,739.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	3,572.77	3,572.77
Other equity	14	2,87,125.82	2,73,452.07
<b>Total equity</b>		<b>2,90,698.59</b>	<b>2,77,024.84</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	15(a)	19,641.39	14,868.74
(ii) Other financial liabilities	16(a)	33.40	33.40
Provisions	18(a)	889.96	927.89
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	15(b)	3,304.21	6,289.56
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	31	931.64	708.91
(b) total outstanding dues other than (ii) (a) above		7,168.33	7,401.22
(iii) Other financial liabilities	16(b)	14,986.62	16,187.97
Other current liabilities	19	1,770.20	1,086.65
Provisions	18(b)	1,330.86	1,210.18
<b>Total Liabilities</b>		<b>50,056.61</b>	<b>48,714.52</b>
<b>Total Equity and Liabilities</b>		<b>3,40,755.20</b>	<b>3,25,739.36</b>

The accompanying notes 1 to 39 form an integral part of these standalone financial statements.

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

Place: Hyderabad, India  
Date: 29 May 2019

For and on behalf of the Board of Directors of  
**Nava Bharat Ventures Limited**

**T. Hari Babu**  
Chief Financial Officer

**VSN Raju**  
Company Secretary  
& Vice President

Place: Hyderabad, India  
Date: 29 May 2019

**G.R.K. Prasad**  
Executive Director  
DIN: 00006852

**P. Trivikrama Prasad**  
Managing Director  
DIN: 00006887

**D. Ashok**  
Chairman  
DIN: 00006903





# Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in lakhs of ₹, except earnings per equity share)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	20	1,35,871.22	1,30,864.00
Other income	21	7,906.56	4,647.69
<b>Total income</b>		<b>1,43,777.78</b>	<b>1,35,511.69</b>
<b>Expenses</b>			
Cost of materials consumed	22	82,590.70	76,649.96
Excise duty		-	(89.95)
Purchases of stock-in-trade		224.69	232.93
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(3,106.58)	429.57
Other manufacturing expenses	24	9,369.00	8,998.10
Employee benefits expense	25	9,392.37	8,980.42
Finance costs	26	2,464.27	1,531.04
Depreciation and amortisation expense	3, 4, 5	3,693.98	3,743.09
Other expenses	27	13,282.01	11,321.56
<b>Total expenses</b>		<b>1,17,910.44</b>	<b>1,11,796.72</b>
<b>Profit before tax</b>		<b>25,867.34</b>	<b>23,714.97</b>
<b>Tax expense:</b>	28		
(a) Current tax		8,801.61	6,773.42
(b) Deferred tax expense		446.84	785.76
<b>Profit for the year</b>		<b>16,618.89</b>	<b>16,155.79</b>
<b>Other comprehensive income</b>	29		
Items that will not be reclassified to profit or loss		160.20	17.32
Income tax relating to items that will not be classified to profit/loss		(55.98)	(6.00)
<b>Total other comprehensive income for the year</b>		<b>104.22</b>	<b>11.32</b>
<b>Total comprehensive income for the year</b>		<b>16,723.11</b>	<b>16,167.11</b>
<b>Earnings per equity share (EPES)</b>	30		
Basic EPES (In absolute ₹ terms)		10.02	9.74
Diluted EPES (In absolute ₹ terms)		10.02	9.74

The accompanying notes 1 to 39 form an integral part of these standalone financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
 Chartered Accountants  
 Firm Registration No.: 001076N/N500013

**Sanjay Kumar Jain**  
 Partner  
 Membership No.: 207660

Place: Hyderabad, India  
 Date: 29 May 2019

For and on behalf of the Board of Directors of  
**Nava Bharat Ventures Limited**

**T. Hari Babu**  
 Chief Financial Officer

**VSN Raju**  
 Company Secretary  
 & Vice President

Place: Hyderabad, India  
 Date: 29 May 2019

**G.R.K. Prasad**  
 Executive Director  
 DIN: 00006852

**P. Trivikrama Prasad**  
 Managing Director  
 DIN: 00006887

**D. Ashok**  
 Chairman  
 DIN: 00006903



# Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in lakhs of ₹, except equity shares data)

## (A) EQUITY SHARE CAPITAL

### Equity shares of ₹2 each issued, subscribed and fully paid-up

	Number	Amount
Balance as at 1 April 2017	17,85,75,482	3,572.77
Changes during the year	-	-
Balance as at 31 March 2018	17,85,75,482	3,572.77
Changes during the year	-	-
Balance as at 31 March 2019	17,85,75,482	3,572.77

## (B) OTHER EQUITY

	Reserves and Surplus					Treasury shares	Other Comprehensive Income - Actuarial gain/(loss)	Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Other reserve			
<b>Balance as at 1 April 2017</b>	60.20	826.39	26,214.22	87,566.64	33.60	1,47,184.06	175.09	2,58,974.53
<b>Total comprehensive income for the year ended 31 March 2018</b>	-	-	-	-	-	16,155.79	-	16,155.79
Profit for the year	-	-	-	-	-	11.32	-	11.32
Other comprehensive income for the year	-	-	-	-	-	16,155.79	11.32	16,167.11
<b>Total comprehensive income</b>	-	-	-	-	-	(1,686.28)	-	(1,686.28)
Dividend on equity capital	-	-	-	-	-	(343.29)	-	(343.29)
Corporate dividend tax	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	340.00	-	340.00
<b>Balance as at 31 March 2018</b>	60.20	826.39	26,214.22	87,566.64	33.60	1,61,310.28	186.41	2,73,452.07
<b>Total comprehensive income for the year ended 31 March 2019</b>	-	-	-	-	-	16,618.89	-	16,618.89
Profit for the year	-	-	-	-	-	104.22	-	104.22
Other comprehensive income for the year	-	-	-	-	-	16,618.89	104.22	16,723.11
<b>Total comprehensive income</b>	-	-	-	-	-	(2,529.43)	-	(2,529.43)
Dividend on equity capital	-	-	-	-	-	(519.93)	-	(519.93)
Corporate dividend tax	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	60.20	826.39	26,214.22	87,566.64	33.60	1,74,879.81	290.63	2,87,125.82

The accompanying notes 1 to 39 form an integral part of these standalone financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of  
**Nava Bharat Ventures Limited**

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

**G.R.K. Prasad**  
Executive Director  
DIN: 00006852

**P. Trivikrama Prasad**  
Managing Director  
DIN: 00006887

**VSN Raju**  
Company Secretary  
& Vice President  
Place: Hyderabad, India  
Date: 29 May 2019

**D. Ashok**  
Chairman  
DIN: 00006903

Place: Hyderabad, India  
Date: 29 May 2019

# Statement of Cash Flows

for the year ended March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Cash flow from operating activities:</b>		
<b>Profit before tax</b>	25,867.34	23,714.97
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	3,693.98	3,743.09
Employee benefits expense	242.95	270.14
Bad debts written-off	189.77	-
Liabilities no longer required written back	(175.28)	(46.57)
Mark to market loss on forward contracts	1,005.22	-
Unrealised foreign exchange (gain)/loss (net)	(3,322.74)	176.99
Interest income	(3,593.93)	(2,636.90)
Changes in fair value	(191.73)	(198.11)
Gain on sale of investments	(148.05)	(75.75)
Dividend income	(45.65)	(34.04)
(Gain)/loss on sale of property, plant and equipment	85.06	(79.33)
Interest expense	2,171.06	1,060.84
<b>Operating cash flows before changes in working capital</b>	<b>25,778.00</b>	<b>25,895.33</b>
<b>Adjustment for changes in working capital:</b>		
Increase in inventories	(4,928.06)	(5,454.20)
Increase in trade receivables	(1,922.81)	(7,459.25)
Decrease in other financial assets	(266.57)	250.90
(Increase)/decrease in other assets	5,281.89	(1,685.11)
Increase/(decrease) in trade payables	(10.16)	636.51
(Decrease)/increase in other financial liabilities	1,091.29	(844.50)
(Decrease)/increase in other current liabilities	683.55	(596.72)
	(70.87)	(15,152.37)
<b>Cash generated from operations</b>	<b>25,707.14</b>	<b>10,742.96</b>
Income taxes paid	(5,557.61)	(4,842.05)
<b>Net cash generated from operating activities</b>	<b>20,149.53</b>	<b>5,900.91</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,124.12)	(1,319.57)
Proceeds from sale of property, plant and equipment	43.63	181.44
Repayment of loans from related party	2,577.50	4,235.23
Loans granted to a related party	(15,500.00)	(2,500.00)
Receipts from employee welfare trust	-	340.00
Decrease/(increase) in other bank balances	(136.31)	174.94
Investments made during the year	(9,837.02)	(16,345.86)
Proceeds from sale of investments	8,148.10	4,575.27
Dividend income received	45.65	34.04
Interest income received	1,089.18	3,943.97
<b>Net cash generated used in investing activities</b>	<b>(14,693.40)</b>	<b>(6,680.54)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	15,500.00	10,599.06
Repayment of long-term borrowings	(13,243.14)	(6,920.63)
Repayment of short-term borrowings	(2,985.35)	(25.15)
Dividend paid for the year including dividend distribution tax	(3,049.36)	(2,029.57)
Interest paid	(2,117.90)	(1,058.62)
<b>Net cash generated from/(used in) financing activities</b>	<b>(5,895.75)</b>	<b>565.09</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(439.62)</b>	<b>(214.54)</b>
Cash and cash equivalents at the beginning of the year	1,917.97	2,132.51
<b>Cash and cash equivalents at the end of the year</b>	<b>1,478.35</b>	<b>1,917.97</b>





NAVA BHARAT

# Statement of Cash Flows (Cont...)

for the year ended March 31, 2019

### Reconciliation of cash and cash equivalents as per the cash flow statement

Cash on hand	
Balances with banks:	
On current accounts	
<b>Total cash and cash equivalents (refer note 12)</b>	

For the year ended 31 March 2019	For the year ended 31 March 2018
	6.23
5.55	
1,472.80	1,911.74
1,478.35	1,917.97

This is the Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

Place: Hyderabad, India  
Date: 29 May 2019

For and on behalf of the Board of Directors of  
**Nava Bharat Ventures Limited**

**T. Hari Babu**  
Chief Financial Officer

**VSN Raju**  
Company Secretary  
& Vice President

Place: Hyderabad, India  
Date: 29 May 2019

**G.R.K. Prasad**  
Executive Director  
DIN: 00006852

**P. Trivikrama Prasad**  
Managing Director  
DIN: 00006887

**D. Ashok**  
Chairman  
DIN: 00006903



## Notes

to the Financial Statements – March 31, 2019

### 1. CORPORATE INFORMATION:

Nava Bharat Ventures Limited (“the Company”) was incorporated in India on 7 November, 1972 under the Companies Act, 1956 with its registered office situated at Nava Bharat Chambers, 6-3-1109/1 Rajbhavan road, Hyderabad – 500 082, India. The Companies equity shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). At present the Company is engaged in the business of manufacture of ferro alloys, sugar, generation of power and rendering of operation and maintenance services from its principle place of business located in Paloncha, Hyderabad, Kharagprasad and Samalkot in the states of Telangana, Odisha and Andhra Pradesh, respectively.

These Financial Statements were approved by the Board of Directors and authorised for issue on 29 May 2019.

### 2. Significant accounting policies:

#### a) Basis of preparation of financial statements:

The Financial Statements have been prepared on a going concern basis in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (“the Rules”) (as amended).

The financial statements have been prepared under historical cost convention and on an accrual basis, except for financial instruments which have been measured at fair value at the end of each reporting period. The accounting policies applied by the Company are consistent with those used in the prior periods, unless otherwise stated elsewhere in these financial statements.

#### b) Significant accounting estimates, assumptions and judgements:

The preparation of financial statements requires management to make accounting estimates, assumptions and judgements that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures of contingencies at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

#### Estimates and assumptions:

The key assumptions concerning the future and other key

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

#### i. Impairment of non-current assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a “Discounted Cash Flow” (DCF) model.

#### ii. Defined benefit plans:

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

#### iii. Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets.

#### iv. Life time expected credit loss on trade and other receivables:

Trade receivables do not carry any interest and are stated at their transaction value as reduced by life time expected credit losses (“LTECL”). As a practical expedient, the



## Notes

to the Financial Statements – March 31, 2019

Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head other expenses/other income in the P&L. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### v. Contingencies:

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claims/litigations against the Company/by the Company as it is not possible to predict the outcome of pending matters with accuracy.

### vi. Depreciation on property, plant and equipment:

Depreciation on property, plant and equipment is calculated on a straight-line basis/written down value based on the useful lives estimated by the management. Considering the applicability of Schedule II to Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that useful lives currently considered fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these in certain cases are different from lives prescribed under Schedule II to the Companies Act, 2013.

### vii. Intangibles:

Internal technical or user team assesses the useful lives of intangible assets. Management believes that assigned useful lives are reasonable.

### viii. Income taxes:

Deferred tax assets including Minimum Alternate Tax (MAT) Credit Entitlement is recognized to the extent that it is probable that taxable profit will be available against

which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### Judgements:

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

#### i. Water drawing rights:

The Company has obtained the water drawings rights, for its power projects, from Government authorities initially for a period of 5 - 10 years as the case may be. The management of the Company believes that the water drawing rights will be extended further. Hence, the Company has considered the useful life of water pipelines as 40 years to amortise the erection cost of pipeline, in line with the useful life of power generating assets.

#### c) Current Vs non-current classifications:

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

An asset is treated as current when it satisfies the below mentioned criteria;

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii Expected to be realised within twelve months after the reporting period, or
- iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies the below mentioned criteria;

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or



## Notes

to the Financial Statements – March 31, 2019

- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### d) Property, plant and equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

The Company adopted cost model as its accounting policy, in recognition of the property, plant and equipment and recognises transaction value as the cost.

Direct expenditure incurred and other attributable costs on projects under implementation are treated as unallocated capital expenditure pending allocation to the assets and

under construction or in the process of installation are termed as Capital work-in-progress and shown at cost in the Balance Sheet.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The improvements/modifications carried on the lease hold land/property are recognised as lease hold improvements and are written off over the primary lease period or the life of such improvement whichever is lower.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost of the assets after commissioning, less its residual value, over their useful lives as estimated by the management. Land is not depreciated.

The details of the useful lives as estimated by the management, the useful lives as per the Act and the method of computation of depreciation is as follows:

Category of asset	Method of depreciation	Estimated useful lives as assessed by the management	Useful lives as per Schedule II to the Act
Buildings	Straight line method(SLM)	10-60 years	30-60 years
Temporary structures*	SLM	3-5 years	3 years
Plant and Equipment	SLM	3-40 years	15-40 years
Furniture and Fixtures	SLM	8-10 years	8-10 years
Vehicles	Written down value method(WDV)	8-10 years	10 years
Office equipment	SLM	5-15 years	5 years
Air conditioners and Coolers	SLM	5 years	5 years
Railway sidings	SLM	15 years	15 years
Power evacuation lines	SLM	40 years	40 years
Other assets	WDV	3-40 years	15 years

\*included as part of buildings.



# Notes

to the Financial Statements – March 31, 2019

## e) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised.

Investment properties are depreciated using the straightline method over their estimated useful lives. The useful life of buildings, classified as Investment properties, is considered as 60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

## f) Intangible assets:

### Computer software:

Costs incurred towards purchase of computer software are amortised over the useful life as estimated by the Management which is about 3 years for all of the intangible computer software assets.

### Water drawing rights:

Cost incurred towards obtaining the initial water drawings rights, for its power projects, from Government and the cost incurred by the Company in erecting water pipelines to draw water from the resources which are recognised as Intangible assets are amortised over the estimated useful life of 40 years.

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the Statement of Profit and Loss.

## g) Impairment of non-financial assets:

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer existing or have decreased.

## h) 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. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys the right to use the asset(s), even if that right is not explicitly specified in an arrangement.

### Classification on inception of lease

#### a) Operating lease:

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

#### b) Finance lease:

A lease is classified as a financial lease where the lessor transfers substantially all the risks and rewards incidental to the ownership of the leased item.

## Notes

to the Financial Statements – March 31, 2019

### Accounting of Operating leases

#### a) In case the Company is a lessee:

Lease payment in case of operating leases are charged to Statement of Profit and Loss on straight line basis over the lease term. In case the escalation in operating lease payments are in line with the expected general inflation rate then the lease payments are charged to Statement of Profit and Loss instead of straight line method.

#### b) In case the Company is a lessor:

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Initial direct costs such as legal costs, brokerage costs, etc., are added to the carrying amount of the leased asset and recognised as an expense over the lease term.

#### i) Inventories:

Inventories consist of raw materials, stores and spares, work-in-progress, finished goods and by products are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method, unless otherwise stated. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Stores and spares, that do not qualify to be recognised as property, plant and equipment is classified as inventory to be used by the Company.

By-products are valued at estimated net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these

factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

#### j) Revenue recognition:

Revenue comprises of sale of goods, sale of power and rendering of services and other operating revenues comprise of income from export benefits, utility services and other miscellaneous incomes. Revenue is measured at the fair value of consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Company.

The Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using cumulative catch-up transition method with effect from 1 April 2018 and accordingly these financial statements are prepared in accordance with the recognition and measurement principles laid down under Ind AS 115. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements of the Company.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- ii. the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. the Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.



# Notes

to the Financial Statements – March 31, 2019

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue in excess of invoicing are classified as contract asset while collections in excess of revenues are classified as contract liabilities.

Further, at the time of revenue recognition, the entity also determines whether there are any material unsatisfied performance obligations and determines the portion of the aggregate consideration, if any, that needs to be allocated and deferred.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts with an original expected duration of one year or less and in respect of contracts where the revenue recognised corresponds directly with the value to the customer of the Company's performance completed to date.

Specifically, the following basis is adopted for various sources of income:

## **i. Sale of goods:**

Revenue is recognised at a point in time, on satisfaction of performance obligation upon transfer of control of promised products which generally coincides with delivery. Amounts disclosed as revenue are net of returns, trade allowances, rebates and exclusive of goods and services tax. Revenue from export sales is recognised on the date of bill of lading, based on the terms of export.

## **ii. Sale of power/energy:**

Revenue from energy units sold is recognized at a point in time, on satisfaction of performance obligation upon transfer of control i.e., based on the units of energy delivered and in accordance with the terms of arrangement with customers and based on the rate agreed with customers.

## **iii. Income from services:**

Sale of services comprises of Revenue from conversion of ferro alloys on behalf of a customer and the operation and maintenance services. The revenue from

conversion of ferro alloys is recognised and on the basis of completion of conversion work on the underlying quantity in accordance with the terms of the relevant agreements as accepted and agreed with the customers wherein, the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. The amount of conversion works completed which is yet to be billed has been presented as accrued conversion charges in other financial assets. Revenue from provision of operation and maintenance services are recognised over time in accordance with the terms agreed with the customer in the operations and maintenance agreement and wherein, the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

## **iv. Export benefits:**

Export benefits in the form of duty drawback and Merchandise Exports from India and other schemes are recognised on accrual basis.

## **Other income:**

## **v. Interest/dividend:**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the right to receive payment is established.

## **vi. Guarantee commission:**

Guarantee commission is recognised as an income over the life of financial guarantee contract on a time proportion basis.

## **vii. Other sundry incomes:**

Insurance claims and conversion escalations are accounted for on realisation.

## **k) Foreign currency transactions:**

i. **Functional and reporting Currency:** The Company's functional and reporting currency is Indian Rupee.

ii. **Initial recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amounts the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

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to the Financial Statements – March 31, 2019

iii. **Conversion on reporting date:** Foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

iv. **Exchange differences:** Exchange difference arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.

### l) Retirement and other employee benefits:

- i. Employer's contribution to provident fund/employee state insurance which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- ii. Gratuity liability is in the nature of defined benefit obligation. Such liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 "Employee Benefits".
- iii. Actuarial gain/(loss) in the valuation are recognised as other comprehensive income for the period.
- iv. Compensated absences are provided for based on estimates of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 "Employee Benefits".

### m) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### n) Operating segment:

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Management/Chief Operating Decision Maker ("CODM").

The Board of Directors of the Company has identified the Chairman as the CODM.

### o) Dividends:

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

### p) Earnings per equity share:

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period, net off treasury shares.

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

### q) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that



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reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

## r) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of balance sheet and is disclosed as a contingent asset or contingent liability. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities.

## s) Taxes on income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where a component has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if it is probable that they can be utilised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognized as

an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss.

## t) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment.

## u) Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for such asset or liability, or in the absence of a principal market, in the most advantageous market which is accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based



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on the lowest level input that is significant to the fair value measurement as a whole:

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

### v) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets:

##### a) Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL) transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in Statement of Profit or Loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### b) Subsequent measurement:

For subsequent measurement, financial assets are classified into following categories:

- a. Debt instruments
- b. Equity instruments

##### a. Debt Instruments:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- ii. 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 amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss.

##### b. Equity instruments:

Equity instruments/Mutual funds in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the Statement of Profit and Loss.

All equity investments in subsidiaries are measured at cost less diminution other than temporary. All equity investments in scope of Ind AS 109 are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Company may make an irrevocable election to present in OCI subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

##### c) De-recognition:

A financial asset or where applicable, a part of a financial asset is primarily de-recognised when:

- i. The rights to receive cash flows from the asset have expired, or



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- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

### Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the Statement of Profit and Loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

### Financial liabilities:

- a) Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

### b) Subsequent measurement:

#### i. Financial liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Gain or losses on liabilities held for trading are recognised in the profit or loss.

The Company has not designated any financial liability at FVTPL.

#### ii. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liability with maturity of less than one year is shown at transaction value.

### c) De-recognition:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

### w) Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with original or modified terms of a debt instrument.

The Company measures any financial guarantee on initial recognition at their fair value.

Subsequently these contracts are measured at the higher of:

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to the Financial Statements – March 31, 2019

- a. the amount of the loss allowance determined as per impairment requirements of Ind AS 109, and
- b. the amount initially recognised, less where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### x) Derivatives financial instruments:

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at contract/agreed rate on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### y) Hedging Activities and Derivatives:

Derivatives not designated as hedging instruments:

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions generally from one to 6 months.

A hedging relationship qualifies for hedge accounting if, and only if all the following conditions are met:

- a. At the inception of the hedge there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge. That documentation shall include the identification of hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.
- b. The hedge is expected to be highly effective in achieving offsetting changes in fair values or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship.

- c. For cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to various cash flows that could ultimately affect profit or loss.
- d. The effectiveness of the hedge can be reliably measured i.e.; the fair values or the cash flows of the hedged item that are attributable to the hedged risk and the fair value of the hedging instrument can be reliably measured.
- e. The hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

As at 31 March 2019, the Company's hedging instruments did not qualify for hedge accounting in accordance with the Company's policy. Hence the derivative contracts are not designated in hedge relationships and are measured at FVTPL.

### 2.1 Recent accounting pronouncements:

- a) Ind AS 116: Leases: On March 30, 2019, "Ministry of Corporate Affairs", "MCA" has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. Ind AS 116 removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability (the obligation to pay rentals). An optional exemption exists for short-term and low value leases. The standard may not have a significant impact on the Company's standalone financial statements considering the number of assets under operating lease arrangement as at 31 March 2019. On implementation of Ind AS 116, the operating lease charges will be replaced with interest and depreciation expenses. These changes will affect key ratios like profit margin, operating margin, earnings before interest, tax, depreciation and amortisation (EBITDA) margin etc. Further, operating cash flows will be higher as cash payments for the principal portion of the lease liability will be classified within financing activities.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

- b) Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments:

On 30 March 2019, the Ministry of Corporate Affairs has



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notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount of the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and

- Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives

The Company is currently assessing the detailed financial impact of this standard on its standalone financial statements.

### c) Amendment to Ind AS 12, Income Taxes:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluation the effect of this amendment on the standalone financial statements.

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(All amounts in lakhs of ₹, unless otherwise stated)

### 3. PROPERTY, PLANT AND EQUIPMENT

	Land*	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Air conditioners and Coolers	Railway Sidings	Power evacuation lines **	Other assets	Total
<b>Gross carrying amount</b>											
<b>As at 1 April 2017</b>	2,849.77	15,410.28	70,435.11	96.76	122.25	74.55	33.46	358.72	284.05	166.21	89,831.16
Additions during the year	-	313.54	935.60	6.15	109.83	21.43	4.19	-	-	7.11	1,397.85
Disposals/Adjustments	-	106.11	-	-	4.02	6.12	1.14	-	-	0.15	117.54
<b>As at 31 March 2018</b>	<b>2,849.77</b>	<b>15,617.71</b>	<b>71,370.71</b>	<b>102.91</b>	<b>228.06</b>	<b>89.86</b>	<b>36.51</b>	<b>358.72</b>	<b>284.05</b>	<b>173.17</b>	<b>91,111.47</b>
Additions during the year	-	630.24	680.98	15.21	93.50	194.45	6.39	-	-	28.73	1,649.50
Disposals/Adjustments	-	-	259.66	-	48.46	68.16	2.02	-	-	-	378.29
<b>As at 31 March 2019</b>	<b>2,849.77</b>	<b>16,247.95</b>	<b>71,792.03</b>	<b>118.12</b>	<b>273.10</b>	<b>216.14</b>	<b>40.89</b>	<b>358.72</b>	<b>284.05</b>	<b>201.89</b>	<b>92,382.67</b>
<b>Accumulated depreciation</b>											
<b>Up to 31 March 2017</b>	-	<b>1,414.39</b>	<b>5,044.93</b>	<b>54.03</b>	<b>35.07</b>	<b>21.04</b>	<b>13.98</b>	<b>75.42</b>	<b>16.52</b>	<b>56.76</b>	<b>6,732.14</b>
Charge for the year	-	637.57	2,829.06	12.70	25.84	23.11	5.08	37.71	8.26	19.29	3,598.62
Adjustments	-	8.23	-	-	-	5.92	1.13	-	-	0.14	15.42
<b>Up to 31 March 2018</b>	-	<b>2,043.73</b>	<b>7,873.99</b>	<b>66.73</b>	<b>60.91</b>	<b>38.23</b>	<b>17.93</b>	<b>113.13</b>	<b>24.78</b>	<b>75.91</b>	<b>10,315.34</b>
Charge for the year	-	630.66	2,858.98	15.66	29.63	25.12	5.38	37.71	-	48.29	3,651.44
Adjustments	-	-	138.68	-	44.74	63.34	1.98	-	-	-	248.73
<b>Up to 31 March 2019</b>	-	<b>2,674.39</b>	<b>10,594.29</b>	<b>82.39</b>	<b>45.80</b>	<b>0.02</b>	<b>21.33</b>	<b>150.84</b>	<b>24.78</b>	<b>124.20</b>	<b>13,718.04</b>
<b>Net carrying amount</b>											
As at 31 March 2019	2,849.77	13,573.56	61,197.74	35.73	227.31	216.12	19.56	207.88	259.27	77.69	78,664.63
As at 31 March 2018	2,849.77	13,573.98	63,496.72	36.18	167.15	51.63	18.58	245.59	259.27	97.26	80,796.13

\* Free hold land includes land aggregating to ₹232.31 lakhs, held in the name of erstwhile companies, which were transferred to the Company pursuant to a scheme of amalgamation in earlier years.

\*\* Represents the cost incurred towards laying the power evacuation lines, the ownership of which vests with the State Owned Power Distribution Company. However, these assets are exclusively available to the Company for its utilisation and accordingly, the amounts spent have been capitalised in the accordance with the provisions of the accounting principles.

(i) The written down value of property, plant and equipment as at 31 March 2019 includes amounts of ₹19,800.29 lakhs and ₹7,969.22 lakhs pertaining to the 60 MW thermal power generation station located at Odisha and 20 MW thermal power generation station located at Dharmavaram, respectively. These units are non-operational owing to the mismatch in the demand and supply of power in the underlying jurisdiction in which they operate and due to pending receipt of certain regulatory approvals. The management has assessed that the carrying value of the aforesaid assets are fully recoverable on the basis of internally developed financial projections and the realisable values of the asset. The projections so made involve making significant assumptions including capacity utilization, tariff rates and other operating parameters which, on the basis of the management, reasonably reflects the future outcome of the planned business efforts. Consequently, no adjustments have been made to the carrying values of these assets in this regard.



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(All amounts in lakhs of ₹, unless otherwise stated)

### 4. INVESTMENT PROPERTY

	Land	Building	Total
<b>Gross carrying amount</b>			
As at 1 April 2017	101.91	173.93	275.84
Additions during the year	-	-	-
<b>As at 31 March 2018</b>	<b>101.91</b>	<b>173.93</b>	<b>275.84</b>
Additions during the year	-	-	-
<b>As at 31 March 2019</b>	<b>101.91</b>	<b>173.93</b>	<b>275.84</b>
<b>Accumulated depreciation</b>			
Up to 31 March 2017	-	22.86	22.86
Charge for the year	-	5.70	5.70
<b>Up to 31 March 2018</b>	<b>-</b>	<b>28.56</b>	<b>28.56</b>
Charge for the year	-	4.28	4.28
<b>Up to 31 March 2019</b>	<b>-</b>	<b>32.84</b>	<b>32.84</b>
<b>Net carrying amount</b>			
As at 31 March 2019	101.91	141.09	243.00
As at 31 March 2018	101.91	145.37	247.28

### 5. OTHER INTANGIBLE ASSETS

	Computer Software	Water drawing rights	Total
<b>Gross carrying amount</b>			
As at 1 April 2017	88.75	422.21	510.96
Additions during the year	11.67	-	11.67
<b>As at 31 March 2018</b>	<b>100.42</b>	<b>422.21</b>	<b>522.63</b>
Additions during the year	95.79	-	95.79
<b>As at 31 March 2019</b>	<b>196.21</b>	<b>422.21</b>	<b>618.42</b>
<b>Accumulated amortization</b>			
Up to 31 March 2017	52.45	25.16	77.61
Charge for the year	29.86	108.91	138.77
<b>Up to 31 March 2018</b>	<b>82.31</b>	<b>134.07</b>	<b>216.38</b>
Charge for the year	14.59	23.67	38.26
<b>Up to 31 March 2019</b>	<b>96.90</b>	<b>157.74</b>	<b>254.64</b>
<b>Net carrying amount</b>			
As at 31 March 2019	99.31	264.47	363.78
As at 31 March 2018	18.11	288.14	306.25

### 6. INVESTMENTS

	Face value	As at 31 March 2019	As at 31 March 2018
<b>Investments in equity shares (fully paid-up)</b>			
<b>(i) Quoted - designated at FVTPL</b>			
76,830 (31 March 2018: 76,830) shares in NB Footwear Limited	₹10	4.84	4.61
9,600 (31 March 2018: 5,600) shares in Avanti Feeds Limited	₹2	39.15	125.14
8,000 (31 March 2018: 8,000) shares in IDBI Bank Limited	₹10	3.73	5.78
22,800 (31 March 2018: 22,800) shares in Andhra Bank Limited	₹10	6.41	9.48
24,568 (31 March 2018: 12,284) shares in TATA Consultancy Services Limited	₹1	491.46	349.99
19,302 (31 March 2018: 9,651) shares in MOIL Limited	₹10	30.69	18.88
200 (31 March 2018: 200) shares in Kothari Sugars and Chemicals Limited	₹10	0.02	0.02
2,857 (31 March 2018: 2,857) shares in The Jeypore Sugar Company Limited	₹10	0.29	0.03
		576.59	513.94



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(All amounts in lakhs of ₹, except equity shares data and unless otherwise stated)

### 6. INVESTMENTS (CONT...)

	Face value	As at 31 March 2019	As at 31 March 2018
<b>(ii) Unquoted</b>			
<b>(a) Investments carried at cost - Subsidiaries</b>			
41,499,998 (31 March 2018: 41,499,998) shares in Brahmani Infratech Private Limited, India	₹10	4,150.00	4,150.00
454,020,000 (31 March 2018: 454,020,000) shares in Nava Bharat Projects Limited, India	₹2	9,080.40	9,080.40
260,000,000 (31 March 2018: 260,000,000) shares in Nava Bharat Energy India Limited, India	₹2	5,200.00	5,200.00
In shares of Nava Bharat (Singapore) Pte Limited, Singapore			
- 16,870 (31 March 2018: 16,870) shares of Singapore Dollar (SGD) 1 each	SGD 1	4.36	4.36
- 175,840,000 (31 March 2018: 174,840,000) shares of United States Dollar (US\$) 1 each	US\$ 1	1,01,426.66	1,00,742.16
1,000 (31 March 2018: 1,000) shares in Nava Energy Pte Limited, Singapore	US\$1	0.67	0.67
1,451,000 (31 March 2018: 1,000) shares in Nava Agro Pte Limited, Singapore	US\$1	968.72	615.22
2,101,000 (31 March 2018: 1,001,000) shares in Nava Holding Pte Limited, Singapore	US\$1	1,438.10	639.09
		<b>1,22,268.91</b>	<b>1,20,431.90</b>
<b>(b) Investments designated at FVTPL - Others</b>			
75,000 (31 March 2018: 75,000) shares in Srinivasa Cystine Limited	₹10	489.20	360.17
<b>Investments in government Securities (at amortised cost)</b>			
- 6 years National Savings Certificates		0.50	0.50
		<b>1,23,335.20</b>	<b>1,21,306.50</b>
Aggregate amount of Quoted Investments		576.59	513.93
Aggregate amount of Un-Quoted Investments		1,22,758.61	1,20,792.58
Aggregate amount of Impairment in Value of Investments		93.72	93.72

### Details of ownership interest in subsidiaries (in %):

	As at 31 March 2019	As at 31 March 2018
(i) Brahmani Infratech Private Limited, India	65.74	65.74
(ii) Nava Bharat Projects Limited, India	100.00	100.00
(iii) Nava Bharat Energy India Limited, India*	100.00	100.00
(iv) Nava Bharat (Singapore) Pte Limited, Singapore	100.00	100.00
(v) Nava Energy Pte Limited, Singapore	100.00	100.00
(vi) Nava Agro Pte Limited, Singapore	100.00	100.00
(vii) Nava Holdings Pte Limited, Singapore	100.00	100.00

\*Including 74% of the equity shares held by Nava Bharat Projects Limited thereby leading to a effective control of 100% by the Company. Further until the 6 October 2018, the Company had pledged its investment in 260,000,000 (31 March 2018: 260,000,000) equity shares of Nava Bharat Energy India Limited with the lenders of Nava Bharat Energy India Limited in connection with the loans availed by it.



## Notes

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(All amounts in lakhs of ₹, unless otherwise stated)

### 7. LOANS

	As at 31 March 2019	As at 31 March 2018
<b>(a) Non-current</b>		
Secured, considered good	-	-
Unsecured, considered good - to related parties * (refer note 35)	60,295.75	42,363.75
Loans receivables which have significant increase in Credit Risk	-	-
Loans receivables - credit impaired	-	-
	<b>60,295.75</b>	<b>42,363.75</b>
<b>(b) Current</b>		
Secured, considered good	-	-
Unsecured, considered good - to related parties ** (refer note 35)	77.50	2,500.00
Loans receivables which have significant increase in Credit Risk	-	-
Loans receivables - credit impaired	-	-
	<b>77.50</b>	<b>2,500.00</b>

\* Includes ₹44,950.75 lakhs (31 March 2018: ₹42,363.75 lakhs) represents amounts lent to Nava Bharat (Singapore) Pte. Limited, a subsidiary of the Company, for onward lending to step-down subsidiary for meeting its project related expenditure at an interest rate of 5% (31 March 2018: 5%) per annum and ₹15,345.00 lakhs (31 March 2018: ₹Nil) represents amounts lent to Nava Bharat Energy India Limited ('NBEIL'), a subsidiary for utilisation of the said amount towards the repayment of NBEIL's existing term loans.

\*\* The balance as at 31 March 2018 represented the amounts lent to NBEIL, a subsidiary for meeting the working capital requirements at an interest rate of 9.50% per annum. Further, the balance of loans receivable as at 31 March 2019 represents amounts due to be received from the related party in next 12 months subsequent to the reporting date in respect of the non-current loan mentioned in the above paragraph.

### 8. OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
<b>(a) Non-current</b>		
Security deposits	1,122.45	1,226.74
Fixed deposits with banks*	403.00	-
Other receivables from related parties		
- Guarantee commission	152.82	142.59
Interest accrued		
- From related parties	4,583.04	1,971.92
Others	29.86	34.72
	<b>6,291.17</b>	<b>3,375.97</b>
<b>(b) Current</b>		
Restricted bank balances		
- Unpaid dividend accounts	175.64	179.47
Forward contract asset	-	223.47
Other receivables		
- from related parties	109.70	-
- Others	314.37	319.78
Interest accrued		
- From others	57.90	39.16
Unbilled revenue - accrued conversion charges	278.86	378.12
Others	60.26	98.98
	<b>996.73</b>	<b>1,238.98</b>

\* Represents bank deposit with maturity period of more than 12 months, held under Debt Service Reserve Account (DSRA) against the term loan availed from ICICI Bank with an outstanding balance of ₹15,422.50 lakhs (31 March 2018: ₹Nil).

## Notes

to the Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 9. OTHER ASSETS

	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
<b>(a) Non-current</b>		
Capital advances	31.56	31.56
Payments made under protest *	243.69	271.72
Prepaid expenses	248.03	121.27
Others	37.44	81.09
	<b>560.72</b>	<b>505.63</b>
<b>(b) Current</b>		
Advances to vendors	6,219.34	7,812.12
Balance with government authorities	135.56	3,954.92
Prepaid expenses	327.56	231.27
Others	31.99	53.12
	<b>6,714.45</b>	<b>12,051.43</b>

\* Represents payments made to government authorities in protest in connection with the ongoing disputes.

### 10. INVENTORIES (at lower of cost or net realisable value)

	As at 31 March 2019	As at 31 March 2018
Raw materials (including raw materials in transit aggregating to ₹1,127.90 lakhs (31 March 2018: ₹Nil)	15,718.06	14,254.54
Work-in-progress	502.58	297.30
Finished goods*	14,873.30	11,933.70
Stock-in-trade	26.77	65.07
Stores and spares	2,594.16	2,237.70
Others	2.40	0.90
	<b>33,717.27</b>	<b>28,789.21</b>

\* Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories as at 31 March 2019 amounted to ₹Nil (31 March 2018: ₹579.28 lakhs). The changes in write downs are recognised as an expense in the statement of profit and loss.

### 11. TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Secured, considered good	-	-
Unsecured, considered good		
- From related parties	561.48	1,075.21
- From others	18,432.77	16,186.00
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	<b>18,994.25</b>	<b>17,261.21</b>



## Notes

to the Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 12. CASH AND BANK BALANCES

	As at 31 March 2019	As at 31 March 2018
<b>(a) Cash and cash equivalents</b>		
Balances with banks		
On current accounts	1,472.80	1,911.74
Cash on hand	5.55	6.23
	<b>1,478.35</b>	<b>1,917.97</b>
<b>(b) Bank balances other than above</b>		
Deposits with banks with maturity period from 3 to 12 months	148.80	147.34
Margin money deposits *	1,282.85	1,148.00
	<b>1,431.65</b>	<b>1,295.34</b>
	<b>2,910.00</b>	<b>3,213.31</b>

\* Represents deposits held with banks as security against borrowings, guarantees and other arrangements.

