NAVA BHARAT VENTURES LIMITED

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

NAVA BHARAT

NBV/SECTL/ 319 /2018-19
August 8, 2018

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th 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 of the Company for FY 2017-18.

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Pursuant regulation 34(1) of SEBI(LODR) Regulations, 2015 ('Listing Regulation'), please find enclosed annual report of the Company for the financial year 2017-18, duly approved and adopted by the shareholders at the 46th Annual General Meeting held on Monday, August 6, 2018, at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad – 500016.

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.

Telephone : (040) 23403501, 23403540, Fax : (040) 23403013
E-mail : nbvl@nbv.in Website: www.nbventures.com
Corporate Identity No. : L27101TG1972PLC001549

ISO 9001 ISO 14001

NAVA BHARAT VENTURES LIMITED

46th Annual Report 2017-18

Contents

Corporate Information

BOARD OF DIRECTORS

WHOLE-TIME DIRECTORS

Mr. D. ASHOK, Chairman

Mr. P. TRIVIKRAMA PRASAD, Managing Director

Mr. G.R.K. PRASAD, Executive Director

Mr. C.V. DURGA PRASAD, Director (Business Development)

INDEPENDENT DIRECTORS

Mr. K. BALARAMA REDDI

Dr. E.R.C. SHEKAR

Dr. M.V.G. RAO

Dr. D. NAGESWARA RAO

Dr. C.V. MADHAVI

NON EXECUTIVE & NON INDEPENDENT DIRECTOR

Mr. D. ASHWIN

BOARD COMMITTEES

AUDIT

Mr. K.Balarama Reddi, Chairman

Dr. M.V.G.Rao

Dr. D.Nageswara Rao

NOMINATION AND REMUNERATION

Mr. K.Balarama Reddi, Chairman

Dr. M.V.G.Rao

Dr. D.Nageswara Rao

CORPORATE SOCIAL RESPONSIBILITY

Mr. D.Ashok, Chairman

Dr. D.Nageswara Rao

Dr. C.V. Madhavi

STAKEHOLDERS RELATIONSHIP

Mr. K. Balarama Reddi, Chairman

Mr. P. Trivikrama Prasad

Dr. M.V.G.Rao

CHIEF FINANCIAL OFFICER

Mr. T. HARI BABU

COMPANY SECRETARY & VICE PRESIDENT

Mr. VSN RAJU

AUDITORS

M/s. Walker Chandiok & 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

Standard Chartered Bank

REGISTERED OFFICE

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

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad - 500 032, Telangana, India

WORKS

FERRO ALLOY DIVISION

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

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

POWER DIVISION

Power Plant (TG)
Paloncha - 507 154
Bhadradri 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)

NAVA BHARAT

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, Agri-business 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.

Business Operations

DOMESTIC

POWER

Fuel	Capacity (MW)	Location
Coal	**264**	Paloncha, Telangana
	150	Kharagprasad, Odisha
Bagasse	**20**	Dharmavaram, Andhra Pradesh
Total	**434**	

FERRO ALLOYS

Product	Capacity (TPA)	Location
Manganese Alloys	125,000	Paloncha, Telangana
Chromium Alloys	75,000	Kharagprasad, Odisha
Total	**200,000**	

SUGAR

Products: White Crystal Sugar, Rectified Spirit and Ethanol

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

INTERNATIONAL

- Power
- Mining
- Agri-business
- Health Care Services

SNAPSHOT - INTERNATIONAL OPERATIONS/PROJECTS

Country	Business Segment	Status
Zambia	Integrated coal mining and power generation	Operationalized
	Integrated Sugar Project	In progress
Singapore	Health Care Services	Operationalized
	O&M Services for Power Plant	Operationalized

Awards and Recognitions

- **CII-ITC Sustainability Awards 2017 – NBVL,** Paloncha is awarded **"Commendation for Significant Achievement in Corporate Social Responsibility",** for Commendable Results from Deployment of Policy and Processes on the journey to Excellence in Sustainable Business.

- **National Award for Excellence in Energy Management, 2017** for **Excellent Energy Efficient Unit** from Confederation of Indian Industry (The Power Plant – Odisha received this award under the category of Captive Power Plant)

- **Gold Award** for **Best Technical Efficiency** in the State of Andhra Pradesh from South Indian Sugarcane & Sugar Technologists Association (SISSTA) for the season 2016-17 (The award was received by Sugar Division).

- **State Safety Award 2015 for Best Performance in Safety & Environment** from The Directorate of Factories & Boilers, Government of Odisha (The Odisha Works received the award)

- **Silver Award** for **Best Co-generation** in the State of Andhra Pradesh from South Indian Sugarcane & Sugar Technologists Association (SISSTA) for the season 2016-17 (The award was received by Sugar Division).

- **Best Overall Performance Sugar Mill 2017** for the states of Andhra Pradesh & Telangana from Bharatiya Sugar at the "5th Annual Symposium on Sugar Technology and Sugarcane Agriculture" (The Sugar Division received the award for producing best quality sugar - with minimum losses, achieving best recovery and efficient plant operation)

Key Milestones

1975
Commenced production of ferro silicon at Paloncha, A.P.

1980
Diversified into production of sugar and downstream products at Samalkot, A.P.

1989
Commenced commercial production of manganese and chrome alloys.

1997
Diversified into power generation by catering to captive requirements and selling surplus power.

2004
Spread its global footprints through Nava Bharat (Singapore) Pte. Limited.

2006
Company renamed as Nava Bharat Ventures Limited to reflect its multi-vertical business.

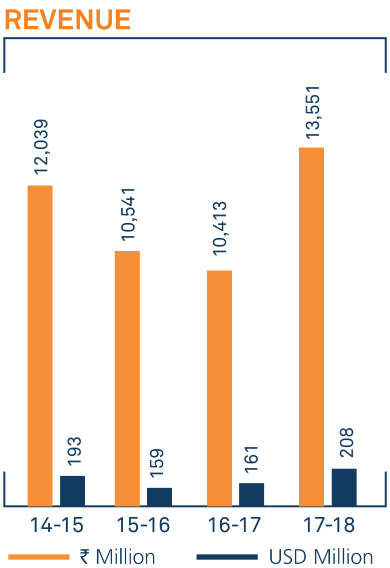
2010
Acquired a large coal mining company (Maamba Collieries Limited) in Zambia.

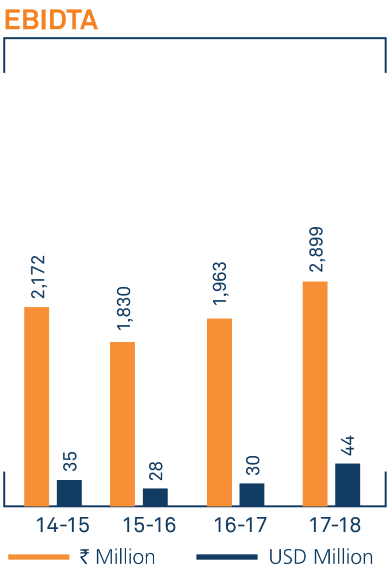
2015
Financial closure for integrated coal and power project of Maamba Collieries Limited in Zambia

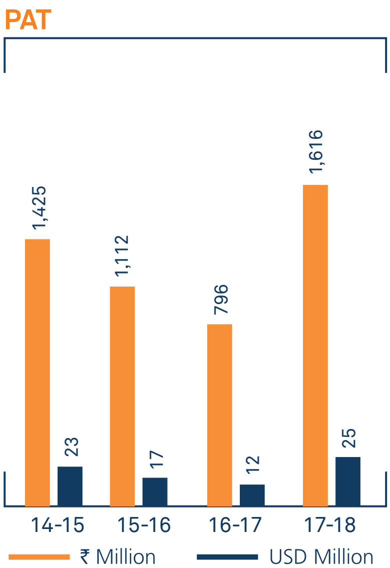
2016
Commissioned 300 MW power plant of Maamba Collieries Limited in Zambia.

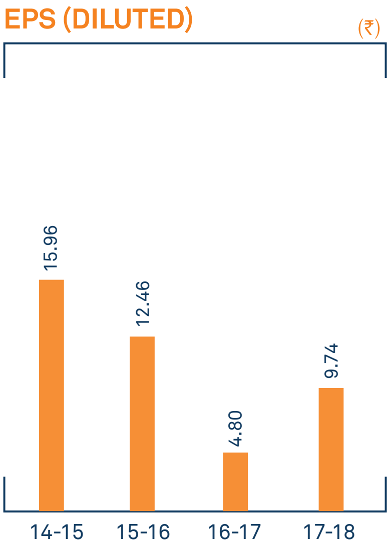
2017
Commenced commercial operations of 300 MW power plant of Maamba Collieries Limited in Zambia
Foray into Health Care Services in Singapore
Established & commenced commercial operations of Ash Products Plant at Paloncha, Telangana

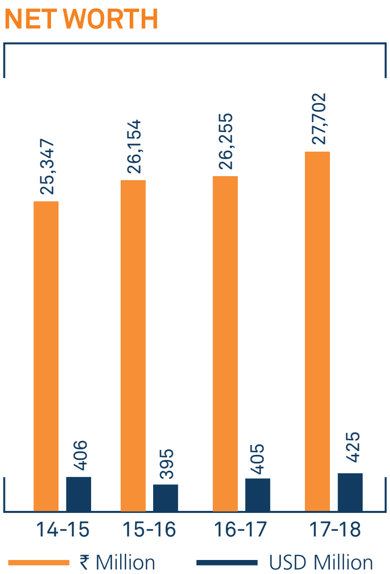
Financial Performance

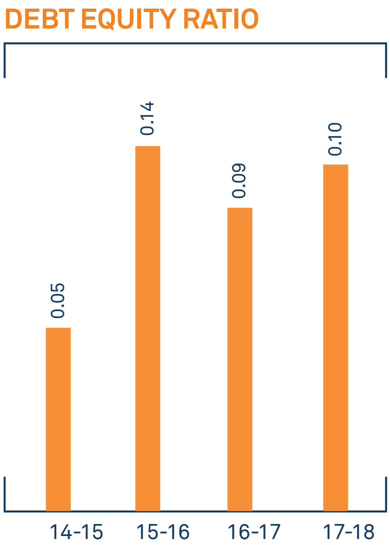












USD/INR-Exchange Rate

2014-15	2015-16	2016-17	2017-18
62.49	66.25	64.85	65.18

Report on Corporate Social Responsibility (2017-18)

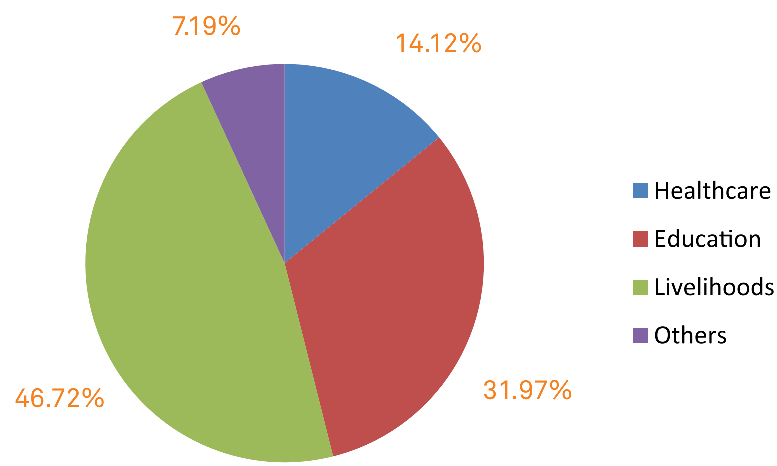
Nava Bharat Ventures Limited ("NBV") is committed towards betterment of society and environment with constant efforts to build and nurture long lasting relationships with members of the society in general and the communities around its manufacturing facilities in particular.

The Company's philosophy is HELP - Health, Education and Livelihood Programmes. HELP focus on the all-round development of the communities around our plants, located mostly in distant rural areas and tribal belts.

HELP

Amount spent under CSR for FY 2017-18

₹ **264.44** Lakhs (2.03% of the average net profits made during the three immediately preceding financial years).



Breakup of the amount spent

CHAIRMAN'S MESSAGE

"We have always tried to integrate our business with community aspirations. While our factories build and power the nation in a literal sense, our Corporate Social Responsibility (CSR) initiatives fuel inclusive growth and community development, addressing the basic needs of citizens even in the country's remote and deprived regions. And that is precisely what we have done and continue to do in our operations."

CII-ITC "Commendation for Significant Achievement in CSR" for the Paloncha Unit:

Nava Bharat Ventures Ltd, Paloncha, was accorded "Commendation for Significant Achievement in Corporate Social Responsibility", for Commendable Results from Deployment of Policy and Processes on the journey to Excellence in Sustainable Business, at the "CII-ITC Sustainability Awards 2017" function, held in New Delhi, on December 12, 2017.

Mr. D. Ashok, Chairman, receiving the award (second from the right)

1. HEALTH

₹ 37.33 Lakhs
Spent for healthcare programmes

The Company believes in extending reach of primary healthcare to everyone. The Company organises various health camps in slums and alike areas for a complete preventive and corrective health check-up of the inhabitants surrounding our plants. These healthcare programmes are run on a regular basis to achieve our mission of ensuring good health to everyone. Given below are some of the projects that the Company has undertaken in FY 2017-18.