### 13. EQUITY SHARE CAPITAL:

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>Authorized share capital</b>				
Equity shares of ₹2 each	25,00,00,000	5,000.00	25,00,00,000	5,000.00
	<b>25,00,00,000</b>	<b>5,000.00</b>	<b>25,00,00,000</b>	<b>5,000.00</b>
<b>Issued and subscribed share capital</b>				
Equity shares of ₹2 each	17,88,26,957	3,576.54	17,88,26,957	3,576.54
	<b>17,88,26,957</b>	<b>3,576.54</b>	<b>17,88,26,957</b>	<b>3,576.54</b>
<b>Fully paid-up share capital</b>				
Equity shares of ₹2 each	17,85,75,482	3,571.51	17,85,75,482	3,571.51
Add: Forfeited shares of ₹2 each (amount originally paid up)	-	1.26	-	1.26
	<b>17,85,75,482</b>	<b>3,572.77</b>	<b>17,85,75,482</b>	<b>3,572.77</b>

#### (a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period (refer note 14(d))

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Balance at the beginning and end of the year	17,85,75,482	3,571.51	17,85,75,482	3,571.51

#### (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹2/- per share with one vote per each share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes

to the Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, except equity shares data)

### (c) Details of shareholders holding more than 5% equity shares in the Company

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
NAV Developers Limited	1,60,93,517	9.01%	1,58,40,362	8.87%
M/s Wellington Management Company, LLP with its PAC	91,56,458	5.13%	89,79,168	5.03%
IDFC Classic Equity Fund	9,007,591	5.04%	NA	NA
A N Investments Private Limited	92,88,074	5.20%	89,35,000	5.00%
D Bhaktapriya	98,02,900	5.49%	98,02,900	5.49%

The details of equity shares held and percentage of holding as at 31 March 2018 have not been disclosed as the prescribed thresholds for disclosures had not been met.

### (d) Details of treasury shares held by the Company

- The paid up share capital includes 9,947,020 (31 March 2018: 9,947,020) equity shares of ₹2/- each fully paid up, vested in a trustee (NAV Energy Private Limited) duly for the benefit of the Company, pursuant to an order of Hon'ble High Court of Andhra Pradesh dated 30 December 1996 in respect of the Scheme of amalgamation of Nav Chrome Limited with the Company. These shares are to be sold with the net sale proceeds to be paid to the Company. Further, these shares are not considered for dividend and treated as treasury shares, thereby duly reduced from other equity.
- The paid up share capital includes 2,800,000 (31 March 2018: 2,800,000) equity shares of ₹2/- each fully paid up, held by Nava Bharat Employee Welfare Trust towards the General Employees Benefit Scheme (GEBS). Consequently, the said shares have been accounted for as a treasury stock as at 31 March 2019 and 31 March 2018, thereby adjusting the balance of other equity.

### (e) Aggregate number of bonus shares issued during five years immediately preceding the date of Balance Sheet:

During the year ended 31 March 2017, the Company has issued 89,287,741 equity shares of ₹2 each fully paid up by way of bonus shares in the ratio of one equity share for every one share held on the date of issue.

## 14. OTHER EQUITY

	As at 31 March 2019	As at 31 March 2018
<b>Capital reserve</b>		
Balance at the beginning and end of the year	60.20	60.20
<b>Capital redemption reserve</b>		
Balance at the beginning and end of the year	826.39	826.39
<b>Securities premium</b>		
Balance at the beginning and end of the year	26,214.22	26,214.22
<b>Treasury Shares</b>		
At the beginning of the year	(2,745.67)	(3,085.67)
Less: Adjustments*	-	340.00
At the end of the year	<b>(2,745.67)</b>	<b>(2,745.67)</b>
<b>General reserve</b>		
Balance at the beginning and end of the year	<b>87,566.64</b>	<b>87,566.64</b>
<b>Other reserves:</b>		
<b>Subsidies</b> - Balance at the beginning and end of the year	<b>33.60</b>	<b>33.60</b>
<b>Surplus in Statement of Profit and Loss</b>		
At the beginning of the year	1,61,310.28	1,47,184.06
Profit for the year	16,618.89	16,155.79
At the end of the year	<b>1,77,929.17</b>	<b>1,63,339.85</b>



# Notes

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(All amounts in lakhs of ₹, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>Appropriations:</b>		
Dividend on Equity Capital	(2,529.43)	(1,686.28)
Corporate Dividend Tax	(519.93)	(343.29)
At the end of the year	<b>1,74,879.81</b>	<b>1,61,310.28</b>
<b>Other comprehensive income</b>		
Actuarial gain/(loss) on employment benefits		
At the beginning of the year	186.41	175.09
for the year	104.22	11.32
At the end of the year	<b>290.63</b>	<b>186.41</b>
	<b>2,87,125.82</b>	<b>2,73,452.07</b>

## Nature and purpose of reserves

### (a) Capital redemption reserve

Capital redemption reserve was created in earlier years for the purpose of redemption of preference shares. The Company uses capital redemption reserve for transactions in accordance with the provisions of the Act.

### (b) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium reserve. This reserve is utilised in accordance with the provisions of the Act.

### (c) General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

### (d) Treasury shares

- Represents 9,947,020 (31 March 2018: 9,947,020) equity shares of ₹2/- each fully paid up, vested in a trustee (NAV Energy Private Limited) duly for the benefit of the Company, pursuant to an order of Hon'ble High Court of Andhra Pradesh dated 30 December 1996 in respect of the Scheme of amalgamation of Nav Chrome Limited with the Company. These shares are to be sold with the net sale proceeds to be paid to the Company. Further, these shares are not considered for dividend and treated as treasury shares, thereby duly reduced from other equity.
- Represents amounts paid to Nava Bharat Employee Welfare Trust in the earlier years towards acquisition of 1,400,000 equity shares of the Company of ₹2 each. Consequently, the said shares along with the bonus shares issued during the year ended 31 March 2017 have been accounted for as a treasury stock as at 31 March 2018 and 31 March 2019, thereby adjusting the balance of other equity.

### (e) Surplus in Statement of Profit and Loss

Surplus in Statement of Profit and Loss represents the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders.

### (f) Actuarial gain/(loss) on employment benefits

The reserve represents the re-measurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company. The re-measurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to Statement of Profit and Loss.

\*Represents adjustment on account of repayment of monies lent to the Nava Bharat Employee Welfare Trust.



## Notes

to the Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 15. BORROWINGS

	As at 31 March 2019	As at 31 March 2018
<b>(a) Non-current borrowings</b>		
<b>Secured</b>		
- Term loans - from banks (refer notes (a), (b), (c) and (e))	28,610.89	26,599.66
- Other loans - from banks (refer notes (d) and (e))	121.74	486.76
	<b>28,732.63</b>	<b>27,086.42</b>
Less: Current maturities of long-term borrowings	(9,091.24)	(12,217.68)
	<b>19,641.39</b>	<b>14,868.74</b>
<b>(b) Current borrowings</b>		
<b>Secured</b>		
Loans repayable on demand		
- Working capital loan from banks (refer note (f))	3,304.21	4,345.50
- Buyers credit (refer note (g))	-	1,944.06
	<b>3,304.21</b>	<b>6,289.56</b>

- (a) Terms loans outstanding to the tune of ₹8,238.86 lakhs (31 March 2018: ₹15,986.24 lakhs) is secured by the pari passu first charge on fixed assets of the Company, both present and future excluding 38 acres of land at Paloncha and a second charge on the chargeable current assets of the Company. The loan is further secured by way of pledge of 51% shares of Nava Bharat (Singapore) Pte. Limited held by NBVL. The loan is repayable in 26 quarterly instalments of ₹1,904.00 lakhs each, commencing from 1 April 2014. The Company has entered into a cross currency interest rate swap arrangement with the lenders duly converting the loan amount from Indian National Rupee (INR) to United States Dollar (USD) and fixing the interest rate in accordance with the terms of the arrangement.
- (b) Terms loans outstanding to the tune of ₹4,949.53 lakhs (31 March 2018: ₹10,613.42 lakhs) is secured by the pari passu first charge on fixed assets of the Company, both present and future excluding 38 acres of land at Paloncha and a second charge on the chargeable current assets of the Company. The loan is further secured by way of pledge of 51% shares of Nava Bharat (Singapore) Pte. Limited held by NBVL. The loan is repayable in 10 quarterly installments of ₹1,060.00 lakhs each, commencing from 1 April 2018. The Company has entered into a cross currency interest rate swap arrangement with the lenders duly converting the loan amount from Indian National Rupee (INR) to United States Dollar (USD) and fixing the interest rate in accordance with the terms of the arrangement.
- (c) Terms loans outstanding to the tune of ₹15,422.50 lakhs (31 March 2018: ₹Nil) is secured by the pari passu first charge on fixed assets of the Company, both present and future excluding 38 acres of land at Paloncha and a second pari passu charge on the present and future current assets of the Company. The loan is further secured by way of exclusive charge on the Debt Service Reserve Account of the Company. The loan is repayable in 32 unequal quarterly installments from the date of first disbursement with final maturity date being 31 March 2026.
- (d) Terms loans outstanding to the tune of ₹121.74 lakhs (31 March 2018: ₹486.76 lakhs) is secured by the pari pasu first charge on fixed assets of the Company, both present and future excluding 38 acres of land at Paloncha and a second charge on the chargeable current assets of the Company. The loan is repayable in 36 monthly installments of ₹30.14 lakhs each, commencing from 22 August 2016.
- (e) All the above loans carry interest rates ranging from 3.89% to 11.40% per annum (31 March 2018: 3.89% to 11.40%).
- (f) Working capital loans outstanding represents cash credit facility availed from banks and carry an interest linked to the respective Bank's prime/base lending rates, ranging from 9.25% to 10.75% per annum (31 March 2018: 9.25% per annum). The said facility is secured by hypothecation of all chargeable current assets of the Company, including raw materials, work-in-progress, finished goods, stores and spares and receivables both present and future and rank pari passu with the other lenders. The facility is further secured by a pari passu second charge on all fixed assets of the Company both present and future.
- (g) Buyers credit outstanding as at 31 March 2018 was availed from banks and carried an interest rate linked to the respective Bank's prime/base lending rates and ranged between 1.73% to 1.75% per annum. The said facility was secured by hypothecation of all chargeable current assets of the Company and ranked pari pasu with the other lenders. The facility was further secured by a pari passu second charge on all fixed assets of the Company both present and future.
- (h) Refer Note 36 (iii) for details of disclosure of maturity profile of the borrowings.



## Notes

to the Financial Statements – March 31, 2019

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### 16. OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018
<b>(a) Non current</b>		
Other retention deposits	33.40	33.40
	<b>33.40</b>	<b>33.40</b>
<b>(b) Current</b>		
Dues to		
- Directors	1,154.17	1,049.14
- Employees	1,486.29	1,189.40
Security deposits		
- Employee retention deposits	-	0.84
- Others	95.08	74.95
Forward contract liability	781.75	-
Interest accrued	307.56	254.40
Unpaid dividends	175.64	179.47
Capital creditors	174.17	-
Accrual for expenses	1,215.50	1,161.75
Current maturities of long-term borrowings (refer note 15)	9,091.24	12,217.68
Other liabilities	505.22	60.34
	<b>14,986.62</b>	<b>16,187.97</b>

### 17. DEFERRED TAX ASSETS, NET

	As at 31 March 2019	As at 31 March 2018
Deferred tax assets/(liabilities):		
- Minimum Alternate Tax (MAT) credit entitlement	16,647.78	19,775.28
- Employment benefits	776.04	739.99
- Bonus payable	463.21	470.76
- Other disallowances	289.73	316.63
- Property, plant and equipment and intangible assets	(11,041.09)	(10,536.67)
Deferred tax assets, net	<b>7,135.67</b>	<b>10,765.99</b>

#### Movement in deferred tax assets:

	As at 1 April 2018	Charge/(credited) to		MAT credit utilisation	As at 31 March 2019
		Statement of Profit and Loss	Other Comprehen- sive Income		
(i) Property, plant and equipment and intangible assets	(10,536.67)	(504.42)	-	-	(11,041.09)
(ii) Employment benefits	739.99	92.03	(55.98)	-	776.04
(iii) Bonus payable	470.76	(7.55)	-	-	463.21
(iv) Financial assets reported at fair value	-	-	-	-	-
(v) Others	316.63	(26.90)	-	-	289.73
(vi) Movement in MAT balances	19,775.28	-	-	(3,127.50)	16,647.78

- (i) Deferred tax assets as at 31 March 2019 includes an amount of ₹16,647.78 lakhs, representing the credit of minimum alternative taxes paid and recognised by the Company in accordance with the provisions of the prevailing income tax regulations. Based on the assessment of the financial projections of the Company, the projected profitability and the history of achieving significant operational profits in the past, the management is confident of earning sufficient taxable profits in the future in order to be able to realise the aforesaid tax credits within the timelines prescribed under the income tax regulations.

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to the Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### Movement in deferred tax assets (Contd...):

	As at 1 April 2017	Charge/(credited) to		MAT credit utilisation	As at 31 March 2018
		Statement of Profit and Loss	Other Comprehen- sive Income		
(i) Property, plant and equipment and intangible assets	(9,598.99)	(937.68)	-	-	(10,536.67)
(ii) Employment benefits	650.41	95.58	(6.00)	-	739.99
(iii) Bonus payable	147.15	323.61	-	-	470.76
(iv) Financial assets reported at fair value	93.98	(93.98)	-	-	-
(v) Others	483.91	(167.28)	-	-	316.63
(vi) Movement in MAT balances	21,436.21	-	-	(1,660.93)	19,775.28

### 18. PROVISIONS

	As at 31 March 2019	As at 31 March 2018
<b>(a) Non-current</b>		
Provision for employee benefits		
- Compensated absence, unfunded	377.86	518.54
- Gratuity, funded	512.10	409.35
	<b>889.96</b>	<b>927.89</b>
<b>(b) Current</b>		
Provision for employee benefits		
- Compensated absence, unfunded	629.94	462.58
- Gratuity, funded	700.92	747.60
	<b>1,330.86</b>	<b>1,210.18</b>

#### (a) Gratuity

The Company provides gratuity for its employees as per the Payment of the Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is equivalent to employee's 15 days of last drawn basic salary for each completed years of service. The gratuity plan is partly funded as at 31 March 2019 and 31 March 2018. The following table sets out the reconciliation of opening and closing balances of the present value and defined benefit obligation.

#### (i) Change in projected benefit obligation

	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the beginning of year	1,827.15	1,555.87
Current service cost	128.64	114.31
Interest cost	128.65	100.39
Past Service Cost -(vested benefits)	-	182.53
Benefits paid	(31.73)	(48.00)
Benefits paid directly by the company	(93.07)	(62.40)
Actuarial (gain)/loss on obligation	(27.25)	(15.55)
Defined benefit obligation at end of the year	<b>1,932.39</b>	<b>1,827.15</b>



## Notes

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### (ii) Change in plan assets

	As at 31 March 2019	As at 31 March 2018
Fair value of plan assets at the beginning of the year	670.20	630.49
Adjustments to opening balance of plan assets	(6.33)	(4.34)
Return on plan assets (excl. int. income)	4.12	7.48
Interest income	48.48	41.72
Contributions during the year	34.62	42.85
Benefits paid during the year	(31.72)	(48.00)
Fair value of planned assets at the end of the year	<b>719.37</b>	<b>670.20</b>

### (iii) Reconciliation of present value of obligation on the fair value of plan assets

	As at 31 March 2019	As at 31 March 2018
Present value of projected benefit obligation at the end of the year	1,932.39	1,827.15
Funded status of plan	(719.37)	(670.20)
<b>Net liability recognised in the balance sheet</b>	<b>1,213.02</b>	<b>1,156.95</b>

### (iv) Expenses recognised in the Statement of Profit and Loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	128.64	114.31
Net interest cost	80.16	58.68
Past service cost (vested benefits)	-	182.53
<b>Expense for the year</b>	<b>208.80</b>	<b>355.52</b>

### Recognised in other comprehensive income:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial gain for the year	(27.25)	(15.55)
Return on plan assets excluding net interest	(4.12)	(7.49)
<b>Total expenditure recognised</b>	<b>(31.37)</b>	<b>(23.04)</b>

### (v) Key actuarial assumptions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	6.94%	7.29%
Salary escalation	6.00%	6.00%
Attrition rate	13.33%	13.33%
Expected rate of return on plan assets	7.29%	6.69%
Mortality rate	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Return on plan assets excluding net interest	7.59	7.51

The estimates of future salary increase considered in actuarial valuation take into account of inflation, seniority, promotions and other relevant factors. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards.

## Notes

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(All amounts in lakhs of ₹, unless otherwise stated)

### (vi) Impact on defined benefit obligations

	For the year ended 31 March 2019	For the year ended 31 March 2018
Assumptions		
Sensitivity level		
- Discount rate : 1% increase	(60.58)	(56.52)
- Discount rate : 1% decrease	87.01	81.36
- Future salary : 1% increase	74.48	69.91
- Future salary : 1% decrease	(29.92)	(28.00)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

### 19. OTHER CURRENT LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Advance from customers	48.44	-
Statutory dues	1,721.76	1,086.65
	<b>1,770.20</b>	<b>1,086.65</b>

### 20. REVENUE FROM OPERATIONS

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Revenue from contracts with customers</b>		
<b>(a) Sale of products</b>		
- Ferro alloys (including excise duty of ₹Nil (31 March 2018: ₹624.76 lakhs)	75,622.47	67,334.12
- Sugar (including excise duty of ₹Nil (31 March 2018: ₹202.57 lakhs)	11,175.01	13,753.43
- Power	18,141.87	19,100.90
- Others	1,942.63	2,151.72
<b>(b) Sale of services</b>		
- Ferro alloys conversion charges	19,237.54	21,561.10
- Operation and maintenance services	6,808.69	4,377.61
<b>Other operating revenue</b>		
- Export incentive income	1,043.12	1,003.10
- Utility services	283.19	304.43
- Sale of by-products	575.86	521.03
- Scrap sales	213.13	175.47
- Others	827.71	581.08
	<b>1,35,871.22</b>	<b>1,30,864.00</b>

### (i) Reconciliation of transaction price and amounts allocated to performance obligations:

	For the year ended 31 March 2019
Revenue at contracted price	1,36,493.57
<b>Less: Adjustments</b>	
- Under Injection charges	387.01
- Prompt payment rebate	27.90
- Excess raw material consumption charges	207.44
Total revenue from operations	<b>1,35,871.22</b>



## Notes

to the Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### (ii) Disaggregation of revenue

#### (a) Revenue based on Geography

	For the year ended 31 March 2019
- Domestic	1,00,470.47
- Export	35,400.75
<b>Total revenue from operations</b>	<b>1,35,871.22</b>

#### (b) Revenue based on Business Segment

	For the year ended 31 March 2019
- Ferro Alloys	96,955.51
- Power	56,421.63
- Sugar	14,404.33
- Unallocated	6,808.69
- Inter segment revenues	(38,718.94)
<b>Total revenue from operations</b>	<b>1,35,871.22</b>

## 21. OTHER INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Interest income on financial assets measured at amortised cost</b>	3,593.93	2,636.90
<b>Income from investments</b>		
- Change in fair value	191.73	198.11
- Gain on sale of investments	148.05	75.75
- Dividend income	45.65	34.04
<b>Other non-operating income</b>		
- Guarantee commission	538.10	836.22
- Fair value gain on derivatives not designated as hedges	-	223.47
- Foreign exchange fluctuations, net	2,790.68	-
- Others	598.42	643.20
	<b>7,906.56</b>	<b>4,647.69</b>

## 22. COST OF MATERIALS CONSUMED

	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventory at the beginning of the year	14,254.54	7,529.69
Add: Purchases	84,054.22	83,374.81
	<b>98,308.76</b>	<b>90,904.50</b>
Inventory at the end of the year	15,718.06	14,254.54
<b>Cost of materials consumed</b>	<b>82,590.70</b>	<b>76,649.96</b>



## Notes

to the Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 23. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Inventory at the beginning of the year</b>		
Stock-in-trade	65.07	54.66
Finished goods	11,933.70	12,039.02
Work-in-progress	297.30	631.96
	<b>12,296.07</b>	<b>12,725.64</b>
<b>Inventory at the end of the year</b>		
Stock-in-trade	26.77	65.07
Finished goods	14,873.30	11,933.70
Work-in-progress	502.58	297.30
	<b>15,402.65</b>	<b>12,296.07</b>
	<b>(3,106.58)</b>	<b>429.57</b>

### 24. OTHER MANUFACTURING EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Consumption of stores and spares	4,047.69	3,733.13
Power, fuel and water charges	707.48	589.60
Briquetting expenses	563.88	410.71
Raw material handling charges	1,423.05	1,398.88
Finished product handling charges	822.16	798.64
Sugar cane development expenses	1,274.75	1,545.15
Testing and analysis charges	70.05	74.15
Other expenses	459.94	447.84
	<b>9,369.00</b>	<b>8,998.10</b>

### 25. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	8,197.10	7,795.87
Contribution to provident and other funds (note a)	370.48	358.28
Staff welfare expenses	358.61	406.94
Gratuity and other compensated absences	466.18	419.33
<b>Total</b>	<b>9,392.37</b>	<b>8,980.42</b>

(a) During the current year ended 31 March 2019, the Company contributed ₹355.61 lakhs (31 March 2018: ₹344.77 lakhs) to provident fund and ₹6.57 lakhs (31 March 2018: ₹7.91 lakhs) towards employee state insurance fund.

### 26. FINANCE COSTS

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest cost on financial liabilities measured at amortized cost	2,171.06	1,060.84
Other borrowing costs		
- Bank charges and commission	293.21	470.20
	<b>2,464.27</b>	<b>1,531.04</b>





## Notes

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(All amounts in lakhs of ₹, unless otherwise stated)

### 27. OTHER EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent	52.05	39.80
Repairs and maintenance		
- Machinery	3,146.39	1,969.71
- Buildings	549.02	457.06
- Others	115.57	116.22
Rates and taxes	2,783.20	2,310.25
Freight and transportation	2,229.86	2,172.26
Insurance	256.67	235.47
Advertisement and sales promotion	6.58	10.50
Communication expense	48.98	57.68
Travelling and conveyance	223.33	247.22
Legal and professional charges	651.67	791.87
Foreign exchange fluctuations, net	-	1,104.13
Loss on forward contracts	1,005.22	-
Payments to auditors:		
as auditors	61.04	40.52
for other services	3.91	5.31
Corporate social responsibility (CSR) expenses (refer note (a) below)	315.91	264.44
Loss on sale of assets/material	506.57	17.96
Open access charges	-	276.09
Unscheduled interchange charges	-	105.44
Ash disposal charges	362.39	406.40
Bad debts written-off	189.77	-
Other expenses	773.88	693.23
	<b>13,282.01</b>	<b>11,321.56</b>

#### (a) Details of CSR expenditure

	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Gross amount required to be spent by the Company during the year	312.85	260.82
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	102.79	26.15
(ii) On purposes other than (i) above	213.12	238.29
<b>Amount remaining to be spent</b>	-	-

### 28. INCOME TAXES

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Statement of Profit and Loss</b>		
Current tax expense	8,801.61	6,773.42
Deferred tax expense	446.84	785.76
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>9,248.45</b>	<b>7,559.18</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic corporate tax rate for the year ended 31 March 2019 and 31 March 2018:



## Notes

to the Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, except equity shares data and unless otherwise stated)

### 28. INCOME TAXES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit for the year	25,867.34	23,714.97
Tax rate applicable to the Company	34.944%	34.608%
Tax expense on net profit	<b>9,039.08</b>	<b>8,207.28</b>
Increase/(decrease) in tax expenses on account of:		
(i) Non-taxable income/exempt income	(64.45)	(1,501.36)
(ii) Depreciation on spares	-	62.64
(iii) Expenses inadmissible under the income tax act	151.46	341.91
(iv) Other adjustments	29.56	448.71
(v) Effect of changes in tax rates	92.80	-
	209.37	(648.10)
<b>Tax as per normal provision under Income tax</b>	<b>9,248.45</b>	<b>7,559.18</b>

### 29. OTHER COMPREHENSIVE INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial gain/(losses) on post-employment benefit expenses	156.08	9.84
Return on plan assets excluding net interest	4.12	7.48
Deferred taxes on above	(55.98)	<b>(6.00)</b>
	<b>104.22</b>	<b>11.32</b>

### 30. EARNINGS PER EQUITY SHARE

	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Net profit attributable to equity shareholders	16,618.89	16,155.79
<b>(b) Computation of weighted average number of equity shares:</b>		
Weighted average number of equity shares outstanding during the year*	16,58,28,462	16,58,28,462
Add: Effect of potential dilutive shares	-	-
Weighted average number of equity shares adjusted for the effect of dilution	16,58,28,462	16,58,28,462
<b>(c) EPES:</b>		
Basic (in absolute ₹ terms)	10.02	9.74
Diluted (in absolute ₹ terms)	10.02	9.74

\* Duly adjusted for the outstanding treasury stock of 12,747,020 equity shares (31 March 2018: 12,747,020).



## Notes

to the Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 31. DUES TO MICRO AND SMALL ENTERPRISES

The Micro, Small and Medium Enterprises have been identified on the basis of the information available with the Company. This has been relied upon by the auditors. Dues to such parties are given below:

	As at 31 March 2019	As at 31 March 2018
(a) The principal amount remaining unpaid as at the end of the year	931.64	708.91
(b) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(c) Amount of interest paid by the Company in terms of Section 16, of (MSMED Act, 2006) along with the amounts of payments made beyond the appointed date during the year.	-	-
(d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act, 2006).	-	-
(e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act, 2006).	-	-

### 32. FAIR VALUE MEASUREMENTS

#### (i) Financial instruments by category

	As at 31 March 2019		As at 31 March 2018	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments (other than subsidiaries)	1,065.79	0.50	874.11	0.50
Loans to related parties	-	60,373.25	-	44,863.75
Security deposits	-	1,122.45	-	1,226.74
Employee loans	-	29.86	-	34.72
Other deposits	-	403.00	-	-
Trade receivables	-	18,994.25	-	17,261.21
Cash and cash equivalents	-	1,478.35	-	1,917.97
Other bank balances	-	1,431.65	-	1,295.34
Guarantee commission receivable	-	152.82	-	142.59
Interest accrued	-	4,640.94	-	2,011.08
Other financial assets	-	938.83	223.47	976.35
<b>Financial liabilities</b>				
Borrowings	-	32,036.84	-	33,375.98
Rental deposits	-	33.40	-	33.40
Trade payables	-	8,099.97	-	8,110.13
Forward contract liability	781.75	-	-	-
Other financial liabilities	-	5,113.63	-	3,970.29

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds FVTPL (Fair value through profit and loss) investments and investment in its subsidiaries.

## Notes

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(All amounts in lakhs of ₹, unless otherwise stated)

(ii) The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value.

For the financial assets measured at fair values, the carrying amounts are equal to the fair values.

### (iii) Valuation technique used to determine fair value:

The fair value of the financials assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted shares are based on price quotations at the reporting dates.
- The fair value of unquoted equity shares are based on the Net Assets Value, available for Equity Shareholders of the underlying Companies which was ascertained based on data available from the financial statements of the respective Companies.
- Management has assessed the fair value of the borrowings, which approximate their current value largely since they are carried at floating rate of interest.

### (iv) Fair Value hierarchy:

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy, of financial assets and liabilities measured at fair value on a recurring basis as at 31 March 2019 and 31 March 2018:

#### Quantitative disclosures of fair value measurement hierarchy as at 31 March 2019:

Particulars	Level 1	Level 2	Level 3
<b>Financial Assets measured at FVTPL</b>			
Investments	576.59	489.20	-
<b>Financial Liabilities measured at FVTPL</b>			
Derivative liability	-	781.75	-

#### Quantitative disclosures of fair value measurement hierarchy as at 31 March 2018:

Particulars	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Investments	513.94	360.17	-
Other financial assets	-	223.47	-





## Notes

to the Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 33. NET DEBT RECONCILIATION

The following table sets out an analysis of the movements in Net debt for the year:

Particulars	Current borrowings	Non - Current borrowings	Interest accrued
<b>Net debt as on 31 March 2017</b>	6,310.54	22,992.85	252.17
Cash flows, net	(25.15)	3,678.43	-
Interest expense	-	-	1,060.84
Interest paid	-	-	(1,058.62)
Adjustments*	4.18	415.14	-
<b>Net debt as on 31 March 2018</b>	<b>6,289.56</b>	<b>27,086.42</b>	<b>254.40</b>
Cash flows, net	(2,985.35)	2,256.86	-
Interest expense	-	-	2,171.06
Interest paid	-	-	(2,117.90)
Adjustments*	-	(610.65)	-
<b>Net debt as on 31 March 2019</b>	<b>3,304.21</b>	<b>28,732.63</b>	<b>307.56</b>

\*Represents adjustment on account of foreign currency fluctuations.

### 34. CONTINGENT LIABILITIES, COMMITMENTS AND PENDING LITIGATIONS:

#### Contingent Liabilities

	As at 31 March 2019	As at 31 March 2018
(a) Guarantees excluding financial guarantees	26,624.68	25,092.38
(b) Claims against the Company not acknowledged as debts relating to:		
- Cross subsidy charges (refer note (i) below)	3,927.53	3,927.53
- Electricity duty (refer note (ii) & (iii) below)	733.25	733.25
- Royalty on coal procurement (refer note (iv) below)	353.40	855.64
- Land lease charges (refer note (v) below)	274.86	274.86
- Central excise matters (refer note (vi) below)	907.06	1,036.15
- Service tax matters (refer note (vii) below)	716.24	714.47
- Customs matters (refer note (viii) below)	206.06	206.06
- Sales tax matters (refer note (ix) below)	144.23	144.23
- Others	226.90	232.82
(c) Other money for which the Company is contingently liable:		
(i) Disputed income tax liabilities (refer note (x) below)	3,493.18	3,447.29
(d) Renewal power purchase obligation (refer note (xi) below)	1,133.71	897.99
<b>Commitments</b>		
(e) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	14.98

#### Notes:

- (i) The Company has received demand notices from the Electricity Regulatory authorities of the states of Odisha and Telangana towards levy of cross-subsidy charges amounting to ₹2,441.53 lakhs (31 March 2018: ₹2,441.53 lakhs) and ₹1,486.00 lakhs (31 March 2018: ₹1,486.00 lakhs) respectively. The management has filed necessary appeals against the aforesaid orders with the Honourable High Courts of the State of Odisha and the Honourable High Court of the Combined State of Andhra Pradesh and Telangana, which is pending for disposal as at 31 March 2019. However, on the basis of assessment of the facts of the demand in the light of the underlying facts, the management is of the view that the demands are frivolous in nature and not tenable as per the prevailing electricity supply regulations of the aforesaid states. Accordingly, no adjustments have been made to the financial statements in this regard.
- (ii) During the earlier years, the Company has received demand notices from the Directorate of Electrical Safety, Government of Andhra Pradesh for amounts aggregating to ₹542.43 lakhs (31 March 2018: ₹542.43 lakhs), towards levy of electricity duty on the sale of power





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(All amounts in lakhs of ₹, unless otherwise stated)

- made by it for the period beginning from March 2009 until March 2017 from the power generation station situated in Dharmavaram, Andhra Pradesh. Aggrieved by the order of the aforesaid authority, the management has filed necessary appeals in this regard with the Honourable High Court of the Combined State of Andhra Pradesh and Telangana, which is pending for disposal as at 31 March 2019. However, on the basis of assessment of the applicability of the provisions of the Electricity Duty Act and the nature of operations carried out at the aforesaid power generation station and the customers to whom the electricity generated has been sold, the management is confident about the non-applicability of the provisions of the Electricity Act to the power generated from the aforesaid power generation station and accordingly do not foresee any adjustment to these financial statements in this regard.
- (iii) The Company had received a demand notice from the Northern Power Distribution Company Limited for an amount of ₹186.93 lakhs (31 March 2018: ₹186.93 lakhs) towards electricity supply charges along with penalties in relation to the utilisation of the energy granted in accordance with the provisions of the Electricity Act, 2003. The management has filed a writ petition against the said demand with the Honourable High Court of Judicature at Hyderabad of the Combined State of Andhra Pradesh and Telangana alleging that the manufacturing facility of the Company located at Paloncha, Telangana had not drawn energy as alleged by the demand notice and that the utilisation of the energy generated by the captive power generation station in Paloncha are not governed by the provisions of the Electricity Act, 2003. The Company had also received an interim order from the Honourable High Court to this extent. Accordingly, pending final outcome of the case as at 31 March 2019, no adjustments have been made to the financial statements in this regard.
- (iv) During the months of January 2016 and August 2015, the Government of Telangana had notified the formation of District Mineral Foundation Trust (DMFT) and the National Mineral Exploration Trust (NMET), respectively, in accordance with the provisions of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (MMDRA), which was in effect from the 12 January 2015. Pursuant to applicability of the rules prescribed relating to the DMFT and NMET, royalties of 30% and 2% would be levied on the buyer of coal towards DMFT charges and NMET charges, respectively. Further, debit notes were raised on the Company for the coal procured by the manufacturing facilities in the states of Odisha and Telangana for amounts aggregating to ₹326.49 lakhs (31 March 2018: ₹828.73 lakhs) and ₹26.91 lakhs (31 March 2018: ₹26.91 lakhs), respectively, by the concerned authorities towards the aforesaid royalties for the period beginning from January 2015 until the date of notification of the DMFT and NMET. The management has filed a writ petition with the Honourable High Court of Judicature at Hyderabad of the Combined State of Andhra Pradesh and Telangana and Honourable High Court of the State of Odisha, respectively, duly challenging the aforesaid demands and the date of applicability of the rules from 12 January 2015 duly considering the notification of the DMFT rules and NMET rules during January 2016 and August 2015, respectively. The Company had also received an interim stay order from the concerned High Courts duly restricting the recoveries of the above amounts pending disposal of the case. The matter is currently pending with the Honourable High Courts as at 31 March 2019. However, on the basis of assessment of the date of notification of the relevant rules in relation to the DMFT and the NMET and the underlying MMRDA, the management is of the view that levy of the aforesaid royalties aggregating to the above mentioned sums is not tenable as per law and accordingly, have not made any adjustments to the financial statements in this regard.
- (v) During the earlier years, the Company had entered into a lease agreement for 17.55 acres of land at Samalkot, Andhra Pradesh for setting up a sugar manufacturing facility therein. The said lease agreement had expired on the 12 August 1996, pursuant to which the Company had received intimations from the legal heirs of the landlord for vacation of the land and consequent relocation of the sugar manufacturing facility of the Company along with damages aggregating to ₹274.86 lakhs (31 March 2018: ₹274.86 lakhs). Subsequently, necessary legal cases had been filed by the aforesaid legal heirs against the Company with the local courts of Kakinada. The management is in the process of entering into a conciliation arrangement with the aforementioned parties and purchasing the underlying land and accordingly do not foresee the said matter to have a significant effect on the financial statements. The matter is currently pending for disposal with the local courts of Kakinada as at 31 March 2019.
- (vi) (i) The company had in the prior years, received various demand notices from the Central Excise Authorities for sums aggregating to ₹806.34 lakhs (31 March 2018: ₹941.80 lakhs) alleging non compliances with the provisions of the Central Excise Credit Rules during certain months of the financial years ended 31 March 1997, 1998, 2000, 2001, 2002, 2012 and 2013. Aggrieved by the above demands, the management has filed appeals with the Customs, Excise and Service Tax Appellate Tribunal of the states of New Delhi and Karnataka



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(All amounts in lakhs of ₹, unless otherwise stated)

for amounts of ₹55.29 lakhs (31 March 2018: ₹55.29 lakhs) and ₹737.00 lakhs (31 March 2018: ₹737.00 lakhs) respectively and with the Honourable High Court of the Combined State of Andhra Pradesh and Telangana for a sum of ₹1.09 lakhs (31 March 2018: ₹136.90 lakhs) and the Commissioner of Central Excise Appeals, Visakhapatnam for a sum of ₹12.96 lakhs (31 March 2018: ₹12.60 lakhs), as applicable. However, on the basis of its internal assessment of the facts of the case and the applicable provisions of the Central Excise Credit Rules, the management is confident of these cases being settled in favour of the Company and accordingly, no adjustments have been made to the financial statements in this regard.

(ii) The Company had received a demand notice from the Commissioner of Central Excise for an amount of ₹100.72 lakhs (31 March 2018: ₹94.35 lakhs) alleging certain non-compliances with the rules framed for determination of assessable value of the excisable goods sold and thereby demanding additional duty along with the interest and penalties aggregating to the aforementioned amounts. The management had filed necessary appeals with the Commissioner of Customs and Central Excise (Appeals), Hyderabad which was settled against the Company during the year ended 31 March 2018. Aggrieved by the said order, the management has also filed an appeals with the Commissioner of Customs, Excise and Service Tax Appellate Tribunal, Hyderabad which is pending for disposal as at 31 March 2019. However, on the basis of its internal assessment of the facts of the case and the history of judgements passed by the Appellate Authorities in this regard, the management is confident of the matter being settled in favour of the Company and accordingly, no adjustments have been made to the financial statements in this regard.

(vii)(i) In connection with the service tax assessment for the financial years ended 31 March 2009 to 31 March 2014, the Company had received demands aggregating to ₹155.58 lakhs (31 March 2018: ₹147.79 lakhs) in relation to certain non-compliances with the provisions of the service tax regulations notified under the Finance Act, 1994 (duly amended from time to time). The management has filed necessary appeals against the said orders with the Commissioner of Service Tax (Appeals), Hyderabad, which is pending for disposal as at 31 March 2019.

(ii) During the prior years, the Company had received certain demand notices from the Service tax Authorities for sums aggregating to ₹91.91 lakhs (31 March 2018: ₹98.12 lakhs) alleging non compliances with the provisions of the Central Excise Credit Rules during certain months of the financial years beginning from 1 April 2016 until the 31 March 2017. Aggrieved by the said demands, the management has filed appeals with the Commissioner of Central Excise (Appeals), Visakhapatnam, Deputy Commissioner of Central Excise, Kakinada and Assistant Commissioner of Central Excise, Kakinada for sums of ₹65.62 lakhs (31 March 2018: ₹60.76 lakhs), ₹Nil (31 March 2018: ₹14.65 lakhs) and ₹26.29 lakhs (31 March 2018: ₹22.71 lakhs), respectively. However, on the basis of its internal assessment of the facts of the case and the applicable provisions of the Central Excise Credit Rules, the management is confident of these cases being settled in favour of the Company and accordingly, no adjustments have been made to the financial statements in this regard.

(iii) During the year ended 31 March 2013, the Company had received a demand notice from the Commissioner of Central Excise, Customs and Service Tax for an amount of ₹482.97 lakhs (31 March 2018: ₹482.97 lakhs) in relation to non-payment of service tax dues on certain imports made by the Company during the financial year ended 31 March 2008. The management had filed an Appeal against the aforesaid order with the Commissioner of Central Excise (Appeals) which had been settled against the Company during the year ended 31 March 2017. The management, has however, filed an order against the said order with the Commissioner of Customs, Excise and Service Tax Appellate Tribunal during the year ended 31 March 2018 which is pending for disposal. However, on the basis of its internal assessment and considering that the said import transaction was subject to the payment of customs duty, the management is confident of the case being settled in favour of the Company.

(viii) During the year ended 31 March 2016, the Company had received a demand notice from the Commissionerate of Customs (Preventive), Bhubaneswar, demanding an amount of ₹214.09 lakhs (31 March 2018: ₹214.09 lakhs) representing the customs duty, along with interest and penalties, on an import of coal made during the year ended 31 March 2013. The management has filed an appeal against the said demand with the Commissioner of Customs, Excise and Service Tax Appellate Tribunal during the year ended 31 March 2017, which is pending for disposal as at 31 March 2019. However, on the basis of its assessment of the facts of the case and the prevailing regulations on classification of the imported coal, the management is confident of the case being settled in favour of the Company and consequently no adjustments have been made to the financial statements in this regard.