Preventive healthcare: Awareness programmes on preventive healthcare are organised for proactive and timely medical attention, particularly in slum areas surrounding Paloncha. Under this initiative, a medical team visits such areas and conducts medical examination, gives counselling and medicines to people at free of cost.

Preventive healthcare programs are also conducted by the Company at the Primary Health Centre at Nava Bharat Eye Centre.

Free medical campaign at Palakoya thanda near Paloncha

Primary Health Centre at Nava Bharat Eye Centre

Free Health Campaign		Impact
No. of visits	50	Proactive and timely medical attention.
No. of beneficiaries	5,827	

Nava Bharat Eye Centre (NBEC): NBEC has been providing equitable comprehensive eye care and high quality cataract surgical services to people in and around Paloncha, irrespective of their socio-economic, religious or ethnic background. However, to address the increasing prevalence of non-communicable chronic eye diseases, such as diabetic retinopathy and glaucoma in and around Paloncha, the Company has provided the following equipment to NBEC:

1. Optical Coherence Tomography – For identifying Macular/ Corneal/ Glaucoma cases.
2. Fundus Camera – To identify all posterior segment diseases including diabetic retinopathy and glaucoma.
3. Replacement of existing Operating Microscope and Autoclave Equipment.

This has enhanced the capabilities of the NBEC beyond cataract surgery and brought the above services to the door steps of the rural community.

Optical coherence tomography equipment at Nava Bharat Eye Centre

Surgical Microscope at Nava Bharat Eye Centre

Safe drinking water: The Company has setup safe drinking water plants at Sri Kumara Rama Bhimeswara Swamy Temple, Samalkot and Charadagadia, Masania, Similipatana in Odisha. These water plants offer pure drinking water at a very affordable cost, which controls water borne diseases and helps improve the health of the people in the surrounding areas.

About 4,000 villagers have benefited from these programmes.

Hand Wash Facilities: Inferior water quality & inappropriate hygiene behaviour is detrimental to the health of the school going children. To overcome this problem, the Company has set up Hand Wash Facilities in 12 government schools, benefitting 3,000 students.

RO Plant at Sri Kumara Rama Bhimeswara Swamy Temple, Samalkot

Hand wash facility at a Government school

Mosquito Nets: The Company has distributed **3,800 mosquito nets** at several villages in and around Paloncha in Bhadradri Kothagudem district, to prevent the **diseases** such as Dengue, Malaria etc., transmitted through **mosquito** bites.

Besides, the Company has carried out distribution of wheel chairs, hearing aids and other disability aids in Kharagprasad and Sibapur grama panchayats in Odisha and drilled borewells at Papakollu Village, Julurupadu (Mandal), Telangana.

2. EDUCATION

₹ 84.54 Lakhs
Spent for educational programmes

The Company believes that every child must have access to education. To make that possible, we 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.

Nava Bharat High School at Paloncha

Name of the School	No. of students
Nava Bharat High School, Paloncha, Telangana	268
Brahmani Public School, Kharagprasad, Odisha	800

After class tuitions: The Company organised tuitions for economically backward students in 22 Government Schools at Paloncha, Lakshmidevipalli and Mulakalapalli Mandals.

After class tuitions at ZPS School, Kothagudem

Free Tuitions	
No. of schools	22
No. students benefitted	1,100
Impact :	Improved knowledge levels

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 equipments and they form essential components of 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.

Mobile science laboratory

No. of schools visited	28
No. of students benefitted	3,300
Impact :	Deep understanding by putting theory in to practice

Computer Education: Recognizing that the computer literacy plays an important role in student's career development, the Company recruited instructors to impart training in computer education to the students studying in government schools.

Computer lab at ZPS School, Old Paloncha

Computer Education	
No. of schools	16
No. of instructors recruited	16
Impact :	Improved computer operation skills
No. of students benefitted	3,800

Spoken English: Communication is a very essential skill especially proficiency in English for advancement of students. Students in rural areas lack this skill and to help such students with proficiency in English, the Company conducted Supplementary Spoken English Programs in government schools located in and around our Plants.

Supplementary Spoken English Programme		Impact
Classes covered	6th to 10th	Improved communication skills in English
No. of schools	10	
No. of students benefitted	1,800	

Role Play-Supplementary Spoken English Program at ZPS School-Kommugudem

Supplementary Spoken English Program at MPUP School-Gandhi Nagar

INFRASTRUCTURE IN GOVERNMENT SCHOOLS

The Company provided 920 dual desks to Government Schools at Paloncha, Mulakalapalli, Tekulapalli, Annapureddypalli, Chandrugonda, and Julurupadu mandals. This initiative was taken to promote congenial learning atmosphere in schools. It benefited 2,760 students in Toto.

Dual desks in Government schools

Maa Langa Bauti High School of Sibapur

Similar initiatives were taken by the Company at schools in Hussainpuram Village, Burugupudi and Kirlampudi Mandals and at Sibapur village in Dhenkanal district, Odisha.

3. LIVELIHOOD

₹ **123.56** Lakhs
Spent for Livelihood programmes

The Company through its Women Empowerment Centre and Nava Bharat Vocational Institute (NBVI), provides training on various programmes to achieve livelihood on a sustainable basis.

Women Empowerment Centre (WEC): Women empowerment is gaining significant importance everywhere and comprises improving the socio economic strength of women to make them confident enough to play their rightful role in the the society. To serve this noble cause, the Company has created a **WEC** at Paloncha and is housed in an exclusive building and imparts training in the following fields under one roof:

- Tailoring & Embroidery
- Jute Product making
- Palm Leaf Weaving
- Sanitary Napkin making
- Beautician course
- Garment making

During the year, the following additional infrastructure facilities were provided to WEC:

1) Walk way and sun shade
2) Renewal of Software
3) Air conditioning

Palm leaf weaved products

Palm leaf weaving

Women Empowerment Centre		Impact
No. of Training courses conducted	6	Created self-employment opportunities for women with earnings of ₹4,000 to ₹5,000 per month.
No. of women trained during the year	190	

Garment making

Nava Bharat Vocational Institute (NBVI) at Paloncha is contributing to skill development by imparting vocational training to unemployed youth in the following trades.

- Welding
- Fitting
- Electrical
- Two wheeler technician
- Refrigerator & Air condition Technician

Computer courses

- DTP
- Tally

With faster pace of economic development, the demand for skilled manpower in India is outstripping the supply, resulting in a significant shortage of skills across several existing trades. New types of skill requirements offering promising employment opportunities are also emerging. NBVI is striving to bridge this gap.

Nava Bharat Vocational Institute		Impact
No. of trades covered	7	Improved employability of youth with earnings of ₹9,000 to ₹ 23,000 per month in reputed Organisations
No. of persons trained during the year	302	

Refrigerator & Air condition Technicians

Welding Simulator

4. OTHERS

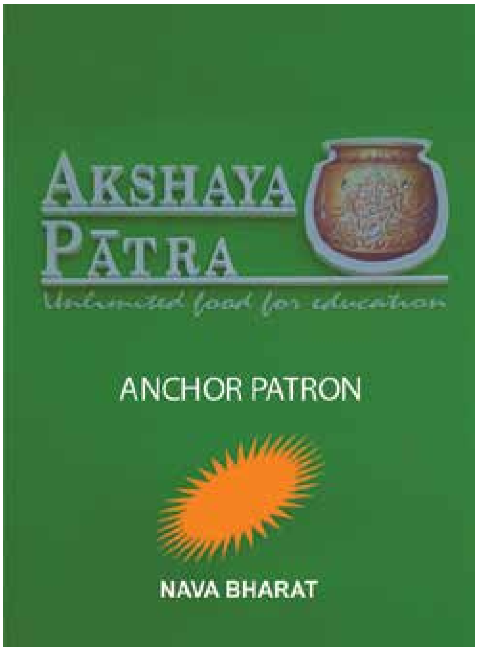
₹ **19.01** Lakhs
Spent for other CSR programmes

As part of environment sustainability, development and maintenance of medicinal plants were undertaken at Mahatma Gandhi Ausodhiya Aranya at Sogar, Kamakhyanagar, Dhenkanal.

Plantation of Medicinal Plants at Mahatma Gandhi Ausodhiya Aranya, Sogar, Kamakhyanagar in the district of Dhenkanal

The Akshaya Patra Foundation

₹ 81.86 Lakhs
Financial assistance to Akshaya Patra



During the year under review, Nava Bharat Energy India Limited, the Company's wholly owned subsidiary extended financial assistance as an **"Anchor Patron"** to **"The Akshaya Patra Foundation"** to establish a centralized kitchen in Kothagudem (Lakshmidevipally). **"Akshaya Patra Foundation"** is the world's largest NGO-run Mid-Day meal programme serving wholesome school lunch to over 1.7 million children in 14,173 schools across 12 states in India.

This is the first of its kind centralized Kitchen setup in Tribal area of Telangana State to support the Mid-Day Meal program of the Government and mitigate the twin challenges of hunger and education. The program enables increase in enrolment & attendance, reduces dropout and improves nutritional status of students of the Government Schools by serving hot & nutritious food. The kitchen can serve mid-day meals up to 30,000 students per day.

The Centralised Kitchen was inaugurated by Hon'ble MLA of Kothagudem, Mr. J. Venkata Rao in the presence of Mr. M. Ram Kishan, Joint Collector, District Level Officers, Mr.GRK Prasad, Executive Director, Nava Bharat Ventures Limited (NBVL), Mr. Sreenivasamurthy, Vice President, Paloncha Works, NBVL, Students of Government Schools, public and Media representatives. At present the kitchen is supplying food to 22,255 students in 244 Government Schools situated in 5 Mandals viz. Kothagudem, Lakshmidevipally, Sujathanagar, Chunchupalli and Paloncha.

Preparatory equipments

Cooking

Rice, Sambar and Curry cauldrons

Packing and distribution

Food packed in vessels is distributed to Govt. schools

Students having Mid-Day-meal

Equipments

Potato peeler and wet grinder

Vegetables washing /cleaning section

Water treatment plant

Boilers

Diesel Generator

Vessels for carrying food to the Government Schools

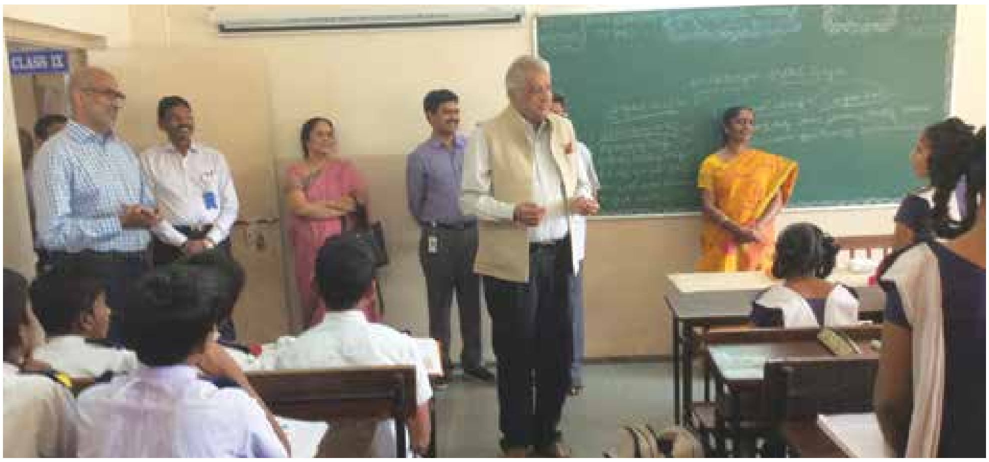
Corporate Social Responsibility (CSR) Committee

The CSR Committee of the Board formed under the aegis of Section 135 and Schedule VII of the Companies Act, 2013 and the provisions of the CSR Rules, 2014 to spend 2% average net profits of immediately preceding 3 financial years on CSR. The CSR Committee comprises of three (3) members, of the Board. The roles and responsibilities of the CSR Committee include formulation of CSR Policy and provide recommendations to the Board. This Committee also informs the Board regarding the activities to be undertaken by the Company as specified in Schedule VII to the Act, or as may be prescribed by the Rules thereto, as well as propose expenditure to be incurred on the activities referred and the monitoring mechanism.

Visit of CSR Committee

The CSR Committee on January 8, 2018 visited Paloncha Unit to review and monitor the progress of the projects / programmes envisaged for the financial year 2017-18 in the following locations:

1. Nava Bharat Eye Centre
   Nava Bharat Public School / Nava Bharat High School
   Women Empowerment Centre
   Nava Bharat Vocational Institute
2. Akshayapatra premises at Kothagudem
3. Machinapeta village – water plant & interaction with beneficiaries
4. Karakavagu School (Demo on K Yaan, Hand wash facilities for the students, Mobile Science Lab practical classes and supplementary spoken English classes)



Committee interacting with students of Nava Bharat High School, Paloncha

Visit to the Nava Bharat Vocational Institute, Paloncha

A beneficiary demonstrating Palm leaf weaving at WEC

Committee interacting with the Doctor at NBEC

The Committee has expressed its satisfaction over the progress of the projects/programmes and observed that the impact was impressive.