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- (ix) The Company had received demands from the Sales tax authorities of the state of Telangana for an aggregate of ₹144.23 lakhs (31 March 2018: ₹144.23 lakhs) in relation to levy of sales tax on certain export entitlement licenses sold by the Company during the years ended 31 March 2001 and 31 March 2004. The management has filed necessary appeals against the said demand with the concerned appellate authorities which is pending for disposal as at 31 March 2019. However, on the basis of its internal assessment of the prevailing regulations and the facts of the case, the management is confident of the case being settled in favour of the Company.
- (x) Pursuant to the income tax assessment for the years mentioned below, the Company had received various demands from the income tax authorities in relation to the inadmissibility of certain expenditure in accordance with the provisions of the income tax law and compliances with the arm's length guidelines in relation to international transactions with associated enterprises. The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, the history of judgements made by the various appellate authorities and the necessary advice received from the independent expert engaged in this regard, is of the view that the probability of the case being settled against the Company is remote and accordingly do not foresee any adjustment to the financial statements in this regard. The details of the relevant financial year which is subject to the dispute and the amount of demand along with the interest and penalties demanded is as follows:

### Financial year ended

	As at 31 March 2019	As at 31 March 2018
2004-05	311.60	311.60
2007-08	325.24	325.24
2008-09	114.94	114.94
2009-10	2,144.21	2,144.21
2010-11	176.11	176.11
2011-12	290.02	290.02
2012-13	85.19	85.19
2015-16	45.87	-

- (xi) The Company has filed a writ petition with the Honourable High Court of the Judicature at Hyderabad of the Combined State of Andhra Pradesh and Telangana challenging the applicability of the provisions of APERC - Renewal Power Purchase Obligation (Compliance by Purchase of Renewable Energy/Renewable Energy Certificates) Regulations, 2012 issued by the Andhra Pradesh Electricity Regulatory Commission. The management, on the basis of its assessment of the terms of the aforesaid regulations is of the view that the said regulations shall not be applicable to the Company owing to the nature of business engaged by it and accordingly are of the view that the financial statements as at and for the year ended 31 March 2019 do not warrant any adjustments to this effect.

### Other pending litigations:

- (xii) The Company, along with certain other petitioners, have filed a Special Leave Petition with the Honourable Supreme Court of India in relation to applicability of provisions of the Andhra Pradesh Electricity Duty Act, 1939 to the captive power generation facility of the Company situated at Samalkot, Andhra Pradesh for the period beginning 1 April 2003 until the 31 March 2013. During the aforesaid period, the Company had generated 944.75 lakhs units of power from the aforesaid generation facility for captive consumption, thereby resulting in a electricity duty liability of ₹236.19 lakhs (31 March 2018: ₹236.19 lakhs). The Honourable Supreme Court vide its interim order during the year ended 31 March 2017 had directed the Company and the other petitioners to pay a portion of the aforesaid dues in relation to the said matter, according to which sums aggregating to ₹137.28 lakhs (31 March 2018: ₹137.28 lakhs) being deposited by the Company. However, on the basis of its assessment of the facts and status of the case and the underlying regulations on applicability of the electricity duty, the management has recognised a liability in the financial statements towards this matter in accordance with the provisions of Andhra Pradesh Electricity Duty Act, 1939 and are of the view that no additional provisions would be required in this regard.
- (xiii) The balance of trade receivables as at 31 March 2019 includes an amount of ₹189.93 lakhs (31 March 2018: ₹189.93 lakhs) receivable





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from the Grid Corporation of Odisha (GRIDCO) in relation to the sale of power made during the year ended 31 March 2014. GRIDCO had filed an appeal with the Supreme Court of India in relation to the payment of the said dues subsequent to an order passed by the Appellate Tribunal for Electricity of the state of Odisha, directing GRIDCO to pay a sum of ₹2,582.00 lakhs (31 March 2018: ₹2,582.00 lakhs) to the Company in this regard. The management on the basis of its assessment of the status of the case, the follow up with the customers and the favourable order received from the appellate authorities in this regard is confident of recovering the balance of receivables as at 31 March 2019 along with the other dues from GRIDCO.

(xiv) During the earlier years, the ferro alloy manufacturing unit of the Company situated at Paloncha, Telangana had received demands aggregating to ₹668.00 lakhs (31 March 2018: ₹668.00 lakhs) from the erstwhile Andhra Pradesh State Electricity Board ('Board') towards the payment of Voltage Surcharge and additional charges for the period 1 March 1983 to 30 June 1987. The Company had filed a petition against the same in Supreme Court which was decided in favour of the Company. However in the meantime, bank guarantees furnished by the Company to the tune of ₹409.00 lakhs (31 March 2018: ₹409.00 lakhs) were encashed by the Board. The management has further filed a petition with the Honourable High Court of the Combined State of Andhra Pradesh and Telangana against the said levy of voltage surcharge and additional charges and the aforesaid deductions made by the Board. Pending final outcome of the said petitions, the management has already recognised adequate liabilities in relation to the said dues and does not foresee any additional adjustments to the financial statements in this regard.

(xv) The Company is a party, as a petitioner and a respondent, to certain other cases in respect of certain land allotments, illegal land encroachments and other matters which are pending for disposal as at 31 March 2019 with various civil courts and appellate authorities, as the case may be. The management, in consultation with its internal and external legal counsel is of the view that the probability of the same being settled against the Company is remote and accordingly are of the view that the financial statements as at and for the year ended 31 March 2019 do not require any adjustments in this regard.



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### 35. RELATED PARTY DISCLOSURES

#### (a) Name of related parties and nature of relationship

Names of the related parties	Nature of relationship
Nava Bharat Energy India Limited Nava Bharat Projects Limited Brahmani Infratech Private Limited Nava Bharat (Singapore) Pte. Limited Nava Energy Pte. Limited Nava Agro Pte. Limited Nava Holding Pte. Limited	Subsidiaries
Maamba Collieries Limited NB Rufiji Private Limited (Upto 20 September 2018) NB Tanagro Limited (Upto 20 September 2018) Nava Energy Zambia Limited Kawambwa Sugar Limited Tiash Pte. Limited TIS Pte. Limited The Iron Suites Pte. Limited Compai Pharma Pte. Limited Compai Healthcare Sdn. Bhd Kinta Valley Mining Resources Sdn. Bhd.	Step-down subsidiaries
D. Ashok P. Trivikrama Prasad G. R. K. Prasad C.V. Durga Prasad	Key Management Personnel (KMP)
D. Nikhil Dr. D. Rajasekhar	Relatives of KMP
K. Balarama Reddy Dr. M. V. G. Rao Dr. E. R. C. Shekar Dr. D. Nageswara Rao Dr. C. V. Madhavi K. Durga Prasad (Appointed w.e.f 6 August 2018) GP Kundargi (Appointed w.e.f 6 August 2018)	Independent Directors

#### (b) Transactions with related parties

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Nava Bharat (Singapore) Pte. Limited</b>		
Interest income	2,283.27	2,204.15
Guarantees renewed	-	16,408
Guarantee Commission income	-	338.80
Investments in equity shares	684.50	10,599.07
<b>Maamba Collieries Limited</b>		
Reimbursements received	60.85	-
Staff support services rendered	69.15	60.98





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	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Nava Bharat Energy India Limited</b>		
Interest income on loans	1,062.92	160.11
Lease rent earned	1.84	1.84
Utility charges received	283.19	304.43
Sale of fly ash Bricks	-	3.45
Purchase of fly ash Bricks	21.09	-
Staff support services rendered	92.62	81.57
Staff support services availed	58.81	50.83
Loans granted	15,500.00	2,500.00
Loans repaid	2,577.50	-
Collections made on behalf of the entity	244.62	-
Payments made on behalf of the entity	-	459.37
<b>Nava Bharat Projects Limited</b>		
Purchase of products	1.97	-
Reimbursements paid	12.41	-
<b>Nava Energy Pte. Limited</b>		
Operation and maintenance services rendered	6,808.69	4,377.61
Guarantee commission income	538.10	497.42
<b>Nava Energy Zambia Limited</b>		
Reimbursements receivable	126.69	-
Project support services rendered	-	66.84
<b>Nava Agro Pte. Limited</b>		
Investments in equity shares	353.50	615.22
<b>Nava Holding Pte. Limited</b>		
Investments in equity shares	799.01	639.09
<b>Kawambwa Sugar Limited</b>		
Reimbursements received	5.60	-
Staff Support services rendered	7.55	-
<b>Transactions with key management personnel</b>		
<b>Managerial Remuneration</b>		
	2,122.47	2,020.52
Commission	25.00	25.00
Sitting fee	8.10	8.10
<b>Relatives of key managerial personnel</b>		
<b>Rent paid</b>		
Dr. D. Rajasekhar	13.56	14.09
<b>Remuneration</b>		
D. Nikhil	11.94	8.02





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### (c) Balances receivable/(payable)

	As at 31 March 2019	As at 31 March 2018
<b>Key Management personnel</b>		
D Ashok	(564.59)	(512.07)
P Trivikrama Prasad	(564.59)	(512.07)
<b>Subsidiaries</b>		
Nava Bharat (Singapore) Pte. Limited	49,475.20	44,481.46
Nava Bharat Energy India Limited	15,790.57	2,696.13
Maamba Collieries Limited	19.52	12.30
Nava Energy Pte. Limited	561.48	1,075.21
Nava Energy Zambia Limited	126.05	108.14
Kawambwa Sugar Limited	12.14	-

### (d) Balances of corporate guarantees outstanding:

	As at 31 March 2019	As at 31 March 2018
Provided on behalf of		
- Nava Energy Pte Limited	26,624.68	25,092.38

(e) The Company has pledged its share of holdings Nil (31 March 2018: 26%) in Nava Bharat Energy India Limited in connection with the loans availed by Nava Bharat Energy India Limited.

### (f) Key managerial personnel compensation

	For the year ended 31 March 2019	For the year ended 31 March 2018
Short-term employee benefits	2,040.70	1,890.57
Post-employment defined benefit	38.07	83.85
Compensated absences	12.00	18.00
Termination benefits	64.80	61.20

(g) In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with certain designated related parties, are carried at an arm's length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arm's length prices. The Company is in the process of updating the transfer pricing documentation for the financial year ended 31 March 2019. In opinion of the management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The Company's risk management policies are established to identify and analyse the risks faced by the Company and seek to, where appropriate, minimize potential impact of the risk and to control and monitor such risks.



## Notes

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There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for management of these risks.

### (i) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates and prices. The Company is exposed to market risk primarily related to currency rate risk, interest rate risk and other price risks, such as equity risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenues generated and operating activities in foreign currencies.

### (a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates primarily to the floating interest rate borrowings. The Company's investment in deposits with banks are for short durations and therefore do not expose the Company to significant interest rate risk. Further, the loans extended by the Company carries a fixed interest rate and therefore not subject to interest rate risk since neither the carrying value nor the future cash flows will fluctuate because of the change in market interest rates.

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. A major portion of foreign currency debt is linked to international interest rate benchmarks like LIBOR. The Company also hedges a portion of these risks by entering into derivative instruments like interest rate swaps and currency swaps.

The exposure of the Company to fixed rate and variable rate instruments at the end of the reporting period are as follows:

	As at 31 March 2019	As at 31 March 2018
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Loans	60,373.25	44,863.75
Deposits with banks	1,834.65	1,295.34
<b>Financial liabilities</b>		
Borrowings	121.74	486.76
<b>Variable rate instruments</b>		
<b>Financial liabilities</b>		
Borrowings*	31,915.10	32,889.22

### Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the variable rate instruments. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

	Change in basis points	31 March 2019	31 March 2018
<b>Increase in basis points</b>	50.00	159.58	164.45
<b>Decrease in basis points</b>	(50.00)	(159.58)	(164.45)

## Notes

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### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

\* The Company has entered into interest rate swap arrangement against the variable rate borrowing amounting to ₹13,188.40 lakhs (31 March 2018: ₹15,986.24 lakhs) and accordingly the impact of interest rate sensitivity as mentioned above is expected to be offset proportionately.

#### (b) Foreign Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of change in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency) and financing activities (when borrowings are denominated in foreign currency).

The Company has transactional currency exposures arising from services provided or availed that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly in US Dollars (\$). The Company's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Company does use financial derivatives such as foreign currency forward contracts and swaps.

#### Derivative financial instruments

The following table gives details in respect of outstanding derivative contracts against principle amount. The counter-party for these contracts are banks.

(\$ in lakhs)

Derivatives not designated as hedges	USD	31 March 2019	31 March 2018
Forward contract	Buy	\$192.90	\$247.91
Forward contract	Sell	-	\$30.00

#### Foreign currency exposure as at each reporting date:

	As at 31 March 2019		As at 31 March 2018	
	Foreign currency	(₹ in lakhs)	Foreign currency	(₹ in lakhs)
<b>United states dollars (USD):</b>				
<b>Financial assets</b>				
- Trade and other receivables	94.87	6,560.66	85.83	5,594.26
- Loan	650.00	44,950.75	650.00	42,363.75
- Derivative asset	-	-	-	223.47
- Others	3.88	248.85	1.73	112.97
<b>Financial liabilities</b>				
- Borrowings	190.71	13,188.40	275.11	17,930.30
- Trade and other payables	-	-	3.91	254.85
- Derivative liability	-	781.75	-	-

The following table demonstrates the sensitivity to a reasonably possible change in USD to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is given below:

(₹ in lakhs)

	Change	31 March 2019	31 March 2018
USD sensitivity			
₹/USD - Increase by	5.00%	1,889.51	1,505.47
₹/USD - Decrease by	-5.00%	(1,889.51)	(1,505.47)



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### (c) Other price risk

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Company based on working capital requirement keeps its liquid funds in current accounts. Excess funds are invested in long term instruments. The Company has listed and non-listed equity securities that are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and reports on the equity portfolio are submitted to the management on a regular basis.

The following table demonstrates the sensitivity to the impact of increase/decrease of the index on the Company's equity and profit for the period. The analysis is based on the assumption that index has increased or decreased by 10%, with all other variables held constant and that the Company's equity instruments moved in line with the index.

	Change	31 March 2019	31 March 2018
NSE Nifty 50 sensitivity			
- Increase by	10.00%	57.66	51.39
- Decrease by	-10.00%	(57.66)	(51.39)

The following table demonstrates the sensitivity of the Company's un-quoted investments on the profit for the period. The analysis is based on the assumption that net asset values has increased or decrease by 10%, with all other variables held constant.

	Change	31 March 2019	31 March 2018
Net Asset value sensitivity			
- Increase by	10.00%	48.92	36.02
- Decrease by	-10.00%	(48.92)	(36.02)

### (ii) Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counter-party defaults on its obligations. The Company's exposure to credit risk arises primarily from loans extended, security deposits, balances with bankers and trade and other receivables. The Company minimises credit risk by dealing exclusively with high credit rating counter parties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

#### (a) Exposure to credit risk:

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

#### (b) Credit risk concentration profile:

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

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### (c) Financial assets that are neither past due nor impaired:

None of the Company's cash equivalents, other bank balances, loans, security deposits and other receivables were past due or impaired as at 31 March 2019. Trade and other receivables including loans that are neither past due nor impaired are from creditworthy debtors with good payment record with the Company. Cash and short-term deposits investment securities that are neither past due nor impaired, are placed with or entered with reputable banks financial institutions or companies with high credit ratings and no history of default.

### (d) Financial assets that are either past due or impaired:

The Company doesn't have any significant trade receivables or other financial assets which are either past due or impaired. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management also evaluates the factors that may influence the credit risk of its customer base, including the default risk and country in which the customers operate. The management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if available, financial statements, credit agency information, industry information and in some case bank references. The Company's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

### (iii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of 31 March 2019:

Change	On Demand	Upto 1 year	1 to 3 years	After 3 years
Borrowings	-	12,395.45	9,485.20	10,156.19
Trade payables	-	8,099.97	-	-
Derivative liability	-	781.75	-	-
Other financial liabilities	-	5,113.63	33.40	-
	-	<b>26,390.80</b>	<b>9,518.60</b>	<b>10,156.19</b>

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of 31 March 2018:

Change	On Demand	Upto 1 year	1 to 3 years	After 3 years
Borrowings - Non-Current	-	18,507.24	14,868.74	-
Trade payables	-	8,110.13	-	-
Financial guarantee contracts*	5,200.00	-	-	-
Other financial liabilities	-	3,970.29	33.40	-
	<b>5,200.00</b>	<b>30,587.67</b>	<b>14,902.14</b>	-

\* Based on maximum amount that can be called for under the financial guarantee contract.



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## 37. SEGMENT INFORMATION

In accordance with Indian Accounting Standard (Ind AS) 108 on “Operating Segments”, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

## 38. CAPITAL MANAGEMENT

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

The Company monitors capital using a debt to capital employed ratio which is debt divided by total capital plus debt. The Company’s policy is to keep this ratio at an optimal level to ensure that the debt related covenants are complied with.

	As at 31 March 2019	As at 31 March 2018
Borrowings #	32,036.84	33,375.98
Less: Cash and cash equivalents	1,478.35	1,917.97
<b>Net Debt</b>	<b>30,558.49</b>	<b>31,458.01</b>
Total equity	2,90,698.59	2,77,024.84
<b>Equity and net debt</b>	<b>3,21,257.08</b>	<b>3,08,482.85</b>
Gearing ratio	9.51%	10.20%

# Total Borrowings include long-term borrowing, current maturities of long-term borrowings and working capital loans like cash credit and buyer’s credit.

In order to achieve this overall objective, the Company’s capital management, amongst other things, aims to ensure that it meets the financial covenants attached to interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call back loans and borrowings.

There have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current period. No changes were made in the objectives, policies or processes for managing the capital during the year ended 31 March 2019 and 31 March 2018.



## Notes

to the Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 39. SUBSEQUENT EVENTS

#### (a) Proposed distribution

	31 March 2019	31 March 2018
<b>Proposed dividends on Equity shares:</b>		
Final dividend for the year ended on 31 March 2019: ₹1.50 (31 March 2018: ₹1.50) per share	2,529.44	2,529.44
Dividend distribution tax (DDT) on the above	514.99	514.99

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) in accordance with the applicable accounting principles.

- (b) The Board of Directors of the Company, at their meeting held on 29 May, 2019, approved the buy back of fully paid up equity shares of the Company at a price not exceeding ₹160 per equity share for an aggregate amount not exceeding ₹2,500 lakhs through open market route.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
 Chartered Accountants  
 Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of  
**Nava Bharat Ventures Limited**

**Sanjay Kumar Jain**  
 Partner  
 Membership No.: 207660

**T. Hari Babu**  
 Chief Financial Officer

**G.R.K. Prasad**  
 Executive Director  
 DIN: 00006852

**P. Trivikrama Prasad**  
 Managing Director  
 DIN: 00006887

**VSN Raju**  
 Company Secretary  
 & Vice President

**D. Ashok**  
 Chairman  
 DIN: 00006903

Place: Hyderabad, India  
 Date: 29 May 2019

Place: Hyderabad, India  
 Date: 29 May 2019





**Form AOC-1 : Statement containing salient features of the financial statements of Subsidiaries and Associate Companies for the year ending 31st March, 2019**  
(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Subsidiaries**

Name of the subsidiary	Reporting Currency	Exchange rate on the last relevant financial year	Share Capital ₹ in lakhs	Reserves and surplus ₹ in lakhs	Total Assets ₹ in lakhs	Total Liabilities ₹ in lakhs	Investments ₹ in lakhs	Turnover ₹ in lakhs	Profit/(Loss) before Taxation ₹ in lakhs	Provision for taxation ₹ in lakhs	Profit after taxation ₹ in lakhs	Proposed Dividend ₹ in lakhs	% of Share holding
Nava Bharat Energy India Limited	₹	-	20,000.00	32,564.27	75,616.81	23,052.54	-	27,187.96	0.61	(65.56)	66.17	-	100.00
Nava Bharat Projects Limited	₹	-	9,080.40	16,162.59	25,579.39	336.40	21,940.40	1,386.01	917.96	348.44	569.52	-	100.00
Brahmani Infotech Private Limited	₹	-	6,312.50	2,431.66	11,969.41	3,225.24	7,309.90	400.99	293.46	137.89	155.56	-	65.74
Nava Bharat (Singapore) Pte. Limited	US \$	69.1550	1,21,609.07	(5,881.48)	1,65,630.63	49,903.04	89,401.83	3,777.95	651.94	405.28	246.66	-	100.00
Nava Energy Pte. Limited	US \$	69.1550	0.69	1,296.97	2,155.00	857.34	0.93	9,659.24	906.78	142.56	764.22	-	100.00
Nava Holding Pte Limited	US \$	69.1550	1,452.95	42.71	1,497.25	1.59	0.21	45.79	42.40	-	42.40	-	100.00
Nava Agro Pte Limited	US \$	69.1550	1,003.44	(8.20)	996.98	1.74	712.30	-	(3.34)	-	(3.34)	-	100.00
Maamba Collieries Limited	US \$	69.1550	1,33,840.75	(16,212.05)	5,83,731.50	4,66,102.80	-	1,60,114.29	51,171.97	20,508.64	30,663.33	-	64.69
Nava Energy Zambia Limited	US \$	69.1550	0.93	759.20	2,631.49	1,871.36	-	7,818.11	636.54	258.04	378.50	-	100.00
Kinta Valley Mining Resources Sdn. Bhd	MYR	16.9520	0.17	(0.58)	0.17	0.58	-	-	(0.58)	-	(0.58)	-	100.00
Kawambwa Sugar Limited	US \$	69.1550	712.30	(143.47)	751.72	182.89	-	247.49	(13.05)	22.98	(36.03)	-	100.00
Taish Pte. Limited	SGD	69.1550	0.07	(280.10)	1,115.35	1,395.38	194.95	41.09	(191.71)	-	(191.71)	-	65.00
Compai Pharma Pte. Limited	SGD	69.1550	0.07	(95.31)	507.24	602.48	0.02	13.34	(88.94)	-	(88.94)	-	65.00
TIS Pte. Limited	SGD	69.1550	190.56	(10.45)	187.82	7.71	4.59	261.36	(3.18)	1.02	(4.20)	-	42.25
The Iron Suites Pte Limited	SGD	69.1550	4.85	(358.36)	47.14	400.65	-	110.93	(170.48)	-	(170.48)	-	38.02
Compai Healthcare Sdn Bhd	MYR	16.9520	0.02	(247.59)	251.25	498.82	-	4.30	238.46	-	(238.46)	-	65.00

**Notes:**

1. Names of subsidiaries which have been liquidated or sold during the year

A9 Realty Private Limited was merged with Nava Bharat Projects Limited (being WOS of NBPL)

Place: Hyderabad

Date: 29 May, 2019

# Consolidated Financial Statements





NAVA BHARAT

# Independent Auditor's Report

## To the Members of Nava Bharat Ventures Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of Nava Bharat Ventures Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of the recoverability of carrying value of 60 MW thermal power generation station located at Odisha and 20 MW thermal power generation located at Dharmavaram to the tune of ₹19,800.29 lakhs and ₹7,969.22 lakhs, respectively:</b></p> <p>During the year ended 31 March 2019, the Holding Company has not generated power from its 20 MW thermal power plant situated at Dharmavaram, Andhra Pradesh, and 60 MW thermal power plant at Odisha owing to mismatch between demand and supply of power and pending receipt of certain approvals from the regulatory authorities. Accordingly, there is a risk that these units may not achieve the anticipated business performance to support their carrying value, leading to an impairment charge that has not been recognized by the management on the basis of its internal assessment of recoverability.</p> <p>Significant judgement is required in forecasting the future cash flows of each unit, together with the rate at which they are discounted and in the assessment of net-realizable value of these units. Therefore, we have identified impairment of the carrying value of the property, plant and equipment as a significant risk.</p> <p>Refer note 3(ii) to the consolidated financial statements.</p>	<p>We have considered key judgements made by the management in cash flow forecasts used in the determination of the value in use for each of the units and the expected realizable value of these units.</p> <p>We have assessed the Company's cash flow forecast models and the reasonability of the expected value on sale/disposal by performing the following:</p> <ul style="list-style-type: none"> <li>- We have tested the design and operating effectiveness of the controls put in place by the management in relation to the impairment assessment of property, plant and equipment;</li> <li>- checking the mathematical accuracy of the model;</li> <li>- assessing the appropriateness of the discount rates applied in determining the value in use of each unit;</li> <li>- assessing the reasonableness of the key assumptions regarding future profitability and revenue growth rates, potential electricity to be generated; and</li> <li>- performing an overall evaluation of the individual unit's cash flow models based on our knowledge of the Holding Company, our discussion with the management of the Holding Company's strategic plan combined with the external data which we considered relevant.</li> </ul>
<p><b>Assessment of the realisability of deferred tax assets amounting to ₹24,026.94 lakhs:</b></p> <p>The carrying value of the deferred tax assets in the nature of credit of Minimum Alternate Tax (MAT) recognized by the Holding Company and Nava Bharat Energy India Limited (NBEL), one of the subsidiaries as at 31 March 2019 amounts to ₹24,026.94 lakhs. The recognition of these assets requires estimates to be applied in relation to the future profitability of the Holding Company and other underlying component.</p> <p>Management's assessment of the recognition and recoverability of deferred tax assets requires estimations and significant judgements around the availability of sufficient future taxable profits.</p> <p>Accordingly, we have considered this as a key audit matter.</p> <p>Refer note 18 to the consolidated financial statements.</p>	<p>We have tested the underlying data for the recognition and realisability of deferred tax assets. We have also evaluated management's rationale and workings in relation to the recognition of deferred tax assets and have also considered the status of recent tax audits and enquiries, changes to the tax laws.</p> <p>In assessing management's conclusions with respect to the recognition of deferred tax assets, we have evaluated the reasonability of future projected profitability by assessing the forecasts against past results and our expectations of future business performance. We have also tested controls over the calculation of the asset and management's assessment of its recoverability, using our knowledge of the Holding Company and the respective component.</p>
<p><b>Litigations and contingent liabilities:</b></p> <p>The Group faces a number of legal and regulatory cases. There is a high level of judgement required in estimating the level of provisioning and/or the level of disclosures required. The details of the cases outstanding as at 31 March 2019 have been set out in note 35(a) and 35(c) to the consolidated financial statements.</p> <p>We focused on this area as the eventual outcome of the claims is uncertain and the position taken by the management is based on the application of material judgement and estimation. Accordingly, unexpected adverse outcomes could significantly impact the Group's financial position and hence considered the same as key audit matter.</p>	<p><b>We have tested the management assessment of outcome of the litigations and contingent liabilities by performing the following:</b></p> <ul style="list-style-type: none"> <li>- Where relevant, reading external legal advice obtained by the management;</li> <li>- Discussing open matters and developments with the Company's in-house legal team;</li> <li>- Assessing and challenging management's conclusions through understanding precedents set in similar cases; and</li> <li>- Obtaining relevant third party legal confirmations, together with follow up discussions, where appropriate on certain cases.</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of Goodwill:</b></p> <p>The Group has a carrying value of goodwill as on 31 March 2019 to the tune of ₹38,242.65 lakhs in relation to the acquisition of Maamba Collieries Limited. This balance is subject to a test of impairment by the management in accordance with the Indian Accounting Standards. The aforesaid assessment of the impairment involves exercising a significant judgement with regard to assumption and estimates involved in forecasting future cash flows. These include budgeted volumes, operating margins, long-term growth rates and the discount rate used. A significant amount of audit effort was required particularly as some of these assumptions are dependent on economic factors and trading conditions in the Zambian markets.</p> <p>Any decline in the current or forecast business volumes could have a material impact on the carrying value of the associated goodwill. No impairment charge was recorded during the financial year ended 31 March 2019 in this regard. We note however, that goodwill does remain sensitive to changes in the key drivers of cash flow forecasts. Accordingly, the same has been considered a key audit matter.</p> <p>Refer note 5 to the consolidated financial statements.</p>	<p><b>We have tested the management assessment of realisability of the carrying value of goodwill by performing the following:</b></p> <ul style="list-style-type: none"> <li>- Assessing methodology: Assessing that the principles and integrity of the cash flow models are in accordance with the relevant accounting principles;</li> <li>- Challenging growth assumptions: Challenging management's assumptions and obtaining support such as management approved strategy plans and customer contracts for the growth initiatives used in the cash flow models;</li> <li>- Sensitivity analysis: Performing breakeven analysis on the key assumptions noted above;</li> <li>- Testing the key assumptions such as the future growth rate, the operating margins and the discount rate for reasonability;</li> <li>- Historical comparisons: Evaluating the track record of the historical assumptions used against actual results achieved;</li> <li>- we used our internal valuation experts to challenge the methodology and key assumptions used in the cash flow model.</li> </ul>
<p><b>Assessment of the judgements and disclosures with respect to deferred taxes of Maamba Collieries Limited, subsidiary of the Company:</b></p> <p>Maamba Collieries Limited (MCL) has computed deferred tax liabilities as at 31 March 2019 of ₹19,649.08 lakhs on the power plant. The computation has taken into account the tax holiday period enjoyed by it. Significant judgement is applied in estimating the taxable profit, the reversal of temporary differences in each tax year.</p> <p>Accordingly, this matter is considered a key audit risk by the component auditor.</p>	<p>The audit procedures performed by Component Auditor included the assessment of assumptions used in projecting MCL's future taxable profits after taking into account the tax concessions and the methodologies used by the management.</p> <p>The component auditors have also reviewed the MCL's latest tax planning strategy and ascertained whether it was derived from the latest approved strategic business plan, which is subject to an internal management review process.</p> <p>The component auditors have also discussed and challenged the business plan to determine the appropriateness of the computation of deferred taxes.</p>
<p><b>Estimation of decommissioning, dismantling and restoration provisions by Maamba Collieries Limited:</b></p> <p>MCL has made a provision for decommissioning of the mining and power plant to the tune of ₹5,425.98 lakhs. The computation of decommissioning, dismantling and restoration provisions requires significant management judgement because of the inherent complexity in estimating future costs. The decommissioning of power plant infrastructure is relatively new activity and consequently there is limited historical precedent in Zambia against which to benchmark estimates of future cost. These factors increase the complexity involved in determining accurate accounting provisions that are material to the MCL's financial position.</p> <p>MCL reviews decommissioning, dismantling and restoration provisions annually. This review incorporates the effects of any changes in local regulations, management's expected approach to decommissioning, dismantling and discount rates, along with the effects of changes in exchange rates. Accordingly, this has been considered as a key audit matter by the component auditor.</p> <p>Refer note 2(e)(xiv), 2(q) and 17 to the consolidated financial statements.</p>	<p>The audit procedures adopted by Component Auditor included:</p> <ul style="list-style-type: none"> <li>- the assessment of management's annual review of provisions by performing a detailed testing of the provision recorded in respect of certain assets based on the associated risk and materiality.</li> <li>- Understanding the mandatory or constructive obligations with respect to the decommissioning and dismantling of each asset based on the contractual arrangements and relevant local regulation, to validate the appropriateness of the method of decommissioning, and dismantling underpinning the cost estimate;</li> <li>- For those assets the Component auditor has considered the competence of the experts, whether internal or external to MCL, who produced the cost estimates. They have also tested the accuracy of calculations and evaluated the appropriateness of the discount rate applied.</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p><b>Recoverability of trade receivables of MCL from ZESCO:</b></p> <p>Trade receivables of MCL as at 31 March 2019 includes amounts of ₹114,575.02 lakhs, including interest, receivable from ZESCO Limited in connection with the sale of power made to it. These receivable balances of MCL were significant to it as they constitute 99% of the total receivable balance of MCL and 18% of its total assets. This balance has been outstanding for a period of six months which causes uncertainty on its recoverability. The collectability of trade receivables is a key element of MCL's working capital management, which is managed on an ongoing basis by component management.</p> <p>Interest income arising as a result of default by ZESCO has also been recognized in the statement of profit and loss amounting to ₹5,714.94 lakhs.</p> <p>ZESCO in accordance with the ESCROW Agreement, was required to deposit an amount of ₹16,597.20 lakhs into the ESCROW account. Furthermore, an ESCROW Security agreement has been signed between MCL and ZESCO. Accordingly, this has been considered as a key audit matter by the component auditor.</p> <p>Refer note 10 to the consolidated financial statements</p>	<p><b>The audit procedures adopted by Component Auditor included:</b></p> <ul style="list-style-type: none"> <li>- challenging the assumptions used to assess the ZESCO trade receivable valuation, through the detailed analysis of the ageing of receivables assessment of significant overdue individual trade receivables and assessing specific local risks, combined with legal documentation, where needed;</li> <li>- reviewing the ESCROW Security agreement and the related assignment of the government guarantees;</li> <li>- the component auditors have also reviewed the adequacy of the expected credit losses recognized by MCL in respect of the balance outstanding as at year end.</li> </ul>
<p><b>Assessment of useful life of the assets and residual values for Property, Plant and Equipment of MCL:</b></p> <p>The management of Maamba Collieries Limited, a component, applies estimates and judgements in its determination of residual values and useful lives of property, plant and equipment. Management reviews the residual values and the useful lives of its assets at the end of each financial year and adjusts for changes, where appropriate.</p> <p>One of the key risks addressed by the Component Auditors was the risk that the useful lives and residual values assigned to power plant assets of MCL are inappropriate. An error in determining the residual value and useful lives of the assets could materially affect the valuation of the assets, due to an under/overstated depreciation charge. Accordingly, this has been considered as a key audit matter by the component auditors.</p> <p>Refer Note 2(e) and 2(g) to the consolidated financial statements.</p>	<p>The audit procedures of Component Auditor included testing the controls over the annual review of asset lives and residual values. In addition, the component auditors have also tested whether the directors' decisions on asset lives and residual values are appropriate by considering their knowledge of the business.</p> <p>The component auditors have reviewed the work performed on the componentisation of the power plant asset and also reviewed the key assumptions and the resultant power assets components and the related accounting policies specifically relating to the useful lives and residual values for each class of asset.</p>
<p><b>Assessment of the expected credit loss on the trade receivables of MCL:</b></p> <p>MCL has recognized a provision for the expected credit losses to the tune of ₹1,777.60 lakhs during the year ended 31 March 2019 on the balance of trade receivables. The provision for the expected credit losses involves certain significant judgement with respect to assessment of the default probabilities and recovery amounts from the financial assets that fall within the scope of Ind AS 109.</p> <p>Considering the exercise of the significant judgements in this regard, this matter has been considered as a key audit matter by the component auditors.</p> <p>Refer note 10 and 2(e) to the consolidated financial statements.</p>	<p>The audit procedures of the component auditor included assessment of the appropriateness of the assumption applied in the ECL model and review of the methodology applied by the management of MCL in the development of the impairment model.</p>





### Key audit matter

#### Compliance by MCL of amended debt covenant requirements:

The Common Terms Agreement (CTA) between MCL and its lenders in connection with the term loan availed by it defines certain key events or circumstances that will result in events of default.

On and at any time after the occurrence of an event of default, which is continuing, the Inter-creditor agent may exercise or, as appropriate, instruct the security trustee to exercise any or all of the remedies that could have a material impact on the financial position of MCL.

A breach in one or more of the “events of default” clauses could result in the lenders immediately calling on the loans and this will affect the solvency of MCL due to the classification of the loans between long-term liabilities and short-term liabilities. The details of the breach in covenant have been included in note 15(l) to the consolidated financial statements.

The component auditor has identified compliance with debt covenants and adequate disclosure of the loan covenant requirements as a key audit matter, in particular with respect to the events of default.

### How our audit addressed the key audit matter

The audit procedures of Component Auditor included reviewing the loan agreements with reference to the events of default. The component auditors have also reviewed the various aspects of laws and regulations and their compliance there forth. Furthermore, the procedures included re-computation of key financial ratio's in accordance with the loan agreements.

### Emphasis of Matters – Litigations

6. We draw attention to:
  - a. note 35 (xvii) to the consolidated financial statements which describes the uncertainty related to the outcome of the lawsuit filed against the subsidiary of the Company, Brahmani Infratech Private Limited.
  - b. note 35 (xviii) to the consolidated financial statements which describes the uncertainty related to the outcome of proceedings between the Central Bureau of Investigation and the Enforcement Directorate, Government of India and one of the subsidiary of the Company, Nava Bharat Projects Limited.

Our opinion is not modified in respect of these matters.

#### Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

#### Responsibilities of Management for the Consolidated Financial Statements

8. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the

Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the Company responsible for assessing the ability of the Group includes in the groups are to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the financial reporting process of the Companies included in the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 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 holding company and its subsidiary companies, which are companies covered under the Act, have adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. 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.
  14. We also provide those charged with governance with a



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

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

#### Other Matters

16. We did not audit the financial statements of 12 subsidiaries, whose financial statements reflects total assets of ₹760,470.01 lakhs and net assets of ₹240,707.85 lakhs as at 31 March 2019, total revenues of ₹183,783.45 lakhs and net cash outflows amounting to ₹6,809.06 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Further, all of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, and matters identified and disclosed under key audit matters section above, in so far as it relates to the balances

and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

17. We did not audit the financial statements of 1 subsidiary, whose financial statements reflects total assets of ₹0.17 lakhs and net assets/(liabilities) of ₹(0.41) lakhs as at 31 March 2019, total revenues of ₹ Nil and net cash inflows/outflows amounting to ₹0.17 lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statements is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, this financial statements is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

#### Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company and 2 subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 1 subsidiary Company covered under the Act has not paid or provided for any managerial remuneration during the year.
19. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and

- explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company and the subsidiary companies covered under the Act and taken on record by the Board of Directors of respective Companies, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2019 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 Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in note 35(a) to 35(c) to the consolidated financial statements;
- ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, which are companies covered under the Act, during the year ended 31 March 2019;
- iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sanjay Kumar Jain**

Partner

Membership No.: 207660

Place: Hyderabad, India

Date: 29 May 2019





**Annexure I to the Independent Auditor's Report of even date to the members of Nava Bharat Ventures Limited on the consolidated financial statements for the year ended 31 March 2019**

## **Annexure I**

### **Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Nava Bharat Ventures Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal financial control over financial reporting criteria established by the companies 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 the company's business, including adherence to the 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 Act.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary companies, as aforesaid.

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

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



### Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on internal financial control over

financial reporting criteria established by the companies 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').