Our domestic subsidiaries actively participate in CSR activities. The following table highlights the amounts budgeted and actually spent during the financial year 2017-18.

(₹ in lakhs)

	2017-18	
Name of the Company	**Budget**	**Actual**
Nava Bharat Energy India Limited	187.59	188.43
Nava Bharat Projects Limited	2.93	7.74
*Brahmani Infratech Private Limited	NA	1.43
Total	**190.52**	**197.60**

* Voluntary participation, although the CSR provisions were not applicable

Directors' Report

Dear members,

Your directors are pleased to present the 46th annual report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2018.

FINANCIAL SUMMARY

The performance of the Company (standalone and consolidated), for the financial year ended March 31, 2018 is summarized below:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	For the year ended			
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Total income for the year	135,511.69	104,134.51	241,716.89	145,610.95
Profit before Finance charges, Depreciation & Tax	28,989.10	19,630.38	86,237.14	32,151.45
Less: Finance charges	1,531.04	3,666.69	24,633.77	7,217.12
Profit before depreciation and tax	27,458.06	15,963.69	61,603.37	24,934.33
Less : Depreciation	3,743.09	3,707.61	22,841.76	9,040.00
Profit for the year after Depreciation	23,714.97	12,256.08	38,761.61	15,894.33
Less:Provision for tax - Current tax	6,773.42	2,778.22	8,624.54	4,267.43
- Deferred tax	785.76	1,518.20	2,339.40	2,341.11
Profit after tax	16,155.79	7,959.66	27,797.67	9,285.79
Non-Controlling Interest	-	-	3,995.89	585.57
Adjustment on account of sale of subsidiary	-	-	-	98.53
Total other comprehensive income for the year	11.32	140.59	427.66	(1,787.38)
Total comprehensive income for the year	16,167.11	8,100.25	28,225.33	7,498.41
Appropriations				
Dividend proposed on equity share capital	2,529.44	1,686.28	2,529.44	1,686.28
Corporate Dividend tax	514.99	343.29	514.99	343.29

ECONOMIC AND BUSINESS REVIEW

As several factors are expected to help accelerate the pace of growth in 2018-19, India's GDP is expected to grow by 7.4% in this period. However, GDP growth is expected to pick up to 7.8% in 2019 led by favourable macroeconomic scenario and ongoing structural measures. Thus, India is placed on a sweet spot and is gaining momentum both in domestic and international markets.

REVIEW OF OPERATIONS

During the year under review, the performance of your Company significantly improved over the previous year on account of resurgence of ferro alloy operations riding on a spurt in demand for steel and helped your Company overcome the daunting pressure on sugar prices in the last quarter of FY2018. Ferro Alloys division recorded highest quantities ever in production and sales. The captive consumption of power also was the highest since the operationalization of the power division with attendant value addition through transfer pricing at Grid rates. The Company's conversion arrangement saw record volume of production of High Carbon Ferro Chrome since operationalization of unit at Odisha. The robust market for HCFC also helped the Company obtain better return on costs, though for a limited period, from Tata Steel under the Conversion contract.

Turnover for the year 2017-18 stood at ₹ 130,864.00 lakhs compared to ₹ 99,037.46 lakhs in the previous year and the profit after tax stood at ₹ 16,155.79 lakhs increased from ₹ 7,959.66 lakhs in the previous year.

FERRO ALLOYS

Your Company achieved production of 95,301 MT and sales of 97,028.750 MT during FY 2017-18, surpassing all previous records. This was achieved by production of different grades as per quality requirement with minimal maintenance breakdowns and also in switching the grades in furnaces as per requirement of market, with minimal/no off specs during transition.

Due to demand from China for Manganese ore, the major mining companies from Australia, South Africa, Gabon etc., continuously increased the rate quarter after quarter during FY 2017-18. Indigenously Manganese Ore India Limited, the principal supplier also revised the price of Mn ore in tandem with international markets. The Company's strategy of diversifying the ore procurement geographically and resorting to blends helped it to withstand the increase in input cost though some more efforts are warranted as far as the reductant is concerned. The Company is mindful of US Dollar volatility against INR which has a salutary affect on the procurement costs as well as export realizations.

POWER

During the period under review, the merchant power business, reflecting the sector trend, remained quite subdued with Grid opting out of medium term procurement contracts and bearing down on the prices of merchant power. The performance of the 114 MW power plant in Telangana was critically dependent on captive consumption of power wherein the value addition was higher than that of merchant sale. The Company's strategic shift of focus on ferro alloy production and thereby optimal captive power usage helped the power Unit overcome the market vagaries of merchant power to a considerable extent.

The Company was able to utilize the higher prices on the Power exchange for a part of second half aside from optimizing the captive power usage for HCFC conversion against 90 MW earmarked for this purpose in the Odisha Power Plant. Given the limitation of captive power consumption norms, the performance for the year under review is quite satisfactory. The second 60 MW in Odisha, however, could not be operationalized owing to weak merchant power market while certain last mile Grid clearances for open access were being pursued.

While grid curtailments impacted the operations of 150 MW power plant of NBEIL in Telangana in the first quarter, higher coal costs eroded the margins in the second quarter. The subsidiary dispatched the power to the Telangana Grid against short term tenders and through Power Exchange while endeavouring to sustain positive contribution to recover the fixed costs. Telangana Grid paid compensation for lower offtakes against previous contracts during the last quarter which helped the subsidiary to maintain a near breakeven level for FY 2018.

The Power Unit in Andhra Pradesh suffered on account of Grid curtailments in the first quarter and lack of dispatch opportunity in the second quarter and so had to remain shut for the remaining part of the year. The Company is exploring other options of reviving this 20 MW Unit by leveraging the large free hold land on which it is situated on the East Coast with excellent access to the Kakinada port and national highway.

SUGAR

The Sugar operations though started on a positive note and outlook, turned worse with the average realisations falling below the sugar cane cost towards the end of the year under review. The closing market price and inventory valuation of sugar reflect the debilitating affect on sugar operations and profitability of the Unit going forward.

Income and cash flow changes arising out of Subsidiaries

The standalone financials received positive boost on account of O&M support services extended by the Company to the Zambian subsidiary without infringing upon the performance guarantee obligations extended on behalf of O&M Operator being another overseas subsidiary. The Company expects to leverage upon its expertise further with increased scope of service as the Zambian company cedes the limited technical support of the EPC contractor in the coming periods and thereby increase revenues under this O&M Support fee.

Members are aware that the Company had extended limited recourse by way of equity and equity commitment by way of LC to the Zambian step down subsidiary for implementing the Coal & Power Project. Owing to certain recent regulatory restrictions of RBI, the Company was required to fully fund the equity commitment to the extent of US$ 16.25 Million instead of continuing the LC. This resulted in the Company drawing additional rupee loan for equivalent amount and consequent higher debt position as at the end of FY 2018.

The Company is also required to fund the development activity for the Zambian Sugar project, Health Care Services venture in Singapore aside from administration costs in Singapore. The fund infusion for these requirements was US$ 1.385 Million during FY 2018 and is envisaged at US$ 2.40 Million during FY 2019.

The 150 MW Unit of NBEIL has ₹157.89 Crs of long term debt outstanding at the end of FY 2018. NBEIL charted a business plan to address debt service in the coming periods, but could require short term funding requirements from the Company.

DIVIDEND

The Board considered the better operational performance for FY 2017-18, facets of sustenance and cash flow requirements of the Company during FY 2018-19 and recommended a dividend on the equity shares at ₹ 1.50 per equity share of ₹ 2/- each for the FY 2017-18, subject to shareholders' approval at the ensuing annual general meeting (AGM). The aggregate dividend payout amounts to ₹ 3,044.43 lakhs (including corporate dividend tax of ₹ 514.99 lakhs).

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).

The Company has no equity shares carrying differential rights.

SUBSIDIARY COMPANIES

The Company has Indian and overseas direct and step down subsidiaries.

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

As per the provisions of Section 136 of the Companies Act, 2013 the Company has placed separate audited financial statements of its subsidiaries on its website www.nbventures.com and the Company shall furnish a hard copy of annual reports of the subsidiaries to any shareholder on demand at any point of time.

The annual accounts of the subsidiary companies shall also be available for inspection by any shareholder at 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, 2018 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.

OVERSEAS CORPORATE STRUCTURE

The Company has overseas investments in Coal Mining, Power Generation, Operation & Maintenance Services, Healthcare Services and Commercial Agriculture, spread across different geographical regions.

The Company has created distinct intermediate holding companies being wholly owned subsidiaries in Singapore to cater separately to; Coal mining & Power Generation through Nava Bharat (Singapore) Pte. Ltd; O&M Services through Nava Energy Pte. Ltd; Healthcare Services through Nava Holding Pte. Limited; and Commercial Agriculture through Nava Agro Pte. Ltd. This structure will facilitate investment pursuits in a focused manner, aside from induction of strategic/ financial investors at an appropriate time. All the investments will be routed through respective wholly owned subsidiaries in Singapore.

NAVA BHARAT (SINGAPORE) PTE. LIMITED (NBS)

NBS, a Wholly Owned Subsidiary of the Company in Singapore, will control the investments in coal and power generation, principal investment in this space being in Zambia.

NBS has to derive income form MCL by way of dividends or interest on Share Holder Loans which are expected to commence from FY 2020. Till then the Company is required to fund its administration over head. For FY 2018, NBS has total income of USD 6.13 Million and Loss of USD 1.07 Million.

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. The 300 MW Power Plant was commissioned in phases by December 2016. During the year under review, the 300 MW Power Plant also declared Commercial Operations from August 2017. Accordingly, the 300 MW Power Plant operations also would form part of Consolidated Financials for a part of FY 2018 and for subsequent periods.

For FY 2018, MCL made a profit after tax of USD 15.59 Million on a total income of USD 127.02 Million. MCL derived revenues from both coal mining and power operations with the latter assuming the lead role going forward. MCL constitutes a significant portion of the consolidated financials owing to the asset size as well as the share of profits.

The power plant operations have been stable, at the rated availability factor and are dedicated to the Zambian Utility under a Long Term PPA. While there have been delays in collection of receivables and gaps in certain payment obligations by the Utility, the Zambian company is assured of performance under the PPA by way of a Sovereign Guarantee from the Government of Zambia which holds the project in good stead. MCL has been engaging the Government in this regard to effect part payments against the receivables and has been able to effect debt service to the Project Lenders since March 2017 without default.

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.

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

NEPL has set up a Zambian company, 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.

The Company expects that its O& M experience in MCL will establish its foot print in this emerging service which it can leverage for further opportunities in this space.

For the FY2018, NEPL has made revenues of USD 10.18 Million and Profit after tax of USD 1.56 Million.

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.

During the Financial Year 2018, NEZL has made revenues of USD 10.13 Million and Profit after tax of USD 0.48 Million.

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 (formerly Kariba Sugar Limited) (KSL) is a Zambian company which has been allocated 10,000 ha of land by the Government of Zambia to pursue Sugar business initially.

There are no reportable revenues for NAPL for FY 2018.

KAWAMBWA SUGAR LIMITED, ZAMBIA (KSL)

Kawambwa Sugar Limited (formerly Kariba Sugar Limited) (KSL) is a Zambian company (step-down-subsidiary) 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.

The Company has enough expertise in Sugar manufacturing and operations and proposes to undertake the Construction of the KSL's sugar project as when an investment decision taken.

The Sugar project of KSL comprises inter alia Sugar estate development as a principal component of the Project cost envisaged at USD 226 Million.

KSL has obtained the approval for Environmental Impact Assessment (EIA) study under the Zambian laws and has initiated a pilot seedling plantation. Key aspects of the investment relate to size and composition of equity, risk mitigation measures and bankable marketing & sale arrangement. These aspects are being addressed in parallel while the initial developmental works continue at the site.

KSL has no reportable revenues being in implementation stage.

NAVA HOLDING PTE. LIMITED (NHPL)

Nava Holding Pte. Limited (NHPL) was incorporated in Singapore, and will engage in Healthcare Services being undertaken by the Group with Singapore as headquarters. Initially, investments in these services are undertaken through Tiash Pte. Limited wherein NHPL holds 65% stake.

Below is the structure of Companies involved in Healthcare activities to be pursued:

TIASH PTE. LIMITED (TPL), SINGAPORE

Nava Holding Pte. Limited holds 65% equity stake in Tiash Pte. Limited and balance 35% is held by Mr. Timothy Robert Cushway as Sweat Equity. TPL is designated to be engaged in the health care related business.

Mr. Timothy Robert Cushway is the CEO of TIASH Pte Limited.

COMPAI PHARMA PTE. LIMITED (CPPL), SINGAPORE

Compai Pharma Pte. Limited is 100% Subsidiary of TPL.

CPPL has entered in to an exclusive distribution arrangement in Malaysia for an intravenous iron supplement from a Danish company, a market leader in this space. This will be dealt with by CPPL's operating subsidiary Compai Healthcare SDN. BHD, Malaysia.

COMPAI HEALTHCARE SDH.BHD (CHS), MALAYSIA

Incorporated on November 10, 2017 and is a 100% subsidiary of Compai Pharma Pte. Limited, Singapore.