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

Place: Hyderabad, India

Date: 29 May 2019





NAVA BHARAT

# Consolidated Balance Sheet

as at March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,82,092.88	5,75,311.77
Capital work-in-progress		621.97	969.36
Investment property	4	2,290.39	2,294.67
Goodwill	5	38,242.65	36,041.72
Other intangible assets	5	626.18	662.42
<b>Financial assets</b>			
(i) Investments	6(a)	1,066.29	1,610.59
(ii) Other financial assets	7(a)	1,565.32	1,361.32
Deferred tax assets (net)	17	13,223.46	16,525.94
Non-current tax assets (net)		845.25	1,035.50
Other non-current assets	8(a)	3,142.70	3,013.38
		<b>6,43,717.09</b>	<b>6,38,826.67</b>
<b>Current assets</b>			
Inventories	9	41,967.31	40,427.61
<b>Financial assets</b>			
(i) Investments	6(b)	14,450.28	15,878.25
(ii) Trade receivables	10	1,37,847.54	72,549.91
(iii) Cash and cash equivalents	11	22,618.59	27,804.48
(iv) Bank balances other than (iii) above		2,266.27	4,050.80
(v) Loans	12	22.83	35.98
(vi) Other financial assets	7(b)	968.64	2,771.56
Other current assets	8(b)	10,139.69	20,767.13
		<b>2,30,281.15</b>	<b>1,84,285.72</b>
		<b>8,73,998.24</b>	<b>8,23,112.39</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	3,572.77	3,572.77
Other equity	14	3,77,425.45	3,34,895.08
<b>Equity attributable to equity holders of holding company</b>		<b>3,80,998.22</b>	<b>3,38,467.85</b>
Non-controlling interests		44,158.59	31,859.97
		<b>4,25,156.81</b>	<b>3,70,327.82</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	15(a)	3,04,256.76	3,32,390.36
(ii) Other financial liabilities	16(a)	4,706.26	425.42
Provisions	17(a)	7,423.65	5,206.36
Deferred tax liabilities (net)	18	19,991.85	84.18
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	15(b)	13,148.71	12,521.09
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	32	975.05	774.02
(b) total outstanding dues other than (ii) (a) above		13,090.04	12,173.41
(iii) Other financial liabilities	16(b)	75,731.94	83,689.87
Other current liabilities	19	6,629.28	3,495.88
Provisions	17(b)	1,529.63	1,901.28
Current tax liabilities (net)		1,358.26	122.70
<b>Total Liabilities</b>		<b>4,48,841.43</b>	<b>4,52,784.57</b>
		<b>8,73,998.24</b>	<b>8,23,112.39</b>
<b>Total Equity and Liabilities</b>			

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

Place: Hyderabad, India  
Date: 29 May 2019

For and on behalf of the Board of Directors of  
**Nava Bharat Ventures Limited**

**T. Hari Babu**  
Chief Financial Officer

**VSN Raju**  
Company Secretary  
& Vice President

Place: Hyderabad, India  
Date: 29 May 2019

**G.R.K. Prasad**  
Executive Director  
DIN: 00006852

**P. Trivikrama Prasad**  
Managing Director  
DIN: 00006887

**D. Ashok**  
Chairman  
DIN: 00006903





# Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in lakhs of ₹, except earnings per equity shares)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	20	3,10,346.36	2,34,778.37
Other income	21	9,168.17	6,938.52
<b>Total income</b>		<b>3,19,514.53</b>	<b>2,41,716.89</b>
<b>Expenses</b>			
Cost of materials consumed	22	1,01,752.42	96,213.55
Excise duty		-	(89.95)
Purchases of stock-in-trade		224.69	242.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	2,617.66	5,961.54
Other manufacturing expenses	24	25,092.23	17,661.43
Employee benefits expense	25	17,353.56	14,786.05
Finance costs	26	35,092.87	24,633.77
Depreciation and amortisation expense	27	29,197.73	22,841.76
Other expenses	28	30,498.61	20,704.98
<b>Total expenses</b>		<b>2,41,829.77</b>	<b>2,02,955.29</b>
<b>Profit before tax</b>		<b>77,684.76</b>	<b>38,761.60</b>
<b>Tax expense</b>			
(a) Current tax	29	10,859.94	8,624.54
(b) Deferred tax expense		20,345.80	2,339.40
		<b>31,205.74</b>	<b>10,963.94</b>
<b>Profit for the year</b>		<b>46,479.02</b>	<b>27,797.66</b>
<b>Net profit attributable to:</b>			
- Shareholders of the Company		35,755.18	23,801.77
- Non-controlling interest		10,723.84	3,995.89
<b>Other comprehensive income</b>	30		
Items that will not be reclassified subsequently to profit or loss		1,717.47	303.71
Income tax relating to the above items		(56.34)	(5.64)
Items that will be reclassified subsequently to profit or loss		9,463.65	129.59
<b>Total other comprehensive income for the year</b>		<b>11,124.78</b>	<b>427.66</b>
<b>Total comprehensive income for the year</b>		<b>57,603.80</b>	<b>28,225.32</b>
<b>Total comprehensive income attributable to:</b>			
- Shareholders of the Company		45,305.18	23,933.66
- Non-controlling interest		12,298.62	4,291.66
<b>Earnings per equity share (EPES)</b>	31		
Basic EPES (In absolute ₹ terms)		21.56	14.35
Diluted EPES (In absolute ₹ terms)		21.56	14.35

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
 Chartered Accountants  
 Firm Registration No.: 001076N/N500013

**Sanjay Kumar Jain**  
 Partner  
 Membership No.: 207660

Place: Hyderabad, India  
 Date: 29 May 2019

For and on behalf of the Board of Directors of  
**Nava Bharat Ventures Limited**

**T. Hari Babu**  
 Chief Financial Officer

**VSN Raju**  
 Company Secretary  
 & Vice President

Place: Hyderabad, India  
 Date: 29 May 2019

**G.R.K. Prasad**  
 Executive Director  
 DIN: 00006852

**P. Trivikrama Prasad**  
 Managing Director  
 DIN: 00006887

**D. Ashok**  
 Chairman  
 DIN: 00006903





NAVA BHARAT

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in lakhs of ₹, except equity shares data)

## (A) EQUITY SHARE CAPITAL

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
<b>Equity shares of ₹2 each issued, subscribed and fully paid-up</b>				
Balance at the beginning of the year	17,85,75,482	3,572.77	17,85,75,482	3,572.77
Changes during the year	-	-	-	-
Balance at the end of the year	17,85,75,482	3,572.77	17,85,75,482	3,572.77

## (B) OTHER EQUITY

	Reserves and Surplus				Treasury shares	Other Comprehensive Income		Equity attributable to equity holders of holding company	Non-controlling interest	Total	
	Capital reserve	Capital redemption reserve	Securities premium	General reserve		Other reserve	Surplus in statement of profit and loss				Foreign currency translation reserve
<b>Balance as at 1 April 2017</b>	60.20	826.39	26,214.22	87,566.65	33.60	1,89,621.31	(3,085.67)	184.47	3,12,650.64	27,568.65	<b>3,40,219.29</b>
<b>Total comprehensive income for the year ended 31 March 2018</b>	-	-	-	-	-	23,801.77	-	-	23,801.77	3,995.89	27,797.66
Profit for the year	-	-	-	-	-	23,801.77	-	-	23,801.77	3,995.89	27,797.66
Other comprehensive income for the year	-	-	-	-	-	-	-	2.64	132.24	295.43	427.67
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>23,801.77</b>	-	<b>129.60</b>	<b>23,934.01</b>	<b>4,291.32</b>	<b>28,225.33</b>
Dividend on equity shares	-	-	-	-	-	(1,686.28)	-	-	(1,686.28)	-	(1,686.28)
Corporate dividend tax	-	-	-	-	-	(343.29)	-	-	(343.29)	-	(343.29)
Adjustments	-	-	-	-	-	-	340.00	-	340.00	-	340.00
<b>Balance as at 31 March 2018</b>	<b>60.20</b>	<b>826.39</b>	<b>26,214.22</b>	<b>87,566.65</b>	<b>33.60</b>	<b>2,11,393.51</b>	<b>(2,745.67)</b>	<b>187.11</b>	<b>3,34,895.08</b>	<b>31,859.97</b>	<b>3,66,755.05</b>
<b>Total comprehensive income for the year ended 31 March 2019</b>	-	-	-	-	-	35,755.18	-	-	35,755.18	10,723.84	46,479.02
Profit for the year	-	-	-	-	-	35,755.18	-	-	35,755.18	10,723.84	46,479.02
Other comprehensive income for the year	-	-	-	-	-	-	-	9,463.65	86.35	1,574.78	11,124.78
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>35,755.18</b>	-	<b>9,463.65</b>	<b>45,305.18</b>	<b>12,298.62</b>	<b>57,603.80</b>
Dividend on equity shares	-	-	-	-	-	(2,529.43)	-	-	(2,529.43)	-	(2,529.43)
Corporate dividend tax	-	-	-	-	-	(519.93)	-	-	(519.93)	-	(519.93)
Adjustment pursuant to the scheme of amalgamation (refer note 42)	-	-	-	-	-	274.55	-	-	274.55	-	274.55
<b>Balance as at 31 March 2019</b>	<b>60.20</b>	<b>826.39</b>	<b>26,214.22</b>	<b>87,566.65</b>	<b>33.60</b>	<b>2,44,373.88</b>	<b>(2,745.67)</b>	<b>20,822.72</b>	<b>3,77,425.45</b>	<b>44,158.59</b>	<b>4,21,584.04</b>

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076/N/500013

**Sanjay Kumar Jain**

Partner

Membership No.: 207660

Place: Hyderabad, India

Date: 29 May 2019

For and on behalf of the Board of Directors of  
**Nava Bharat Ventures Limited****T. Hari Babu**

Chief Financial Officer

**VSN Raju**

Company Secretary

&amp; Vice President

Place: Hyderabad, India

Date: 29 May 2019

**G.R.K. Prasad**

Executive Director

DIN: 00006852

**P. Trivikrama Prasad**

Managing Director

DIN: 00006887

**D. Ashok**

Chairman

DIN: 00006903

# Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>77,684.76</b>	<b>38,761.60</b>
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	29,197.73	22,841.76
Employee benefits expense	(287.92)	368.60
Provision for decommissioning and restoration cost	513.65	303.75
Allowance for credit loss	2,753.72	-
Liabilities no longer required written back	(175.28)	(79.57)
Interest income from bank deposits and others	(6,409.08)	(3,360.16)
Changes in fair value of investments	(871.37)	(1,076.40)
Gains on sale of investments	(394.96)	(302.03)
Dividend Income	(180.79)	(182.00)
(Gain)/loss on sale of property, plant and equipment	531.80	(188.80)
Bad debts written-off	189.77	-
Mark to Market loss on forward contracts	5,056.69	-
Interest expense	33,434.08	23,154.34
Unrealised foreign exchange loss (net)	(735.76)	412.14
Exchange differences on translation of foreign operations	7.56	114.61
<b>Operating cash flows before changes in working capital</b>	<b>140,314.60</b>	<b>80,767.84</b>
<b>Adjustment for changes in working capital:</b>		
Increase in inventories	(902.08)	(449.39)
Increase in trade receivables	(65,419.36)	(55,919.81)
Decrease in other financial assets	294.26	16,437.72
Decrease / (increase) in other assets	10,971.77	(4,868.24)
Increase in trade payables	880.99	3,654.75
Decrease in other financial liabilities	(937.30)	(10,470.07)
Increase / (decrease) in other current liabilities	3,018.07	(2,832.57)
(Decrease) / increase in provisions	-	624.85
	<b>(52,093.64)</b>	<b>(53,822.76)</b>
<b>Cash generated from operations</b>	<b>88,220.96</b>	<b>26,945.08</b>
Income taxes paid	(6,303.03)	(6,862.19)
<b>Net cash generated from operating activities</b>	<b>81,917.93</b>	<b>20,082.89</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12,627.28)	(7,988.94)
Proceeds from sale of fixed assets	43.63	533.17
Loans given/(received)	15.32	(17.16)
Changes in other bank balances	1,432.22	4,703.83
Receipts from employee welfare trust	-	340.00
Investments made during the year	(11,028.83)	(7,645.48)
Proceeds from sale of investments	14,500.42	32,633.86
Dividend received	180.79	182.00
Interest received	(6,501.01)	3,870.37
<b>Net cash generated from/(used in) investing activities</b>	<b>(982.72)</b>	<b>26,611.65</b>



## Consolidated Statement of Cash Flows (Cont...)

for the year ended March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	15,500.00	10,599.06
Repayment of long-term borrowings	(70,975.61)	(67,577.18)
Proceeds from /(repayment) of short-term borrowings, net	3,004.25	1,283.89
Dividends paid	(3,049.36)	(2,029.57)
Interest paid	(32,241.12)	(23,589.20)
<b>Net cash used in financing activities</b>	<b>(87,761.84)</b>	<b>(81,313.00)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,826.63)</b>	<b>(34,618.46)</b>
Cash and cash equivalents at the beginning of the year	27,804.48	62,295.02
Cash and cash equivalents transferred Pursuant to the scheme of arrangement (refer note 42)	34.52	-
Foreign currency translation reserve	1,606.22	127.93
<b>Cash and cash equivalents at the end of the year</b>	<b>22,618.59</b>	<b>27,804.48</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	15.15	15.87
Balances with banks:		
On current accounts	21,603.44	27,538.61
On deposit accounts	1,000.00	250.00
<b>Total cash and cash equivalents (note 11)</b>	<b>22,618.59</b>	<b>27,804.48</b>

This is the Consolidated Cash Flow Statement referred to in our report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Sanjay Kumar Jain**

Partner  
Membership No.: 207660

Place: Hyderabad, India  
Date: 29 May 2019

For and on behalf of the Board of Directors of

**Nava Bharat Ventures Limited**

**T. Hari Babu**

Chief Financial Officer

**VSN Raju**

Company Secretary  
& Vice President

Place: Hyderabad, India  
Date: 29 May 2019

**G.R.K. Prasad**

Executive Director  
DIN: 00006852

**P. Trivikrama Prasad**

Managing Director  
DIN: 00006887

**D. Ashok**

Chairman  
DIN: 00006903

# Notes

to the Consolidated Financial Statements – March 31, 2019

## 1. CORPORATE INFORMATION:

The consolidated financial statement comprise financial statements of Nava Bharat Ventures Limited (“Holding Company” or “the Company”) together with its subsidiaries (collectively terms as “the Group”). The Holding Company was incorporated in India on 7 November, 1972 under the Companies Act, 1956 with its registered office situated at Nava Bharat Chambers, 6-3-1109/1 Rajbhavan road, Hyderabad – 500082, India. The Company’s equity shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). At present the Group is engaged in the business of manufacture of ferro alloys, sugar, generation of power and mining activities in India, Singapore and Zambia.

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 29 May 2019.

## 2. SIGNIFICANT ACCOUNTING POLICIES:

### a) Basis of preparation of consolidated financial statements:

The consolidated financial statements have been prepared on a going concern basis in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (“the Rules”) (as amended).

The consolidated financial statements have been prepared under historical cost convention and on an accrual basis, except for financial instruments which have been measured at fair value at the end of each reporting period. The accounting policies applied by the Group are consistent with those used in the prior periods, unless otherwise stated elsewhere in these financial statements.

### b) Consolidation procedure:

#### i. Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these

consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

#### ii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company’s interest in the investee.

#### iii. Acquisition of non-controlling interests (NCI)

Acquisition of some or all of the NCI is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the parent company. The associated cash flows are classified as financing activities. No goodwill is recognised as a result of such transactions.

#### iv. Loss of Control

Upon loss of control, the Company de-recognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated Statement of Profit and Loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a fair value through other comprehensive income (FVTOCI) or fair value through profit and loss (FVTPL) financial asset, depending on the level of influence retained.

#### c) Business Combination:

The group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in Statement of Profit and Loss as incurred. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.



## Notes

to the Consolidated Financial Statements – March 31, 2019

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed cost of acquisition, after reassessing the fair value of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of the non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition,

the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfer of interest in entities that are under the common control are accounted at historical cost. The difference between consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholder's equity.

**d) The consolidated financial statements have been prepared on the basis of the financial statements of the following subsidiaries and step down subsidiaries. The following subsidiaries were considered in the consolidated financial statements:**

S. No	Name of the consolidated entity	Country of incorporation	% of effective holding	% of holding by immediate parent entity
1.	Nava Bharat Energy India Limited	India	100%	74%
2.	Nava Bharat Projects Limited	India	100%	100%
3.	Brahmani Infratech Private Limited	India	65.74%	65.74%
4.	Nava Bharat (Singapore) Pte. Limited	Singapore	100%	100%
5.	Nava Energy Pte. Limited	Singapore	100%	100%
6.	Nava Agro Pte. Limited	Singapore	100%	100%
7.	Nava Holding Pte. Limited	Singapore	100%	100%
8.	Maamba Collieries Limited	Zambia	64.69%	64.69%
9.	Nava Energy Zambia Limited	Zambia	100%	100%
10.	Tiash Pte. Limited	Singapore	65%	65%
11.	TIS Pte. Limited	Singapore	65%	100%
12.	The Iron Suites Pte. Limited	Singapore	58.5%	90%
13.	Compai Healthcare Sdn Bhd	Malaysia	65%	100%
14.	Compai Pharma Pte Ltd	Singapore	65%	100%
15.	Kawambwa Sugar Limited.	Zambia	100%	100%
16.	Kinta Valley Mining Resources Sdn Bhd*	Malaysia	100%	100%

\* Represents the entity incorporated during the year ended 31 March 2019.

**e) Significant accounting estimates, assumptions and judgements:**

The preparation of consolidated financial statements requires management to make accounting estimates, assumptions and judgements that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures of contingencies at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

## Notes

to the Consolidated Financial Statements – March 31, 2019

### e) Significant accounting estimates, assumptions and judgements: (continued)

#### Judgements, estimates and assumptions:

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

#### i. Impairment of non-current assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a "Discounted Cash Flow" (DCF) model.

#### ii. Defined benefit plans:

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

#### iii. Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets.

### iv. Life time expected credit loss on trade and other receivables:

Trade receivables are stated at their transaction value as reduced by life time expected credit losses ("LTECL"). As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss. This amount is reflected under the head other expenses/other income in the Statement of Profit and Loss. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount. The information about the ECLs on the group's trade receivables is disclosed in Note 10.

### v. Contingencies:

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claims/litigations against the Group/by the Group as it is not possible to predict the outcome of pending matters with accuracy.

### vi. Assessment of useful lives of property, plant and equipment:

Depreciation on property, plant and equipment is calculated on a straight-line basis/written down value based on the useful lives estimated by the management. Considering the applicability of Schedule II to Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these





## Notes

to the Consolidated Financial Statements – March 31, 2019

in certain cases are different from lives prescribed under Schedule II to the Companies Act, 2013.

### vii. Intangibles:

Internal technical or user team assess the useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

### viii. Income taxes:

Deferred tax assets including MAT Credit Entitlement is recognized to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### ix. Coal reserve:

A coal reserve estimate is an estimate of the amount of product that can be economically and legally extracted from the Group's properties. In order to calculate coal reserve, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Estimating the quantity and/or grade of coal reserve requires the size, shape and depth of coal bodies to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgments and calculations to interpret the data.

- x. Brahmani Infratech Private Limited (BIPL), a group company, have its principal objectives of engaging in the business of infrastructure development. However, owing to pending disposal of a continuing litigation, the management has temporarily invested the available funds as at 31 March 2019, thereby yielding investment income. On the basis of assessment of the nature of business of the Group, duly supported by an independent opinion from an expert, the management is of the view that the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 is not applicable to BIPL. Accordingly, the group company has not got themselves registered under the aforesaid provisions as at 31 March 2019.

- xi. Nava Bharat Projects Limited (NBPL), a component's principle business objectives are to provide project support /management, and operating and maintenance services to power generating companies. Whereas, due to certain ongoing pending litigations, management had temporarily deployed its surplus assets in interest and dividend earning investments, which under the instant rules and regulations could be construed as a non-banking financial services activities. Further during the year ended 31 March 2019, NBPL's core operational income exceed 50% of the total revenues in view of the management's immediate and long term plans to continue with its primary business activities, and considering the temporary nature of such investments, management on the basis of internal assessment duly supported by the opinion of an independent expert, has assessed that the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 is not applicable to NBPL.

### xii. Water drawing rights:

The Group has obtained the water drawings rights, for its power projects, from Government authorities initially for a period of 5 - 10 years as the case may be. The management of the Group believes that the water drawing rights will be extended further. Hence, the Group has considered the useful life of water pipelines as 40 years to amortise the erection cost of pipeline, in line with the useful life of power generating assets.

### xiii. Environmental Rehabilitation obligations:

The Group has long-term remediation obligations comprising decommissioning, dismantling and restoration liabilities relating to its past operations which are based on the Group's environmental management plans, in compliance with current environmental and regulatory requirements. Provisions for non-recurring remediation costs are made when there is a present obligation, it is probable that expenditure on remediation work will be required and the cost can be estimated within a reasonable range of possible outcomes. The costs are based on currently available facts, technology expected to be available at the time of the clean-up, laws and regulations presently or virtually certain to be enacted and prior experience in remediation of contaminated sites.

The Group has recognised a provision for environmental restoration costs based on an independent environmental impact assessment report by an independent consultant.

## Notes

to the Consolidated Financial Statements – March 31, 2019

The value recognised is the present value of the estimated future restoration costs attributable to the current period.

#### xiv. Decommissioning and dismantling cost:

Provision is made for costs associated with restoration of the land in which the power generating assets of the group are situated. The restoration/dismantling costs are estimated on the basis of the management plans and the estimated discounted costs of dismantling and removing these facilities. The costs of restoration are capitalised when incurred reflecting the group's obligations at that time.

A corresponding provision is created on the liability side. The capitalised asset is charged to the Statement of Profit and Loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.

#### xv. Allowance for slow moving, damaged and obsolete inventory:

An allowance for inventory to write down to the lower of cost or net realisable value is made by management based on the made estimates of the selling price and direct cost to sell the slow moving/damaged inventory. The write down is included in the operating results.

#### xvi. Revenue from contracts with customers:

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Identifying performance obligations in the sale of goods and provision of services.
- Determining the timing of satisfaction of goods and services.

#### Consideration of significant financing component in a contract

Maamba Collieries Limited, a group company sells power generated by the power plant and the coal to customers for which there is no manufacturing lead time. This type of contract includes two alternative payment options for the

customer. i.e., payment of the transaction price equal to the cash selling price upon delivery of the power generated by the power plant and the coal sold to customers or payment of a lower transaction price when the contract is signed. MCL concluded that there is no significant financing component for contracts where the customer elects to pay in advance considering the length of time between the customer's payment and the transfer of power generated by the power plant and the coal sold to customers, as well as the prevailing interest rate in the market.

#### xvii. Development costs

Maamba Collieries Limited, a component of the Company, capitalises costs incurred towards setting up a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the commissioning date in line with the various agreements with lenders and other. During the year, no development costs were capitalised (31 March 2018: ₹410,398 lakhs).

#### f) Current vs non-current classifications:

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it satisfies the below mentioned criteria:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies the below mentioned criteria:

- Expected to settle the liability in normal operating cycle;



## Notes

to the Consolidated Financial Statements – March 31, 2019

- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### g) Property, plant and equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

The Group adopted cost model as its accounting policy, in recognition of the property, plant and equipment and recognises transaction value as the cost.

Direct expenditure incurred and other attributable costs on

projects under implementation are treated as unallocated capital expenditure pending allocation to the assets and under construction or in the process of installation are termed as Capital work-in-progress and shown at cost in the Balance Sheet.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The improvements/modifications carried on the lease hold land/property are recognised as lease hold improvements and are written off over the primary lease period or the life of such improvement whichever is lower.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost of the assets after commissioning, less its residual value, over their useful lives as estimated by the management. Land is not depreciated.

The details of the useful lives as estimated by the management, the useful lives as per the Act and the method of computation of depreciation is as follows:

Category of asset	Method of depreciation	Estimated useful lives as assessed by the management	Useful lives as per Schedule II to the Act
Buildings	Straight line method(SLM)	10-60 years	30-60 years
Temporary structures	SLM	3-5 years	3 years
Plant and Equipment	SLM	3-40 years	15-40 years
Furniture and Fixtures	SLM	8-10 years	8-10 years
Vehicles	Written down value method(WDV)	8-10 years	10 years
Office equipment	SLM	5-15 years	5 years
Computers	SLM	3 years	3 years
Air conditioners and Coolers	SLM	5 years	5 years
Railway sidings	SLM	15 years	15 years
Power evacuation lines	SLM	40 years	40 years
Aircraft	SLM	10 years	20 years
Other assets	WDV	3-40 years	15 years

## Notes

to the Consolidated Financial Statements – March 31, 2019

### h) Biological assets –Bearer Plants

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets - bearer plants are measured at their fair value less estimated point-of-sale costs, with any charges therein recognised in profit or loss. The fair value of biological assets is determined based on market prices of biological assets of similar age, breed, and genetic merit. A gain or loss arising on initial recognition of agricultural produce at fair value less estimated point-of-sale costs is included in profit or loss for the period in which it arises. Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate is used to determine fair value. Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses as follows:

Item	Useful life
Cane sugar – bearer plants	2 years
Cane sugar – bearer plant transplanted	5 years

### i) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced,

the carrying amount of the replaced part is de-recognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life of buildings, classified as Investment properties, is considered as 60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

### j) Stripping cost:

As part of its coal mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations, stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalised as part of the cost of constructing the mine and subsequently amortised over its useful life using a units of production method. The capitalisation of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management.

Stripping activities undertaken during the production phase of a surface mine (production stripping) are accounted for as set out below. After the commencement of production further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The costs of such stripping are accounted for in the same way as development stripping (as outlined above). Stripping costs incurred during the production phase are generally considered to create two benefits, being either the production of inventory or improved access to the coal to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories, Where the benefits are realised in the form of improved access to coal to be mined in the future, the costs are recognised as a non-current asset, referred to as a stripping activity asset, if the following criteria are met:



## Notes

to the Consolidated Financial Statements – March 31, 2019

- a) Future economic benefits (being improved access to the coal body) are probable;
- b) The component of the coal body for which access will be improved can be accurately identified;
- c) The costs associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are charged to the Statement of Profit and Loss as operating costs as they are incurred. In identifying components of the coal body, the Group works closely with the mining operations personnel for each mining operation to analyse each of the mine plans. Generally, a component will be a subset of the total coal body, and a mine may have several components. The mine plans, and therefore the identification of components, can vary between mines for a number of reasons. These include, but are not limited to: the type of commodity, the geological characteristics of the coal body, the geographical location, and/or financial considerations. Given the nature of the Company's operations, components are generally either major pushbacks or phases and they generally form part of a larger investment decision which requires board approval.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of coal, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset. If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the coal body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place.

The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of coal production of each component. The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented

as part of deferred stripping cost in the Statement of PPE. This forms part of the total investment in the relevant cash generating unit(s), which are reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the units of production method over the life of the identified component of the coal body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the coal body, the stripping activity asset is then carried at cost less depreciation and any impairment losses.

### k) Intangible assets:

#### Computer software:

Costs incurred towards purchase of computer software are amortised over the useful life as estimated by the Management which in the range of 3 to 5 years for all of the intangible computer software assets.

#### Water drawing rights:

Cost incurred towards obtaining the initial water drawings rights, for its power projects, from Government and the cost incurred by the Group in erecting water pipelines to draw water from the resources which are recognised as intangible assets are amortised over the estimated useful life of 40 years.

### k (i) Goodwill:

Goodwill represents the excess of purchase consideration over the net book value of assets acquired of the subsidiary companies as on the date of investment. Goodwill on consolidation and acquisition is not amortized but is tested for impairment on a periodic basis and impairment losses are recognized where applicable.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

## Notes

to the Consolidated Financial Statements – March 31, 2019

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss.

### l) Impairment of non-financial assets:

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer existing or have decreased.

### m) 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. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys the right to use the assets, even if that right is not explicitly specified in an arrangement.

#### Classification on inception of lease

#### a) Operating lease:

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

#### b) Finance lease:

A lease is classified as a financial lease where the lessor transfers substantially all the risks and rewards incidental to the ownership of the leased item.

### Accounting of Operating leases

#### In case the Group is a lessee:

Lease payment in case of operating leases are charged to Statement of Profit and Loss on straight line basis over the lease term. In case the escalation in operating lease payments are in line with the expected general inflation rate then the lease payments are charged to Statement of Profit and Loss instead of straight line method.

#### n) Inventories:

Inventories consisting of raw materials, stores and spares, work-in-progress and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Stores and spares, that do not qualify to be recognised as property, plant and equipment is classified as inventory to be used by the Group.

By-products are valued at estimated net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The factors that the Group considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Group business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

#### o) Revenue recognition:

Revenue comprises of sale of goods, sale of power and rendering of services and other operating revenues comprise of export benefits and other miscellaneous incomes. Revenue is measured at the fair value of consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Group.





## Notes

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The group has adopted Ind AS 115 - Revenue from Contracts with Customers, using cumulative catch-up transition method with effect from 1 April 2018 and accordingly these financial statements are prepared in accordance with the recognition and measurement principles laid down under Ind AS 115. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements of the group.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the group expects to receive in exchange for those products or services.

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. the customer simultaneously receives and consumes the benefits provided by the group's performance as the group performs; or
- ii. the group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. the group's performance does not create an asset with an alternative use to the group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue in excess of invoicing are classified as contract asset while collections in excess of revenues are classified as contract liabilities.

Further, at the time of revenue recognition, the entity also determines whether there are any material unsatisfied performance obligations and determines the portion of the aggregate consideration, if any, that needs to be allocated and deferred.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts with an original expected duration of one year or less and in respect of contracts where the revenue recognised corresponds directly with the value to the customer of the Group's performance completed to date.

Specifically, the following basis is adopted for various sources of income:

### i. Sale of goods:

Revenue is recognised at a point in time, on satisfaction of performance obligation upon transfer of control of promised products which generally coincides with delivery. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes. Revenue from export sales is recognised on the date of bill of lading, based on the terms of export.

### ii. Sale of power/energy:

Revenue from energy units sold is recognized at a point in time, on satisfaction of performance obligation upon transfer of control i.e., based on the units of energy delivered and in accordance with the terms of arrangement with customers and based on the rate agreed with customers.

### iii. Income from services:

Sale of services comprises of Revenue from conversion of ferro alloys on behalf of a customer. The revenue from conversion of ferro alloys is recognised on the basis of completion of conversion work on the underlying quantity in accordance with the terms of the relevant agreements as accepted and agreed with the customers wherein, the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The amount of conversion works completed which is yet to be billed has been presented as accrued conversion charges in other financial assets.

### iv. Interest/dividend:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the right to receive payment is established.



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### v. Export benefits:

Export benefits in the form of duty drawback and Merchandise Exports from India and other schemes are recognised on accrual basis.

### vi. Other sundry incomes:

Insurance claims and conversion escalations are accounted for on realisation.

### p) Foreign exchange transactions:

The Group's consolidated financial statements are presented in Indian rupees, which is the functional currency of the Company. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to Statement of Profit and Loss reflects the amount that arises from using this method.

### a) Initial recognition

Foreign currency transactions are recorded by the Group's entities at their respective functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and foreign currency at the date of the transaction.

### b) Conversion

Foreign currency monetary items are reported at functional currency spot rate of exchange at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income (OCI) or profit or loss are also recognized in OCI or profit or loss, respectively).

### c) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at

rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

### d) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Indian rupees at the rate of exchange prevailing at the reporting date and their Statements of Profit and Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the Statement of Profit and Loss.

### q) Restoration, environment rehabilitation, decommissioning and dismantling costs:

Restoration, environment rehabilitation, decommissioning and dismantling costs are recognised at the net present value of the amounts estimated by the management expert engaged in this regard. The cost estimates are arrived at after consideration of certain key factors such as the planned duration of the operations, the appropriate discount rates, the cost inflation index of the respective geography, restoration technology, etc. Such costs are capitalised at the start of each project with the recognition of a corresponding liability, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance cost in Statement of Profit and Loss. Costs for the restoration of subsequent



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site damage, which is caused on an ongoing basis during production, are charged to Statement of Profit and Loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

## r) Government Grant

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## s) Retirement and other employee benefits:

- i. Employer's contribution to provident fund/employee state insurance/ National Pension Scheme Authority (NAPSA) which are in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- ii. Gratuity liability is in the nature of defined benefit obligation. Such liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 "Employee Benefits".
- iii. Actuarial gain/(loss) in the valuation are recognised as other comprehensive income for the period.
- iv. Compensated absences are provided for based on estimates of independent actuarial valuation on

projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 "Employee Benefits".

## t) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## u) Operating segment:

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Management/Chief Operating Decision Maker ("CODM").

The Board of Directors of the Group has identified the Chairman as the CODM.

## v) Dividends:

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

## w) Earnings per equity share:

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period, net off treasury shares.

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

## x) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of

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resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

### y) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of balance sheet and is disclosed as a contingent asset or contingent liability. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities.

### z) Taxes on income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the income tax regulations prevalent in the respective geographies. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the

extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where a component has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if it is probable that they can be utilised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement.

### aa) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment.

### ab) Fair value measurement:

The Group measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for such asset or liability, or in the absence of a principal market, in the most advantageous market which is accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

## ac) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

### a) Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL) transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in Statement of Profit and Loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### b) Subsequent measurement:

For subsequent measurement, financial assets are classified into following categories:

- a. Debt instruments at amortised cost
- b. Debt instruments at FVTPL
- c. Equity instruments at FVTPL

#### a. Debt Instruments:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. 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 amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

#### b. Debt instruments at FVTPL:

As per the Ind AS 101 and Ind AS 109, the Group is permitted to designate the previously recognised financial asset at initial recognition irrevocably at FVTPL on the basis of facts and circumstances that exists on the date of transition to Ind AS. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### c. Equity instruments:

Equity instruments/Mutual funds in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the Statement of Profit and Loss.

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Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Group may make an irrevocable election to present in OCI subsequent changes in fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain/loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### c) De-recognition:

A financial asset or where applicable, a part of a financial asset is primarily de-recognised when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

### Impairment of financial assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the Statement of Profit and Loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

### Financial liabilities:

#### a) Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

#### b) Subsequent measurement:

##### i. Financial liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Gain or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

The Group has not designated any financial liability at FVTPL.

##### ii. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liability with maturity of less than one year is shown at transaction value.

#### c) De-recognition:

A financial liability is de-recognised when the



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obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other income or finance costs.

### ad) Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with original or modified terms of a debt instrument.

The Group measures any financial guarantee on initial recognition at their fair value.

Subsequently these contracts are measured at the higher of:

- a. the amount of the loss allowance determined as per impairment requirements of Ind AS 109, and
- b. the amount initially recognised, less where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### ae) Derivatives financial instruments:

The Group uses derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations and interest rates. Such derivative financial instruments are initially recognised at contract/agreed rate on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

### af) Hedging activities and derivatives:

Derivatives not designated as hedging instruments:

The Group uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some

of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions generally from one to 6 months.

A hedging relationship qualifies for hedge accounting if, and only if all the following conditions are met.

- a. At the inception of the hedge there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge. That documentation shall include the identification of hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.
- b. The hedge is expected to be highly effective in achieving offsetting changes in fair values or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship.
- c. For cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to various cash flows that could ultimately affect profit or loss.
- d. The effectiveness of the hedge can be reliably measured i.e.; the fair values or the cash flows of the hedged item that are attributable to the hedged risk and the fair value of the hedging instrument can be reliably measured.
- e. The hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

As at 31 March 2019, the Group's hedging instruments did not qualify for hedge accounting in accordance with the Group's policy. Hence the interest rate swap contracts and the foreign exchange forward contracts are not designated in hedge relationships and are measured at FVTPL.

### 2.1 RECENT ACCOUNTING PRONOUNCEMENTS:

- a) **Ind AS 116: Leases:** On March 30, 2019, "Ministry of



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Corporate Affairs,” “MCA” has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. Ind AS 116 removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability (the obligation to pay rentals). An optional exemption exists for short-term and low value leases. The standard may not have a significant impact on the Company’s consolidated financial statements considering the number of assets under operating lease arrangement as at 31 March 2019. On implementation of Ind AS 116, the operating lease charges will be replaced with interest and depreciation expenses. These changes will affect key ratios like profit margin, operating margin, EBITDA margin etc. Further, operating cash flows will be higher as cash payments for the principal portion of the lease liability will be classified within financing activities.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

### **b) Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments:**

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax

filing which has to be considered to compute the most likely amount of the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and
- Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives

The Group is currently assessing the detailed financial impact of this standard on its consolidated financial statements.

### **c) Amendment to Ind AS 12, Income Taxes:**

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The group is currently evaluation the effect of this amendment on the consolidated financial statements.





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(All amounts in lakhs of ₹, unless otherwise stated)

(All amounts in lakhs of ₹, unless otherwise stated)

## 3. PROPERTY, PLANT AND EQUIPMENT

	Land - Freehold*	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers and coolers	Air conditioners and coolers	Railway sidings	Power evacuation lines**	Air craft	Deferred stripping costs	Bearer plant	Improvements to leased premises	Other assets	Total
<b>Gross block</b>																
As at 1 April 2017	3,377.97	26,930.80	1,53,374.16	108.47	2,141.09	97.04	203.52	39.25	358.72	7,009.01	2,160.20	5,244.57	-	54.50	445.32	2,01,544.62
Additions during the year	-	41,906.06	3,46,461.23	44.05	370.80	57.33	19.23	4.19	-	-	321.59	4,404.27	-	25,360.01	17.38	4,18,966.14
Disposals/Adjustments	-	408.22	80.39	-	122.52	6.12	-	1.14	-	-	-	71.03	-	54.77	0.15	744.34
Foreign currency translation adjustments***	-	491.65	4,040.07	-	10.66	0.08	0.05	-	-	-	14.62	76.42	-	285.03	-	4,918.58
<b>As at 31 March 2018</b>	<b>3,377.97</b>	<b>68,920.29</b>	<b>5,03,795.07</b>	<b>152.52</b>	<b>2,400.03</b>	<b>148.33</b>	<b>222.80</b>	<b>42.30</b>	<b>358.72</b>	<b>7,009.01</b>	<b>2,496.41</b>	<b>9,654.23</b>	<b>-</b>	<b>25,644.77</b>	<b>462.55</b>	<b>6,24,685.00</b>
Additions during the year	209.40	945.03	3,247.65	21.59	414.74	200.84	13.25	6.39	-	-	4,314.30	279.25	15.40	33.09	9,700.93	
Disposals/Adjustments	-	-	431.06	-	171.34	71.62	0.86	2.02	-	-	-	-	-	-	-	676.90
Foreign currency translation adjustments***	(1.94)	4,397.57	23,110.51	1.07	98.84	2.97	1.46	-	-	-	152.45	625.04	(2.58)	8.30	0.04	28,393.73
<b>As at 31 March 2019</b>	<b>3,585.44</b>	<b>74,262.89</b>	<b>5,29,722.17</b>	<b>175.18</b>	<b>2,742.26</b>	<b>280.52</b>	<b>236.65</b>	<b>46.67</b>	<b>358.72</b>	<b>7,009.01</b>	<b>2,648.86</b>	<b>14,593.57</b>	<b>276.67</b>	<b>25,668.47</b>	<b>495.68</b>	<b>6,62,102.76</b>
<b>Accumulated depreciation</b>																
<b>Up to 31 March 2017</b>	-	2,610.44	17,358.98	99.41	1,050.89	33.12	23.16	16.56	75.42	570.18	619.01	2,816.35	-	12.30	158.30	25,444.12
Charge for the year	-	2,816.68	19,942.14	25.21	446.61	44.75	40.75	6.28	37.71	8.26	465.00	-	-	168.22	62.59	24,064.20
Disposals/Adjustments	-	70.05	79.49	-	118.04	5.92	-	1.13	-	-	-	71.04	-	54.16	0.14	399.97
Foreign currency translation adjustments***	-	24.12	208.01	0.49	8.93	0.31	0.14	-	-	-	8.40	14.33	-	0.13	0.01	264.87
<b>Up to 31 March 2018</b>	<b>-</b>	<b>5,381.19</b>	<b>37,429.64</b>	<b>125.11</b>	<b>1,388.39</b>	<b>72.26</b>	<b>64.05</b>	<b>21.71</b>	<b>113.13</b>	<b>578.44</b>	<b>1,092.41</b>	<b>2,759.65</b>	<b>-</b>	<b>126.49</b>	<b>220.76</b>	<b>49,373.22</b>
Charge for the year	-	3,951.23	24,515.60	31.18	327.57	38.61	49.96	6.58	37.71	-	267.36	41.63	17.82	53.77	92.31	29,431.33
Disposals/Adjustments	-	-	310.08	-	153.52	66.79	0.36	1.98	-	-	-	-	-	-	-	532.73
Foreign currency translation adjustments***	-	122.59	1,239.42	0.25	66.20	1.71	0.72	-	-	-	64.24	243.50	(0.16)	2.03	(2.43)	1,738.06
<b>Up to 31 March 2019</b>	<b>-</b>	<b>9,455.02</b>	<b>62,874.58</b>	<b>156.54</b>	<b>1,628.64</b>	<b>45.79</b>	<b>114.37</b>	<b>26.31</b>	<b>150.84</b>	<b>578.44</b>	<b>1,424.01</b>	<b>3,044.78</b>	<b>17.65</b>	<b>182.29</b>	<b>310.64</b>	<b>80,009.88</b>
<b>Net block</b>																
As at 31 March 2019	3,585.44	64,807.87	4,66,847.59	18.64	1,113.62	234.73	122.28	20.36	207.88	6,430.57	1,224.85	11,548.79	259.02	25,486.18	185.04	5,82,092.88
As at 31 March 2018	3,377.97	63,539.10	4,66,365.43	27.41	1,011.64	76.07	158.75	20.59	245.59	6,430.57	1,404.00	6,894.58	-	25,518.28	241.79	5,75,311.77

\* Free hold land includes land aggregating to ₹232.31 lakhs, held in the name of erstwhile companies, which were transferred to the Company pursuant to a scheme of amalgamation in earlier years.

\*\* Represents the cost incurred towards laying the power evacuation lines, the ownership of which vests with the State Owned Power Distribution Company. However, these assets are exclusively available to the group for its utilisation and accordingly, the amounts spent have been capitalised in the accordance with the provisions of the accounting principles.

\*\*\* Represents adjustments on account of translation of financial information of foreign operation.

**Note 1:** Included in plant and machinery balance is an amount of ₹12,051.45 lakhs (31 March 2018 : ₹12,051.45 lakhs) relating to the control system (Hardware and Software) of the power plant. Part of this balance includes hardware and software used to operate the PLC and DCS systems. Estimating the split in cost between the hardware and software is very difficult and impracticable to determine. Accordingly management has applied the practical expedient and has not separated the two components. Should the assumption change, management could adjust the annual financial statements in the next period.