TIS PTE. LIMITED (TPL), SINGAPORE

TIS Pte. Limited is a Subsidiary of TIASH Pte. Ltd. holding 90% stake while the balance is held by professional director.

THE IRON SUITES PTE. LIMITED (TISPL), SINGAPORE

The Iron Suites Pte. Limited is a Subsidiary of TIS Pte. Limited holding 90% stake while the balance will be held by TPL. TISPL is engaged in actual administering of the IV formulation.

NB TANAGRO LIMITED, TANZANIA (NBTL)

NB Tanagro Limited was set up as a step down subsidiary in Tanzania to pursue investment in Oil palm. As the Project has not been implemented for the last couple of years owing to protracted delays in identification of land, land transfer, timely issuance of permits, licenses and consent, being the obligations of NDC, the Joint Venture Agreement with National Development Corporation of Tanzania was terminated and NBTL is under the process of winding up.

NB RUFIJI PVT. LIMITED, TANZANIA (NBRPL)

NB Rufiji Pvt. Limited was set up as a step down subsidiary in Tanzania. As no development has taken place and is likely, NBRPL is also under the process of winding up.

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).

NBEIL operated the 150 MW Independent Power Plant, at Paloncha in Telangana on merchant basis with an average PLF of 62.08% during FY 2017-18.

The contract with Telangana Discoms ended by May 2017 following which the power plant operations were regulated depending on the spot rates of power obtained on the Power Exchange and based on limited period tenders from the Discoms.

Notwithstanding gradual withering of merchant power rates, the Unit could sustain reasonable operating performance by resorting to varying blends of coal including slurries and rejects and thereby maintaining a competitive cost of generation. Limited period tenders by the Telangana Grid during the FY 2018 and release of compensation for lower off takes by the Grid for earlier contracts,helped the Unit achieve near break-even situation under such trying circumstances.

NBEIL made a total income of ₹29,419.71 Lakhs and Loss after tax of ₹271.47 Lakhs.

Ash Products Plant was established with state of the art technology to utilize the ash being generated from the150MW Power Plant to produce Ash bricks, Pavers etc. which are far superior to the conventional clay bricks and bring about a lifecycle change in paving roads, kerbs etc., The plant is being operated through programmable logic controller (PLC) with semi-automation and commercial production commenced in January 2018. The primary objective of APP is the sustainable utilization of fly ash, as prescribed by environmental guidelines with incidental revenue generation.

NAVA BHARAT PROJECTS LIMITED (NBPL)

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

Enforcement Directorate, Hyderabad: The Enforcement Directorate, Hyderabad, (ED) vide its Provisional Assessment Order dated July 22, 2014 attached to the extent of ₹138.59 crores in respect of the investment made by NBPL in the share capital of Nava Bharat Energy India Limited 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 NBPL 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 NBEIL along with NBPL 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 ₹138.59 crores. The Hon'ble Appellate Tribunal for PMLA cases after hearing the matter of both the parties, asked to file counters and since the ED filed the Counter followed by a rejoinder filed by NBPL and now the interim application filed by the NBPL for substitution of the shares with the equivalent value of the security by way of furnishing FDR/ BG for release of the attached shares to facilitate NBPL for restructuring of the equity in the NBEIL. The matter is listed for hearing on July 11, 2018 to July 13, 2018.

Further, 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 NBPL was served Summons dated October 14, 2017, on November 17, 2017, through Office of the Joint Director, Directorate of Enforcement, Hyderabad, under CRC No. 01/2016, ECIR No.02/HZO/2013 under Section 3 punishable under Section 4 of the Prevention of Money Laundering Act, 2002, in the matter of Directorate of Enforcement Vs Y. Harish Chandra Prasad & Others to appear in the Court of the Hon'ble Sh. Bharat Parashar, Megistrate, Special Court (PC Act), Patiala House Courts, New Delhi on January 30, 2018. Thereafter, NBPL through its authorized representative appeared before the said Court and the scrutiny of the documents supplied through the complaint is in progress and the said CRC is posted to July 16, 2018.

NBPL made total income of ₹706.84 Lakhs and Profit after tax of ₹196.55 Lakhs.

BRAHMANI INFRATECH PRIVATE LIMITED (BIPL)

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

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

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

Mantri Technology Parks Private Limited (MTPPL) sought for injunction restraining the asset management company / mutual funds in repaying to BIPL on maturity, before the Civil Courts, Hyderabad, OP No 571/2015, under Section 9 of the Arbitration and Conciliation Act, 1996. BIPL is contesting the same and is sub-judice.

BIPL and MTPPL both have filed cross applications before Civil Court Hyderabad, seeking reliefs against each other in setting aside the Arbitration Award no. 2/2013 under Sec 34 of the Arbitration and Conciliation Act, 1996 with regard to such portion of the Award favouring other party.

All the above are in the process of adjudication and are sub-judice. No material Orders have been passed in any of the cases.

Post disposal of cases in NCLT/NCLAT in favour of BIPL, Malaxmi Infra Ventures (India) Private Limited requisitioned an Extra-ordinary General Meeting (EGM) on certain agenda items. BIPL has convened the EGM as per requisition on February 17, 2018 and a copy of said EGM minutes were provided to them as requested.

BIPL made a total income of ₹432.91 Lakhs and Profit after tax of ₹244.09 Lakhs.

NAVA BHARAT REALTY LIMITED AND NAVA BHARAT SUGAR AND BIO FUELS LIMITED

During the year, Nava Bharat Realty Limited and Nava Bharat Sugar and Bio Fuels Limited have been struck off from the register of companies by the Registrar of Companies, Hyderabad.

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 Companies Act, 2013, 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)

Your Company is committed towards betterment of society and protection of environment with constant efforts to build and nurture long lasting relationships with the society. Further, the Company's CSR initiatives/ activities aim at improving quality of life of the communities and stakeholders in general and communities around the Company's manufacturing facilities, in particular, and, to contribute towards economic development of the society from which your Company draws resources for its operations.

Your Company continues to remain focused on improving the quality of life and engaging communities through education, livelihood, health, drinking water and sanitation, enhancing vocational skills, empowering women, etc. During the year under review, your Company spent over ₹ 264.44 Lakhs on CSR activities. The annual report on CSR activities, in terms of Section 135 of the Companies Act, 2013, is enclosed as **Annexure - 3** to this report.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is 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 No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 are enclosed as **Annexure - 5** to this report.

The policy on materiality for and dealing with related party transactions as approved by the Audit committee and the Board of directors is available on the website of the Company under the web link: 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, 2018 are enclosed in **Annexure - 6** to this Report in compliance with the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014. The particulars of aggregate loans, guarantees and investments under Section 186 of the Companies Act, 2013 are disclosed in Financial Statements which may be read as part of this Report.

Further, pursuant to the authority vested by the members in the Board at their annual general meeting held on August 24, 2016, to make amendments to the matters specified therein, the Board of directors at their meeting held on May 30, 2018 approved an increase in the value of Indemnity & Guarantee, Guarantee towards liquidated damages and performance bank Guarantee limits for the O& M Contract from USD 38.5 Million to USD 43.67 Million, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is not applicable for the financial year 2017-18 since the Company did not form part of top 500 companies in terms of market capitalization as on March 31, 2018.

CORPORATE GOVERNANCE

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

A separate Report on Corporate Governance as stipulated under Regulation 34(3) of SEBI (LODR) Regulations, 2015 is attached hereto as a part of this report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

Disclosure under Reg. 34(3) & Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(₹ in Lakhs)

S. No	In the accounts of	Particulars	Amounts at the year ended 31.03.2018	Maximum Amount of Loans/ Advances/ Investments outstanding during the year 2017-18
1	Nava Bharat Ventures Limited (NBVL) (Holding Company)	Loan Given to:- Nava Bharat (Singapore) Pte. Ltd. (Wholly Owned Subsidiary of NBVL)	42,363.75 (USD 65 million)	46,489.30 (USD 71.5 million)
2	Nava Bharat Ventures Limited (Holding Company)	Investment by the Loanee i.e., Nava Bharat (Singapore) Pte. Ltd.(Wholly owned Subsidiary of NBVL)		
		In the shares of subsidiary companies i.e.,		
		1. Maamba Collieries Limited	84,255.28 (USD 129.28 million)	84,255.28 (USD 129.28 million)
		2. Nava Energy Zambia Limited	0.58 (USD 894)	0.58 (USD 894)

DIRECTORS

The Board of directors of the Company has a combination of Executive, Non-Executive and Independent Directors. The Board comprises ten directors and half of the Board comprises independent directors.

INDEPENDENT AND NON-EXECUTIVE DIRECTORS

As prescribed under LODR Regulations and as per Section 149(6) of the Companies Act, 2013. The Board of the Company comprises following Independent directors (including a woman director):

Mr. K.Balarama Reddi, Dr.E.R.C.Shekar, Dr.M.V.G. Rao, Dr.D.Nageswara Rao and Dr.CV Madhavi.

They were appointed as Independent Directors by the shareholders at 42nd AGM on August 8, 2014 for a term of 5 (five) years.

NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR

Mr. D.Ashwin was co-opted as an additional director (non-executive and non-independent) w.e.f. August 18, 2017.

Mr. D.Ashwin holds office upto the date of ensuing AGM and the Company had received notice from one of the shareholders as per Section 160 of the Companies Act, 2013, proposing his appointment as Director.

WHOLE-TIME DIRECTORS

The Board of Company comprises following whole-time directors:

Mr. D.Ashok, Mr. P.Trivikrama Prasad, Mr. GRK Prasad and Mr. C V Durga Prasad.

None of the directors on the Board is a member of more than ten Committees across all the Companies in which directorship is held. Necessary disclosures regarding committee positions in other public companies as on March 31, 2018 have been made by the Directors.

DECLARATIONS OF INDEPENDENT DIRECTORS

The independent directors declared pursuant to section 149(7) of the Companies Act, 2013 affirming that they meet the criteria of independence as provided in sub-section (6) of section149 of the Companies Act, 2013.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. D. Ashwin has been co-opted as an additional director (non-executive & non-independent) w.e.f August 18, 2017.

DIRECTORS RETIRING BY ROTATION

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

The term of Mr. GRK Prasad, Executive Director and Mr. CV Durga Prasad, Director - Business Development expires on June 27, 2018. Subject to the approval of the shareholders at the ensuing annual general meeting, your Board of directors considered and approved the re-appointment of Mr. GRK Prasad and Mr. CV Durga Prasad for such term as proposed in the respective resolutions.

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 six (6) times during the FY 2017-18 viz. on May 27, 2017, August 9, 2017, August 18, 2017, October 30, 2017, January 29, 2018 and March 24, 2018.

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and SEBI

(LODR) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the working of its Audit committee, Nomination and Remuneration committee, Corporate Social Responsibility committee and Stakeholders Relationship committee. A structured set of criteria was adopted after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. Evaluation of the Board Members is conducted on an annual basis by the Board, Nomination and Remuneration committee and Independent Directors with specific focus on the performance and effective functioning of the Board and individual Directors.

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

Performance indicators for evaluation of Independent Directors:

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

Ability to contribute to and monitor corporate governance practices.

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

Active participation in long term strategic planning.

Commitment to the fulfillment of a Directors' 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 and also the role played other than at meetings.

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

REMUNERATION POLICY

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

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

A detailed policy on remuneration of the Directors and Senior Management is placed on the Company's website under the web link: http://www.nbventures.com/corporate_policies.htm also enclosed as **Annexure-7** to this Report.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

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

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

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

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

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

The criteria of independence are determined as laid in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

COMMITTEES OF THE BOARD

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

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

Name of the Committee	Composition of the Committee	Remarks
Audit Committee	Mr. K Balarama Reddi, Chairman Dr.M.V.G.Rao, Member Dr.D.Nageswara Rao, Member	The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and regulation 18 of SEBI (LODR) Regulations, 2015 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.
Nomination and Remuneration Committee	Mr. K Balarama Reddi, Chairman Dr.M.V.G.Rao, Member Dr.D.Nageswara Rao, Member	The Nomination and Remuneration committee of the Board of directors was constituted in conformity with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 and its role has been the same as stipulated in the Act and the Regulations mentioned above.
Corporate Social Responsibility Committee	Mr. D.Ashok, Chairman Dr.D.Nageswara Rao, Member Dr.C.V.Madhavi, Member	The Corporate Social Responsibility committee of the Board of directors was constituted in conformity with the requirements of Section 135 of the Companies Act, 2013. The Committee monitored the implementation of the CSR Policy from time to time.
Stakeholders Relationship Committee	Mr. K Balarama Reddi, Chairman Mr. P Trivikrama Prasad, Member Dr.M.V.G.Rao, Member	The Stakeholders Relationship committee of the Board of directors was constituted in conformity with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 and its role has been the same as stipulated in the Act and the Regulations mentioned above.

PARTICULARS OF EMPLOYEES

The names and other particulars in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed as **Annexure-8** to this Report.

Particulars of every employee employed throughout the financial year and in receipt of remuneration of Rupees One Crore and Two lakhs 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-9** to this Report.