**Note 2:** The written down value of property, plant and equipment as at 31 March 2019 includes amounts of ₹19,800.29 lakhs and ₹7,969.22 lakhs pertaining to the 60 MW thermal power generation station located at Odisha and 20 MW thermal power generation station located at Dharmavaram, respectively. These units are non-operational owing to the mis-match in the demand and supply of power in the underlying jurisdiction in which they operate and due to pending receipt of certain regulatory approvals. The management has assessed that the carrying value of the aforesaid assets are fully recoverable on the basis of internally developed financial projections. The projections so made involve making significant assumptions including capacity utilization, tariff rates and other operating parameters which, on the basis of the management, reasonably reflects the future outcome of the planned business efforts. Consequently, no adjustments have been made to the carrying values of these assets in this regard.

## Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 4. INVESTMENT PROPERTY

	Land	Building	Total
<b>Gross block</b>			
<b>As at 1 April 2017</b>	2,131.34	173.93	2,305.27
Additions during the year	17.96	-	17.96
<b>As at 31 March 2018</b>	<b>2,149.30</b>	<b>173.93</b>	<b>2,323.23</b>
Additions during the year	-	-	-
<b>As at 31 March 2019</b>	<b>2,149.30</b>	<b>173.93</b>	<b>2,323.23</b>
<b>Accumulated depreciation</b>			
<b>Up to 31 March 2017</b>	-	22.86	22.86
Charge for the year	-	5.70	5.70
<b>Up to 31 March 2018</b>	-	<b>28.56</b>	<b>28.56</b>
Charge for the year	-	4.28	4.28
<b>Up to 31 March 2019</b>	-	<b>32.84</b>	<b>32.84</b>
<b>Net block</b>			
As at 31 March 2019	2,149.30	141.09	2,290.39
As at 31 March 2018	2,149.30	145.37	2,294.67

#### (a) Fair value disclosure

	As at 31 March 2019	As at 31 March 2018
Investment property	3,570.00	2,850.00

#### Estimation of fair value

The Company performs a valuations for its investment properties at least annually by its internal/ external team. The best evidence of fair value is current prices in an active market for similar properties.

The fair value of investment properties have been determined by the management on the basis of their expertise in this field. The main inputs used are the relevant prices of comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

### 5. OTHER INTANGIBLE ASSETS

	Other intangible assets			Goodwill**
	Computer Software	Water drawing rights	Total	
<b>Gross block</b>				
<b>As at 1 April 2017</b>	263.41	422.21	685.62	35,859.23
Additions during the year	357.90	-	357.90	-
Foreign currency translation adjustments*	0.23	-	0.23	182.49
<b>As at 31 March 2018</b>	<b>621.54</b>	<b>422.21</b>	<b>1,043.75</b>	<b>36,041.72</b>
Additions during the year	97.10	-	97.10	-
Disposals	(0.13)	-	(0.13)	-
Foreign currency translation adjustments*	23.61	-	23.61	2,200.93
<b>As at 31 March 2019</b>	<b>742.12</b>	<b>422.21</b>	<b>1,164.33</b>	<b>38,242.65</b>
<b>Accumulated amortization</b>				
<b>Up to 31 March 2017</b>	<b>126.59</b>	<b>25.16</b>	<b>151.76</b>	-
Charge for the year	119.41	109.42	228.83	-
Foreign currency translation adjustments*	0.74	-	0.74	-
<b>Up to 31 March 2018</b>	<b>246.74</b>	<b>134.58</b>	<b>381.33</b>	-
Charge for the year	128.53	23.67	152.20	-
Foreign currency translation adjustments*	4.62	-	4.62	-
<b>Up to 31 March 2019</b>	<b>379.89</b>	<b>158.25</b>	<b>538.15</b>	-
<b>Net block</b>				
As at 31 March 2019	362.23	263.96	626.18	38,242.65
As at 31 March 2018	374.80	287.63	662.42	36,041.72



## Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

\* Represents adjustments on account of translation of financial information of foreign operation.

\*\* The recoverable amount of goodwill has been assessed by using a value-in-use model of the underlying cash generating unit (“CGU”). The recoverable value is computed based on the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. The cash flow projections include specific estimates developed using internal forecasts based on contractual agreements entered. The planning horizon reflects the assumptions for short-to-mid term market developments which are based on key assumptions such as margins, expected growth rates based on past experience and management’s expectations / extrapolation of normal increase in growth rate and tariff from customer. Discount rate reflects the current market assessment of the risks. The discount rate is estimated based on the weighted average cost of capital for the CGU. Post-tax discount rates used were 15% for the year ended 31 March 2019. The management believes that any reasonable possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash- generating unit.

### 6. INVESTMENTS

	Face value	As at 31 March 2019	As at 31 March 2018
<b>(a) Non current</b>			
<b>(i) Investments in equity shares (fully paid-up)</b>			
<b>(a) Quoted - designated at FVTPL</b>			
76,830 (31 March 2018: 76,830) shares in NB Footwear Limited	₹10	4.84	4.61
9,600 (31 March 2018: 5,600) shares in Avanti Feeds Limited	₹2	39.15	125.14
8,000 (31 March 2018: 8,000) shares in IDBI Bank Limited	₹10	3.73	5.78
22,800 (31 March 2018: 22,800) shares in Andhra Bank Limited	₹10	6.41	9.48
24,568 (31 March 2018: 12,284) shares in TATA Consultancy Services Limited	₹1	491.46	349.99
19,302 (31 March 2018: 9,651) shares in MOIL Limited	₹10	30.69	18.88
200 (31 March 2018: 200) shares in Kothari Sugars and Chemicals Limited	₹10	0.02	0.02
2,857 (31 March 2018: 2,857) shares in The Jeypore Sugar Company Limited	₹10	0.29	0.03
		<b>576.59</b>	<b>513.93</b>
<b>(b) Unquoted</b>			
<b>Investments designated at FVTPL - Others</b>			
75,000 (31 March 2018: 75,000) shares in Srinivasa Cystine Limited	₹10	489.20	360.17
<b>(ii) Investment in government Securities (at amortised cost)</b>			
- 6 years National Savings Certificates		0.50	0.50
<b>(iii) Investments in preference shares of other entities (fully paid-up) - designated at amortised cost</b>			
Nil (31 March 2018: 736,000) 6% Cumulative redeemable preference Shares of A9 Realty Private Limited (Refer note 42)	₹100	-	736.00
		<b>1,066.29</b>	<b>1,610.59</b>
<b>(b) Current Investments</b>			
<b>(i) Investments in mutual funds</b>			
<b>Unquoted - designated at FVTPL</b>			
Nil (31 March 2018: 159,425) units in Birla Sunlife Income Fund		-	121.15
Nil (31 March 2018: 439,221) units in Birla Sunlife Short Term Opportunities Fund		-	126.74
1,219,448 (31 March 2018: 1,219,448) units in ICICI Prudential Medium Term Bond Fund - Growth		346.92	329.60
2,224,377 (31 March 2018: 2,224,377) units in ICICI Prudential Income Opportunities Fund		572.89	540.05
Nil (31 March 2018: 228,833) units in ICICI Prudential Income Regular Fund		-	125.98
685,251 (31 March 2018: 685,251) units in ICICI Prudential Credit Risk Fund - Growth		136.15	127.30
5,745,343 (31 March 2018: 5,745,343) units in Kotak Credit Risk Fund - Growth (Regular Plan)		1,168.78	1,098.81
Nil (31 March 2018: 10,513,866) units in L&T Income Opportunities Fund		-	2,093.04
2,303,687 (31 March 2018: Nil) units in L&T Credit Risk Fund - Growth		485.84	-
8,633,274 (31 March 2018: 8,633,274) units in Reliance Strategic Debt Fund - Growth Plan - CBGP		1,269.97	1,209.80

## Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
3,363,247 (31 March 2018: 3,363,247) units in Reliance Credit Risk Fund - Growth Plan Growth Option - SDGP	867.00	814.16
2,088,409 (31 March 2018: 2,088,409) units in UTI Credit Risk Fund	349.32	330.95
3,642,124 (31 March 2018: 3,642,124) units in ICICI Prudential Equity Arbitrage Fund - Dividend	496.08	496.79
4,373,558 (31 March 2018: 4,373,558) units in Kotak Arbitrage Fund - Monthly Dividend(Regular Plan)	468.34	467.65
89,776 (31 March 2018: 97,591) units in Kotak Low Duration Fund Standard Growth (Regular Plan)	2,052.65	2,071.97
927,005 (31 March 2018: Nil) units in Aditya Birla Sun Life Credit Risk Fund - Growth - Regular	126.77	-
34,122 (31 March 2018: Nil) units in HSBC Cash Fund - Growth	633.19	-
3,961,055 (31 March 2018: Nil) units in IDFC Corporate Bond Fund Regular Plan - Growth	504.33	-
198,391 (31 March 2018: 198,391) units in Aditya Birla Sunlife Savings Fund - Growth - Regular Plan	732.33	678.31
2,019,176 (31 March 2018: Nil) units in HDFC Credit Risk Debt Fund	308.03	-
Nil (31 March 2018: 2,073,187) units in HDFC Cash Fund	-	713.88
5,848,911 (31 March 2018: 5,848,911) units in HDFC Short Term Debt Fund	1,207.19	1,121.51
5,114,432 (31 March 2018: 4,850,368) units in ICICI Prudential Equity Arbitrage Fund - Dividend	696.58	661.60
1,258,420 (31 March 2018: 1,258,420) units in IDFC Bond Fund-Short Term Plan - Growth -(Regular Plan)	479.21	445.12
8,927,812 (31 March 2018: 8,927,812) units in Kotak Equity Arbitrage Fund - Monthly Dividend(Regular Plan)	956.06	954.63
1,124,638 (31 March 2018: 4,859,111) units in Kotak Credit Risk Fund - Growth(Regular Plan)	228.75	929.32
12,810 (31 March 2018: 12,810) units in Tata Treasury Advantage Fund Regular Plan - Growth	363.90	337.41
Nil (31 March 2018: 1,953) units in Reliance Liquid Fund - Growth	-	82.48
	<b>14,450.28</b>	<b>15,878.25</b>
Aggregate amount of Quoted Investments	576.59	513.94
Aggregate amount of Un-Quoted Investments	14,939.98	16,974.92
Aggregate amount of Impairment in Value of Investments	93.72	93.72

## 7. OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
<b>(a) Non-current</b>		
Security deposits	1,132.46	1,275.91
Loans to employees	29.86	34.72
Fixed deposits*	403.00	50.69
	<b>1,565.32</b>	<b>1,361.32</b>

\* Represents bank deposit amounting to ₹403.00 lakhs (31 March 2018: ₹50.69 lakhs) with maturity period of more than 12 months, held under Debt Service Reserve Account (DSRA) against the term loan availed from ICICI Bank with an outstanding balance of ₹15,422.50 lakhs (31 March 2018: ₹Nil).

<b>(b) Current</b>		
Restricted bank balances		
- Unpaid dividend accounts	175.64	179.47
Loans to employees	46.04	102.64
Forward contract asset	-	1,689.72
Other receivables	213.70	136.80
Security deposits	196.40	134.88
Interest accrued	58.00	149.93
Accrued conversion charges	278.86	378.12
	<b>968.64</b>	<b>2,771.56</b>



## Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 8. OTHER ASSETS

	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
<b>(a) Non-current</b>		
Capital advances	2,611.50	2,537.26
Payments made under protest *	243.69	271.73
Prepaid expenses	250.07	204.39
Other receivable	37.44	-
	<b>3,142.70</b>	<b>3,013.38</b>
<b>(b) Current</b>		
Advances to vendors	7,716.18	10,754.63
Balance with government authorities	1,495.91	9,163.75
Prepaid expenses	861.13	766.81
Other advances	66.47	81.94
	<b>10,139.69</b>	<b>20,767.13</b>

\* Represents payments made to government authorities in protest in connection with the ongoing disputes.

### 9. INVENTORIES (at lower of cost or net realisable value)

	As at 31 March 2019	As at 31 March 2018
Raw materials (including raw material in transit aggregating to ₹1,127.90 lakh (31 March 2018: ₹Nil))	18,830.34	15,751.77
Work-in-progress	502.58	297.30
Finished goods*	17,270.86	19,875.61
Stock-in-trade	26.77	68.58
Stores and spares	5,334.36	4,433.45
Others receivable	2.40	0.90
	<b>41,967.31</b>	<b>40,427.61</b>

\* Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories as at 31 March 2019 amounted to ₹Nil (31 March 2018: ₹579.28 lakhs). The changes in write downs are recognised as an expense in the statement of profit and loss.

### 10. TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Secured, Considered good	-	-
Unsecured, Considered good		
- From related parties	-	-
- From others	1,40,575.95	72,549.91
Less: Expected credit loss on financial assets*	(2,728.41)	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	<b>1,37,847.54</b>	<b>72,549.91</b>

\* Duly adjusted for the effect of foreign currency translation adjustment of ₹25.31 lakhs (31 March 2018: ₹Nil).

## Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

- (i) The balance of trade receivables as at 31 March 2019 includes amounts of ₹114,575.02 lakhs, including interest on delayed payment, recognised by Maamba Collieries Limited, a subsidiary of the Company, as receivables from its customer ZESCO Limited towards the sale of power made to it in accordance with the terms of the power purchase agreement. There have been certain delays noted in realisation of dues from the customer during the year ended 31 March 2019. However, the management on the basis of its assessment of the status of discussions with the customer, receipt of a confirmation of balance acknowledging the dues by the customer, history of realisation of dues and the existence of a sovereign guarantee issued by the Government of Zambia on behalf of the customer is confident of realising these sums. Further, an amount of ₹2,728.41 lakhs has also been adjusted to the balance of these receivables towards the expected credit losses in accordance with the provisions of Ind AS. Consequently, no further adjustments are deemed necessary by the management to these financial statements in this regard.

### (a) Reconciliation of Expected credit loss on financial assets at the beginning and at the end of the reporting period:

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	-	-
(Decrease)/Increase during the year	2,728.41	-
<b>Balance at the end of the year</b>	<b>2,728.41</b>	-

## 11. CASH AND BANK BALANCES

	As at 31 March 2019	As at 31 March 2018
<b>Cash and cash equivalents</b>		
Balances with banks		
On current accounts	21,603.44	27,538.61
Deposits with maturity less than 3 months	1,000.00	250.00
Cash on hand	15.15	15.87
	<b>22,618.59</b>	<b>27,804.48</b>
<b>Bank balances other than above</b>		
Deposits with bank with maturity period from 3 to 12 months	459.00	2,447.34
Margin money deposits *	1,807.27	1,603.46
	<b>2,266.27</b>	<b>4,050.80</b>
	<b>24,884.86</b>	<b>31,855.28</b>

\* Represents deposits held with banks as security against borrowings, guarantees and other arrangements of the group.

## 12. LOANS

	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
Secured, considered good	-	-
Unsecured, considered good to others	22.83	35.98
Loans receivables which have significant increase in Credit Risk	-	-
Loans receivables - credit impaired	-	-
	<b>22.83</b>	<b>35.98</b>





# Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in Indian Rupees, unless specified otherwise)

## 13. EQUITY SHARE CAPITAL:

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>Authorized share capital</b>				
Equity shares of ₹2 each	25,00,00,000	5,000.00	25,00,00,000	5,000.00
	<b>25,00,00,000</b>	<b>5,000.00</b>	<b>25,00,00,000</b>	<b>5,000.00</b>
<b>Issued and subscribed share capital</b>				
Equity shares of ₹2 each	17,88,26,957	3,576.54	17,88,26,957	3,576.54
	<b>17,88,26,957</b>	<b>3,576.54</b>	<b>17,88,26,957</b>	<b>3,576.54</b>
<b>Fully paid-up share capital</b>				
Equity shares of ₹2 each	17,85,75,482	3,571.51	17,85,75,482	3,571.51
Add: Forfeited shares of ₹2 each (amount originally paid up)	-	1.26	-	1.26
	<b>17,85,75,482</b>	<b>3,572.77</b>	<b>17,85,75,482</b>	<b>3,572.77</b>

### (a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period (refer note 14(d))

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Balance at the beginning of the year	17,85,75,482	3,571.51	17,85,75,482	3,571.51
Issued during the year	-	-	-	-
Balance at the end of the year	<b>17,85,75,482</b>	<b>3,571.51</b>	<b>17,85,75,482</b>	<b>3,571.51</b>

### (b) Terms/rights attached to equity shares

The company has only one class of equity shares having a face value of ₹2/- per share with one vote per each share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of shareholders holding more than 5% equity shares in the Company

	As at 31 March 2019		As at 31 March 2018	
	Number	%age	Number	%age
NAV Developers Limited	1,60,93,517	9.01%	1,58,40,362	8.87%
M/s Wellington Management Company, LLP with its PAC	91,56,458	5.13%	89,79,168	5.03%
IDFC Classic Equity Fund <sup>#</sup>	9,007,591	5.04%	NA	NA
A N Investments Private Limited	92,88,074	5.20%	89,35,000	5.00%
D Bhaktapriya	98,02,900	5.49%	98,02,900	5.49%

<sup>#</sup>The details of equity shares held and percentage of holding as at 31 March 2018 have not been disclosed as the prescribed thresholds for disclosures had not been met.

### (d) The details of treasury shares held by the Company:

- (i) The paid up share capital includes 9,947,020 (31 March 2018: 9,947,020) equity shares of ₹2/- each fully paid up, vested in a trustee (NAV Energy Private Limited) duly for the benefit of the Company, pursuant to an order of Hon'ble High Court of Andhra Pradesh dated 30 December 1996 in respect of the Scheme of amalgamation of Nav Chrome Limited with the Company. These shares are to be sold with the net sale proceeds to be paid to the Company. Further, these shares are not considered for dividend and treated as treasury shares, thereby duly reduced from other equity.





## Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

- (ii) The paid up share capital includes 2,800,000 (31 March 2018: 2,800,000) equity shares of ₹2/- each fully paid up, held by Nava Bharat Employee Welfare Trust towards the General Employees Benefit Scheme (GEBS). Consequently, the said shares have been accounted for as a treasury stock as at 31 March 2019 and 31 March 2018, thereby adjusting the balance of other equity.

### 14. OTHER EQUITY

	As at 31 March 2019	As at 31 March 2018
<b>Capital reserve</b>		
Balance at the beginning and end of the year	60.20	60.20
<b>Capital redemption reserve</b>		
Balance at the beginning and end of the year	826.39	826.39
<b>Securities premium</b>		
Balance at the beginning and end of the year	26,214.22	26,214.22
<b>Treasury Shares</b>		
At the beginning of the year	(2,745.67)	(3,085.67)
Less: Adjustments*	-	340.00
At the end of the year	(2,745.67)	(2,745.67)
<b>General reserve</b>		
Balance at the beginning and at the end of the year	87,566.65	87,566.65
<b>Other reserves</b>		
<b>Subsidies - Balance at the beginning and end of the year</b>	<b>33.60</b>	<b>33.60</b>
<b>Surplus in Statement of Profit and Loss</b>		
At the beginning of the year	2,11,393.51	1,89,621.31
Adjustment pursuant to the scheme of amalgamation (refer note 42)	274.55	-
Profit for the year	35,755.18	23,801.77
At the end of the year	<b>2,47,423.24</b>	<b>2,13,423.08</b>
<b>Appropriations:</b>		
Dividend on Equity Capital	(2,529.43)	(1,686.28)
Corporate Dividend Tax	(519.93)	(343.29)
At the end of the year	<b>2,44,373.88</b>	<b>2,11,393.51</b>
<b>Other comprehensive income</b>		
(i) Actuarial gain/(loss) on post employment benefits		
At the beginning of the year	187.11	184.47
for the year	86.35	2.64
At the end of the year	<b>273.46</b>	<b>187.11</b>
(ii) On Foreign currency translation reserve		
At the beginning of the year	11,359.07	11,229.47
for the year	9,463.65	129.60
At the end of the year	<b>20,822.72</b>	<b>11,359.07</b>
	<b>3,77,425.45</b>	<b>3,34,895.08</b>

\*Represents adjustment on account of repayment of monies lent to the Nava Bharat Employee Welfare Trust.





# Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

## **Nature and purpose of reserves**

### **(a) Capital redemption reserve**

Capital redemption reserve was created in earlier years for the purpose of redemption of preference shares. The Company uses capital redemption reserve for transactions in accordance with the provisions of the Act.

### **(b) Securities premium reserve**

The amount received in excess of face value of the equity shares is recognised in securities premium reserve. This reserve is utilised in accordance with the provisions of the Act.

### **(c) General reserve**

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

### **(d) Treasury shares**

- (i) Represents 9,947,020 (31 March 2018: 9,947,020) equity shares of ₹2/- each fully paid up, vested in a trustee (NAV Energy Private Limited) duly for the benefit of the Company, pursuant to an order of Hon'ble High Court of Andhra Pradesh dated 30 December 1996 in respect of the Scheme of amalgamation of Nav Chrome Limited with the Company. These shares are to be sold with the net sale proceeds to be paid to the Company. Further, these shares are not considered for dividend and treated as treasury shares, thereby duly reduced from other equity.
- (ii) Represents amounts paid to Nava Bharat Employee Welfare Trust in the earlier years towards acquisition of 1,400,000 equity shares of the Company of ₹2 each. Consequently, the said shares along with the bonus shares issued during the year ended 31 March 2017 have been accounted for as a treasury stock as at 31 March 2018 and 31 March 2019, thereby adjusting the balance of other equity.

### **(e) Actuarial gain/(loss) on employment benefits**

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Group. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to statement of profit or loss.

### **(f) Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income.

### **(g) Surplus in Statement of Profit and Loss**

Surplus in Statement of Profit and Loss represents the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders.



## Notes

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(All amounts in lakhs of ₹, unless otherwise stated)

### 15. BORROWINGS

	As at 31 March 2019	As at 31 March 2018
<b>(a) Non-current borrowings</b>		
<b>Secured</b>		
Term loans		
- From banks (refer notes (a) to (c), (e) to (g), (j) and (l))	2,80,162.21	3,11,072.10
- From others (refer notes (h) to (i) and (j) and (l))	55,553.59	59,422.17
Other loan - from banks (refer note (d))	121.74	486.76
<b>Unsecured</b>		
- From related parties (refer note (k))	18,311.92	17,258.04
	<b>3,54,149.46</b>	<b>3,88,239.07</b>
Less: Current maturities of long-term borrowings	49,892.70	55,848.71
	<b>3,04,256.76</b>	<b>3,32,390.36</b>
<b>(b) Current borrowings</b>		
<b>Secured</b>		
Loans repayable on demand		
- Working capital loan from bank (refer notes (m) and (n))	5,918.55	8,091.45
- Buyers credit (refer note (o))	-	1,944.06
<b>Unsecured</b>		
Loans from related parties (refer note (p))	7,230.16	2,485.58
	<b>13,148.71</b>	<b>12,521.09</b>

- (a) Terms loans from banks outstanding to the tune of ₹8,238.86 lakhs (31 March 2018: ₹15,986.24 lakhs) is secured by the pari passu first charge on fixed assets of the Company, both present and future excluding 38 acres of land at Paloncha and a second charge on the chargeable current assets of the Company. The loan is further secured by way of pledge of 51% shares of Nava Bharat (Singapore) Pte. Limited held by NBVL. The loan is repayable in 26 quarterly installments of ₹1,904.00 lakhs each, commencing from 1 April 2014. The Company has entered into a cross currency interest rate swap arrangement with the lenders duly converting the loan amount from Indian National Rupee (INR) to United States Dollar (USD) and fixing the interest rate in accordance with the terms of the arrangement.
- (b) Terms loans from banks outstanding to the tune of ₹4,949.53 lakhs (31 March 2018: ₹10,613.42 lakhs) is secured by the pari passu first charge on fixed assets of the Company, both present and future excluding 38 acres of land at Paloncha and a second charge on the chargeable current assets of the Company. The loan is further secured by way of pledge of 51% shares of Nava Bharat (Singapore) Pte. Limited held by NBVL. The loan is repayable in 10 quarterly installments of ₹1,060.00 lakhs each, commencing from 1 April 2018. The Company has entered into a cross currency interest rate swap arrangement with the lenders duly converting the loan amount from Indian National Rupee (INR) to United States Dollar (USD) and fixing the interest rate in accordance with the terms of the arrangement.
- (c) Terms loans from banks outstanding to the tune of ₹15,422.50 lakhs (31 March 2018: ₹Nil) is secured by the pari passu first charge on fixed assets of the Company, both present and future excluding 38 acres of land at Paloncha and a second pari passu charge on the present and future current assets of the Company. The loan is further secured by way of exclusive charge on the Debt Service Reserve Account of the Company. The loan is repayable in 32 unequal quarterly installments from the date of first disbursement with final maturity date being 31 March 2026.
- (d) Terms loans from others outstanding to the tune of ₹121.74 lakhs (31 March 2018: ₹486.76 lakhs) is secured by the pari pasu first charge on fixed assets of the Company, both present and future excluding 38 acres of land at Paloncha and a second charge on the chargeable current assets of the Company. The loan is repayable in 36 monthly installments of ₹30.14 lakhs each, commencing from 22 August 2016.
- (e) All the above term loans carry an interest rate ranging from 3.89% to 11.40% per annum (31 March 2018: 3.89% to 11.40%).



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(All amounts in lakhs of ₹, unless otherwise stated)

- (f) Term loans availed by Nava Bharat Energy India Limited (NBEIL) and outstanding to the tune of ₹Nil (31 March 2018: ₹15,788.52 lakhs) are secured by pari passu first charge created in favour of security trustee on the present and future fixed assets of NBEIL and an equitable mortgage on the lease rights of land of 170 acres obtained from NBVL. The loans are further secured by a registered mortgage of the Flat No: 102, admeasuring 303 Sq.Feet situated at Plot No:458 - C, III Avenue Road, Indira Nagar, Madras - 600 020 and also by pledge of 260,000,000 equity shares held by Nava Bharat Ventures Limited (NBVL) representing 26% of issued and paid up share capital of NBEIL. The lenders have an option to demand for conversion of their loans together with interest into equity in the event of default, for which NBEIL has agreed in terms of the common loan agreement entered into. The said loans carry interest in the range of 10.15% to 10.90% per annum (31 March 2018: 10.15% to 10.90% per annum) and is payable monthly. The loan was prepaid during the year ended 31 March 2019.
- (g) Term loans availed by Maamba Collieries Limited (MCL) from banks and outstanding to the tune of ₹10,373.25 lakhs, ₹189,311.81 lakhs and ₹51,866.25 lakhs (31 March 2018: ₹11,079.75 lakhs, ₹202,205.41 lakhs and ₹55,398.75 lakhs) from Barclays Bank Zambia Plc, against the ECA facility sanctioned by consortium of banks and from Development Bank of South Africa, respectively, carry interest rates of 5%, 5% and 6.50% above LIBOR p.a. (31 March 2018: 5%, 5% and 6.50% above LIBOR p.a.), respectively. These loans are repayable in 20 half yearly installments. As at 31 March 2019, MCL has repaid five installments. MCL has entered into interest rate swap arrangement with the lenders duly fixing the interest rate in accordance with the terms of the arrangement.
- (h) Term loans availed by Maamba Collieries Limited (MCL) from others and outstanding to the tune of ₹28,526.44 lakhs and ₹25,828.73 lakhs (31 March 2018: ₹30,469.31 lakhs and ₹27,595.31 lakhs) carry an interest rate of 7.75% and 6.60% above LIBOR p.a. (31 March 2018: 7.57% and 6.60% above LIBOR p.a.), respectively. These loans are repayable in 20 half yearly installments. As at 31 March 2019, MCL has repaid five installments. MCL has entered into interest rate swap arrangement with the lenders duly fixing the interest rate in accordance with the terms of the arrangement.
- (i) Term loans availed by Maamba Collieries Limited (MCL) and outstanding to the tune of ₹1,198.43 lakhs (31 March 2018: ₹1,357.55 lakhs) carry an interest rate of 1.50% p.a. and is repayable over a period of 20 years, which includes a grace period of 5 years. MCL had signed an agreement in 2015 with the Government of Zambia to consolidate all the Government loans into one loan. The loans included were granted by Zambia Development Agency (Zambia Privatisation Agency), International Development Agency, Government Republic Zambia, Scheme of arrangement loans. The fair values of the Government loans have been stated as the present value of all future cash payments discounted using the prevailing market rate of interest for similar instruments. The difference between the fair value, other government loan and their settlement amount has been recognised in the Statement of Profit and loss.
- (j) All the term loans of MCL, a group company are secured by way of mortgage of all immovable properties including leasehold buildings, fixtures and fittings, hypothecation of all movable properties including movable plant and machinery, spares, tools and accessories, book debts, stocks and fixed charge over all accounts including DSRA, licenses, monetary claims, investments, intellectual property, insurance policies of MCL. Further secured by assignment of specific contracts like EPC, O&M Contracts, PPA, Insurance Contracts, Hedging Agreements etc executed by MCL and by assignment of sub-ordinated shareholder loans including security over shares held by all the shareholders of MCL.
- (k) Term loans from related parties represents loans availed by Maamba Collieries Limited (MCL) from ZCCM Investments Holding Plc carrying an interest rate of 6% p.a. These loans are sub-ordinate to the project related loans availed by MCL and was originally repayable in 5 annual instalments commencing a year after the Commercial Operations Date (COD) of the power plant of MCL. However, owing to non-completion of certain agreed events in accordance with the terms of the lending arrangement between MCL and the lenders and pending receipt of lender's approval in relation to the repayment of these loans in accordance with the agreed repayment schedule, the repayment of these loans have not commenced as at 31 March 2019.
- (l) "Further all term loans from MCL were subject to financial covenants in accordance with the Common Terms Agreement (CTA) section 10 paragraph 24. The covenants are tested annually. As at 31 March 2019, there was no reported breach in the loan covenants (31 March 2018: Same).

MCL was required to repay the installment of the loans on 25 March 2019. MCL only managed to settle the loan repayment on 28 March 2019. This constituted a significant breach according to the reservation of rights letter dated 27 March 2019. MCL did write to the lenders anticipating a delay in repayment of the loan on 22 March 2019. On 27 March 2019, the lenders issued a "Reservation of

## Notes

to the Consolidated Financial Statements – March 31, 2019

*(All amounts in lakhs of ₹, unless otherwise stated)*

- Rights” letter to MCL following the breach in the repayment covenant. On 28 March 2019 the company made the loan installment payment along with overdue interest and cured the default. As of 31 March 2019, the lenders had not withdrawn the “Reservation of Rights” letter nor had they issued a waiver letter to MCL. This breach is considered a material breach in terms of events of default. On 2 April 2019, the lender through email stated that the circumstances that gave rise to the issuance of the reservation of rights letter dated 27 March 2019 had been resolved.”
- (m) Working capital loans from banks outstanding to the tune of ₹3,304.21 lakhs (31 March 2018: ₹4,345.50 lakhs) represents cash credit facility availed from banks and carry an interest linked to the respective Bank’s prime/base lending rates, ranging from 9.25% to 10.75% per annum (31 March 2018: 9.25% per annum). The said facility is secured by hypothecation of all chargeable current assets of the Company, including raw materials, work-in-progress, finished goods, stores and spares and receivables both present and future and rank pari passu with the other lenders. The facility is further secured by a pari passu second charge on all fixed assets of the company both present and future.
- (n) Working capital loans outstanding from banks to the tune of ₹2,614.34 lakhs (31 March 2018: ₹3,745.95 lakhs) represents cash credit facility availed from Andhra Bank which is secured by way of a first charge created in favour of security trustee on the present and future fixed assets and current assets of NBEIL and an equitable mortgage on the lease rights of land of 170 acres obtained from NBVL. The loan is further secured by a registered mortgage of the Flat No: 102, admeasuring 303 Square feet situated at Plot No: 458 - C, III Avenue Road, Indira Nagar, Madras - 600 020 and also by pledge of 260,000,000 equity shares held by the NBVL representing 26% of issued and paid up Share Capital of NBEIL and ranks pari passu with the security created or to be created in favour of the term loan lenders. It carries an interest rate linked to the respective Bank’s prime/base lending rate and ranges from 9.25% to 10% per annum (31 March 2018: 9.25% to 9.50% per annum).
- (o) Buyers credit outstanding as at 31 March 2018 are availed from banks and carry an interest rate linked to the respective Bank’s prime/base lending rates and ranges between 1.73% to 1.75%. The said facility is secured by hypothecation of all chargeable current assets of the Company and rank pari passu with the other lenders. The facility is further secured by a pari passu second charge on all fixed assets of the Company both present and future.
- (p) Represents interest free amounts due to related parties, which are repayable on demand.
- (q) Refer note 38(iii) for details of disclosure of maturity profile of the borrowings.



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(All amounts in lakhs of ₹, unless otherwise stated)

### 16. OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018
<b>(a) Non-current</b>		
Employee deposits	2.14	1.82
Other retention deposits	1,001.14	33.40
Interest accrued - related party	3,584.25	-
Other liabilities	118.73	390.20
	<b>4,706.26</b>	<b>425.42</b>
<b>(b) Current</b>		
Dues to		
- Directors	1,155.35	1,049.14
- Employees	2,258.76	1,810.69
Security deposits		
- Employee deposits	-	0.84
- Others	3,374.27	4,131.03
Forward contract liability	2,844.78	1.58
Interest accrued	376.64	282.35
Unpaid dividends	175.64	179.47
Accrual for expenses		
- Related parties	-	257.94
- Others	2,566.48	3,082.10
Current maturities of long-term borrowings (refer note 15)	49,892.70	55,848.71
Creditors for capital goods	12,582.11	16,985.68
Other liabilities	505.21	60.34
	<b>75,731.94</b>	<b>83,689.87</b>

### 17. PROVISIONS

	As at 31 March 2019	As at 31 March 2018
<b>(a) Non-current</b>		
Provision for employee benefits		
- Compensated absence, unfunded	450.73	591.21
- Gratuity, funded	654.83	527.27
Provision for decommissioning costs	5,264.44	3,440.26
Provision for environment rehabilitation costs	1,053.65	647.62
	<b>7,423.65</b>	<b>5,206.36</b>
<b>(b) Current</b>		
Provision for employee benefits		
- Compensated absence, unfunded	660.90	472.18
- Gratuity, funded	707.05	759.01
Other provisions	161.68	670.09
	<b>1,529.63</b>	<b>1,901.28</b>

## Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 17. PROVISIONS (CONT...)

(a) Reconciliation of provision for decommissioning costs:

	As at 31 March 2019	As at 31 March 2018
<b>Carrying amount at the beginning of the year</b>	3,440.26	3,193.01
Revision in estimates -Capitalized during the year	1,535.69	-
Unwinding of discount	143.71	232.95
Utilised during the year/Adjustments	-	-
Foreign currency translation adjustments	144.78	14.30
<b>Carrying amount at the end of the year</b>	<b>5,264.44</b>	<b>3,440.26</b>

(b) Reconciliation of provision for environment rehabilitation costs:

	As at 31 March 2019	As at 31 March 2018
<b>Carrying amount at the beginning of the year</b>	<b>647.62</b>	<b>591.12</b>
Additions during the year	317.86	-
Unwinding of discount	19.24	55.44
Prior period adjustment	32.84	-
Foreign currency translation adjustments	36.09	1.06
<b>Carrying amount at the end of the year</b>	<b>1,053.65</b>	<b>647.62</b>

(c) **Gratuity**

The Company and the subsidiaries incorporated in India provides for gratuity for its employees as per the Payment of the Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is equivalent to employees 15 days of last drawn basic salary for each completed years of service. The gratuity plan is partly funded as at 31 March 2019 and 31 March 2018.

The following table set out the reconciliation of opening and closing balances of the present value and defined benefit obligation:

(i) **Changes in projected benefit obligation**

	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the beginning of year	1,956.48	1,641.50
Current service cost	138.72	121.98
Interest cost	138.76	107.65
Past service cost - (vested benefits)	(5.53)	204.46
Benefits paid	(31.73)	(53.51)
Benefits paid directly by the company	(98.43)	(62.40)
Actuarial (gain)/loss on obligation	(17.02)	(3.20)
<b>Defined benefit obligation at end of the year</b>	<b>2,081.25</b>	<b>1,956.48</b>

(ii) **Change in plan assets**

	As at 31 March 2019	As at 31 March 2018
Fair value of plan assets at the beginning of the year	670.20	630.49
Adjustments to opening balance of plan assets	(6.33)	(4.34)
Return of plan assets (excl. int. income)	4.12	7.48
Interest income	48.48	41.72
Contributions during the year	34.62	42.85
Benefits paid during the year	(31.72)	(48.00)
<b>Fair value of planned assets at the end of the year</b>	<b>719.37</b>	<b>670.20</b>





## Notes

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(All amounts in lakhs of ₹, unless otherwise stated)

### (iii) Reconciliation of present value of obligation on the fair value of plan assets

	As at 31 March 2019	As at 31 March 2018
Present value of projected benefit obligation at the end of the year	2,081.25	1,956.48
Less: Fair value of plan assets	(719.37)	(670.20)
<b>Net liability recognised in the balance sheet</b>	<b>1,361.88</b>	<b>1,286.28</b>

### (iv) Expenses recognised in the Statement of Profit and Loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	138.72	121.98
Net interest cost	90.27	65.92
Past service cost (Vested benefits)	-	182.54
<b>Expense for the year</b>	<b>228.99</b>	<b>370.44</b>

### Recognised in other comprehensive income:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (gain) /loss for the year	(17.02)	(3.20)
Return on plan assets excluding net interest	(4.12)	(7.49)
<b>Total expenditure recognised</b>	<b>(21.14)</b>	<b>(10.69)</b>

### (v) Key actuarial assumptions

	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	6.94% to 7.66%	7.29% to 7.68%
Salary escalation	3% to 6%	3% to 6%
Attrition rate	1% to 13.33%	1% to 13.33%
Expected rate of return on plan assets	7.29%	6.69%
Mortality rate	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Return on plan assets excluding net interest	7.59%	7.51%

The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotions and other relevant factors. The Company and the subsidiaries incorporated in India evaluates these assumptions annually based on its long-term plans of growth and industry standards.

### (vi) Impact on defined benefit obligations

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Assumptions</b>		
Sensitivity level		
- Discount rate : 1% increase	(75.33)	(69.18)
- Discount rate : 1% decrease	104.33	96.33
- Future salary : 1% increase	87.87	81.61
- Future salary : 1% decrease	(41.97)	(37.98)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 18. BREAK-UP OF AMOUNTS DISCLOSED ON THE FACE OF BALANCE SHEET:

	As at 31 March 2019	As at 31 March 2018
<b>Deferred tax assets</b>	13,223.46	16,525.94
Deferred tax liabilities	19,991.85	84.18
<b>Deferred tax (liabilities)/assets, net</b>	<b>(6,768.39)</b>	<b>16,441.76</b>

#### (a) Deferred tax assets, net

	As at 31 March 2019	As at 31 March 2018
Deferred tax assets/(liabilities):		
- Minimum Alternate Tax (MAT) credit entitlement	24,103.55	27,183.26
- On carried forward business losses	35,875.12	5,273.53
- Employee benefits	1,350.24	1,299.96
- Others	1,670.09	488.84
- Property, plant and equipment and intangible assets	(69,321.82)	(17,672.01)
- Financial assets reported at fair value	(445.57)	(131.81)
<b>Deferred tax (liabilities)/assets, net</b>	<b>(6,768.39)</b>	<b>16,441.76</b>

#### (b) Movement in deferred tax assets:

	As at 31 March 2018	Charge/(credited) to		MAT credit utilisation	Others*	As at 31 March 2019
		Statement of Profit and Loss	Other Compre- hensive Income			
(i) Property, plant and equipment and intangible assets	(17,672.01)	(51,886.79)	-	-	236.98	(69,558.80)
(ii) Employee benefits	1,299.96	106.62	(56.34)	-	-	1,350.24
(iii) Financial assets reported at fair value	(131.81)	(313.76)	-	-	-	(445.57)
(iv) On carried forward business losses	5,273.53	30,542.95	-	-	58.64	35,816.48
(v) Movement in Minimum Alternate Tax (MAT) balances	27,183.26	-	-	(3,079.71)	-	24,103.55
(vi) Others	488.84	1,205.17	-	-	(23.92)	1,694.01

\*Represents adjustments on account of foreign exchange fluctuations

#### (c) Movement in deferred tax assets:

	As at 1 April 2017	Charge/(credited) to		MAT credit utilisation	As at 31 March 2019
		Statement of Profit and Loss	Other Compre- hensive Income		
(i) Property, plant and equipment and intangible assets	(15,689.31)	(1,982.70)	-	-	(17,672.01)
(ii) Employee benefits	797.56	508.04	(5.64)	-	1,299.96
(iii) Financial assets reported at fair value	(92.31)	(39.50)	-	-	(131.81)
(iv) On carried forward business losses	6,016.60	(743.07)	-	-	5,273.53
(v) Movement in Minimum Alternate Tax (MAT) balances	29,070.20	(64.44)	-	(1,822.50)	27,183.26
(vi) Others	506.55	(17.71)	-	-	488.84

(i) Deferred tax assets on certain tax credits aggregating to ₹597.01 lakhs (31 March 2018: ₹3,327.19 lakhs) has not been recognised by the Company and one of its overseas subsidiary on the basis of assessment of reasonable certainty of availability of future taxable profits.