NAVA BHARAT VENTURES GENERAL EMPLOYEES BENEFITS SCHEME

Nava Bharat Ventures Employee Welfare Trust (established vide Indenture of Trust dated January 25, 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 (GEBS) with the current Regulations, falling under Part D of the Regulations in accordance with the Special Resolution passed by the members in the 43rd Annual General Meeting held on 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, 2018. Since Shares constitute about 99.42% of the total assets held by the Employee Welfare Trust (EWT) for GEBS, the Company and the Trust have to dispose of the surplus shares over and above 10% of its total assets, which the Trust can retain in accordance with SEBI Regulations, before October 28, 2019.

The Company and the Trust shall, after retaining 1823 shares which it is eligible to retain under the Regulations, have to sell the surplus 27,98,177 shares within a period of five years from the date of the Regulations i.e. before October 28, 2019.

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/corporate_policies.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 24, 2016.

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 annual general meeting (AGM) by the members of the Company at their meeting held on August 9, 2017 subject to ratification by the members at their subsequent AGM as stipulated in Section 139 of Companies Act, 2013. Whereas, the provisions of section 139 of Companies Act, 2013 relating to ratification of appointment of auditors by the members has been omitted by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Hence, their appointment is valid till the conclusion of 50th AGM of the Company to be held in the FY 2022.

The Auditor's Report on the financial statements of the Company for financial year ended March 31, 2018 does not contain any reservation, qualification or adverse remarks and their report together with notes to Financial Statements are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

COST AUDIT

The Board 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 2017-18 on the recommendations of the Audit committee. The same was ratified by the Members at the 45th Annual General Meeting held on August 9, 2017.

The Cost Audit reports for FY 2016-17 were filed with Ministry of Corporate Affairs on August 31, 2017.

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 2018-19, 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 2017-18.

The Board appointed M/s Sagar & Associates, as Internal Auditors for conduct of internal audit of cost records for the Financial Year 2018-19.

SECRETARIAL AUDIT

As per the provisions of Section 204 of the Companies Act, 2013, the Board of directors has appointed M/s.P.S.Rao & Associates, Practicing Company Secretaries, to conduct secretarial audit pursuant to the recommendations of the Audit committee for the Financial Year 2017-18.

The Secretarial Audit Report for the financial year ended March 31, 2018 issued by Practicing Company Secretary is enclosed as **Annexure - 10** to this Report and does not contain any reservation, qualification or adverse remarks.

However, the report states that Dr. ERC Shekar, Independent Director, was named in the list of disqualified directors issued by MCA and a detailed explanation for erroneous inclusion of his name in the list, has been provided therein.

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 2018-19.

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, 2018 to the date of the signing of the Directors' Report.

MATERIAL ORDERS PASSED BY THE REGULATORS

No significant/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 (Sec. 124 (5) of the Companies Act, 2013), an amount of ₹ 31,30,569/- relating to FY 2009-10, which remained unclaimed for a period of 7 years had been transferred by the Company on September 25, 2017 to the Investor Education and Protection Fund and credited on September 27, 2017.

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 2009-10 were transferred by the Company in the name of IEPF on December 5, 2017 and the statement containing such details as may be prescribed is placed on Company's website www.nbventures.com.

VIGIL MECHANISM

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

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

The details of such mechanism are communicated to all the directors and employees and it was also disclosed on the website of the Company http://www.nbventures.com/corporate_policies.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 in Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 is not required to be disclosed in the annual report and on the website of the Company as the provisions of the said regulations 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 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 2017-18:

1. **CII-ITC Sustainability Awards 2017** – NBVL, Paloncha is awarded **"Commendation for Significant Achievement in Corporate Social Responsibility"**, for Commendable Results from Deployment of Policy and Processes on the journey to Excellence in Sustainable Business.
2. **Gold Award for Best Technical Efficiency** in the State of Andhra Pradesh from South Indian Sugarcane & Sugar Technologists Association (SISSTA) for the season 2016-17 (The award was received by Sugar Division).
3. **Silver Award for Best Co-generation** in the State of Andhra Pradesh from South Indian Sugarcane & Sugar Technologists Association (SISSTA) for the season 2016-17 (The award was received by Sugar Division).
4. **National Award for Excellence in Energy Management, 2017 for Excellent Energy Efficient Unit** from Confederation of Indian Industry (The Power Plant – Odisha received this award under the category of Captive Power Plant).
5. **Best Overall Performance Sugar Mill 2017** for the states of Andhra Pradesh & Telangana from Bharatiya Sugar at the "5th Annual Symposium on Sugar Technology and Sugarcane Agriculture" (The Sugar Division received the award for producing best quality sugar - with minimum losses, achieving best recovery and efficient plant operation).
6. **State Safety Award 2015** for Best Performance in Safety & Environment from The Directorate of Factories & Boilers, Government of Odisha (The Odisha Works received the 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

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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 express their deep appreciation and gratitude for the assistance, patronage and co-operation received from the financial institutions, bankers, insurance companies, Central Government, Governments of Telangana, Andhra Pradesh and Odisha, the State utilities, shareholders and other stakeholders, during the year under review.

For and on behalf of the Board

P. Trivikrama Prasad
Managing Director
DIN: 00006887

Place : Hyderabad
Date : May 30, 2018

D. Ashok
Chairman
DIN: 00006903

Annexure - 1

Performance and Financial Information of each of subsidiaries under Rule 8 of Companies (Accounts) Rules, 2014 for the year ended March 31, 2018

₹ in lakhs

Sl. No.	Name of Subsidiary Company	Share Capital	Turnover/ Total Income	Profit/(loss) after Taxation
1	Nava Bharat (Singapore) Pte. Limited	113,958.49	4,018.98	(700.19)
2	Maamba Collieries Limited	126,137.97	82,645.47	10,159.97
3	Nava Energy Pte. Limited	0.65	6,635.67	1,016.12
4	Nava Energy Zambia Limited	0.88	6,604.18	310.18
5	Nava Agro Pte. Ltd.	619.81	-	(2.96)
6	Kawambwa Sugar Ltd.	449.71	-	(106.36)
7	Nava Holding Pte. Ltd	652.40	4.70	0.29
8	Tiash Pte Limited	0.07	4.93	(83.51)
9	Compai Pharma Pte. Ltd, Singapore	0.07	0.11	(6.05)
10	Compai Healthcare Sdn. Bhd, Malasiya	0.02	0.02	(9.34)
11	TIS Pte Limited	189.15	152.75	(24.66)
12	The Iron Suites Pte. Ltd	4.95	27.87	(181.13)
13	Nava Bharat Projects Limited	9,080.40	706.85	196.56
14	Nava Bharat Energy India Limited	20,000.00	29,419.71	(271.47)
15	Brahmani Infratech Private Limited	6,312.50	432.91	244.09

Note: Indian Rupee equivalent figures have been arrived at by applying the year end interbank exchange rate of USD = ₹ 65.1750, Singapore $ = 47.465 and Malaysian Rand= 16.1476

For and on behalf of the Board

P. Trivikrama Prasad
Managing Director
DIN: 00006887

Place : Hyderabad
Date : May 30, 2018

D. Ashok
Chairman
DIN: 00006903

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. Reduction in steam & power consumption per tonne of cane with increase in average crushing rate by reducing plant downtime.

ii. Avoided the operation of clarified syrup transfer pump from syrup clarification by providing 6" pipe line to transfer the syrup by means of vacuum by using the pressure difference in the system.

iii. Installation of high precision massecuite feed control valve for NK1503 B continuous centrifugal machine for effective capacity utilization and to reduce power consumption.

iv. Installation of planetary drive in place of conventional worm reduction gear for C massecuite Mono Vertical Crystallizer to reduce the power consumption.

v. Replacement of SV lamps of 20540 Watt capacity with LED lights of 7192 Watt capacity to reduce the power consumption.

vi. Integration of spent wash evaporation plant with existing 20KLPD Atmospheric Distillation Plant rectifier column vapors to reduce the steam consumption.

vii. Avoided the operation of Ethanol plant cooling tower pump by using the Rectified spirit plant cooling tower pump according to heat load.

Due to the measures taken as mentioned above, the total estimated savings were 316000 kWh of power and 1900 Tonnes of bagasse per season.

II) Power Division:

Power Plant (Telangana)

i. 200 Nos. of 40 W LED lamps provided in place of 70 W SV lamps.

ii. 34 Nos. of 90 W LED lamps provided in place of 250 W SV lamps at CHP-1 street lighting.

iii. 10 Nos. of 90 W LED lights provided in place of 250 W SV lamps.

iv. Application of special paint coating for improvement of the Unit-2&3 CW pumps performance.

v. Modification in CHP interconnecting coal transfer conveyors and utilizing gravity fall of coal at two dropping points.

Due to the measures taken as mentioned above, the total energy savings were 251000 kWh per year.

Power Plant (Odisha)

i. Application of Ceramic coating (corrocoat) to all the three CW pumps internals and its impellers in Unit-2, resulting in energy savings.

ii. Reducing the running hours of 45 kW additional ACW pump by providing 0.75 kW Booster pump in Unit-2 ACW line for efficient operation of control room AC Units in absence of VAM, resulting in energy savings.

iii. Replacing the 110 kW Horizontal pump motor with 55 kW, 450 m3 pump at River Water Pump House, resulting in energy savings.

iv. Changing of bed ash conveying system operation to probe mode instead of timer mode in Unit-2, resulting in AHP compressor energy savings.

v. Changing of bed ash dome valve opening time from 5 sec to 7 sec in Unit-2 and from 13 sec to 18 sec for system-3 in Unit-1, resulting in AHP compressor energy savings.

vi. Replacing of 44 nos. 400 W HPSV lamps with 125 W LED flood light and 9 nos. 400 W HPSV lamps with 42 W LED in all the Units, resulted in lighting energy savings.

vii. Replacing of 199 nos. T5 lights with 18 W LED tube light in all the Units, resulted in lighting energy savings.

viii. Replacing of 38 nos. 70 W HPSV lamps with 42 W LED in all the Units, resulted in lighting energy savings.

ix. Replacing of 4 nos. 18 W Gate lamps with 2 nos. of 15 W LED at PP Entrance gate, resulted in lighting energy savings.

x. Up-gradation of glass wool insulation with ceramic fiber type, at TG cross over pipes in Unit-2 and TG Steam inlet in Unit-1 resulted in thermal energy savings.

xi. Providing steam trap in startup vent drain of both the Boilers in Unit-1 resulted in thermal energy savings.

The total estimated savings on account of various measures taken at PP (O) Units put together were 583208 kWh per year in energy and 1350 tonnes per year in Coal consumption.

III) Ferro Alloy Division

Telangana

i Installation of 420 nos of various types of LED luminaires & LED lamps at Furnace, RMHS, BWS areas and office buildings to replace the existing SV lamp luminaires and CFL lamps, by which 85000 kWh could be saved per year approximately.

ii. Installation of 2 Nos of VFDs for Reverse Air Fans of GCP-3 and GCP-4, by which 250000 kWh saved per year approximately.

iii. Installed Energy efficient fan for Cooling Tower-4, by which 7000 kWh could be saved per year.

Odisha

i. Application of corrocoat paint to impeller blades of furnace cooling water circulation pumps, resulting in conservation of electrical energy.

ii. Replacement of 30 nos. of 250 Watt and 20 nos of 150 Watt Metal Halide Lamps with 45 Watt LED lamps; 18 nos of 70 Watt Sodium Vapor Lamps with 25 W LED lights and 20 Nos of 150 W Metal Halide lamps with 42 W LED well Glass Fittings in plant area lighting resulting in conservation of electrical energy.

iii. Replacement of sprocket wheels of dryer drum and installation of VFD. This arrangement is facilitating to increase the output of the dryer in Dry season and also resulting in reduction of power and fuel consumption.

The total estimated savings on account of various measures taken at FAP(O) Units put together were 112600 kWh per year in energy and 260 tonnes per year in coal consumption.

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

I) Sugar Division/Power Division/Ferro Alloy Division (Telangana)

Nil.

II) Ferro Alloy Division – Odisha:

Agreement executed with Bharat Petroleum Company Ltd for the installation of LPG-LOT manifold system and supply of LPG in 44.6 kg cylinders for replacing furnace oil for Dryer-2 burner. This will improve environment (no smoke emission to atmosphere), working conditions and overall efficiency of dryer.

(iii) The capital investment on energy conservation equipments

I) Sugar Division:

Invested ₹20.3 Lakhs towards Integration of spent wash evaporation plant with existing 20KLPD Atmospheric Distillation Plant rectifier column vapors to reduce the steam consumption.

II) Power Division:

Power Plant (Telangana)

i. ₹7.49 lakhs on procurement of LED lighting Luminaires.

ii. ₹1.80 Lakhs on procurement of special coat paintings for Unit-2&3 CW pump.

iii. ₹0.73 Lakhs for modification of CHP internal coal transfer conveyors.

Power Plant (Odisha)

i. ₹6.72 lakhs for application of Ceramic coating.

ii. ₹3.6 lakhs for 55 kW, 450 m3 pump.

III) Ferro Alloy Division:

Telangana

i. ₹11.5 lakhs on procurement of LED lighting Luminaires and LED lamps.

ii. ₹14.9 lakhs on procurement of VFDs for GCP- 3 and GCP-4 RA fan motors.

iii. ₹0.64 lakhs on procurement of 1 No. of Energy Efficient Fan for Cooling towers.

Odisha

i. ₹3.5 Lakhs towards corrocoat application for the Furnace cooling water circulation pumps.

ii. ₹2.81 Lakhs towards purchase of LED light fittings.

iii. ₹4.32 Lakhs on procurement of Sprocket wheels and VFDs for Chrome ore Dryers.

(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 8.5 instead of 6 to 6.5 as in the previous year's enables to reduce the cooling water chemicals cost by ₹2.5 Lacs/ annum and reduced the blow down quantity to the extent of 300 kL/day which in turn reduction of fresh water drawl by 300 kL/day.

ii. Planned and executed WHRS-3&4 dry run mode operations. During shutdowns of STG-2&3, connected FAP furnaces were kept in operation.

iii. Process change in feed water regenerative system of STG-1 at below 50% load. This resulted in coal saving by 1.29 MT/day.

iv. Usage of LDO oil for cold startup of AFBC boilers to reduce the startup cost by ₹1.20 Lakhs/ startup.

v. Installed and commissioned new 5 MVAR capacitor bank for additional requirements at 132kV/11kV substation for operating all the four furnaces simultaneously.

vi. Provided enclosure for 11 kV capacitor banks to avoid external disturbances thereby improving the availability.

vii. Provided Silencer with new design for Boiler-4 startup vent to reduce the noise levels during plant startup and emergency operations.

viii. To meet the new emission standards stipulated by the MOEF, ammonia dozing system is made available for one of the Boilers connected to chimney-3. This system is found effective to control emissions.

Power Plant (Odisha)

i. Installation of Double glazed transparent sheet at makeup water pump house area in Unit-1.

ii. Up-gradation of glass wool insulation with ceramic fiber type at TG cross over pipes in Unit-2 and TG Steam inlet in Unit-1.

iii. Installation of flow meters in CT makeup line and UCFT makeup line of Unit-1.

iv. Shifting of Underground Fire hydrant line to over ground.

v. Developing logic for monitoring and controlling unbilled export to Grid.

vi. Replacing the entire refractory with new refractory instead of doing patch works in both the Boilers in Unit-2.

vii. Refurbishment of 40 meter of conveyor belt.

III) Ferro Alloy Division:

Telangana

i. Refurbished Furnace-2 with low hood design.

ii. Installed Prime Metal Screening System to bifurcate metal cakes received from CCM.

iii. Installed Dust suppression system in and around Finished Product shed.

iv. Installed Electro Hydraulic grab bucket for handling Finished Product with 20/5 Ton EOT Crane.

v. Arranged Pressure Transmitters in place of Manometers for GCP-2 Bag house Chambers

vi. Installed Ventury Scrubber in place of bag house at Sinter Plant-2.

vii. Introduced JCB mounted hydraulic rock breaker for breaking Si.Mn bed cakes and contaminated material.

viii. Installed Earth Leakage Circuit Breakers (ELCB) to welding machines at Furnace building.

Odisha

i. Retrofitting of obsoleted Variable Frequency Drive Panels with latest version of VFDs in Gas Cleaning Plant of Furnace-1.

ii. Installation and commissioning of LPG – LOT manifold system for chrome ore dryer (Dryer No-2) for heating of ore in place of furnace oil burner system.

iii. Introduction of skimming Blocks for bed casting & CCM casting of liquid metal.

iv. Introduction of tractor trolleys for hot metal transportation.

v. Installation and commissioning of Mechanization system for weighing, packing and loading of finished product.

vi. Extension of Gantry bay by 14 mtrs.

vii. Replacement of sprocket wheels of dryer drum and installation of VFD.

viii. Application of Corrocoat paints for impellers of furnace cooling water circulation pumps.

ix. Re-location of sludge pit at Metal Recovery Plant.

x. Construction of Chrome Ore Recovery Pit at Raw-material storage yard.

xi. Re-engineering and modification of Charging Chutes of both the furnaces at 3rd floor of Furnace Building.

xii. Re-engineering of Lime storage Hopper.

xiii. Installation of CCTV cameras at Finished product processing and loading areas.

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

I) Sugar Division:

NIL.

II) Power Division:

Power Plant (Telangana)

NIL.

Power Plant (Odisha)

i. Utilization of passive daylight and reduced lighting energy consumption by switching off the lights in day time.

ii. Minimized heat loss due to radiation.

iii. Monitoring of water consumption.

iv. Minimized water loss due to underground leakages.

v. Controlling of unbilled export to Grid.

vi. Increased life of the Boiler tubes and reduced break downs.

vii. Reduced waste generation and reusing of damaged belts.

III) **Ferro Alloy Division:**

Telangana

i. The Production capacity of FAP-T enhanced by around 24,000 MT per annum. The Low Hood design facilitated reduction of fugitive gases. In addition, more of Captive power consumption.

ii. Reduced man power and fines generation in processing of Silico Manganese.

iii. Suppressed dust during FP handling activities. Improved environmental conditions.

iv. Easy handling of Si.Mn and minimized the Terex loader operations.

v. Effective and continuous monitoring of individual bag house pressures

vi. Improved environmental conditions.

vii. Reduction of human efforts in handling and processing of material.

viii. Safety enhancement.

Odisha

i. Replacement of old Variable Frequency Drives with latest version of VFDs in Gas Cleaning Plant of Furnace-1 improves the operational performance and stability of the system.

ii. Installation and commissioning of LPG – LOT manifold system for chrome ore dryer (Dryer No-2) 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. Introduction of skimming Blocks for bed casting & CCM casting of liquid metal reduced the slag contamination during metal casting.

iv. Introduction of tractor trolleys for hot metal transportation reduced the fines generation during metal handling.

v. Installation and commissioning of Mechanization system for weighing, packing and loading of finished product improved the working conditions and increased the packing and loading capacity.

vi. Extension of Gantry bay by 14 mtrs in furnace building ensure safety and improved the working conditions.

vii. Replacement of sprocket wheels of dryer drum and installation of VFD enhanced the output of Dryer in dry seasons.

viii. Application of Corrocoat paints for impellers of furnace cooling water circulation pumps reduced the power consumption.

ix. Re-location of sludge pit at Metal Recovery Plant eliminated the activities under EHT tower line and improved safety to machinery and workmen.

x. Construction of Chrome Ore Recovery Pit at Raw-material storage yard increased the opportunity to collect more chrome ore fines and improved the recovery.

xi. Re-engineering and modification of Charging Chutes of both the furnaces at 3rd floor of Furnace building increased the holding capacity of chutes and helps in increasing furnace load.

xii. Re-engineering of Lime storage Hopper with modification in orientation of delivery ducts increased the free flow of lime to Alfa mixer in Briquetting plant and improved the stability of operations.

xiii. Installation of CCTV cameras at Finished product processing and loading areas help in monitoring of activities and reduce the chances of pilferage.

(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. **Ferro Alloy Plant**

Odisha

i. Study and research to minimize "Process Heat Losses" at Chrome ore Dryer plant by M/s Process Engineering Consultants, Mumbai.

The expenditure incurred : ₹1.0 Lakhs

ii. Research and Analysis on "Physical Strength and Characteristics of Slag Chips" for compatible to construction works by IIT- Bhubaneswar.

The expenditure incurred : ₹3.15 Lakhs

iii. Research on manufacturing of pavers with the use of factory waste by Konark Institute of Science and Technology, Bhubaneswar.

The expenditure incurred : ₹1.0 Lakhs

iv. Study on Recovery Enhancement by using magnetic drums by M/s The MAK Enterprises, Kolkata.

The expenditure incurred : ₹2.0 Lakhs

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in lakhs)

	Current Year 31.03.2018	Previous Year 31.03.2017
Foreign Exchange Outgo:		
i. CIF value of Imports	20,670.97	12,248.88
ii. Interest	833.39	253.67
iii. Others	174.48	82.31
Foreign exchange Earnings at FOB Value		
i. Export of Goods	40,501.55	16,826.15
ii. Others	7,417.97	5,902.64

For and on behalf of the Board

P. Trivikrama Prasad
Managing Director
DIN: 00006887

Place : Hyderabad
Date : May 30, 2018

D. Ashok
Chairman
DIN: 00006903

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 • provide learning and acquiring knowledge through measures including formal schools; • provide health care services through measures including preventive health care; and • provide livelihood through measures including vocational training.		
	Web-link:	http://www.nbventures.com/csr_programmes.htm		
2.	Composition of the CSR Committee	Mr. D. Ashok	Chairman of the Company	Chairman
		Dr. D.Nageswara Rao	Independent Director	Member
		Dr. C.V.Madhavi	Independent Director	Member
3.	Average net profit of the Company for last three financial years	₹ 13019.97 lakhs		
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 260.82 lakhs		
5.	Details of CSR spend during the financial year	a. Total amount spent for the financial year: ₹ 2,64,43,904/-		
		b. Amount unspent, if any : Nil		
		c. Manner in which the amount spent during the financial year : Attached		
6.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report	Please refer to Item No.5 (b) above.		
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company	We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.		

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director
DIN: 00006887

D. Ashok
Chairman
CSR Committee
DIN: 00006903

CSR Projects / Programmes, budget allocation together with modalities of execution for 2017-18 Status as on 31.03.2018

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken			Amount Outlay (budget) project or program wise ₹ in lakhs	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads Amount in ₹	Cumulative Expenditure up to the date of reporting period Amount in ₹	Amount spent directly or through implementing agency
			Project or Program	Local Area or other	District and State				
					HEALTH				
1	Primary Health Center at NBEC, Paloncha	(i) Promoting preventive health care	Project	Paloncha	Bhadradri Kothagudem, Telangana	3.90	3,90,000	3,90,000	Through LVPEI
2	Health Campaign in areas surrounding Paloncha	(i) Promoting preventive health care	Project	Paloncha	Bhadradri Kothagudem, Telangana	6.00	6,00,515	6,00,515	Direct
3	Distribution of mosquito nets	(i) Promoting preventive health care	Project	Bapujithanda, Muniyathanda, Suryathanda, Dudiyathanda, Mokallagumpu, Giriprasad colony, Somulagudem S.C.Colony, Pandurangapuram Thanda, Dasariwada, Yellandulapadu, Rajeevnagar colony, Narsampeta, Gagulagudem, Karakavagu, and Machnenipeta Thanda Villages	Bhadradri Kothagudem, Telangana	9.00	9,35,345	9,35,345	Direct
4	Borewell at safe drinking water plant, Papakollu	(i) Making available safe drinking water	Project	Papakollu Village, Julurupadu (MD.)	Bhadradri Kothagudem, Telangana	0.60	60,944	60,944	Direct
5	Primary Health Center at Bhatla penumarru, Krishna (Dt.)	(i) Promoting preventive health care	Project	Bhatlapenumarru (Village),	Krishna, Andhra Pradesh	0.35	34,922	34,922	Direct

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken			Amount Outlay (budget) project or program wise ₹ in lakhs	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads Amount in ₹	Cumulative Expenditure up to the date of reporting period Amount in ₹	Amount spent directly or through implementing agency
			Project or Program	Local Area or other	District and State				
6	Providing machinery for safe drinking water plant at Srikumararama Bhimeswara Swamy Temple, Samalkot	(i) Making available safe drinking water	Project	Samalkot	East Godavari, Andhra Pradesh	5.00	5,20,502	5,20,502	Direct
7	Safe drinking water facility for villagers of Charadagadia, Masania, Similipatana	(i) Making available safe drinking water	Project	Kharagprasad	Dhenkanal, Odisha	8.50	8,64,000	8,64,000	Direct
8	Eye Camp near Odisha Works	(i) Promoting preventive health care	Project	Sibapur village	Dhenkanal, Odisha	2.00	2,05,000	2,05,000	Direct
9	Distribution of wheel chairs, hearing aids and other disability aids in Kharagprasad and Sibapur grama panchayats	(i) Promoting preventive health care	Project	Sibapur and Kharagprasad villages	Dhenkanal, Odisha	1.00	1,21,530	1,21,530	Direct
				EDUCATION					
10	Free tutorials for economically backward students in Govt. schools	(ii) Promoting education	Project	Paloncha, Lakshmidevipalli and Mulakalapalli Mandals	Bhadradri Kothagudem, Telangana	2.95	3,02,381	3,02,381	Direct