(ii) Deferred tax assets as at 31 March 2019 includes an amounts of ₹24,026.94 lakhs, representing the credit of minimum alternative taxes paid and recognised by the Company and one of its' component in accordance with the provisions of the prevailing income tax regulations. Based on the assessment of the financial projections of the Company and its' component, the projected profitability and the history of achieving significant operational profits in the past, the management is confident of earning sufficient taxable profits in the future in order to be able to realise the aforesaid tax credits within the timelines prescribed under the income tax regulations.



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(All amounts in lakhs of ₹, unless otherwise stated)

### (d) The details of carried-forward business losses and the financial year upto which they are available for set-off are as follows:

	As at 31 March 2019	As at 31 March 2018
Available for offset up to 2019	-	845.56
Available for offset up to 2020	-	2,967.32
Available for offset up to 2021	1,483.35	3,277.95
Available for offset up to 2022	4,314.97	5,211.74
Available for offset up to 2023	3,251.99	3,927.84
Available for offset up to 2024	2,667.80	3,222.25
Available for offset up to 2025	184.63	215.77
Available for offset up to 2026	2,876.58	10,665.42
Available for offset up to 2027	79,406.92	90,292.41
Available for offset up to 2028	39,196.14	-
	<b>1,33,382.39</b>	<b>1,20,626.26</b>

### 19. OTHER CURRENT LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Advance from customers	239.86	43.64
Statutory dues	6,350.21	3,407.30
Other liabilities	39.21	44.94
	<b>6,629.28</b>	<b>3,495.88</b>

### 20. REVENUE FROM OPERATIONS

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Revenue from contracts with customers</b>		
<b>(a) Sale of goods</b>		
- Ferro alloys (including excise duty of ₹Nil (31 March 2018: ₹624.76 lakhs)	75,622.47	67,334.12
- Sugar (including excise duty of ₹Nil (31 March 2018: ₹202.57 lakhs)	11,175.01	13,753.43
- Power	1,92,095.46	1,18,491.54
- Coal	7,146.21	8,736.47
- Others	1,946.02	2,151.72
<b>(b) Sale of services</b>		
- Ferro alloys conversion charges	19,237.54	21,561.10
- Others	244.86	42.85
<b>Other operating revenue</b>		
- Export incentives	1,043.12	1,003.10
- Sale of by-products	575.86	521.03
- Scrap sales	236.01	175.47
- Others	1,023.80	1,007.54
	<b>3,10,346.36</b>	<b>2,34,778.37</b>

### (a) Reconciliation of transaction price and amounts allocated to performance obligations:

	For the year ended 31 March 2019
(a) Revenues from sale of power at contracted price	3,11,478.94
<b>Less: Adjustments</b>	
- Under Injection charges	715.80
- Prompt payment rebate	209.34
- Excess raw material consumption charges	207.44
Total revenue from operations	<b>3,10,346.36</b>

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(All amounts in lakhs of ₹, unless otherwise stated)

### (ii) Disaggregation of revenue

#### (a) Revenue based on Geography

	For the year ended 31 March 2019
- India	1,26,483.49
- Zambia	1,55,025.95
- China	10,281.13
- Japan	17,146.41
- Rest of the world	1,409.38
<b>Total revenue from operations</b>	<b>3,10,346.36</b>

(b) Refer note 36(a) for business segment wise details of the revenues.

### 21. OTHER INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income on financial assets measured at amortised cost	6,409.08	3,360.16
<b>Income from investments</b>		
- Changes in fair value	871.37	1,076.40
- Gain on sale of investments	394.96	302.03
- Dividend income	180.79	182.00
<b>Other non-operating income</b>		
- Fair value gain on derivatives not designated as hedges	-	1,673.35
- Others	1,311.97	344.58
	<b>9,168.17</b>	<b>6,938.52</b>

### 22. COST OF MATERIALS CONSUMED

	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventory at the beginning of the year	15,751.77	8,728.08
Add: Purchases during the year	1,04,830.99	1,03,237.24
	<b>1,20,582.76</b>	<b>1,11,965.32</b>
Less: Inventory at the end of the year	18,830.34	15,751.77
	<b>1,01,752.42</b>	<b>96,213.55</b>



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(All amounts in lakhs of ₹, unless otherwise stated)

### 23. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Inventory at the beginning of the year</b>		
Stock-in-trade	68.58	63.97
Finished goods	19,875.61	25,507.10
Work-in-progress	297.30	631.96
	<b>20,241.49</b>	<b>26,203.03</b>
<b>Inventory at the end of the year</b>		
Stock-in-trade	26.77	68.58
Finished goods	17,270.86	19,875.61
Work-in-progress	502.58	297.30
	<b>17,800.21</b>	<b>20,241.49</b>
	<b>2,441.28</b>	<b>5,961.54</b>
Adjustment for fluctuation in exchange rates	176.38	-
	<b>2,617.66</b>	<b>5,961.54</b>

### 24. OTHER MANUFACTURING EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Consumption of stores and spares	6,084.76	4,002.38
Mining expenses	4,389.17	3,407.44
Raw material handling charges	2,387.91	2,097.57
Operational and maintenance expenses	6,208.71	3,397.61
Sugar cane development expenses	1,274.75	1,545.15
Power and fuel	2,331.06	1,429.10
Finished product handling charges	822.16	798.64
Others	1,593.71	983.54
	<b>25,092.23</b>	<b>17,661.43</b>

### 25. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	15,543.00	12,972.17
Contribution to provident and other funds (note a)	586.08	467.29
Staff welfare expenses	720.39	670.90
Gratuity and other compensated absences	504.09	675.69
<b>Total</b>	<b>17,353.56</b>	<b>14,786.05</b>

(a) During the current year ended 31 March 2019, the Company contributed ₹381.59 lakhs (31 March 2018: ₹368.63 lakhs) to provident fund and ₹6.57 lakhs (31 March 2018: ₹7.91 lakhs) towards employee state insurance fund.

### 26. FINANCE COSTS

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest cost on financial liabilities measured at amortized cost	33,434.08	23,154.34
Unwinding of discount	513.65	-
Other borrowing cost		
- Bank charges and commission	1,145.14	1,479.43
	<b>35,092.87</b>	<b>24,633.77</b>

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to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 27. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment	29,431.33	24,064.20
Amortisation of intangible assets	152.20	228.83
Depreciation on investment property	4.28	5.70
	<b>29,587.81</b>	<b>24,298.73</b>
Less: Amount capitalised towards deferred stripping costs	390.08	1,456.97
	<b>29,197.73</b>	<b>22,841.76</b>

### 28. OTHER EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent	323.89	256.16
Repairs and maintenance		
- Machinery	4,899.97	3,414.37
- Buildings	738.92	787.18
- Others	698.58	591.65
Rates and taxes	3,295.21	2,522.48
Freight and transportation	2,258.53	2,172.69
Insurance	2,626.54	2,264.16
Advertisement and sales promotion	96.57	19.18
Communications expenses	208.93	243.04
Travelling and conveyance	838.87	1,034.85
Legal and professional charges	1,700.83	2,367.87
Foreign exchange fluctuations, net	757.35	1,114.30
Payments to auditors		
as auditors	81.20	59.11
for taxation matters	-	4.95
for other services	3.91	-
for reimbursement of expenses	1.28	0.68
Corporate social responsibility (CSR) expenses (refer note (a) below)	1,163.28	890.31
Loss on sale of assets/material	613.58	0.14
Diminution in value of inventories	-	18.41
Bad debts written-off	189.77	-
Loss on forward contracts	5,056.69	-
Allowance for credit loss	2,753.72	-
Unscheduled interchange charges	-	363.14
Ash disposal charges	804.38	406.40
Open access charges	100.67	682.17
Others	1,285.94	1,491.74
	<b>30,498.61</b>	<b>20,704.98</b>

#### (a) Details of CSR expenditure

	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Gross amount required to be spent by the Company and its subsidiaries incorporated in India during the year	431.58	451.34
b. Amount spent during the year on		
(i) Construction/acquisition of any asset	202.91	214.58
(ii) On purposes other than (i) above	960.37	675.73
<b>Amount remaining to be spent</b>	-	-



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(All amounts in lakhs except Equity shares and units perquisite stated)

### 29. INCOME TAXES

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Statement of Profit and Loss</b>		
Current taxes	10,859.94	8,624.54
Deferred tax expense	20,345.80	2,339.40
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>31,205.74</b>	<b>10,963.94</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic corporate tax rate for the year ended 31 March 2019:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax for the year	77,684.76	38,761.60
Tax rate applicable to the company	34.944%	34.608%
Tax expense on net profit	<b>27,146.16</b>	<b>13,414.61</b>
Increase/(decrease) in tax expenses on account of:		
(i) Non-taxable income/exempt income	(149.87)	(27,001.17)
(ii) Depreciation on spares	-	62.64
(iii) Expenses inadmissible under income tax	994.97	24,080.57
(iv) Other adjustments	(178.68)	279.26
(v) Deferred tax asset on unused tax losses	62.37	610.57
(vi) Deferred tax assets of earlier years recognised now (refer note a)	(11,502.08)	26.16
(vii) On account of temporary differences of overseas subsidiary	4.11	(394.97)
(viii) Tax credited on business loss, depreciation and others	-	(83.42)
(ix) Foreign tax	409.04	710.21
(x) Difference in tax rates	(239.79)	(25.86)
(xi) Difference in tax rates of overseas subsidiaries	(264.67)	(714.66)
(xii) Adjustments on account of tax holiday	10,275.38	-
(xiii) Adjustments on account of foreign currency fluctuations	2,372.80	-
(xiv) Deferred tax on consolidation adjustments	2,276.00	-
	<b>4,059.58</b>	<b>(2,450.68)</b>
<b>Tax as per normal provision under Income tax</b>	<b>31,205.74</b>	<b>10,963.94</b>

(a) Represents the amounts of deferred tax asset of earlier years now recognised owing to compliances with the recognition criteria as per the accounting principles followed.

### 30. OTHER COMPREHENSIVE INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial gain/(losses) on post employment benefit expenses	142.69	8.28
Foreign currency translation adjustments -parent	9,463.65	129.59
Foreign currency translation adjustments -Minority holders	1,574.78	295.43
Effects of income taxes on above	(56.34)	(5.64)
	<b>11,124.78</b>	<b>427.66</b>

### 31. EARNINGS PER EQUITY SHARE [EPES]

	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Net profit attributable to equity shareholders	35,755.18	23,801.78
<b>(b) Computation of weighted average number of equity shares:</b>		
Weighted average number of equity shares outstanding during the year	16,58,28,462	16,58,28,462
Add: Effect of potential dilutive shares	-	-
Weighted average number of equity shares adjusted for the effect of dilution	16,58,28,462	16,58,28,462
<b>(c) EPES:</b>		
Basic (in absolute ₹ terms)	21.56	14.35
Diluted (in absolute ₹ terms)	21.56	14.35



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### 32. DUES TO MICRO AND SMALL ENTERPRISES

The Micro, Small and Medium Enterprises have been identified on the basis of the information available with the Company and its' subsidiaries incorporated in India (Covered entities). This has been relied upon by the auditors. Dues to such parties are given below:

	As at 31 March 2019	As at 31 March 2018
(a) The principal amount remaining unpaid as at the end of the year	975.05	774.02
(b) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(c) Amount of interest paid by the Covered entities in terms of Section 16, of (MSMED Act, 2006) along with the amounts of payments made beyond the appointed date during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act, 2006)	-	-
(e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act, 2006)	-	-

### 33. FAIR VALUE MEASUREMENTS

#### (i) Financial instruments by category

	As at 31 March 2019		As at 31 March 2018	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments	15,516.57	-	16,752.35	736.50
Security deposits	-	1,132.46	-	1,275.91
Employee loans	-	29.86	-	34.72
Others	-	403.00	-	50.69
Trade receivables	-	1,37,847.54	-	72,549.91
Cash and cash equivalents	-	22,618.59	-	27,804.48
Other bank balances	-	2,266.27	-	4,050.80
Loans	-	22.83	-	35.98
Other financial assets	-	968.64	1,689.72	1,081.84
<b>Financial liabilities</b>				
Borrowings	-	3,67,298.17	-	4,00,760.16
Employee retention deposits	-	2.14	-	2.66
Interest accrued	-	3,960.89	-	282.35
Other deposits	-	4,375.41	-	4,164.43
Trade payables	-	14,065.09	-	12,947.43
Derivative Liability	2,844.78	-	1.58	-
Other financial liabilities	-	19,362.28	-	23,815.56

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Group also holds FVTPL (Fair value through profit and loss) investments.

- (ii) The carrying amounts of trade receivables, trade payables and other payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value.



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For the financial assets measured at fair values, the carrying amounts are equal to the fair values.

### (iii) Valuation technique used to determine fair value:

The fair value of the financials assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted shares are based on price quotations at the reporting dates.
- The fair value of unquoted equity shares are based on the net assets available for equity shareholders of the underlying Companies which was ascertained based on data available from the financial statements of the respective Companies.
- Management has assessed the fair value of the borrowings, which approximate their current value largely since they are carried at floating rate of interest."

### (iv) Fair Value hierarchy:

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of a fair value hierarchy. The three levels are defined based in the observability of significant inputs to the measurement, as follows:

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy, of financial assets and liabilities measured at fair value on a recurring basis as at 31 March 2019:

#### Quantitative disclosures of fair value measurement hierarchy as at 31 March 2019:

Particulars	Level 1	Level 2	Level 3
<b>Financial Assets measured at FVTPL</b>			
Investments	576.59	14,939.98	-
<b>Financial Liabilities measured at FVTPL</b>			
Derivative liability	-	2,844.78	-

#### Quantitative disclosures of fair value measurement hierarchy as at 31 March 2018:

Particulars	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
Investments	513.93	16,238.42	-
Derivative asset	-	1,689.72	-
<b>Financial Liability</b>			
Other financial assets	-	1.58	-

## Notes

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### 34. NET DEBT RECONCILIATION

The following table sets out an analysis of the movements in net debt for the year:

Particulars	Current borrowings	Non - Current borrowings	Interest accrued
<b>Net debt as on 31 March 2017</b>	11,233.02	4,27,631.40	717.21
Cash flows	1,283.89	(41,468.76)	-
Interest expense	-	-	23,154.34
Interest paid	-	-	(23,589.20)
Forex adjustment	4.18	2,076.44	-
<b>Net debt as on 31 March 2018</b>	<b>12,521.09</b>	<b>3,88,239.07</b>	<b>282.35</b>
Cash flows	3,004.25	(55,479.61)	-
Interest expense	-	-	33,434.08
Interest paid	-	-	(32,241.12)
Other adjustments	(2,485.58)	-	2,485.58
Forex adjustment	108.95	21,386.00	-
<b>Net debt as on 31 March 2019</b>	<b>13,148.71</b>	<b>3,54,149.46</b>	<b>3,960.89</b>

### 35. CONTINGENT LIABILITIES, COMMITMENTS AND PENDING LITIGATIONS:

	As at 31 March 2019	As at 31 March 2018
<b>Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debts relating to:		
- Cross subsidy charges (refer note (i) below)	3,927.53	3,927.53
- Electricity duty (refer note (ii) & (iii) below)	733.25	733.25
- Land lease charges (refer note (iv) below)	274.86	274.86
- Royalty on coal procurement (refer note (v) below)	380.31	1,392.31
- Central excise matters (refer note (vi) below)	907.06	1,036.15
- Service tax matters (refer note (vii) below)	716.24	714.47
- Customs matters (refer note (viii) below)	206.06	206.06
- Sales tax matters (refer note (ix) below)	144.23	144.23
- Others	226.90	232.82
(b) Other money for which the Company is contingently liable:		
(i) Disputed income tax liabilities (refer note (x) below)	3,493.18	3,447.29
(c) Renewal power purchase obligation (refer note (xi) below)	1,133.71	897.99
<b>Commitments</b>		
(d) Estimated amount of contracts remaining to be executed on capital account and not provided for		
- In relation to investment properties	190.67	266.11
- Others	14.98	14.98

#### Notes:

- (i) The Company has received demand notices from the Electricity Regulatory authorities of the states of Odisha and Telangana towards levy of cross-subsidy charges amounting to ₹2,441.53 lakhs (31 March 2018: ₹2,441.53 lakhs) and ₹1,486.00 lakhs (31 March 2018: ₹1,486.00 lakhs) respectively. The management has filed necessary appeals against the aforesaid orders with the Honourable High Courts of the State of Odisha and the Honourable High Court of the Combined State of Andhra Pradesh and Telangana, which is pending for disposal as at 31 March 2019. However, on the basis of assessment of the facts of the demand in the light of the underlying facts, the management is of the view that the demands are frivolous in nature and not tenable as per the prevailing electricity supply regulations of the aforesaid states. Accordingly, no adjustments have been made to the financial statements in this regard.





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- (ii) During the earlier years, the Company has received demand notices from the Directorate of Electrical Safety, Government of Andhra Pradesh for amounts aggregating to ₹542.43 lakhs (31 March 2018: ₹542.43 lakhs), towards levy of electricity duty on the sale of power made by it for the period beginning from March 2009 until March 2017 from the power generation station situated in Dharmavaram, Andhra Pradesh. Aggrieved by the order of the aforesaid authority, the management has filed necessary appeals in this regard with the Honourable High Court of the Combined State of Andhra Pradesh and Telangana, which is pending for disposal as at 31 March 2019. However, on the basis of assessment of the applicability of the provisions of the Electricity Duty Act and the nature of operations carried out at the aforesaid power generation station and the customers to whom the electricity generated has been sold, the management is confident about the non-applicability of the provisions of the Electricity Act to the power generated from the aforesaid power generation station and accordingly do not foresee any adjustment to these financial statements in this regard.
- (iii) The Company had received a demand notice from the Northern Power Distribution Company Limited for an amount of ₹186.93 lakhs (31 March 2018: ₹186.93 lakhs) towards electricity supply charges and the utilisation of the said energy along with penalties in accordance with the provisions of the Electricity Act, 2003. The management has filed a writ petition against the said demand with the Honourable High Court of Judicature at Hyderabad of the Combined State of Andhra Pradesh and Telangana alleging that the manufacturing facility of the Company located at Paloncha, Telangana had not drawn energy as alleged by the demand notice and that the utilisation of the energy generated by the captive power generation station in Paloncha are not governed by the provisions of the Electricity Act, 2003. The Company had also received an interim order from the Honourable High Court to this extent. Accordingly, pending final outcome of the case as at 31 March 2019, no adjustments have been made to the financial statements in this regard.
- (iv) During the earlier years, the Company had entered into a lease agreement for 17.55 acres of land at Samalkot, Andhra Pradesh for setting up a sugar manufacturing facility therein. The said lease agreement had expired on the 12 August 1996, pursuant to which the Company had received intimations from the legal heirs of the landlord for vacation of the land and consequent relocation of the sugar manufacturing facility of the Company along with damages aggregating to ₹274.86 lakhs (31 March 2018: ₹274.86 lakhs). Subsequently, necessary legal cases had been filed by the aforesaid legal heirs against the Company with the local courts of Kakinada, which has been decided in favour of the Company. The management is in the process of entering into agreements with the aforementioned parties and purchasing the underlying land and accordingly do not foresee the said matter to have a significant effect on the financial statements. However, an appeal has been filed by the aforesaid parties against the order of the local Court of Kakinada, which is pending for disposal as at 31 March 2019.
- (v) During the months of January 2016 and August 2015, the Government of Telangana had notified the formation of District Mineral Foundation Trust (DMFT) and the National Mineral Exploration Trust (NMET), respectively, in accordance with the provisions of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (MMDRA), which was in effect from the 12 January 2015. Pursuant to applicability of the rules prescribed relating to the DMFT and NMET, royalties of 30% and 2% would be levied on the buyer of coal towards DMFT charges and NMET charges, respectively. Further, debit notes were raised on the Company for the coal procured by the manufacturing facilities in the states of Odisha and Telangana for amounts aggregating to ₹326.49 lakhs (31 March 2018: ₹1338.49 lakhs) and ₹26.91 lakhs (31 March 2018: ₹53.82 lakhs), respectively, by the concerned authorities towards the aforesaid royalties for the period beginning from January 2015 until the date of notification of the DMFT and NMET. The management has filed a writ petition with the Honourable High Court of Judicature at Hyderabad of the Combined State of Andhra Pradesh and Telangana and Honourable High Court of the State of Odisha, respectively, duly challenging the aforesaid demands and the date of applicability of the rules from 12 January 2015 duly considering the notification of the DMFT rules and NMET rules during January 2016 and August 2015, respectively. The Company had also received an interim stay order from the concerned High Courts duly restricting the recoveries of the above amounts pending disposal of the case. The matter is currently pending with the Honourable High Courts as at 31 March 2019. However, on the basis of assessment of the date of notification of the relevant rules in relation to the DMFT and the NMET and the underlying MMRDA, the management is of the view that levy of the aforesaid royalties aggregating to the above mentioned sums is not tenable as per law and accordingly, have not made any adjustments to the financial statements in this regard.



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- (vi) (i) The company had in the prior years, received various demand notices from the Central Excise Authorities for sums aggregating to ₹806.34 lakhs (31 March 2018: ₹941.80 lakhs) alleging non compliances with the provisions of the Central Excise Credit Rules during certain months of the financial years ended 31 March 1997, 1998, 2000, 2001, 2002, 2012 and 2013. Aggrieved by the above demands, the management has filed appeals with the Customs, Excise and Service Tax Appellate Tribunal of the states of New Delhi and Karnataka for amounts of ₹55.29 lakhs (31 March 2018: ₹55.29 lakhs) and ₹737.00 lakhs (31 March 2018: ₹737.00 lakhs) respectively and with the Honourable High Court of the Combined State of Andhra Pradesh and Telangana for a sum of ₹1.09 lakhs (31 March 2018: ₹136.90 lakhs) and the Commissioner of Central Excise Appeals, Visakhapatnam for a sum of ₹12.96 lakhs (31 March 2018: ₹12.60 lakhs), as applicable. However, on the basis of its internal assessment of the facts of the case and the applicable provisions of the Central Excise Credit Rules, the management is confident of these cases being settled in favour of the Company and accordingly, no adjustments have been made to the financial statements in this regard.
- (ii) The Company had received a demand notice from the Commissioner of Central Excise for an amount of ₹100.72 lakhs (31 March 2018: ₹94.35 lakhs) alleging certain non-compliances with the rules framed for determination of assessable value of the excisable goods sold and thereby demanding additional duty along with the interest and penalties aggregating to the aforementioned amounts. The management had filed necessary appeals with the Commissioner of Customs and Central Excise (Appeals), Hyderabad which was settled against the Company during the year ended 31 March 2018. Aggrieved by the said order, the management has also filed an appeals with the Commissioner of Customs, Excise and Service Tax Appellate Tribunal, Hyderabad which is pending for disposal as at 31 March 2019. However, on the basis of its internal assessment of the facts of the case and the history of judgements passed by the Appellate Authorities in this regard, the management is confident of the matter being settled in favour of the Company and accordingly, no adjustments have been made to the financial statements in this regard.
- (vii) (i) In connection with the service tax assessment for the financial years ended 31 March 2009 to 31 March 2014, the Company had received demands aggregating to ₹155.58 lakhs (31 March 2018: ₹147.79 lakhs) in relation to certain non-compliances with the provisions of the service tax regulations notified under the Finance Act, 1994 (duly amended from time to time). The management has filed necessary appeals against the said orders with the Commissioner of Service Tax (Appeals), Hyderabad, which is pending for disposal as at 31 March 2019.
- (ii) During the prior years, the Company had received certain demand notices from the Service tax Authorities for sums aggregating to ₹91.91 lakhs (31 March 2018: ₹98.12 lakhs) alleging non compliances with the provisions of the Central Excise Credit Rules during certain months of the financial years beginning from 1 April 2016 until the 31 March 2017. Aggrieved by the said demands, the management has filed appeals with the Commissioner of Central Excise (Appeals), Visakhapatnam, Deputy Commissioner of Central Excise, Kakinada and Assistant Commissioner of Central Excise, Kakinada for sums of ₹65.62 lakhs (31 March 2018: ₹60.76 lakhs), ₹Nil (31 March 2018: ₹14.65 lakhs) and ₹26.29 lakhs (31 March 2018: ₹22.71 lakhs), respectively. However, on the basis of its internal assessment of the facts of the case and the applicable provisions of the Central Excise Credit Rules, the management is confident of these cases being settled in favour of the Company and accordingly, no adjustments have been made to the financial statements in this regard.
- (iii) During the year ended 31 March 2013, the Company had received a demand notice from the Commissioner of Central Excise, Customs and Service Tax for an amount of ₹482.97 lakhs (31 March 2018: ₹482.97 lakhs) in relation to non-payment of service tax dues on certain imports made by the Company during the financial year ended 31 March 2008. The management had filed an appeals against the aforesaid order with the Commissioner of Central Excise (Appeals) which had been settled against the Company during the year ended 31 March 2017. The management, has however, filed an order against the said order with the Commissioner of Customs, Excise and Service Tax Appellate Tribunal during the year ended 31 March 2018 which is pending for disposal. However, on the basis of its internal assessment and considering that the said import transaction was subject to the payment of customs duty, the management is confident of the case being settled in favour of the Company.
- (viii) During the year ended 31 March 2016, the Company had received a demand notice from the Commissionerate of Customs (Preventive), Bhubaneswar, demanding an amount of ₹214.09 lakhs (31 March 2018: ₹214.09 lakhs) representing the customs duty, along with interest and penalties, on an import of coal made during the year ended 31 March 2013. The management has filed an



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- appeal against the said demand with the Commissioner of Customs, Excise and Service Tax Appellate Tribunal during the year ended 31 March 2017, which is pending for disposal as at 31 March 2019. However, on the basis of its assessment of the facts of the case and the prevailing regulations on classification of the imported coal, the management is confident of the case being settled in favour of the Company and consequently no adjustments have been made to the financial statements in this regard.
- (ix) The Company had received demands from the Sales tax authorities of the state of Telangana for an aggregate of ₹144.23 lakhs (31 March 2018: ₹144.23 lakhs) in relation to levy of sales tax on certain export entitlement licenses sold by the Company during the years ended 31 March 2001 and 31 March 2004. The management has filed necessary appeals against the said demand with the concerned appellate authorities which is pending for disposal as at 31 March 2019. However, on the basis of its internal assessment of the prevailing regulations and the facts of the case, the management is confident of the case being settled in favour of the Company.
- (x) Pursuant to the income tax assessment for the years mentioned below, the Company had received various demands from the income tax authorities in relation to the inadmissibility of certain expenditure in accordance with the provisions of the income tax law and compliances of the international transactions with associate enterprises with the arm's length guidelines. The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, the history of judgements made by the various appellate authorities and the necessary advise received from the independent expert engaged in this regard, is of the view that the probability of the case being settled against the Company is remote and accordingly do not foresee any adjustment to the financial statements in this regard. The details of the relevant financial year which is subject to the demands and the amount of demand along with the interest and penalties demanded is as follows:

Financial year ended	As at 31 March 2019	As at 31 March 2018
	(In ₹ lakhs)	
2004-05	311.60	311.60
2007-08	325.24	325.24
2008-09	114.94	114.94
2009-10	2,144.21	2,144.21
2010-11	176.11	176.11
2011-12	290.01	290.01
2012-13	85.19	85.19
2015-16	45.87	-

- (xi) The Company has filed a writ petition with the Honourable High Court of the Judicature at Hyderabad of the Combined State of Andhra Pradesh and Telangana challenging the applicability of the provisions of APERC - Renewal Power Purchase Obligation (Compliance by Purchase of Renewable Energy/Renewable Energy Certificates) Regulations, 2012 issued by the Andhra Pradesh Electricity Regulatory Commission. The management, on the basis of its assessment of the terms of the aforesaid regulations is of the view that the said regulations shall not be applicable to the Company owing to the nature of business engaged by it and accordingly are of the view that the financial statements as at and for the year ended 31 March 2019 do not warrant any adjustments to this effect.
- (xii) The Company, along with certain other petitioners, have filed a Special Leave Petition with the Honourable Supreme Court of India in relation to applicability of provisions of the Andhra Pradesh Electricity Duty Act, 1939 to the captive power generation facility of the Company situated at Samalkot, Andhra Pradesh for the period beginning 1 April 2003 until the 31 March 2013. During the aforesaid period, the Company had generated 944.75 lakhs units of power for captive consumption, thereby resulting in a electricity duty liability of ₹236.19 lakhs (31 March 2018: ₹236.19 lakhs). The Honourable Supreme Court vide its interim order during the year ended 31 March 2017 had directed the Company and the other petitioners to pay a portion of the aforesaid dues in relation to the said matter, according to which sums aggregating to ₹137.28 lakhs (31 March 2018: ₹137.28 lakhs) being deposited by the Company. However, on the basis of its assessment of the facts and status of the case and the underlying regulations on applicability of the electricity duty, the management has recognised a liability in the financial statements towards this matter in accordance with the provisions of Andhra Pradesh Electricity Duty Act, 1939 and are of the view that no additional provisions would be required in this regard.

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### Other pending litigations:

- (xiii) The balance of trade receivables as at 31 March 2019 includes an amount of ₹189.93 lakhs (31 March 2018: ₹189.93 lakhs) receivable from the Grid Corporation of Odisha (GRIDCO) in relation to the sale of power made during the year ended 31 March 2014. GRIDCO had filed an appeal with the Supreme Court of India in relation to the payment of the said dues subsequent to an order passed by the Appellate Tribunal for Electricity of the state of Odisha, directing GRIDCO to pay a sum of ₹2,582.00 lakhs (31 March 2018: ₹2,582.00 lakhs) to the Company in this regard. The management on the basis of its assessment of the status of the case, the follow up with the customers and the favourable order received from the appellate authorities in this regard is confident of recovering the balance of receivables as at 31 March 2019 along with the other dues from GRIDCO and accordingly does not foresee any adjustments to the financial statements in this regard.
- (xiv) During the earlier years ferro alloy manufacturing unit of the Company at Paloncha, Telangana had received demands aggregating to ₹668.00 lakhs (31 March 2018: ₹668.00 lakhs) from the erstwhile Andhra Pradesh State Electricity Board ('Board') towards the payment of Voltage Surcharge and additional charges for the period 1 March 1983 to 30 June 1987. The Company had filled a petition against the same in Supreme Court which was decided in favour of the Company. However in the meantime, bank guarantees furnished by the Company to the tune of ₹409.00 lakhs (31 March 2018: ₹409.00 lakhs) were encashed by the Board. The management has further filled a petition with the Honourable High Court of the Combined State of Andhra Pradesh and Telangana against the said levy of voltage surcharge and additional charges and the aforesaid deductions made by the Board. Pending final outcome of the said petitions, the management has already recognised adequate liabilities in relation to the said dues and does not foresee any additional adjustments to the financial statements in this regard.
- (xv) The Company is a party, as a petitioner and a respondent, to certain other cases in respect of certain land allotments, illegal land encroachments and other matters which are pending for disposal as at 31 March 2019 with various civil courts and appellate authorities, as the case may be. The management, in consultation with its internal and external legal counsel is of the view that the probability of the same being settled against the Company is remote and accordingly are of the view that the financial statements as at and for the year ended 31 March 2019 do not require any adjustments in this regard.
- (xvi) Maamba Collieries Limited (MCL), a subsidiary of the Company has several pending litigations as at 31 March 2019. Based on the assessment of lawyers and management of MCL, the likelihood of the claims against MCL being successful is unlikely and accordingly are of the view that the financial statements as at and for the year ended 31 March 2018 do not require any adjustments in this regard.
- (xvii) During the year ended 31 March 2007, Brahmani Infratech Private Limited (BIPL), was allotted 250 Acres of land by Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) to develop 150 Acres as Special Economic Zone (SEZ) area and 100 Acres as Non-SEZ area with the agreed project completion date of 6 November 2012. BIPL had also paid an amount of ₹5,000.00 lakhs as security deposit to APIIC in relation to the said allotment. BIPL had simultaneously entered into a development Agreement with Mantri Technology Parks Private Limited (MTPPL), Bangalore (appointed as co-developer) for the development of 238 Acres (including IT/ITES SEZ in 150 Acres) of the land so allotted, against which a security deposit of ₹3,000.00 lakhs was duly collected. However owing to certain delays in development of the project, BIPL had made a representation to APIIC seeking an approval for extending the project completion date to November 2021, which was pending from the authorities concerned. In the meantime, the co-developer vide a letter dated 2 May 2012 opted for termination of the aforesaid Development agreement with a request to refund the security deposit paid by it. BIPL, had consequently, sought necessary approvals from APIIC towards termination of the aforesaid land allotment and the development work along with the refund of security deposit paid by it to the tune of ₹4,975.00 lakhs, subsequent to adjustment of certain charges by APIIC.

However, aggrieved by the action of the co-developer and the status of the work executed, BIPL had served the notice of forfeiture of the security deposit made by the co-developer alleging non-compliance with the terms of the development agreement. Aggrieved by the same, MTPPL had initiated necessary arbitration proceedings against BIPL, which were duly decided by the arbitrator partly in favour of BIPL and partly in favour of MTPPL. Pursuant to the said order, MTPPL was entitled to receive the security deposit along with certain reimbursement for the costs incurred by it and interest at agreed rates on the security deposit made by it, while BIPL was





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entitled to receive certain fixed sums towards loss of profits on account of premature termination of the development agreement by MTPPL along with interest at agreed rates from the date of order until the date of payment.”

Aggrieved by the aforesaid order of the arbitrator, BIPL and MTPPL, have filed necessary appeals with the City Civil Court of Hyderabad alleging certain prima facie deviations and inconsistencies in the order, against which an order has been pronounced on the 26 April 2019. Pending receipt of the copy of the order, the management, on the basis of its internal assessment of the case and the independent legal advice received in this regard, is in the process of filing an appeal against the aforesaid order. Accordingly, no adjustments are deemed necessary to these financial statements by the management in this regard.

(xviii) During the year ended 31 March 2006, Nava Bharat Projects Limited (NBPL), a subsidiary of the Company, had set up a joint venture company, Navabharat Power Private Limited (NPPL), duly represented by its' then Director as the Non-Executive Vice Chairman, for setting up a 1040 MW Thermal Based Power Generating Facility in the state of Odisha. During the process of project implementation, NPPL obtained various key clearances which included Coal Linkage from Mahanadi Coalfields Limited along with allotment of a captive coal block to be shared with other power generators. However, due to a stalemate in the management of NPPL, the investments made by NBPL in NPPL were disposed-off in tranches during the year ended 31 March 2012 for a post-tax consideration of ₹14,800 lakhs.

During the year ended 31 March 2013, based on the Comptroller and Auditor General of India's Report, a complaint was lodged with the Central Vigilance Commission (CVC) by certain public representatives alleging certain misrepresentation in the allotment of coal blocks in the State of Odisha thereby leading to an investigation being conducted by the Central Bureau of Investigation (CBI) and the Enforcement Directorate (ED) of the Government of India on the coal blocks then allotted to NPPL. On the basis of the investigations conducted by the CBI, charge sheets were filed in this regard vide order dated 28 July 2015. However, pending conclusion of the proceedings, the ED vide its Provisional Attachment Order dated 22 July 2014 attached the entire equity shares held by NBPL in Nava Bharat Energy India Limited (NBEIL) to the extent of ₹13,859 lakhs, being equivalent to the proceeds from sale of NBPL's stake in NPPL, net of income taxes. Further, the ED issued an order dated 9 July 2015 to NBPL requesting to transfer entire the shareholding of NBPL in NBEIL. In this regard, NBPL obtained a stay order from the Appellate Tribunal. Further, during the year ended 31 March 2018, the management has made certain representations to the ED by offering alternative assets which are valued at the aforesaid amounts in lieu of the investments in NBEIL, which is pending for adjudication as at 31 December 2018. The management, on the basis of its internal assessment of the facts of the case, is of the view that the charges alleged and levied by the CBI are not tenable in law and is confident of resolving the case in favour of NBPL. The matter is currently sub-judice with the Special Court of CBI and there have been no further developments on the same during the year ended 31 March 2019.

### 36. SEGMENT INFORMATION

For management purposes, the group is organized into business units based on its products and services and has four reportable segments as follows:

- i. Ferro Alloys (FAP) Segment which produces various Alloy Metals viz., Ferro Chrome, Silico Manganese and Ferro Silicon and also carrying conversion work on job work basis to others.
- ii. Power Segment which generates Thermal energy for captive use and also for outside sale.
- iii. Sugar Segment which produces Sugar and its integrated by-products.
- iv. Mining Segment wherein coal is mined for captive use and also for outside sale.

No operating segments have been aggregated to form above reportable operative segments.

The Executive Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The Group manages its financing and income taxes separately, Group as a whole and are not allocated to operating segments.



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Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties wherever available.

### (a) Business segment

#### For the year ended 31 March 2019:

Particulars	FAP	Power	Sugar	Mining	Unallocated	Total
<b>Segment Revenue</b>						
External sales	96,955.51	2,30,307.50	14,404.33	26,067.60	18,499.01	3,86,233.95
Inter segment sales	(567.05)	(38,151.89)	-	(18,747.45)	(18,421.20)	(75,887.59)
<b>Total segment revenue</b>	<b>96,388.46</b>	<b>1,92,155.61</b>	<b>14,404.33</b>	<b>7,320.15</b>	<b>77.81</b>	<b>3,10,346.36</b>
<b>Expense</b>						
Depreciation and amortisation expense	681.53	24,969.37	522.33	2,798.33	226.16	29,197.73
<b>Results</b>						
Segment result	6,407.13	84,692.41	542.95	9,604.33	2,362.64	1,03,609.46
Finance costs						35,092.87
Add: Interest income						9,168.17
<b>Profit before tax</b>						<b>77,684.76</b>

#### Other information as at 31 March 2019:

Particulars	FAP	Power	Sugar	Mining	Unallocated	Total
Segment assets	51,168.11	6,99,120.37	20,554.21	94,632.13	36,234.61	9,01,709.43
Segment liabilities	6,499.61	3,94,148.55	5,580.35	30,413.53	39,910.58	4,76,552.62
Additions to non-current assets other than financial instruments and deferred tax assets	623.64	27,350.58	60.15	8,741.68	1,145.13	37,921.18

#### For the year ended 31 March 2018:

Particulars	FAP	Power	Sugar	Mining	Unallocated	Total
<b>Segment Revenue</b>						
External sales	90,696.58	1,56,241.23	17,080.22	20,325.17	6,480.57	2,90,823.77
Inter segment sales	(496.95)	(37,412.21)	(110.97)	(11,588.72)	(6,436.55)	(56,045.40)
<b>Total segment revenue</b>	<b>90,199.63</b>	<b>1,18,829.02</b>	<b>16,969.25</b>	<b>8,736.45</b>	<b>44.02</b>	<b>2,34,778.37</b>
<b>Expense</b>						
Depreciation and amortisation expense	654.38	17,564.90	535.58	3,890.78	196.12	22,841.76
<b>Results</b>						
Segment result	7,332.52	46,930.27	27.76	2,282.70	(116.39)	56,456.86
Finance costs						24,633.77
Add: Interest income						6,938.52
<b>Profit before tax</b>						<b>38,761.61</b>



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### Other information as at 31 March 2018:

Particulars	FAP	Power	Sugar	Mining	Unallocated	Total
Segment assets	45,477.77	6,27,954.41	17,926.43	87,678.78	44,075.00	8,23,112.39
Segment liabilities	8,242.95	3,79,091.58	6,047.64	23,579.88	35,822.52	4,52,784.57
Additions to non-current assets other than financial instruments and deferred tax assets	1,104.05	20,339.73	127.52	2,546.97	893.53	25,011.80

### (b) Other disclosures

(i) The Company is domiciled in India. The following table shows the distribution of the Group's revenues based on the location of the customers:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Revenues from external customers</b>		
- India	1,26,483.49	1,14,687.37
- Zambia	1,55,025.95	79,099.84
- China	10,281.13	17,703.07
- Japan	17,146.41	18,899.04
- Rest of the world	1,409.38	4,389.05

(ii) The following table shows the distribution of the Group's non-current assets other than financial assets and deferred tax assets based on the location of the assets:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
- India	1,42,627.67	1,47,544.35
- Zambia	4,44,994.20	4,34,228.54
- Rest of the world	39,394.91	36,520.43

(iii) Information about major customers:

(a) Revenues from two of the customers of the Group's Power segment were ₹191,931.53 lakhs (31 March 2018: ₹127,700.74 lakhs) representing 61.84% (31 March 2018: 54.39%) of the Group's total revenues, for the year ended.