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken			Amount Outlay (budget) project or program wise ₹ in lakhs	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads Amount in ₹	Cumulative Expenditure up to the date of reporting period Amount in ₹	Amount spent directly or through implementing agency
			Project or Program	Local Area or other	District and State				
11	Computer faculty in Govt. Schools, Paloncha, Kothagudem	(ii) Promoting education	Project	Paloncha, Lakshmidevipalli & Mulakalapalli Mandals	Bhadradri Kothagudem, Telangana	6.75	6,06,886	6,06,886	Direct
12	Nava Bharat High School, Paloncha	(ii) Promoting education	Project	Paloncha	Bhadradri Kothagudem, Telangana	24.00	28,02,251	28,02,251	Direct
13	Nutritious food to students	(ii) Promoting education	Project	Paloncha	Bhadradri Kothagudem, Telangana	2.00	1,37,273	1,37,273	Direct
14	Supplementary Spoken English Programme, Paloncha	(ii) Promoting education	Project	Paloncha and Lakshmidevipalli Mandals	Bhadradri Kothagudem, Telangana	4.00	4,07,659	4,07,659	Direct
15	Mobile Science Laboratory for Govt. schools in Kothagudem area	(ii) Promoting education	Project	Paloncha, Lakshmidevipalli and Mulakalapalli Mandals	Bhadradri Kothagudem, Telangana	3.00	3,30,249	3,30,249	Direct
16	Grant in Aid to Brahmani Public School & Nimidha School	(ii) Promoting education	Project	Kharagprasad	Dhenkanal, Odisha	6.00	5,93,000	5,93,000	Direct
17	Supply of Dual desks to Sibapur Ashram school	(ii) Promoting education	Project	Sibapur Viliage	Dhenkanal, Odisha	2.00	1,99,000	1,99,000	Direct
18	Supply of Dual Desks to Govt. Schools in and around Paloncha, Kothagudem	(ii) Promoting education	Project	Paloncha, Mulakalapalli, Tekulapalli, Annapureddypalli, Chandrugonda and Julurupadu mandals	Bhadradri Kothagudem, Telangana	24.00	24,00,280	24,00,280	Direct

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken			Amount Outlay (budget) project or program wise ₹ in lakhs	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads Amount in ₹	Cumulative Expenditure up to the date of reporting period Amount in ₹	Amount spent directly or through implementing agency
			Project or Program	Local Area or other	District and State				
19	Providing infrastructure at MPUP Schools at Burugupudi, Kirlampudi villages and Municipal Elementary School, Anganwadi School	(ii) Promoting education	Project	Hussainpuram Village, Burugupudi and Kirlampudi mandals	East Godavari, Andhra Pradesh	3.15	3,14,283	3,14,283	Direct
20	Providing IT Infrastructure to Brahmani Public School for setting up of Computer lab	(ii) Promoting education	Project	Kharagprasad	Dhenkanal, Odisha	1.90	2,61,000	2,61,000	Direct
21	Infrastructure development at Brahmani Public School	(ii) Promoting education	Project	Kharagprasad	Dhenkanal, Odisha	1.00	1,00,000	1,00,000	Direct
				LIVELIHOOD					
22	Nava Bharat Vocational Institute (NBVI), Paloncha	(ii) Promoting employment enhancing vocational skills	Project	Paloncha	Bhadradri Kothagudem, Telangana	69.00	66,29,665	66,29,665	Direct
23	Nava Bharat Vocational Institute (NBVI), Paloncha	(ii) Promoting employment enhancing vocational skills	Project	Paloncha	Bhadradri Kothagudem, Telangana	6.00	6,17,395	6,17,395	Direct
24	Women Empowerment Center, Paloncha	(iii) Empowering women	Project	Paloncha	Bhadradri Kothagudem, Telangana	4.50	4,50,000	4,50,000	Direct

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken			Amount Outlay (budget) project or program wise ₹ in lakhs	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads Amount in ₹	Cumulative Expenditure up to the date of reporting period Amount in ₹	Amount spent directly or through implementing agency
			Project or Program	Local Area or other	District and State				
25	Women Empowerment Center, Paloncha	(iii) Empowering women	Project	Paloncha	Bhadradri Kothagudem, Telangana	37.30	38,52,507	38,52,507	Direct
						4.70	4,69,331	4,69,331	Direct
26	Developing Vocational Skills at Samalkot	(ii) Promoting employment enhancing vocational skills	Project	Samalkot	East Godavari, Andhra Pradesh	3.40	3,36,709	3,36,709	Direct
				OTHER PROGRAMS					
27	Maintaining and improving quality of soil	(iv) Maintaining quality of soil	Project	Jaggampeta, Rangampeta, Pithapuram, Kandrakonda, Samalkota, Yeleswaram, Prathipadu, Talluru, Ramavaram, Somavaram, Velanka, Kotturu, Burrapalem, J.Kotturu and Murari Villages	East Godavari, Andhra Pradesh	1.00	1,04,305	1,04,305	Direct
28	Plantation of Medicinal Plants at Mahatma Gandhi Ausodhiya Aranya at Sogar, Kamakhyanagar, Dhenkanal	(iv) Ensuring environmental sustainability	Project	Kamakhyanagar	Dhenkanal, Odisha	3.20	3,60,000	3,60,000	Direct
29	Construction of Bus Stop at Masania Chowk	(x) Rural development	Project	Masania Chowk	Dhenkanal, Odisha	2.50	2,81,702	2,81,702	Direct

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken			Amount Outlay (budget) project or program wise ₹ in lakhs	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Over-heads Amount in ₹	Cumulative Expenditure up to the date of reporting period Amount in ₹	Amount spent directly or through implementing agency
			Project or Program	Local Area or other	District and State				
30	Development of playground at Community Centre, Kharagprasad	(x) Rural development	Project	Kharagprasad	Dhenkanal, Odisha	1.00	1,12,620	1,12,620	Direct
31	Submersible pump and accessories for borewell at Kharagprasad	(x) Rural development	Project	Kharagprasad	Dhenkanal, Odisha	1.20	1,14,300	1,14,300	Direct
				ADMINISTRATIVE EXPENSES					
32	Administrative expenses	Salary of Chief Administrator (SD), Vehicle maintenance and fuel expenses	Program	Paloncha	Bhadradri Kothagudem Telangana	9.15	9,28,350	9,28,350	Direct
					Grand Total	**260.05**	**2,64,43,904**	**2,64,43,904**	

T. Hari Babu
Chief Financial Officer

P. Trivikrama Prasad
Managing Director
DIN: 00006887

D. Ashok
Chairman
CSR Committee
DIN: 00006903

Annexure - 4

Form No. MGT- 9
Extract of Annual Return as on the financial year ended on March 31, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% of total turnover of the company
1	Ferro Alloys	24104	68.93
2	Power (net of inter unit sales)	35102	14.76
3	Sugar	10721	12.97

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)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
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 Pvt Ltd 6-3-1109/1, Nava Bharat Chambers Raj Bhavan Road Hyderabad – 500 082 Telangana	U40100TG1993PTC016204	Associate	26.00	2 (6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
(1) Indian									
a) Individual / HUF	31127646	0	31127646	17.43	31147646	0	31147646	17.44	0.01
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	38186760	0	38186760	21.38	38255062	0	38255062	21.42	0.04
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any other – Trust Nav Energy Pvt. Ltd. (Holding shares of the Company (NBVL) for the benefit of the Company (NBVL))	9947020	0	9947020	5.57	9947020	0	9947020	5.57	0
Sub-total (A) (1)	**79261426**	**0**	**79261426**	**44.38**	**79349728**	**0**	**79349728**	**44.43**	**0.05**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0

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	
	d)	Banks/FI	0	0	0	0	0	0	0	0	0
	e)	Any other	0	0	0	0	0	0	0	0	0
	Sub-total (A) (2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total Shareholding of Promoters (A)=(A) (1) + (A) (2)		**79261426**	**0**	**79261426**	**44.38**	**79349728**	**0**	**79349728**	**44.43**	**0.05**
B	**Public Shareholding**										
	(1)	**Institutions**									
	a)	Mutual Funds	12888267	0	12888267	7.22	21131417	0	21131417	11.83	4.61
	b)	Banks / FI	139490	3410	142900	0.08	158343	3410	161753	0.09	0.01
	c)	Central Govt.	0	0	0	0	0	0	0	0	0
	d)	State Govt (s)	0	0	0	0	0	0	0	0	0
	e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f)	Insurance Companies	0	0	0	0	0	0	0	0	0
	g)	FIIs/FPIs	25693463	0	25693463	14.39	18799980	0	18799980	10.53	(3.86)
	h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i)	Others (specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B) (1)		**38721220**	**3410**	**38724630**	**21.69**	**40089740**	**3410**	**40093150**	**22.45**	**0.76**
	(2)	**Non-Institutions**									
	a)	Bodies Corporate i. Indian	8051578	2680	8054258	4.51	6517980	2680	6520660	3.65	(0.86)
		ii. Overseas	0	0	0	0	0	0	0	0	0
	b)	Individuals									
	i	Individual shareholders holding nominal share capital upto ₹1 lakh	18741327	1133297	19874624	11.13	19139006	1058161	20197167	11.31	0.18
	ii	Individual shareholders holding nominal share capital in excess of ₹1 lakh	26301921	278500	26580421	14.88	25822993	278500	26101493	14.62	(0.26)
	c)	Others (specify)									
	i	Unclaimed Shares Suspense Account	1178790	0	1178790	0.66	910935	0	910935	0.51	(0.15)

	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	
ii	Directors and Relatives	580262	0	580262	0.32	580262	0	580262	0.32	0.00
iii	Nava Bharat Ventures Employee Welfare Trust – Held by the Trustee - Barclays Wealth Trustees (India) Pvt. Ltd.*	2800000	0	2800000	1.57	2800000	0	2800000	1.57	0.00
iv	Clearing Members	205130	0	205130	0.11	147820	0	147820	0.08	(0.03)
v	Trusts	72222	0	72222	0.04	72322	0	72322	0.04	0.00
vi	Non Resident Indians									
	(a) Repatriation	841274	9610	850884	0.48	980672	5240	985912	0.55	0.07
	(b) Non Repatriation	198625	0	198625	0.11	379485	0	379485	0.21	0.10
vii	Foreign Nationals	2610	0	2610	0.00	2610	0	2610	0	0.00
viii	NBFC	191600	0	191600	0.11	107683	0	107683	0.06	(0.05)
ix	IEPF	0	0	0	0	274240	0	274240	0.15	0.15
x	Alternative Investment Fund	0	0	0	0	52015	0	52015	0.03	0.03
	Sub-total (B) (2)	**59165339**	**1424087**	**60589426**	**33.93**	**57788023**	**1344581**	**59132604**	**33.12**	**(0.81)**
	Total Public Shareholding (B)=(B) (1) + (B) (2)	**97886559**	**1427497**	**99314056**	**55.62**	**97877763**	**1347991**	**99225754**	**55.57**	**(0.05)**
C	**Shares held by Custodian for GDRs & ADRs**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	GRAND TOTAL (A+B+C)	**177147985**	**1427497**	**178575482**	**100.00**	**177227491**	**1347991**	**178575482**	**100.00**	**0**

* Nava Bharat Ventures Employee Welfare Trust: Shares held by the Trustee - Barclays Wealth Trustees (India) Pvt. 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 and non-public category.

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the Year
		No. of shares	% of total shares of the Company	% of shares pledged or encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged or encumbered to total shares	
	Individuals:							
1	Mr. D.Ashok	2226000	1.25	0	2226000	1.25	0	0
2	Mrs. Devineni Ramaa	523230	0.29	0	523230	0.29	0	0
3	Mr. D.Ashwin	3409212	1.91	0	3429212	1.92	0	0.01
4	Mr. Nikhil Devineni	2550000	1.43	0	2550000	1.43	0	0
5	Mrs. Devineni Bhaktapriya	9802900	5.49	0	9802900	5.49	0	0
6	Dr. Devineni Rajasekhar jointly with Mr. D.Ashok	15630	0.01	0	15630	0.01	0	0
7	Mrs. Alluri Nilima	1050000	0.59	0	1050000	0.59	0	0
8	Mr. Pinnamaneni Trivikrama Prasad	3627672	2.03	0	3850488	2.15	0	0.12
9	Mr. Pinnamaneni Trivikrama Prasad (HUF)	702630	0.39	0	702630	0.39	0	0
10	Mrs. Pinnamaneni Rajashree	6997556	3.92	0	6997556	3.92	0	0
11	Mrs. Pinnamaneni Shruthi	222816	0.12	0	0	0.00	0	(0.12)
	TOTAL	**31127646**	**17.43**	**0**	**31147646**	**17.44**	**0**	**0.01**
	Bodies Corporate:							
12	Nav Developers Ltd.	15840362	8.87	0	15840362	8.87	0	0
13	A. N. Investments Pvt. Ltd.	8866698	4.96	0	8935000	5.00	0	0.04
14	S. R. T. Investments Pvt. Ltd.	6960000	3.90	0	6960000	3.90	0	0
15	A9 Homes Pvt. Ltd.	2264000	1.27	0	2264000	1.27	0	0
16	V9 Avenues Pvt. Ltd.	2219980	1.24	0	2219980	1.24	0	0
17	AV Dwellings Pvt. Ltd.	2035720	1.14	0	2035720	1.14	0	0
	TOTAL	**38186760**	**21.38**	**0**	**38255062**	**21.42**	**0**	**0.04**
	TRUST:							
18	Nav Energy Pvt. Ltd. (Holding shares of the Company [NBVL] for the benefit of the Company {NBVL})	9947020	5.57	0	9947020	5.57	0	0
	TOTAL	**9947020**	**5.57**	**0**	**9947020**	**5.57**	**0**	**0**
	GRAND TOTAL	**79261426**	**44.38**	**0**	**79349728**	**44.43**	**0**	**0.05**