## 37. RELATED PARTY DISCLOSURES

### (a) Name of related parties and nature of relationship

Names of the related parties	Nature of relationship
ZCCM Investments Holdings Plc	Shareholder with significant influence over subsidiary
C.V. Durga Prasad D. Ashok P. Trivikrama Prasad G. R. K. Prasad Ashwin Devineni	Key Management Personnel (KMP)
K. Balarama Reddy Dr. M. V. G. Rao Dr. E. R. C. Shekar Dr. D. Nageswara Rao Dr. C. V. Madhavi K. Durga Prasad (Appointed w.e.f 6 August 2018) GP Kundargi (Appointed w.e.f 6 August 2018)	Independent Directors
D. Nikhil Dr. D. Rajasekhar	Relative of KMP

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### (b) Transactions with related parties

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>ZCCM Investments Holdings Plc</b>		
Interest expense	1,124.36	2,485.39
Transaction costs	39.70	199.58
Loans taken	8,946.65	-
<b>Transactions with key management personnel</b>		
Managerial remuneration	3,143.12	3,106.62
Commission	25.00	25.00
Sitting fees	8.10	8.10
<b>Relatives of key managerial personnel</b>		
<b>Rent paid</b>		
Dr. D. Rajasekhar	13.56	14.50
<b>Remuneration</b>		
D. Nikhil	11.94	8.02

### (c) Balances receivable/(payable)

	As at 31 March 2019	As at 31 March 2018
<b>Key Management personnel</b>		
D Ashok	(564.59)	(512.07)
P Trivikrama Prasad	(564.59)	(512.07)
<b>Subsidiaries</b>		
ZCCM Investments Holdings Plc	(29,126.32)	(20,001.56)

### (d) Key managerial personnel compensation

	As at 31 March 2019	As at 31 March 2018
Short-term employee benefits	3,061.35	2,976.66
Post-employment defined benefit	38.07	83.85
Compensated absences	12.00	18.00
Termination benefits	64.80	61.20



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### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The Group's risk management policies are established to identify and analyse the risks faced by the Group and seek to, where appropriate, minimize potential impact of the risk and to control and monitor such risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks or the manner in which it manages and measures the risks.

The following sections provide the details regarding the Group's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

#### (i) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates and prices. The Group is exposed to market risk primarily related to currency rate risk, interest rate risk and other price risks, such as equity risk. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenues generated and operating activities in foreign currencies.

#### (a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of the Group and the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the floating interest rate borrowings. The Group's investment in deposits with banks are for short durations and therefore do not expose the Group to significant interest rate risk. Further investment in preference shares carry a fixed rate and accordingly are not subject to interest rate risk.

The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt. While most of the Group's outstanding debt are on floating rate basis and accordingly are subject to interest rate risk. A major portion of foreign currency debt is linked to international interest rate benchmarks like LIBOR. The Group also hedges a portion of these risks by way of derivative instruments like interest rate swaps and currency swaps.

The exposure of the Group to fixed rate and variable rate instruments at the end of the reporting period are as follows:

	As at 31 March 2019	As at 31 March 2018
<b>Borrowings</b>		
- Fixed rate instruments	26,740.51	21,101.17
- Variable rate instruments*	3,40,557.66	3,79,658.99

#### Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the variable rate instruments. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings for the year ended:

	Change in basis points	As at 31 March 2019	As at 31 March 2018
Increase in basis points	50.00	1,702.79	1,898.29
Decrease in basis points	(50.00)	(1,702.79)	(1,898.29)

\* The Group has entered into interest rate swap arrangement against the variable rate borrowing amounting to ₹240,602.02 lakhs (31 March 2018: ₹244,710.22 lakhs) and accordingly the impact of interest rate sensitivity as mentioned above is expected to be offset proportionately.

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### (b) Foreign Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group operates internationally in foreign currencies and is exposed to the risk of change in foreign exchange rates which relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency) and financing activities (when borrowings are denominated in foreign currency). Foreign exchange risk arises from transactions denominated in a currency that is not the functional currency of the relevant group entity.

The Group has transactional currency exposures arising from services provided or availed that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly in US Dollars (\$). The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Group does use financial derivatives such as foreign currency forward contracts and swaps.

#### Derivative financial instruments

The following table gives details in respect of outstanding derivative contracts against principle amount. The counter-party for these contracts are banks.

	USD	31 March 2019	31 March 2018
Derivatives not designated as hedges			
Forward contract	Buy	\$192.90	\$247.91
Forward contract	Sell	\$0.00	\$30.00
Interest rate swap	Buy	\$3,360.03	\$3,510.50

#### Foreign currency exposure as at each reporting date:

	As at 31 March 2019		As at 31 March 2018	
	Foreign currency	₹ in lakhs	Foreign currency	₹ in lakhs
<b>United states dollars (USD):</b>				
<b>Financial assets</b>				
- Trade and other receivables	21.31	1,473.39	36.74	2,393.87
- Derivative asset	-	-	-	223.47
- Others	1.77	103.28	-	-
<b>Financial liabilities</b>				
- Borrowings	190.71	13,188.40	275.11	17,930.30
- Trade and other payables	0.83	57.76	5.94	387.25
- Derivative liability	-	781.75	-	-

The following table demonstrates the sensitivity to a reasonably possible change in USD to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax due to changes in the fair value of monetary assets and liabilities is given below:

	Change	31 March 2019	31 March 2018
USD sensitivity			
₹/USD - Increase by	5.00%	(622.56)	(785.01)
₹/USD - Decrease by	-5.00%	622.56	785.01

### (c) Other price risk

Other price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.



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The Group based on working capital requirement keeps its liquid funds in current accounts. Excess funds are invested in long-term/short-term instruments. The Group has listed and non-listed equity securities that are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and reports on the equity portfolio are submitted to the management on a regular basis.

The following table demonstrates the sensitivity to the impact of increase/decrease of the index on the Group's equity and profit for the period. The analysis is based on the assumption that index has increased or decreased by 10%, with all other variables held constant and that the Group's equity instruments moved in line with the index.

	Change	31 March 2019	31 March 2018
NSE Nifty 50 sensitivity			
- Increase by	10.00%	57.66	51.39
- Decrease by	-10.00%	(57.66)	(51.39)

The following table demonstrates the sensitivity of the Group's un-quoted investments on the profit for the period. The analysis is based on the assumption that net asset values has increased or decrease by 10%, with all other variables held constant.

	Change	31 March 2019	31 March 2018
Net Asset value sensitivity			
- Increase by	10.00%	1,493.95	1,623.84
- Decrease by	-10.00%	(1,493.95)	(1,623.84)

### (ii) Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counter-party defaults on its obligations. The Group's exposure to credit risk arises primarily from security deposits, balances with bankers and trade and other receivables. The Group minimises credit risk by dealing exclusively with high credit rating counter parties. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

### (a) Exposure to credit risk:

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

### (b) Credit risk concentration profile:

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

### (c) Financial assets that are neither past due nor impaired:

None of the Group's cash equivalents, other bank balances, loans, security deposits and other receivables were past due or impaired as at 31 March 2019 and 31 March 2018. Other receivables including loans that are neither past due nor impaired are from creditworthy debtors with good payment record with the Group. Cash and short-term deposits, investment securities that are neither past due nor impaired are placed with or entered with reputable banks financial institutions or companies with high credit ratings and no history of default.



## Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### (d) Financial assets that are either past due or impaired:

The Group's exposure to credit risk with regards to trade receivables is influenced mainly by the individual characteristics of each customer. However, the Management also evaluates the factors that may influence the credit risk of its customer base, including the default risk and country in which the customers operate. The management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if available, financial statements, credit agency information, industry information and in some case bank references. The Group's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

### (iii) Liquidity risk:

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as of 31 March 2019:

Change	Upto 1 year	1 to 3 years	After 3 years
Borrowings	63,040.22	91,088.10	2,13,169.85
Trade payables	14,065.09	-	-
Interest accrued	-	-	3,584.25
Other financial liabilities	25,839.24	120.87	1,001.14
	<b>1,02,944.55</b>	<b>91,208.97</b>	<b>2,17,755.24</b>

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as of 31 March 2018:

Change	Upto 1 year	1 to 3 years	After 3 years
Borrowings	68,369.80	1,19,388.84	2,13,001.52
Trade payables	12,947.43	-	-
Other financial liabilities	27,841.16	425.42	-
	<b>1,09,158.39</b>	<b>1,19,814.26</b>	<b>2,13,001.52</b>



## Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 39. CAPITAL MANAGEMENT

Capital includes equity share capital and all other reserves attributable to the equity holders of the parent. The primary objective of the capital management is to ensure that the group maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder's value. The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a debt to capital employed ratio which is debt divided by total capital plus debt. The Group's policy is to keep this ratio at an optimal level to ensure that the debt related covenants are complied with.

	As at 31 March 2019	As at 31 March 2018
Borrowings #	3,67,298.17	4,00,760.16
Less: Cash and cash equivalents	22,618.59	27,804.48
<b>Net Debt</b>	<b>3,44,679.58</b>	<b>3,72,955.68</b>
Equity attributable to equity holders of the holding company	3,80,998.22	3,38,467.85
<b>Equity and net debt</b>	<b>7,25,677.80</b>	<b>7,11,423.53</b>
Gearing ratio	47.50%	52.42%

# Total Borrowings include long-term borrowings, current maturities of long-term borrowings and working capital loans like cash credit and buyer's credit.

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call back loans and borrowings.

There have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current period which have been incurred. No changes were made in the objectives, policies or processes for managing the capital during the year ended 31 March 2019.

### 40. SUBSEQUENT EVENTS

#### (a) Proposed Distribution

	31 March 2019	31 March 2018
<b>Proposed dividends on Equity shares:</b>		
Final dividend for the year ended on 31 March 2019: ₹1.50 (31 March 2018: ₹1.50) per share	2,529.44	2,529.44
Dividend distribution tax (DDT) on the above	514.99	514.99

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) in accordance with the applicable accounting principles.

(b) The Board of Directors of the Company, at their meeting held on 29 May 2019, approved the buy-back of fully paid-up equity shares of the Company at a price not exceeding ₹160 per equity share, for an aggregate amount not exceeding ₹2,500 lakhs through open market route.

## Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

### 41. BREAK-UP OF AMOUNTS INCURRED DURING CONSTRUCTION PERIOD:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	-	3,95,775.74
<b>Add:</b> Amounts incurred during the year		
(i) Additions to plant and equipment	-	27,860.31
(ii) Additions to building	-	638.86
(iii) Employee benefits expense	-	275.79
(iv) Interest expense	-	12,545.63
(v) Expenditure incurred on trial operations	-	5,872.80
(vi) Insurance expense	-	572.82
(vii) Professional charges	-	2,333.09
<b>Less:</b>		
(i) Revenues from sale of power during trail operations	-	33,081.92
(ii) Foreign currency translation adjustments	-	2,543.41
(iii) Amounts capitalised during the year	-	4,10,249.71
<b>Balance at the end of the year</b>	-	-

### 42. SCHEME OF ARRANGEMENT OF A9 REALTY PRIVATE LIMITED

(a) A9 Realty Private Limited (“ARPL”), a wholly owned subsidiary of Nava Bharat Projects Limited (NBPL), a subsidiary of the Company, amalgamated with it with effect from 1 July 2018 (“the appointed date”). A9 Realty Private Limited was engaged in the business of dealing in property. The amalgamation was pursuant to a composite scheme of arrangement sanctioned by Office of the Regional Director, South East Region vide their Order dated 21 January 2019. Pursuant thereto all the assets, rights, title and interests and all other duties, debts, liabilities, undertakings and obligations of A9 Realty Private Limited, have been transferred to and vested in NBPL with effect from 1 July 2018. The amalgamation has been accounted for under the ‘pooling of interests’ method as prescribed by the Indian Accounting Standard 103 (Ind AS 103) - “Business Combinations” specified under Section 133 of the Act. Accordingly, the assets, liabilities and reserves of A9 Realty Private Limited as at 1 July 2018 have been taken over at their book values and in the same form.

(b) The details of assets, liabilities and reserves of ARPL which have been transferred to NBPL as at 1 July 2018 are as follows:

	Amount as at 1 July 2018
<b>Assets</b>	
Investments	970.00
Cash and bank balances	34.52
Deferred tax assets (MAT credit entitlement)	47.78
Loans and advances and other assets	22.15
<b>Less: Liabilities and reserves</b>	
Transfer of balances of surplus in the Statement of Profit and Loss of A9 Realty Private Limited	(274.55)
Trade payables, other liabilities and provisions	(59.50)
	<b>740.40</b>
<b>Less:</b>	
Adjustment for cancellation of investment by NBPL in ARPL	(737.00)
Adjustment for cancellation of advances given by the Company to A9 Realty Private Limited	(3.40)
Good-will/ Capital reserve	-



# Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

(All amounts in lakhs of ₹, unless otherwise stated)

## Notes

to the Financial Statements – March 31, 2019

### 43. ADDITIONAL DISCLOSURE AS REQUIRED UNDER PARAGRAPH 2 OF 'GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS' OF THE SCHEDULE III TO THE ACT:

(i) As at and for the year ended 31 March 2019:

	Net Assets, i.e., total assets minus total liabilities As % of consolidated net assets <sup>ii</sup>		Share in profit or loss As % of consolidated profit		Share in other comprehensive income (OCI) As % of consolidated OCI		Share in total comprehensive income (TCI) As % of consolidated TCI	
	As % of consolidated net assets <sup>ii</sup>	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
1. Nava Bharat Ventures Limited	47.27%	2,90,698.59	33.87%	16,618.89	114.73%	104.22	34.02%	16,723.11
Subsidiaries								
Indian								
1. Nava Bharat Energy India Limited	8.55%	52,564.18	0.13%	66.16	-21.46%	(19.50)	0.09%	46.67
2. Nava Bharat Projects Limited	4.11%	25,242.95	1.16%	569.52	1.05%	0.95	1.16%	570.47
3. Brahmani Infotech Private Limited	1.42%	8,744.07	0.32%	155.46	0.75%	0.68	0.32%	156.14
Foreign								
1. Nava Bharat (Singapore) Pte Limited	18.82%	1,15,727.58	0.51%	248.95	0.00%	-	0.51%	248.95
2. Maamba Collieries Limited	19.13%	1,17,628.71	63.08%	30,947.83	0.00%	-	62.96%	30,947.83
3. Nava Energy Zambia Limited	0.12%	760.13	0.78%	382.02	0.00%	-	0.78%	382.02
4. Nava Energy Pte Limited	0.21%	1,297.66	1.57%	771.35	0.00%	-	1.57%	771.35
5. Nava Agro Pte Limited	0.16%	995.24	-0.01%	(3.37)	0.00%	-	-0.01%	(3.37)
6. Kawambwa Sugar Limited	0.09%	568.83	-0.07%	(36.30)	0.00%	-	-0.07%	(36.30)
7. Nava Holding Pte Limited	0.24%	1,495.65	0.09%	42.80	0.00%	-	0.09%	42.80
8. Tiash Pte Limited	-0.05%	(280.03)	-0.39%	(193.49)	-0.36%	(0.33)	-0.39%	(193.82)
9. Compai Pharma Pte Limited	-0.02%	(95.24)	-0.18%	(89.77)	-0.15%	(0.14)	-0.18%	(89.91)
10. Compai Healthcare Sdn. Bhd	-0.04%	(247.54)	-0.49%	(240.69)	0.76%	0.69	-0.49%	(240.00)
11. TIS Pte Limited	0.03%	180.11	-0.01%	(4.24)	4.78%	4.35	0.00%	0.11
12. The Iron Suites Pte Limited	-0.06%	(353.51)	-0.35%	(172.07)	-0.09%	(0.08)	-0.35%	(172.15)
13. Kinta Valley Mining Resources Sdn. Bhd	0.00%	(0.41)	0.00%	(0.58)	0.00%	-	0.00%	(0.58)
	<b>100.00%</b>	<b>6,14,926.97</b>	<b>100.00%</b>	<b>49,062.47</b>	<b>100.00%</b>	<b>90.84</b>	<b>100.00%</b>	<b>49,153.89</b>
Consolidation adjustments		(1,89,770.16)		(2,583.45)		11,033.94		8,449.91
<b>Sub-total</b>		<b>4,25,156.81</b>		<b>46,479.02</b>		<b>11,124.78</b>		<b>57,603.80</b>
Non-controlling Interests in all subsidiaries		44,158.59		10,723.84		1,574.78		12,298.62
<b>Total</b>		<b>3,80,998.22</b>		<b>35,755.18</b>		<b>9,550.00</b>		<b>45,305.18</b>



# Notes

to the Consolidated Financial Statements – March 31, 2019

(All amounts in lakhs of ₹, unless otherwise stated)

(All amounts in lakhs of ₹, unless otherwise stated)

to the Financial Statements – March 31, 2019

(ii) As at and for the year ended 31 March 2018:

	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of consolidated net assets"	Amount	As % of consolidated profit	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	
Parent	49.91%	2,77,024.86	57.61%	16,155.80	431.70%	11.32	57.65%	16,167.12
Subsidiaries								
Indian								
1. Nava Bharat Energy India Limited	9.46%	52,517.64	-0.97%	(271.45)	-219.58%	(5.76)	-0.99%	(277.21)
2. Nava Bharat Projects Limited	4.40%	24,397.92	0.71%	198.61	-34.61%	(0.91)	0.70%	197.70
3. Brahmani Infotech Private Limited	1.55%	8,587.90	0.87%	244.10	-77.50%	(2.03)	0.86%	242.07
Foreign								
1. Nava Bharat (Singapore) Pte Limited	19.49%	1,08,183.04	-2.47%	(692.40)	0.00%	-	-2.47%	(692.40)
2. Maamba Collieries Limited	14.77%	81,960.36	41.00%	11,496.89	0.00%	-	41.00%	11,496.89
3. Nava Energy Zambia Limited	0.06%	359.67	1.09%	306.73	0.00%	-	1.09%	306.73
4. Nava Energy Pte Limited	0.09%	502.74	3.58%	1,004.82	0.00%	-	3.58%	1,004.82
5. Nava Agro Pte Limited	0.11%	615.24	-0.01%	(2.93)	0.00%	-	-0.01%	(2.93)
6. Kawambwa Sugar Limited	0.06%	343.35	-0.38%	(105.17)	0.00%	-	-0.38%	(105.17)
7. NB TanAgro Limited	0.00%	0.65	0.00%	-	0.00%	-	0.00%	-
8. NB Rufiji Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
9. Nava Holding Pte Limited	0.12%	652.69	0.00%	0.28	0.00%	-	0.00%	0.28
10. Tiash Pte Limited	-0.02%	(85.45)	-0.29%	(81.96)	0.00%	-	-0.29%	(81.96)
11. Compai Pharma Pte Limited	0.00%	(5.98)	-0.02%	(5.80)	0.00%	-	-0.02%	(5.80)
12. Compai Healthcare Sdn. Bhd	0.00%	(9.33)	-0.03%	(8.96)	0.00%	-	-0.03%	(8.96)
13. TIS Pte Limited	0.03%	178.92	-0.08%	(23.64)	0.00%	-	-0.08%	(23.64)
14. The Iron Suites Pte Limited	-0.03%	(177.42)	-0.62%	(173.60)	0.00%	-	-0.62%	(173.60)
	<b>100.00%</b>	<b>5,55,046.80</b>	<b>100.00%</b>	<b>28,041.33</b>	<b>100.00%</b>	<b>2.62</b>	<b>100.00%</b>	<b>28,043.95</b>
Consolidation adjustments		(1,84,718.98)		(243.66)		425.04		181.38
<b>Sub-total</b>		<b>3,70,327.82</b>		<b>27,797.67</b>		<b>427.66</b>		<b>28,225.33</b>
Non-controlling Interests in all subsidiaries		31,859.97		3,995.89		295.77		4,291.66
<b>Total</b>		<b>3,38,467.85</b>		<b>23,801.78</b>		<b>131.89</b>		<b>23,933.67</b>

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

Place: Hyderabad, India  
Date: 29 May 2019

For and on behalf of the Board of Directors of  
**Nava Bharat Ventures Limited**

**T. Hari Babu**  
Chief Financial Officer

**VSN Raju**  
Company Secretary  
& Vice President  
Place: Hyderabad, India  
Date: 29 May 2019

**G.R.K. Prasad**  
Executive Director  
DIN: 00006852

**P. Trivikrama Prasad**  
Managing Director  
DIN: 00006887

**D. Ashok**  
Chairman  
DIN: 00006903





## NAVA BHARAT VENTURES LIMITED

Regd. Office: 6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082, Telangana.

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e-Fax: +91 080 6688 6121; E-mail: investorservices@nbv.in; Website: www.nbventures.com

### NOTICE

NOTICE is hereby given that the 47th annual general meeting of the members of Nava Bharat Ventures Limited will be held on Thursday, the 8th day of August, 2019 at 10:30 a.m. (IST) at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad - 500016 to transact the following business:

#### Ordinary Business:

##### Item No.1:

#### Adoption of financial statements:

To receive, consider, approve and adopt the audited financial statements of the Company (standalone and consolidated) for the year ended March 31, 2019 including audited balance sheet as at March 31, 2019, the statement of profit & loss for the year ended on that date and the reports of the Board of directors and auditors thereon including the audited consolidated financial statements of the Company and report of the auditors thereon, for the financial year ended March 31, 2019.

##### Item No.2:

#### Declaration of dividend on the equity shares:

To declare dividend at the rate of 75% i.e. ₹1.50 per equity share of ₹2 each for the financial year ended March 31, 2019.

##### Item No.3:

#### Re-appointment of director:

To appoint a director in place of Mr. CV Durga Prasad (DIN: 00006670), who retires by rotation and, being eligible, offers himself for re-appointment.

#### Special Business:

##### Item No. 4:

#### Appointment of Mr. K. Durga Prasad as an Independent director of the Company:

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 149,

152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder, read with Schedule IV of the Act and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee of the Board, Mr. K. Durga Prasad (DIN: 07946821), who was appointed by the Board of Directors as an Additional Director (Non-executive and Independent) of the Company at its meeting held on August 6, 2018 and who holds office up to the date of this annual general meeting of the Company in terms of Section 161(1) of the Act and Article 85 of the Articles of Association of the Company and who meets the criteria of independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years commencing from August 06, 2018."

##### Item No. 5:

#### Appointment of Mr. GP Kundargi as an Independent director of the Company:

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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder, read with Schedule IV of the Act and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or



re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee of the Board, Mr. GP Kundargi (DIN: 02256516), who was appointed by the Board of Directors as an Additional Director (Non-executive and Independent) of the Company at its meeting held on August 6, 2018 and who holds office up to the date of this annual general meeting of the Company in terms of Section 161(1) of the Act and Article 85 of the Articles of Association of the Company and who meets the criteria of independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years commencing from August 06, 2018.”

**Item No. 6:**

**Appointment of Mr. A. Indra Kumar as an Independent director of the Company:**

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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, read with Schedule IV of the Act and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee of the Board, Mr. A. Indra Kumar (DIN:00190168), who was appointed by the Board of Directors as an Additional Director (Non-executive and Independent) of the Company at its meeting held on February 7, 2019 and who holds office up to the date of this annual general meeting of the Company in terms of Section 161(1) of the Act and Article 85 of the Articles of Association of the Company and who meets the criteria of independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the

Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years commencing from February 07, 2019.”

**Item No. 7:**

**Re-appointment of and remuneration payable to Mr. CV Durga Prasad, Director (Business Development):**

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 196 and 197, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee and prior approval of Audit Committee of the Board, the approval and consent of the members be and is hereby accorded to the re-appointment of and remuneration payable to Mr. CV Durga Prasad, Director (Business Development), for a further period from June 28, 2019 to March 31, 2021 on the remuneration, perquisites, benefits and other allowances to him as mentioned below:

<b>A. Salary</b>	₹11,50,000/- per month
<b>B. Allowances and Perquisites</b>	In addition to the Salary, he shall be entitled to the allowances and other perquisites as set out below, which shall be computed on the enhanced salary from time to time.

- a) Housing
  - i) Where accommodation in the company owned house is provided, he will pay 10% of his salary towards house rent;
  - ii) Where hired accommodation is provided, the expenditure incurred by the Company on hiring furnished accommodation to him will be subject to a ceiling of 60% of salary;
  - iii) In case, the Company does not provide accommodation, house rent allowance shall be paid @ 60% of the salary; and
  - iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the salary.
- b) Medical Reimbursement/Allowance for self and family: Reimbursement of expenses actually incurred for self and family or allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years.





- c) Leave Travel Concession or Allowance: For self and family, once in a year either in India or abroad in accordance with the rules of the Company.
- d) Club fees: Fees of clubs, subject to a maximum of two clubs.
- e) Personal accident insurance: As per the rules of the Company.
- f) Car: Free use of Company's car with driver.
- g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company.
- h) Gratuity payable shall not exceed half a month's salary for each completed year of service.
- i) Telephone: Free telephone facility at residence.
- j) Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month for every 11 months' service.
- k) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company.
- l) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time."

**"RESOLVED FURTHER THAT** notwithstanding anything herein stated above, during the tenure of Mr. CV Durga Prasad as Director (Business Development) of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to him the above remuneration by way of salary, perquisites and other allowances as minimum remuneration subject to the requisite approvals or the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter the terms of appointment, from time to time, and to take such steps and do all other acts, deeds and things as may be required, necessary or desirable to give effect to this resolution."

**Item No. 8:**

**Re-appointment of Dr. D. Nageswara Rao as an Independent Director:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder, read with Schedule IV of the Act and Regulation 17 and other applicable

provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee and prior approval of Audit Committee of the Board, Dr. D. Nageswara Rao (DIN: 02009886), who was appointed as an Independent Director at the 42nd Annual General Meeting of the Company and who holds office up to August 07, 2019 as an Independent Director and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who is eligible for re-appointment as such and in respect of whom the Company has received a Notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a further term of two (2) consecutive years with effect from August 08, 2019."

**Item No. 9:**

**Re-appointment of and remuneration payable to Mr. D. Ashok as Chairman of the Company:**

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 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable rules, regulations and pursuant to recommendation of Nomination and Remuneration Committee and prior approval of Audit Committee, the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. D. Ashok (DIN: 00006903) as Chairman and Director in the whole-time employment of the Company for a further period of two (2) years with effect from August 14, 2019 on the remuneration, perquisites, benefits and other allowances to him as mentioned below:

<b>A. Salary</b>	Salary in the range of ₹8,00,000/- to ₹12,00,000/- per month, as may be decided by the Board from time to time.
<b>B. Commission</b>	@ 2% on the net profits of the Company for each/every financial year.
<b>C. Allowances and Perquisites</b>	In addition to the Salary and Commission, he shall also be entitled to the allowances and other perquisites as set out below, which shall be computed on the enhanced salary from time to time.

- a) Housing

- i) Where accommodation in the company owned house is provided, he will pay 10% of his salary towards house rent.
  - ii) Where hired accommodation is provided, the expenditure incurred by the Company on hiring furnished accommodation to him will be subject to a ceiling of 60% of salary.
  - iii) In case, the Company does not provide accommodation, house rent allowance shall be paid @ 60% of the salary.
  - iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the salary.
- b) Medical Reimbursement/Allowance for self and family: Reimbursement of expenses actually incurred for self and family or allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years.
  - c) Leave Travel Concession or Allowance: For self and family, once in a year either in India or abroad in accordance with the rules of the Company.
  - d) Club fees: Fees of clubs, subject to a maximum of two clubs.
  - e) Personal accident insurance: As per the rules of the Company.
  - f) Car: Free use of Company's car with driver.
  - g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company.
  - h) Gratuity payable shall not exceed half a month's salary for each completed year of service.
  - i) Communication Facilities: Free communication facilities like Telephones / Internet / Mobiles / Fax at residence.
  - j) Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month for every 11 months' service.
  - k) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company.
  - l) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time."

**"RESOLVED FURTHER THAT** notwithstanding anything herein stated above, where in any financial year during the tenure of Mr. D. Ashok as Chairman and Director in the whole-time employment in the Company, the Company incurs a loss or its

profits are inadequate, the Company shall pay to him the above remuneration by way of salary, perquisites and other allowances as minimum remuneration subject to the requisite approvals or the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter the terms of appointment, from time to time, and to take such steps and do all other acts, deeds and things as may be required, necessary or desirable to give effect to this resolution."

**Item No. 10:**

**Remuneration payable to executive directors who are promoters or members of the promoter group:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(6) (e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Companies Act, 2013, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration committee and prior approval of the Audit Committee, the consent and approval of the Company be and is hereby accorded for the payment of remuneration to all executive directors who are promoters or members of the promoter group in excess of limits as prescribed in the above said regulation with effect from the financial year 2018-19 subject to permissible limits under the applicable provisions of the Companies Act, 2013 and as approved by the members of the Company at the time of approving their current tenure of appointment and remuneration."

**"RESOLVED FURTHER THAT** this approval shall be valid only till the expiry of the term of respective executive directors already appointed prior to the above said regulation came into effect and also the term of those being appointed/re-appointed in this 47th annual general meeting of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to the above resolution."





NAVA BHARAT

**Item No. 11:**

**Re-appointment and revision of remuneration payable to Mr. Ashwin Devineni, Managing Director, Nava Bharat (Singapore) Pte. Limited:**

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

**“RESOLVED THAT** pursuant to Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-re-enactment(s) thereof for the time being in force) and subject to such approvals and permissions as may be required, the consent and approval of the Company be and is hereby accorded to re-appoint and for revision of remuneration payable to Mr. Ashwin Devineni as Managing Director of the Company’s Subsidiary, Nava Bharat (Singapore) Pte. Limited on the following remuneration with effect from April 01, 2019:

**Salary:** USD 1,596,732 per annum (inclusive of all allowances). The terms of employment and remuneration of Mr. Ashwin Devineni may be varied from time to time by the Company based on his performance evaluation, and in accordance with the Company’s Remuneration Policy and other applicable/ relevant policies and not exceeding such limits as may be prescribed in such policies.

**Item No. 12:**

**Appointment of Mr. Ashwin Devineni, as Chief Executive Officer (CEO) of the Company:**

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

**“RESOLVED THAT** pursuant to Section 2(18), 2(51), 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder, pursuant to applicable provisions of Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee and prior approval of Audit Committee the consent and approval of the Company be and is hereby accorded to appoint Mr. Ashwin Devineni (DIN: 00007540) as whole time Director designated as Chief Executive Officer (CEO) of the Company without remuneration, subject to the approval of Central Government and such other approvals and permissions as may be required, for a period of five (5) years with effect from May 29, 2019.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter the terms of appointment, from time to time, and to take such steps and do all other acts, deeds and things as may be required, necessary or desirable to give effect to this resolution.”

**Item No. 13:**

**Ratification of appointment and remuneration of Cost Auditors for the financial year 2019-20:**

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

**“RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of the Audit committee of the Board, the appointment of M/s. Narasimha Murthy & Co., Cost Accountants, situated at 3-6-365, 104 & 105, Pavani Estate, Y.V.Rao Mansion, Himayatnagar, Hyderabad – 500 029, made by the Board, as Cost Auditors to conduct the cost audit in respect of the Company’s products in all the units or plants relating to Electricity; Steel (Ferro Alloys); Sugar & Industrial Alcohol for the financial year 2019-20 at an aggregate fee of ₹ 9 Lakhs plus out of pocket expenses and applicable taxes thereon, be and is hereby approved and ratified.”

**Registered Office:**

6-3-1109/1`Nava Bharat Chambers’

Raj Bhavan Road

Hyderabad – 500 082

CIN : L27101TG1972PLC001549

Ph.No.040-23403501; e-Fax: +91 080 6688 6121

E-mail : investorservices@nbv.in; Website : www.nbventures.com

By Order of the Board  
For **NAVA BHARAT VENTURES LIMITED**

Place: Hyderabad

Date: May 29, 2019

**VSN Raju**  
Company Secretary & Vice President



## NOTES

1. The explanatory statement in respect of the special business in the Notice, pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in the meeting and the proxy need not be a member of the Company.
3. The instrument appointing the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A Proxy Form for the Annual general meeting is enclosed.
4. Members/Proxies should bring the duly filled Attendance Slip attached herewith to attend the meeting.
5. The register of directors and key managerial personnel and their shareholding maintained under Section 170 and the register of contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the annual general meeting.
6. The register of members and share transfer books will remain closed from August 3, 2019 to August 8, 2019 (both days inclusive) in connection with the annual general meeting and dividend.
7. The dividend for the year ended March 31, 2019 as recommended by the Board, i.e. ₹1.50 (one rupee and fifty paise only) per equity share of ₹2/- each, if declared at the meeting, will be paid to those members whose names appear in the Company's register of members after effecting valid transfers received upto the close of business hours on August 2, 2019. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details provided as at the close of business hours on August 2, 2019 by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. The dividend on equity shares, if declared at the meeting, will be credited/ dispatched within one month from the date of this meeting.
8. The unclaimed equity dividend for the year ended March 31, 2012 will be transferred on or after September 7, 2019 to the 'Investor Education and Protection Fund' on expiry of 7 years from the date of transfer to the Unpaid Dividend Account, pursuant to Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013). Members who have not encashed their dividend warrants for the said financial year or subsequent year(s) are requested to send the same to the Company or its Registrars and Share Transfer Agents for issue of fresh demand drafts.
9. The unclaimed physical share certificates with the Registrars and Share Transfer Agents of the Company, subsequent to the issue of various reminders, were transferred to unclaimed suspense account and dematerialized to the credit of "Nava Bharat Ventures Limited – Unclaimed Suspense Account". The details were placed on the Website of the Company. The concerned members are requested to approach the Registrars, Karvy Fintech Pvt Ltd., (Karvy) with their claim for the transfer of their shares to their demat account. The dividend accruing on the said shares would be credited to the unpaid dividend account as the dividend is to be paid to the registered holders only. The dividend would also be remitted to the concerned shareholders on claiming their shares out of the unclaimed suspense account.
10. As per the provisions of Section 124(6) of the Act read with Rule 6 of 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amended Rules, 2017' ('the Rules'), all shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more (relevant shares), will be transferred by the Company to IEPF along with statement containing such details as directed by Ministry of Corporate Affairs from time to time.
11. All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more (relevant shares) upto and including the financial year 2010-11 were transferred by the Company in the name of IEPF on December 5, 2017 and September 24, 2018 and the statement containing such details as may be prescribed is placed on Company's website: [www.nbventures.com](http://www.nbventures.com).
12. Members are requested to furnish details of their bank accounts viz., name of bank, full address of the branch, account number with 9 digit MICR Code No. and folio number forwarding photo copy of PAN Card and a cancelled cheque leaf for incorporation on the dividend warrant, to the Company's Registrars and Share Transfer Agents, Karvy Fintech Pvt Ltd, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. In case of holding shares in electronic mode, members are requested to approach their Depository Participants for updation of bank account details with the aforesaid documents.



13. Members seeking any information or clarification on the accounts are requested to send in writing queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
  14. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars and Share Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio.
  15. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no.MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details.
  16. As per Listing Regulations, members who intend to transfer their securities are requested to get such securities dematerialized before such transfer.
  17. Registration of e-mail addresses for sending Annual Reports, communications, etc: Members are requested to register their e-mail addresses and changes therein from time to time with the Registrars and Share Transfer Agents (in case of physical shares) or with the concerned Depository Participant (in case of electronic holdings) so that the Company will use the same for sending Notices, Annual Reports and other communications.  
Copies of Annual Report 2018-19 are being sent under electronic mode only, to all the members whose e-mail addresses are registered with the Registrars and Share Transfer Agents of the Company i.e. Karvy/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. Physical copy of the Annual Report for FY 2018-19 are being sent to members, who have not registered their e-mail addresses, by a permitted mode.
  18. Members may also please note that the notice of the 47th annual general meeting and the annual report 2018-19 is available on the Company's website: [www.nbventures.com](http://www.nbventures.com). The physical copies of the aforesaid documents are also available at the Company's Regd. Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to the Company at: [investorservices@nbv.in](mailto:investorservices@nbv.in). All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the registered office of the Company during business hours on all working days up to the date of declaration of the result of the 47th annual general meeting of the Company.
  19. Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standards on general meetings in respect of the Directors seeking appointment/re-appointment at the annual general meeting is furnished in **Annexure - I** and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.
- 20. Retirement of Directors by rotation:**
- Mr. CV Durga Prasad, Director (Business Development) of the Company, retires by rotation at the ensuing annual general meeting and, being eligible, offers himself for re-appointment.
- The Board of directors commends the re-appointment of Mr. CV Durga Prasad as a Director, liable to retire by rotation.
21. Copy of the draft letter for appointment as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.
- 22. Voting through electronic means:**
- In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this Section of the Notice) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise voting rights on the items of business given in the notice through electronic voting system, to Members holding shares as on August 2, 2019 (End of Day) being the



Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Karvy. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting (remote e-voting).

A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories (holding shares either in physical form or in dematerialized form) as on August 2, 2019 the "Cut-off date" shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.

**The instructions for remote E-Voting are as under:**

1.
    - A. In case a shareholder receiving an email from Karvy [for members whose email IDs are registered with the Depository Participant(s)]:
      - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
      - (ii) Enter the login credentials (i.e. User ID and Password mentioned above). Your Folio No./DP ID & Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
      - (iii) After entering these details appropriately, click on "LOGIN".
      - (iv) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
      - (v) You need to login again with the new credentials.
      - (vi) On successful login, the system will prompt you to select the "EVENT" i.e., Nava Bharat Ventures Limited.
      - (vii) 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 in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on Cut-off date i.e. August 2, 2019. You may also choose the option ABSTAIN. 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.
    - (viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts. Voting has to be done for each resolution of the notice of 47th AGM separately. In case you do not desire to cast your vote on any specific resolution, it will be treated as abstained.
    - (ix) You may then cast your vote by selecting an appropriate option and click on "Submit".
    - (x) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify or change the votes cast. During the voting period, Shareholders can login any number of times till they have voted on the Resolution(s).
    - (xi) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, 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 authorized representative(s), to the Scrutinizer at e-mail ID: [prenukaacs@gmail.com](mailto:prenukaacs@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "NBVENTURES\_ EVENT NO."
  - B. In case of members receiving physical copy of the AGM Notice by courier [for members whose email IDs are not registered with the Depository Participant(s)]:
    - (i) User ID and initial password as provided above.
    - (ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
2. In case a person has become the member of the company after the dispatch of AGM Notice but on or before the cut-off date i.e., August 2, 2019, may write to the Karvy on the email Id [evoting@karvy.com](mailto:evoting@karvy.com) or to Mr. Mohd. Mohsin Uddin, Senior Manager, Contact No. 040-67162222, Ext No: 1562 at Karvy Fintech Private Limited, [Unit: Nava Bharat Ventures Limited]





- Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.
3. The remote e-voting period commences on August 4, 2019 at 9:00 a.m. (IST) and ends on August 7, 2019 at 5:00 p.m. (IST). During this period, the members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being August 2, 2019 may cast their vote by electronic means in the manner and procedure set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Further, the members who have cast their vote electronically shall not vote at the AGM.
  4. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> (Karvy's website) or any grievances or queries of the Members of the Company connected with the electronic voting can be addressed to the Company's Registrar & Share Transfer Agents, Karvy Fintech Pvt Ltd.,(Unit: Nava Bharat Ventures Limited), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, to Contact Person: Mr. Mohd Mohsin Uddin, Senior Manager, Telephone No. 040-67162222 –Ext No: 1562
  5. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, as amended, as on the cut-off date, being August 2, 2019.
  6. The Board of directors has appointed Mrs. D. Renuka, Company Secretary as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  7. The members who are entitled to vote but have not exercised their right to vote through remote e-voting may vote at the AGM through Ballot Paper annexed to the AGM Notice, for all businesses specified in the accompanying Notice.
  8. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting through Ballot Paper thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who will countersign the same. The Chairman or a person authorised by him in writing will declare the result of voting forthwith.
  9. The Results on resolutions shall be declared not later than 48 hours from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
  10. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.nbventures.com](http://www.nbventures.com)) and on Service Provider's website (<https://evoting.karvy.com>) and communication of the same to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.
- Explanatory Statement pursuant to Section 102(1) of the Companies Act 2013, read with Rule 15(3) of the Companies (Meetings of Board and Its Powers) Rules, 2014.**
- Item No. 4:**
- Appointment of Mr. K. Durga Prasad as an Independent director of the Company:**
- Mr. K. Durga Prasad was appointed by the Board on the recommendation of the Nomination and Remuneration Committee at its meeting held on August 6, 2018 as Additional Director (Non-executive and Independent) under Section 161 of the Companies Act, 2013 w.e.f August 6, 2018 and to hold office upto the date of AGM and thereafter subject to the approval of members at the ensuing AGM.
- The Company received a notice from one of the shareholders under Section 160 of the Companies Act, 2013 proposing that Mr. K. Durga Prasad be appointed as an Independent Director, not liable to retire by rotation.
- Mr. K. Durga Prasad is a Commerce Graduate, who joined Indian Police Service in 1981 in the undivided Andhra Pradesh Cadre. Later, on the division of the State in 2014, he was allotted to Telangana Cadre. He served with distinction in various fields, such as Law and Order, Training, Provisioning, Anti-naxal operations, Vigilance in Energy Sector, Intelligence in the State Police and in VIP Protection and Para Military Forces in the Central Government.
- He is an Indian police service officer (Retd.). He served in several government departments including Law and Order, State





Intelligence, Anti-naxal operations, Training and Administration, Vigilance, State Electricity Transmission Corporation in Andhra Pradesh and in Special Protection Group and Central Reserve Police Force at the Centre. Presently he is serving as Advisor-Home, Government of Andhra Pradesh for laying roads in interior-Naxal affected agency.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. K. Durga Prasad is appointed as an Independent Director of the Company.

Mr. K. Durga Prasad is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from him that he meets with the criteria of independence as prescribed both in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, Mr. K. Durga Prasad fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations as amended.

The Profile of Mr. K. Durga Prasad along with details as required under Regulation 36 of the Listing Regulations and pursuant to Secretarial Standards on general meetings are furnished in Annexure – 1 to this notice.

The Board recommends the Ordinary Resolution for members' approval.

Except himself, no other Directors and Key Managerial Personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

**Item No. 5:**

**Appointment of Mr. GP Kundargi as an Independent director of the Company:**

Mr. GP Kundargi was appointed by the Board on the recommendation of the Nomination and Remuneration Committee at its meeting held on August 6, 2018 as Additional Director under Section 161 of the Companies Act, 2013 w.e.f August 6, 2018 and to hold office upto the date of AGM and thereafter subject to the approval of members at the ensuing AGM.

The Company received a notice from one of the shareholders under Section 160 of the Companies Act, 2013 proposing that Mr. GP Kundargi be appointed as an Independent Director, not liable to retire by rotation.

Mr. GP Kundargi is a Master Degree holder in Mineral Processing (M.Tech.) from Karnataka University. He held key positions in various capacities in Manganese Ore India Limited (MOIL) a Schedule-A

Central Public Sector Enterprises (CPSE) under the Ministry of Steel, Govt of India and retired as CMD of MOIL. He has experience in all areas of corporate management of a large CPSE.

He is specialized in the areas of Metal Mining (both opencast and underground), Mineral Processing, Research and Technical Operations, Mining Lease matters, etc.

Mr. GP Kundargi is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from him that he meets with the criteria of independence as prescribed both in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, Mr. GP Kundargi fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations as amended.

The Profile of Mr. GP Kundargi along with details as required under Regulation 36 of the Listing Regulations and pursuant to Secretarial Standards on general meetings are furnished in Annexure – 1 to this notice.

The Board recommends the Ordinary Resolution for members' approval.

Except himself, no other Directors or Key Managerial Personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

**Item No. 6:**

**Appointment of Mr. A. Indra Kumar as an Independent director of the Company:**

Mr. A. Indra Kumar was appointed by the Board on the recommendation of the Nomination and Remuneration Committee at its meeting held on February 7, 2019 as Additional Director under Section 161 of the Companies Act, 2013 w.e.f February 7, 2019 and to hold office upto the date of AGM and thereafter subject to the approval of members at the ensuing AGM.

The Company received a notice from one of the shareholders under Section 160 of the Companies Act, 2013 proposing that Mr. A. Indra Kumar be appointed as an Independent Director, not liable to retire by rotation.

Mr. A. Indra Kumar is Bachelor of Engineer in Chemical Engineering from University of Bangalore. He is the Chairman and Managing Director of Avanti Feeds Limited, a leading manufacturer of Prawn and Fish Feeds and Shrimp Processor and Exporter from India. He is instrumental in development of shrimp culture and processing by bringing in latest technology in feed manufacture and also



development of value added shrimp products for exports, earning valuable foreign exchange to the country.

He has vast experience in foreign trade by virtue of his past and present involvement in import & export business. He has developed new customers in USA, Europe and South Africa for value added Indian marine products. He has created Brand image for 'AVANTI' brand shrimps. He is also instrumental in implementing traceability system effectively, which is assuming most important factor for sustaining / developing export market.

Mr. A. Indra Kumar is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from him that he meets with the criteria of independence as prescribed both in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, Mr. A. Indra Kumar fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations as amended.

The Profile of Mr. A. Indra Kumar along with details as required under Regulation 36 of the Listing Regulations and pursuant to Secretarial Standards on general meetings are furnished in Annexure – 1 to this notice.

The Board recommends the Ordinary Resolution for members' approval.

Except himself, no other Directors or Key Managerial Personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

#### **Item No. 7:**

#### **Appointment of Mr. CV Durga Prasad as Director (Business Development):**

Mr. CV Durga Prasad was appointed by the Members as Director (Business Development) with effect from June 28, 2003 for a period of 5 years at the AGM held on August 30, 2003 and was re-appointed with effect from June 28, 2008 for a further period of 5 years as approved by the General Body on July 25, 2008.

The members at the AGM held on August 16, 2013 approved the re-appointment of and remuneration payable to him apart from the allowances and perquisites thereon with effect from June 28, 2013 and thereafter the General Body at the AGM held on August 6, 2018 approved the re-appointment of and remuneration payable to him apart from the allowances and perquisites thereon for a period of one year with effect from June 28, 2018.

Mr. CV Durga Prasad is a Graduate in Commerce with Industrial experience spanning over 45 years in a wide spectrum of commercial functions comprising global marketing of Ferro Alloys, production parameters, sourcing of vital raw materials from indigenous and international suppliers, development and nurturing markets in India & abroad.

Mr. CV Durga Prasad is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director (Business Development) of the Company.

The Board, on the recommendation of the Nomination and Remuneration Committee and prior approval of Audit Committee, at its meeting held on May 29, 2019, considered and approved the re-appointment and remuneration payable to the Director (Business Development) in appreciation of his contribution, for a further period from June 28, 2019 to March 31, 2021 as set out in the Resolution apart from the allowances and perquisites thereon, subject to the approval of members at the ensuing annual general meeting.

The Profile of Mr. CV Durga Prasad along with details as required under Regulation 36 of the Listing Regulations and pursuant to Secretarial Standards on general meetings are furnished in Annexure – 1 to this notice.

The Board recommends the Ordinary Resolution for members' approval.

Except himself, no other Directors or Key Managerial Personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

#### **Item No. 8:**

#### **Re-appointment of Dr. D. Nageswara Rao as an Independent Director:**

Dr. D. Nageswara Rao is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on July 25, 2008. He has been appointed as an Independent Director by the members of the Company at their meeting held on August 8, 2014 for a period of five (5) consecutive years w.e.f August 8, 2014. He is the Chairman of Audit Committee and Nomination & Remuneration Committee and a member of Corporate Social Responsibility Committee. Pursuant to provision of Section 149 of the Companies Act, 2013 an Independent Director is eligible for reappointment for further term of five (5) consecutive years on passing of a special resolution by the Company and he is not liable to retire by rotation.

The Company received a notice from one of the shareholders under Section 160 of the Companies Act, 2013 proposing that Dr. D. Nageswara Rao be appointed as an Independent Director, not liable to retire by rotation.

Dr. D. Nageswara Rao is a Post Graduate in Electronic Engineering and a Doctorate from University of Strathclyde, U.K. Promoted Duke Arnics which gained global recognition in Electricity Metering, Monitoring and Management Systems. He is a patron of educational and research institutions and a visiting faculty member at Engineering Staff College of India and Rural Electricity Institute.

Dr. D. Nageswara Rao is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from him that he meets with the criteria of independence as prescribed both in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, Dr. D. Nageswara Rao fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations as amended. The performance evaluation of Dr. D. Nageswara Rao was done by the Board at its meeting held on February 7, 2019 as a part of annual evaluation of performance of Directors. The Board while evaluating his performance, based on the contribution made by him since his appointment and considering his vast experience and expertise, formed an opinion that his re-appointment as an Independent Director would be immensely beneficial to the Company.

The Board considered that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director for further term of two (2) years effective from August 08, 2019. Accordingly, the Board, on the recommendation of the Nomination and Remuneration Committee and prior approval of Audit Committee, at its meeting held on May 29, 2019, recommended the special resolution in relation to re-appointment of Dr. D. Nageswara Rao as an Independent Director, for the approval of the members of the Company.

The Profile of Dr. D. Nageswara Rao along with details as required under Regulation 36 of the Listing Regulations and pursuant to Secretarial Standards on general meetings are furnished in Annexure – 1 to this notice.

The Board recommends the Special Resolution for members' approval.

Except himself no other Directors or Key Managerial Personnel

of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

**Item No. 9:**

**Re-appointment of and remuneration payable to Mr. D. Ashok as Chairman of the Company:**

Mr. D. Ashok was reappointed as Chairman on August 14, 2014, by the members for a term of 5 years in the AGM held on August 8, 2014.

Mr. D. Ashok holds MBA from University of Wisconsin, USA with 37 years of top management experience in all facets of project management and manufacturing. Oversaw the growth of the Company into a diversified conglomerate with business interests in power generation, mining, ferro alloys and agri-business in India and Africa.

He has been holding senior positions in the Company since 1981. He took over as the Executive Director in 1992, as the Managing Director in 1999 and as Chairman of the Company in 2009.

He has taken the lead role in policy formulation, geographical diversification in India and abroad to make the Company an Indian Multinational in its own right with substantial accretion of operational assets in India and Zambia. He also provides the thought leadership to all the functional heads at various units of the Company and its subsidiaries. Being focused on the cost benefit aspects of project execution, helped the Company to achieve the pre-eminent position of an Indian multinational having successfully executed a US\$ 900 Million Project within the budgeted resources. He takes active interest in all the CSR activities of the Group to make a qualitative difference and currently chairs the CSR Committee of the Board.

On the operational side, he plays a mentor role in guiding strategy for all facets and verticals of the Company and its subsidiaries. The Company received several accolades in the areas of CSR, exports, productivity, quality, industrial safety, environmental protection etc., under his leadership.

Mr. D. Ashok is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Chairman and Director in the whole-time employment in the Company. The Board, pursuant to the recommendation of the Nomination and Remuneration Committee and prior approval of Audit Committee, at its meeting held on May 29, 2019, re-appointed Mr. D. Ashok as Chairman for a further period of two (2) years w.e.f August 14, 2019, to facilitate transition of executive management,



on the remuneration as set out in the resolution placed before you for approval.

The Profile of Mr. D. Ashok along with details as required under Regulation 36 of the Listing Regulations and pursuant to Secretarial Standards on general meetings are furnished in Annexure – 1 to this notice.

The Board recommends the Ordinary Resolution for members' approval.

Except himself and Mr. Ashwin Devineni, no other Directors or Key Managerial Personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

#### **Item No. 10:**

#### **Remuneration payable to executive directors who are promoters or members of the promoter group:**

Pursuant to Regulation 17(6)(e) of the Listing Regulations any remuneration payable to the Executive Directors who are promoters or members of the promoter group in excess of higher of Rupees 5 crore or 2.5 per cent of the net profits to one such director or 5% of net profits in aggregate to all such directors will require the approval of the members of the Company by way of a special resolution.

The remuneration payable to all the Executive Directors who are promoters or members of the promoter group are reviewed and approved, from time to time, by the members of the Company within the permissible limits as prescribed under the provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereof.

The aggregate remuneration payable to Executive Directors who are promoters or members of the promoter group is exceeding the limits prescribed in aforesaid regulation. Hence, it is proposed to seek the approval of the members in the form of Special Resolution as per the above said Listing Regulations and the Board, pursuant to the recommendation of the Nomination and Remuneration Committee and prior approval of Audit Committee, at its meeting held on May 29, 2019 approved the remuneration payable to Executive Directors who are promoters or members of the promoter group in excess of limits specified in the above said regulation and placed before you for approval.

The Board recommends the Special Resolution for members' approval.

Except D. Ashok, Mr. P. Trivikrama Prasad and Mr. Ashwin Devineni, no other Directors, Key Managerial Personnel of the Company and

their relatives are in any way deemed to be interested or concerned in this Resolution.

#### **Item No. 11:**

#### **Re-appointment and revision of remuneration payable to Mr. Ashwin Devineni, Managing Director, Nava Bharat (Singapore) Pte. Limited:**

Mr. Ashwin Devineni is a Director on the Board of Nava Bharat (Singapore) Pte. Limited with effect from April 7, 2008. Thereafter he has been appointed as Chief Executive Officer of Nava Bharat (Singapore) Pte. Limited with effect from October 1, 2008.

The General Body of the Company on July 28, 2011 approved the remuneration of USD 450,000 per annum with an annual increment not exceeding 30% of the prevailing salary with effect from April 1, 2011 to Mr. Ashwin Devineni as CEO of Nava Bharat (Singapore) Pte. Limited. Further, he was re-designated as Managing Director of Nava Bharat (Singapore) Pte. Limited with effect from August 1, 2012 and is discharging responsibilities in various projects in Zambia, and Malaysia aside from trading of ferro alloys in Singapore.

He was re-appointed as such w.e.f April 1, 2014 with the remuneration of USD 875,000 per annum (inclusive of all allowances) with an Annual Increment not exceeding 25% of the prevailing salary as may be decided by the Board of Directors of the Company by the members on their meeting held on August 8, 2014.

Mr. Ashwin Devineni is a graduate in Industrial Engineering from University of Washington, USA with senior management experience in business development. Played crucial roles in corporate acquisitions across North America, Europe, Middle East, Africa and Asia. Responsible for developing and managing Nava Bharat's international ventures in coal mining, power and agriculture as well as healthcare enabled services in Asia and Africa. He is a Resident Director of Maamba Collieries Ltd., a subsidiary operating the largest coal mine and the first Coal Fired Power Plant of Zambia.

He occupied the position of Director, Business Development (Asia Pacific) in Hewlett Packard Software prior to joining the Company's Subsidiary, Nava Bharat (Singapore) Pte. Limited, managing teams across Asia Pacific and was in charge of Business Development and Operations. He had experience in various Organizations including Opsware, iConclude, Thriva LLC in different positions.

The Board, pursuant to the recommendation of the Nomination and Remuneration Committee and prior approval of Audit Committee, at its meeting held on May 29, 2019 approved to continue his appointment to hold office or place of profit as Managing Director

in the Company's Subsidiary, Nava Bharat (Singapore) Pte. Limited on the remuneration as set out in the resolution with effect from April 1, 2019, subject to your consent as mentioned in the resolution in terms of Section 188(1)(f) of the Companies Act, 2013 for holding office or place of profit by a relative of the Director in the subsidiary of the Company.

Particulars under Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014 under Section 188 of the Companies Act, 2013 are as follows:

<b>a Name of the related party</b>	Mr. Ashwin Devineni, Managing Director of Nava Bharat (Singapore) Pte. Limited
<b>b Name of the director or key managerial personnel who is related, if any</b>	Mr. D. Ashok, Chairman of Nava Bharat Ventures Limited.
<b>c Nature of relationship</b>	Son of Mr. D. Ashok.
<b>d Nature, material terms, monetary value and particulars of the contract or arrangement</b>	Continue as Managing Director of Nava Bharat (Singapore) Pte. Limited on a remuneration of USD 1,596,732 (inclusive of all allowances) per annum. The terms of employment and remuneration of Mr. Ashwin Devineni may be varied from time to time by the Company based on his performance evaluation, and in accordance with the Company's Remuneration Policy and other applicable/ relevant policies and not exceeding such limits as may be prescribed in such policies.
<b>e Any other information relevant or important for the members to take a decision on the proposed resolution</b>	Mr. Ashwin Devineni has been in the employment of Nava Bharat (Singapore) Pte. Limited as Managing Director and the present appointment is continuing in nature with effect from April 1, 2019. The approval is sought in view of Section 188 of the Companies Act, 2013 in respect of related party transactions. The remuneration proposed is reasonable, sufficient to motivate and retain the required quality to run the Company successfully. The proposed remuneration is relatively comparable to the prevailing remuneration in similarly placed bodies corporate. The proposal is recommended by the Nomination & Remuneration Committee and approved by Audit Committee of the Board and then further approved by the Board, subject to the consent of members.

The Board recommends the Ordinary Resolution for members' approval.

Except Mr. D. Ashok and Mr. Ashwin Devineni, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

**Item No. 12:**

**Appointment of Mr. Ashwin Devineni, as Chief Executive Officer (CEO) of the Company.**

Mr. Ashwin Devineni was appointed as Director (non-executive and non-independent) on the Board of the Company with effect from August 18, 2017 and his appointment was approved by the members in the AGM held on August 6, 2018.

Currently, the Board of directors is composed of four executive

directors, five non-executive & independent directors and one non-executive director. The Board of directors in its meeting held on May 29, 2019, on the recommendation of Nomination and Remuneration Committee, reviewed the structure of the executive directors with the focus on the succession planing and re-composition and approved the appointment of Mr. Ashwin Devineni as Whole Time Director designated as "Chief Executive Officer" (CEO), of the Company for a period of five years, i.e., from May 29, 2019 to May 28, 2024, on such terms as set out in the resolution.

Mr. Ashwin Devineni is a graduate in Industrial Engineering from University of Washington, USA with senior management experience in business development. Played crucial roles in







corporate acquisitions across North America, Europe, Middle East, Africa and Asia. He occupied the position of Director, Business Development (Asia Pacific) in Hewlett Packard Software prior to joining the Company's Subsidiary, Nava Bharat (Singapore) Pte. Limited, managing teams across Asia Pacific and was incharge of Business Development and Operations. He had experience in various Organizations including Opsware, iConclude, Thriva LLC in different positions.

Mr. Ashwin has been with the Company for over a decade and has been spearheading Company's international operations in coal mining, power and agriculture as well as healthcare enabled services in Africa and Asia Pacific. He has been Managing Director of Nava Bharat (Singapore) Pte. Limited (Company' wholly owned subsidiary) and Resident Director of Maamba Collieries Ltd., a subsidiary operating the largest coal mine and the first Coal Fired Power Plant of Zambia. The Board of directors is of the view that he has built acquaintance with the business operations of the Company and as such his appointment as CEO would ensure smooth and proper transition for executive management of the Company.

Mr. Ashwin Devineni is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Whole Time Director designated as "Chief Executive Officer" (CEO) of the Company.

The Profile of Mr. Ashwin Devineni along with details as required under Regulation 36 of the Listing Regulations and pursuant to Secretarial Standards on general meetings are furnished in Annexure – I to this notice.

The Board recommends the Ordinary Resolution for members' approval.

Except himself and Mr. D. Ashok, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.

**Item No. 13:**

**Ratification of appointment and remuneration of Cost Auditors for the financial year 2019-20:**

The Board, on the recommendation of the Audit Committee, approved the appointment and remuneration payable to the cost auditors, M/s. Narasimha Murthy & Co., Cost Accountants, situated at 3-6-365, 104, Pavani Estate, Y.V. Rao Mansion, Himayatnagar, Hyderabad– 500029, to conduct the audit of the cost records of the

Company across various segments, for the financial year ending March 31, 2020 as per the following details:

S. No.	Product	Fee for 2019-20 (₹)
1	Electricity (Eight Units)	5,20,000
2	Ferro Alloys (Steel) (Two Units)	1,80,000
3	Sugar	1,25,000
4	Industrial Alcohol	75,000
<b>TOTAL</b>		<b>9,00,000</b>

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of directors, needs to be ratified by the members of the Company. Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

The Board recommends the Ordinary Resolution for members' approval.

None of the directors, key managerial personnel of the Company and their relatives are any way deemed to be interested or concerned in this Resolution.

By Order of the Board  
For **NAVA BHARAT VENTURES LIMITED**

Place: Hyderabad  
Date: May 29, 2019

**VSN Raju**  
Company Secretary & Vice President

**Registered Office:**

6-3-1109/1`Nava Bharat Chambers'  
Raj Bhavan Road  
Hyderabad – 500 082  
CIN : L27101TG1972PLC001549  
Ph.No.040-23403501; e-Fax: +91 080 6688 6121  
E-mail : investorservices@nbv.in; Website : www.nbventures.com



## ANNEXURE I

### Details of Directors seeking appointment / re-appointment at the annual general meeting (pursuant to Regulation 36(3) of the Listing Regulations and as per Secretarial Standards on general meetings.

As required under this regulation, the particulars of Directors Mr. D. Ashok, Chairman of the Company, Mr. Ashwin Devineni, Chief Executive Officer, Mr. CV Durga Prasad, Director (Business Development), Dr. D. Nageswara Rao, Independent Director, Mr. K. Durga Prasad, Independent Director, Mr. GP Kundargi, Independent Director and Mr. A. Indra Kumar, Independent Director who are proposed to be appointed / reappointed, are given below:

a	Name	Mr. D.Ashok	Mr. Ashwin Devineni	Mr. CV Durga Prasad
b	<b>Brief Resume</b>			
i)	Age	62 Years	36 Years	68 Years
ii)	Qualification	M.B.A. from U.S.A.	Graduate in Industrial Engineering from the University of Washington	B.Com
iii)	Experience	37 years	Over 11 years	46 years
iv)	Date of appointment on the Board of the Company (Nava Bharat Ventures Ltd.)	March 19, 1992	August 18, 2017	June 28, 2003
c	Nature of his expertise in specific functional areas	Top management experience as Chairman (Executive) of Nava Bharat Ventures Ltd, in planning and execution, project management and diversification. Expertise in managing and monitoring international operations.	Experience in business development in the power, mining, agriculture, and enterprise software sectors. Played crucial roles in corporate acquisitions across North America, Europe, Middle East Africa and Asia	Commercial functions like raw material procurement, sales, marketing and business development
d	Terms and Conditions along with details of remuneration sought to be paid	As mentioned in the Resolution	As mentioned in the Resolution	As mentioned in the Resolution
e	Relationship between Directors inter se [(As per Section 2(77) of the Companies Act, 2013 and Rule 4 of Companies (Specification of Definition Rules, 2014)]	Mr. D. Ashok is father of Mr. Ashwin Devineni, Director (Non-executive and Non-Independent) of the Company.	Mr. Ashwin Devineni is Son of Mr. D. Ashok, Chairman of the Company.	Nil
f	Name(s) of other Companies in which Directorships held	Nava Bharat Projects Limited Nava Bharat Energy India Limited AV Dwellings Private Limited A9 Homes Private Limited	Nil	The Indian Ferro Alloy Producers Association
g	Name(s) of other companies in which Committee Membership(s) / Chairmanship(s) held	Chairman - Corporate Social Responsibility Committees of Nava Bharat Ventures Limited Nava Bharat Projects Limited Nava Bharat Energy India Limited Member -Nomination and Remuneration Committee of 'Nava Bharat Energy India Limited'	Nil	Nil
h	No. of shares of Rs. 2/- each held by the Director his relatives	22,26,000 2,43,68,528	35,65,212 53,14,860	1,41,830 1,22,700
	<b>Total</b>	<b>2,65,94,528</b>	<b>88,80,072</b>	<b>2,64,530</b>
i	Last Remuneration drawn	Rs. 780.65 lakhs (Total Remuneration [including Commission] drawn in FY 2018-19)	Nil	₹250.93 lakhs (Total Remuneration drawn in FY 2018-19)
j	No. of Board Meetings attended during the year	5	3	5





<b>a</b>	<b>Name</b>	<b>Dr. D. Nageswara Rao</b>	<b>Mr. K. Durga Prasad</b>
<b>b</b>	<b>Brief Resume</b>		
i)	Age	72 Years	62 Years
ii)	Qualification	M.E., Ph.D	Commerce Graduate and Indian Police Service officer of 1981 batch
iii)	Experience	44 years	35 years
iv)	Date of appointment on the Board of the Company (Nava Bharat Ventures Ltd.)	25.07.2008	He was appointed as an Additional Director in the Board meeting of the Company held on August 6, 2018.
c	Nature of his expertise in specific functional areas	Expertise in Electronic Engineering, Science and Technology, Electricity Equipment, monitoring and management systems and power plant operations	<p>He served in several Government Departments like Law and Order, State Intelligence, Anti Naxal operations, Training and Administration, Vigilance, Special protection Group and Central Reserve Police Force.</p> <p>He is presently serving as Advisor-Home, Government of Andhra Pradesh for laying roads in interior Naxal affected agency areas and heading a committee for advising Government on Inland Waterways in Andhra Pradesh.</p>
d	Terms and Conditions along with details of remuneration sought to be paid	As mentioned in the Resolution	As mentioned in the Resolution
e	Relationship between Directors inter se [(As per Section 2(77) of the Companies Act, 2013 and Rule 4 of Companies (Specification of Definition Rules, 2014)]	Nil	Nil
f	Name(s) of other Companies in which Directorships held	X_Design Ventures Private Limited Jayem Automotives Pvt. Limited Drive Lozics Private Limited Magellan Life Sciences Private Limited JT Special Vehicles Private Limited Vignana Jyothi Foundation For Entrepreneurial Excellence	CCL Products (India) Limited
g	Name(s) of other companies in which Committee Membership(s) / Chairmanship(s) held	Nil	Member –Audit, Nomination and Remuneration, Corporate Social Responsibility and Risk Management Committees of CCL Products (India) Limited
h	No. of shares of ₹2/- each held by the Director his relatives	Nil 400	2,700 5,875
	<b>Total</b>	<b>400</b>	<b>8,575</b>
i	Last Remuneration drawn	₹5,00,000 (Total Remuneration drawn in FY 2018-19 excluding sitting fee)	Nil
j	No. of Board Meetings attended during the year	4	2

<b>a</b>	<b>Name</b>	<b>Mr. GP Kundargi</b>	<b>Mr. A. Indra Kumar</b>
<b>b</b>	<b>Brief Resume</b>		
i)	Age	62 Years	57 Years
ii)	Qualification	Master Degree holder in Mineral Processing (M.Tech.)	Bachelor of Engineer in Chemical Engineering
iii)	Experience	36 Years	24 years
iv)	Date of appointment on the Board of the Company (Nava Bharat Ventures Ltd.)	He was appointed as an Additional Director in the Board meeting of the Company held on August 6, 2018	He was appointed as an Additional Director in the Board meeting of the Company held on February 7, 2019
c	Nature of his expertise in specific functional areas	<p>He held key positions in various capacities in Manganese Ore India Limited (MOIL) a Schedule-A Central Public Sector Enterprises (CPSE) under the Ministry of Steel, Govt of India and retired as CMD of MOIL. He has experience in all areas of corporate management of a large CPSE.</p> <p>He is specialized in the areas of Metal Mining (both opencast and underground), Mineral Processing, Research and Technical Operations, Mining Lease matters, etc.</p>	He has vast experience in foreign trade by virtue of his past and present involvement in import & export business. He has developed new customers in USA, Europe and South Africa for value added Indian marine products. He has created brand image for 'AVANTI' brand shrimps. He is also instrumental in implementing traceability system effectively, which is assuming most important factor for sustaining / developing export market.
d	Terms and Conditions along with details of remuneration sought to be paid	As mentioned in the Resolution	As mentioned in the Resolution
e	Relationship between Directors inter se [(As per Section 2(77) of the Companies Act, 2013 and Rule 4 of Companies (Specification of Definition Rules, 2014)]	Nil	Nil
f	Name(s) of other Companies in which Directorships held	Sandur Manganese & Iron Ores Limited	Avanti Feeds Limited Sanjeev Agro-Vet Private Limited Avanti Frozen Foods Private Limited Srinivasa Cystine Private Limited SVIMSAN Exports and Imports Pvt Ltd. Patikari Power Private Limited Srivathsa Power Projects Private Limited Maximus Arc Limited Sri Sai Srinivasa Agro Farms and Developers Pvt Ltd. SCL Trading Private Limited Sea Food Exporters Association of India
g	Name(s) of other companies in which Committee Membership(s) / Chairmanship(s) held	Member: Audit, Nomination and Remuneration and Stakeholders Relationship Committees of Sandur Manganese & Iron Ores Limited	Chairman - Corporate Social Responsibility Committees of Avanti Feeds Limited Avanti Frozen Foods Private Limited Srinivasa Cystine Private Limited Member – Nomination and Remuneration Committees of Avanti Feeds Limited Avanti Frozen Foods Private Limited Maximus Arc Limited Member – Corporate Social Responsibility Committee of Maximus Arc Limited
h	No. of shares of Rs. 2/- each held by the Director his relatives Total	Nil	2,62,480 (HUF) Nil 2,62,480
i	Last Remuneration drawn	Nil	Nil
j	No. of Board Meetings attended during the year	2	Nil





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**NAVA BHARAT VENTURES LIMITED**

Regd. Office: 6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082, Telangana.  
 CIN: L27101TG1972PLC001549 Tel : +91 40 23403501/40345999  
 e-Fax: +91 080 6688 6121; E-mail: investorservices@nbv.in; Website: www.nbventures.com

**Form No. MGT-11  
 PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....

Registered address : .....

E-mail id : .....

Folio No./Client ID No. : ..... DP ID No. : .....

I/We, being the member(s) of NAVA BHARAT VENTURES LIMITED having \_\_\_\_\_ Shares of the Company, hereby appoint

1. Name ..... E-mail id : .....  
 Address .....  
 Signature ..... or failing him / her .....
2. Name ..... E-mail id : .....  
 Address .....  
 Signature ..... or failing him / her .....
3. Name ..... E-mail id : .....  
 Address .....  
 Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 47<sup>th</sup> annual general meeting of the Company, to be held on August 8, 2019 at 10:30 a.m. (IST) at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad – 500 016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	[Ordinary Business]:
1.	Adoption of financial statements.
2.	Declaration of dividend on the equity shares.
3.	Re-appointment of Director.
Resolution No.	[Special Business]:
4.	Appointment of Mr. K. Durga Prasad as an Independent director of the Company
5.	Appointment of Mr. GP Kundargi as an Independent director of the Company
6.	Appointment of Mr. A. Indra Kumar as an Independent director of the Company
7.	Re-appointment of and remuneration payable to Mr. CV Durga Prasad, Director (Business Development)
8.	Re- appointment of Dr. D. Nageswara Rao as an Independent Director
9.	Re-appointment of and remuneration payable to Mr. D. Ashok as Chairman of the Company
10.	Remuneration payable to executive directors who are promoters or members of the promoter group
11.	Re-appointment and revision of remuneration payable to Mr. Ashwin Devineni, Managing Director, Nava Bharat (Singapore) Pte. Limited
12.	Appointment of Mr. Ashwin Devineni as Chief Executive Officer (CEO) of the Company
13.	Ratification of appointment and remuneration of Cost Auditors for the financial year 2019-20

Signed this .....day of ..... 2019

Signature of Shareholder(s) : .....Signature of Proxyholder(s).....

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. In line with Secretarial Standards on general meetings, no gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Meeting.

Please  
 affix Re.  
 1/- Revenue  
 Stamp and  
 Sign across.





**Form No. MGT-12  
POLLING PAPER**

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

CIN : L27101TG1972PLC001549  
 Name of the Company : NAVA BHARAT VENTURES LIMITED  
 Registered Office : 6-3-1109/1, Nava Bharat Chambers, Raj Bhavan Road, Hyderabad -500 082, Telangana, India

**BALLOT PAPER**

**S. No Particulars**

1. Name of the First Named Shareholder (in block letters) .....
2. Postal address: .....
3. Registered Folio No./\*Client ID No. : .....  
 (\*Applicable to investors holding shares in dematerialized form)
4. Class of Share(s) .....

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner:

Sl. No	Item	No. of Shares held by me	I assent to the Resolution	I dissent from the Resolution
<b>Ordinary Business</b>				
1	Adoption of financial statements			
2	Declaration of Dividend on the equity shares			
3	Re-appointment of Director			
<b>Special Business</b>				
4	Appointment of Mr. K. Durga Prasad as an Independent director of the Company			
5	Appointment of Mr. GP Kundargi as an Independent director of the Company			
6	Appointment of Mr. A. Indra Kumar as an Independent director of the Company			
7	Re-appointment of and remuneration payable to Mr. CV Durga Prasad, Director (Business Development)			
8	Reappointment of Dr. D. Nageswara Rao as an Independent Director			
9	Reappointment of and remuneration payable to Mr. D. Ashok as Chairman of the Company			
10	Remuneration payable to executive directors who are promoters or members of the promoter group			
11	Re-appointment and revision of remuneration payable to Mr. Ashwin Devineni, Managing Director, Nava Bharat (Singapore) Pte. Limited			
12	Appointment of Mr. Ashwin Devineni, Director as Chief Executive Officer (CEO) of the Company			
13	Ratification of appointment and remuneration of Cost Auditors for the financial year 2019-20			

Place:

Date:

(Signature of the Shareholder)





NAVA BHARAT

**NAVA BHARAT VENTURES LIMITED**

Regd. Office: 6-3-1109/1, 'Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082, Telangana.  
 CIN: L27101TG1972PLC001549 Tel : +91 40 23403501/40345999  
 e-Fax: +91 080 6688 6121; E-mail: investorservices@nbv.in; Website: www.nbventures.com

**ATTENDANCE SLIP**

Sr.No. :

Registered Folio No. / DP & Client ID No.

Name of the Sole / First named Member

Registered Address

Name(s) of the joint Member(s), if any

No. of Shares held

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/We hereby record my/our presence at the 47th annual general meeting of the Company on August 8, 2019 at 10:30 a.m. (IST) at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad – 500016.

Signature of First holder/Proxy/Authorised Representative

Signature of Joint holder(s)

Place:

Date:

**Notes:**

1. Please sign this attendance slip and hand it over at the meeting venue.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting

**E-VOTING**

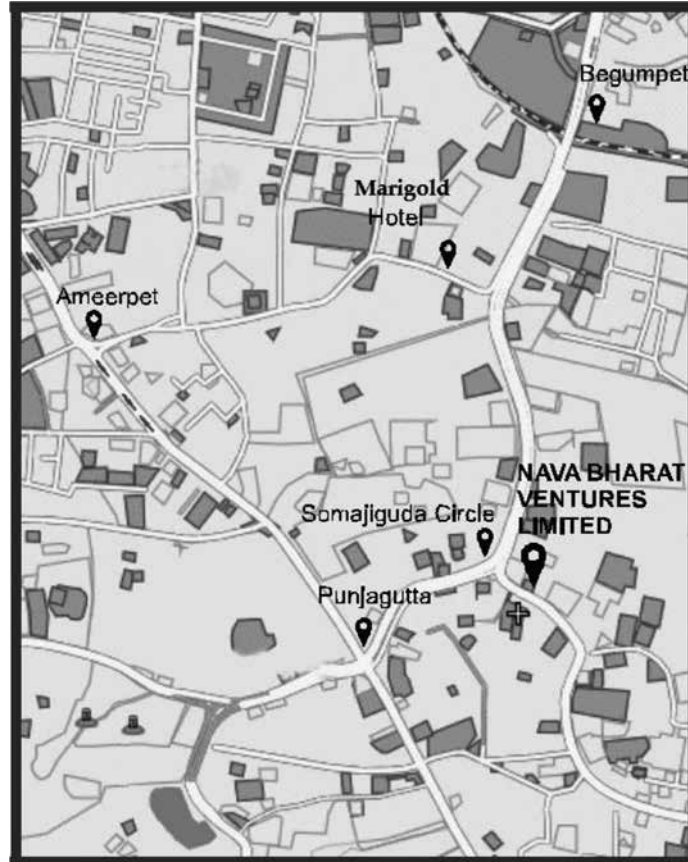
**Users who wish to opt for e-voting may use the following login credentials:**

EVENT (E-VOTING EVENT NO.)	USED ID	PASSWORD/PIN

Please follow steps for remote e-voting procedure as given in the Notice of AGM by logging on to - <https://evoting.karvy.com> and the same is available on the Company's website: [www.nbventures.com](http://www.nbventures.com)

*"No gifts, gift coupons, or cash in lieu of gifts shall be distributed to members at or in connection with the meeting."*





**Route Map to reach the AGM Venue**

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**Marigold Hotel by and beside Green Park Hotel 7-1-25,  
Greenlands, Begumpet, Hyderabad - 500016**





**NAVA BHARAT VENTURES LIMITED**

(CIN: L27101TG1972PLC001549)

Regd. Office: 6-3-1109/1, Nava Bharat Chambers, Raj Bhavan Road, Hyderabad – 500 082, Telangana

Tel : +91 40 23403501/40345999; e-Fax: +91 080 6688 6121;

E-mail : investorservices@nbv.in; Website : www.nbventures.com

**ATTENDANCE SLIP**

Registered Folio No. / DP & Client ID No. :	Sr.No. :
Name of the Sole / First named Member :	
Registered Address :	
Name(s) of the joint Member(s), if any :	
No. of Shares held :	

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/We hereby record my/our presence at the 47<sup>th</sup> Annual General Meeting of the Company on Thursday, the 8<sup>th</sup> August, 2019 at 10:30 a.m. (IST) at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad - 500 016.

\_\_\_\_\_  
Signature of First holder/Proxy/Authorized Representative

Place:

Date:

Notes:

\_\_\_\_\_  
Signature of Joint holder(s)

1. Please sign this attendance slip and hand it over at the meeting venue.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting

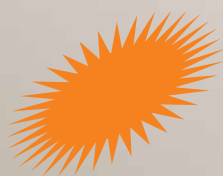
**E-VOTING**

**Users who wish to opt for e-voting may use the following login credentials:**

<b>EVEN (E-VOTING EVENT NO.)</b>	<b>USER ID</b>	<b>PASSWORD / PIN</b>

Please follow steps for remote e-voting procedure as given in the Notice of AGM by logging on to <https://evoting.karvy.com> and the same is available on the Company's website [www.nbventures.com](http://www.nbventures.com)

"No gifts, gift coupons or cash in lieu of gifts shall be distributed to members at or in connection with the meeting"



**NAVA BHARAT**

[www.nbventures.com](http://www.nbventures.com)