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

iii) **Change in Promoters' shareholding**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the Company
1	Mr. D.Ashok				
	At the beginning of the year	2226000	1.25	2226000	1.25
	At the end of the year			2226000	1.25
2	Mrs. Devineni Ramaa				
	At the beginning of the year	523230	0.29	523230	0.29
	At the end of the year			523230	0.29
3	Mr. D.Ashwin				
	At the beginning of the year	3409212	1.91	3409212	1.91
	Acquisition on 06/07.11.2017*	20000	0.01	3429212	1.92
	At the end of the year			3429212	1.92
4	Mr. Nikhil Devineni				
	At the beginning of the year	2550000	1.43	2550000	1.43
	At the end of the year			2550000	1.43
5	Mrs. Devineni Bhaktapriya				
	At the beginning of the year	9802900	5.49	9802900	5.49
	At the end of the year			9802900	5.49
6	Dr. Devineni Rajasekhar jointly with Mr. D. Ashok				
	At the beginning of the year	15630	0.01	15630	0.01
	At the end of the year			15630	0.01
7	Mrs. Alluri Nilima				
	At the beginning of the year	1050000	0.59	1050000	0.59
	At the end of the year			1050000	0.59
8	Mr. Pinnamaneni Trivikrama Prasad				
	At the beginning of the year	3627672	2.03	3627672	2.03
	Acquisition on 30.06.2017 (Inter se transfer among Promoter Group & between relatives)**	222816	0.12	3850488	2.15
	At the end of the year			3850488	2.15
9	Mr. Pinnamaneni Trivikrama Prasad (HUF)				
	At the beginning of the year	702630	0.39	702630	0.39
	At the end of the year			702630	0.39
10	Mrs.Pinnamaneni Rajashree				
	At the beginning of the year	6997556	3.92	6997556	3.92
	At the end of the year			6997556	3.92
11	Mrs. Pinnamaneni Shruthi				
	At the beginning of the year	222816	0.12	222816	0.12
	Transfer on 30.06.2017 (Inter se transfer among Promoter Group & between relatives)**	(222816)	(0.12)	0	0.00
	At the end of the year			0	0.00
12	Nav Developers Limited				
	At the beginning of the year	15840362	8.87	15840362	8.87
	At the end of the year			15840362	8.87
13	A N Investments Private Limited				
	At the beginning of the year	8866698	4.96	8866698	4.96
	Acquisition on 13/14.03.2018*	68302	0.04	8935000	5.00
	At the end of the year			8935000	5.00

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
14	S.R.T. Investments Private Limited				
	At the beginning of the year	6960000	3.90	6960000	3.90
	At the end of the year			6960000	3.90
15	A9 Homes Private Limited				
	At the beginning of the year	2264000	1.27	2264000	1.27
	At the end of the year			2264000	1.27
16	V9 Avenues Private Limited				
	At the beginning of the year	2219980	1.24	2219980	1.24
	At the end of the year			2219980	1.24
17	AV Dwellings Private Limited				
	At the beginning of the year	2035720	1.14	2035720	1.14
	At the end of the year			2035720	1.14
18	Trust :				
	Nav Energy Private Limited (Holding shares of the Company{NBVL} for the benefit of the Company [NBVL])				
	At the beginning of the year	9947020	5.57	9947020	5.57
	At the end of the year			9947020	5.57

*The reason for increase in promoters (Sl.Nos.3 & 13) shareholding during the year is due to acquisition from the market.

**The reason for increase/decrease in promoters (Sl.No.8 & 11) shareholding during the year is due to inter se transfer between promoters and among relatives.

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
i.	Reliance Capital Trustee Company Limited - A/c Reliance Growth Fund				
	At the beginning of the year	6250551	3.50	6250551	3.50
	Purchases during the year	242500	0.14	6493051	3.64
	Sales during the year	(745559)	(0.42)	5747492	3.22
	At the end of the year			5747492	3.22
ii.	Retail Employees Superannuation PTY Limited as Trustee for Retail Employees Superannuation Trust				
	At the beginning of the year	4255702	2.38	4255702	2.38
	Sales during the year	(823130)	(0.46)	3432572	1.92
	At the end of the year			3432572	1.92
iii.	Morgan Stanley Asia (Singapore) Pte.				
	At the beginning of the year	4227956	2.37	4227956	2.37
	Sale during the year	(4988)	(0.00)	4222968	2.37
	At the end of the year			4222968	2.37
iv.	HDFC Trustee Company Limited - A/c HDFC Prudence Fund				
	At the beginning of the year	3894800	2.18	3894800	2.18
	Purchases during the year	2204000	1.23	6098800	3.41
	Sales during the year	(6098800)	(3.41)	0	0.00
	At the end of the year			0	0.00

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
v.	J. Caird BMD MB				
	At the beginning of the year	3493849	1.96	3493849	1.96
	Sales during the year	(2071174)	(1.16)	1422675	0.80
	At the end of the year			1422675	0.80
vi.	J.Caird MB				
	At the beginning of the year	3289936	1.84	3289936	1.84
	Sales during the year	(2033310)	(1.14)	1256626	0.70
	At the end of the year			1256626	0.70
vii.	Nava Bharat Ventures Employee Welfare Trust through Barclays Wealth Trustees (India) Pvt Ltd				
	At the beginning of the year	2800000	1.57	2800000	1.57
	At the end of the year			2800000	1.57
viii.	Sunitha Vemulapalli				
	At the beginning of the year	2016630	1.13	2016630	1.13
	At the end of the year			2016630	1.13
ix.	East Bridge Capital Master Fund Limited				
	At the beginning of the year	1815676	1.02	1815676	1.02
	At the end of the year			1815676	1.02
x.	Bay Pond MB				
	At the beginning of the year	1636878	0.92	1636878	0.92
	Sales during the year	(509729)	(0.29)	1127149	0.63
	At the end of the year			1127149	0.63
xi.	UTI -Balanced Fund				
	At the beginning of the year	0	0	0	0
	Purchases during the year	2933809	1.64	2933809	1.64
	At the end of the year			2933809	1.64
xii.	IDFC Sterling Equity Fund				
	At the beginning of the year	643209	0.36	643209	0.36
	Purchases during the year	1906791	1.07	2550000	1.43
	At the end of the year			2550000	1.43
xiii.	IDFC Classic Equity Fund				
	At the beginning of the year	624245	0.35	624245	0.35
	Purchases during the year	1375755	0.77	2000000	1.12
	At the end of the year			2000000	1.12
xiv.	IDFC Focused Equity Fund				
	At the beginning of the year	0	0.00	0	0.00
	Purchases during the year	1654035	0.93	1654035	0.93
	At the end of the year			1654035	0.93

(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	2226000	1.25	2226000	1.25
	At the end of the year			2226000	1.25
2	Mr. P. Trivikrama Prasad				
	At the beginning of the year	3627672	2.03	3627672	2.03
	Acquisition on 30.06.2017 (Inter se transfer among Promoter Group & between relatives)	222816	0.12	3850488	2.15
	At the end of the year			3850488	2.15
	Mr. P.Trivikrama Prasad (HUF)				
	At the beginning of the year	702630	0.39	702630	0.39
	At the end of the year			702630	0.39
3	Mr. D.Ashwin				
	At the beginning of the year	3409212	1.91	3409212	1.91
	Acquisition on 06/07.11.2017	20000	0.01	3429212	1.92
	At the end of the year			3429212	1.92
4	Mr. GRK Prasad				
	At the beginning of the year	65172	0.04	65172	0.04
	At the end of the year			65172	0.04
5	Mr. CV Durga Prasad				
	At the beginning of the year	141830	0.08	141830	0.08
	At the end of the year			141830	0.08
6	Mr. T. Hari Babu – KMP				
	At the beginning of the year	5200	0.00	5200	0.00
	At the end of the year			5200	0.00

V. INDEBTEDNESS

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	293,17,07,251	-	-	293,17,07,251
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13,68,099	-	-	13,68,099
Total (i+ii+iii)	**293,30,75,350**	**-**	**-**	**293,30,75,350**
Change in Indebtedness during the financial year				
Addition	137,02,61,116	-	-	137,02,61,116
Reduction	(96,41,47,643)	-	-	(96,41,47,643)
Net Change	40,61,13,473	-	-	40,61,13,473
Indebtedness at the end of the financial year				
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
Total (i+ii+iii)	**333,91,88,823**	-	-	**333,91,88,823**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total
		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	1,49,90,000	1,49,90,000	2,73,50,000	213,50,000	7,86,80,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	12,76,026	12,51,045	17,11,068	17,82,639	60,20,778
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission					
	- as % of profit	5,12,07,039	5,12,07,039	0	0	10,24,14,078
	- others, specify...	0	0	0	0	0
5	Others, please specify					
	Personal accident insurance premium	6,041	5,570	1,888	1,888	15,387
	Employer's PF Contribution	10,08,000	10,08,000	14,40,000	14,40,000	48,96,000
	Gratuity provision	14,03,847	14,03,847	27,88,461	27,88,461	83,84,616
	EL provision	-	-	9,00,000	9,00,000	18,00,000
6	**Total (A)**	**6,98,90,953**	**6,98,65,501**	**3,41,91,417**	**2,82,62,988**	**20,22,10,859**
	Ceiling as per the Act					25,60,35,196

B. Remuneration to other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total
		Mr. K. Balarama Reddi	Dr. MVG Rao	Dr. ERC Shekar	Dr. D. Nageswara Rao	Dr. CV Madhavi	
1	Independent Directors						
	Fee for attending board / committee meetings	2,25,000	1,50,000	75,000	2,40,000	1,20,000	8,10,000
	Commission	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	25,00,000
	Others, please specify	0	0	0	0	0	0
	Total (1)	**7,25,000**	**6,50,000**	**5,75,000**	**7,40,000**	**6,20,000**	**33,10,000**
2	Other Non-Executive Directors	**Name of Director : Mr. D. Ashwin**					
	Fee for attending board / committee meetings	0					0
	Commission	0					0
	Others, please specify	0					0
	Total (2)	**0**	**0**	**0**	**0**	**0**	**0**
	Total (B)=(1+2)	**7,25,000**	**6,50,000**	**5,75,000**	**7,40,000**	**6,20,000**	**33,10,000**
	Total Managerial Remuneration (A+B)	-	-	-	-	-	20,55,20,859
	Overall Ceiling as per the Act	-	-	-	-	-	28,16,38,715

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	52,33,668	49,18,985	1,01,52,653
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	9,900	9,900
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others, please specify			
	Personnel accident insurance premium	1,888	1,888	3,776
	PF Employer's Contribution	3,26,105	3,06,134	6,32,239
	EL Provision	0	0	0
	Total (C)	**55,61,661**	**52,36,907**	**1,07,98,568**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Place : Hyderabad
Date : May 30, 2018

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 arrangements or transactions:

Sl. No	The Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements / transactions	Duration of the contract	Salient terms of contracts/ arrangements /transactions	Justification for entering into contracts	Amount paid as Advance, if any
1	Mr. D.Ashwin 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. D.Nikhil S/o Mr .D.Ashok, Chairman	Appointment as a Manager in the Company w.e.f. January 1, 2017.	5 years	Remuneration of ₹ 2.25 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 arrangements or transactions at arm's length basis:**

Sl. No	The Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements /transactions	Duration of the contract	Salient terms of contracts/ arrangements /transactions	Justification for entering into contracts	Amount paid as advance, if any
1	Dr.D.Rajasekhar Brother of Mr. D.Ashok, Chairman	Rent paid per Month ₹1,13,400/- (exclusive of Service / Goods and Service 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 Service / Good and Service Tax) admeasuring an area of 8539 Sft at a rent of ₹ 50/- per Sft. The rent paid by the Company is lower than the rent received by the Company in the same premises. Hence, rent paid is below the arm's length price and in the ordinary course of business.	NIL
2	Nava Bharat (Singapore) Pte. Limited	a) Guarantee Commission on Corporate Guarantees @ 2.00% and 2.60% i.e., ₹ 53.08 lakhs and ₹ 285.72 Lakhs respectively	N.A	The income on account of guarantee commission is ₹ 338.80 lakhs.	The Commission on guarantees and interest on loan are similar to the charges by others and on an arm's length basis.	NIL
		b) Interest on Loan @ 5% per annum i.e., ₹ 2,204.15 lakhs	N.A	The Interest income on loan is ₹ 2,204.15 lakhs.		
3	Nava Energy Pte. Ltd.	a) Guarantee Commission on Corporate Guarantees @ 2.00% i.e., ₹ 497.42 lakhs	N.A	The income on account of guarantee commission is ₹ 497.42 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
		b) Rendering technical support (O&M) services income was ₹ 4,377.61 lakhs		Technical support (O&M) services ₹ 4,377.61 lakhs		
4	Nava Bharat Energy India Limited (NBEIL) Step Down Subsidiary	Inter Corp Deposits given to Company's subsidiary was ₹ 2,500 lakhs and Interest accrued on the same was ₹160.11 lakhs	N.A	Inter Corp Deposits given to Company's subsidiary was ₹ 2,500 lakhs and Interest accrued on the same was ₹ 160.11 lakhs	Interest rate for working capital borrowings from banks by Nava Barat Energy India Ltd. is @ 9.50%. Hence, interest paid by NBEIL is in-line with the arm's length price and in the ordinary course of business.	NIL
		Security provided by pledge of shares of ₹5,200 lakhs.	N.A			

The Board approved the above transactions at their respective meetings.

For and on behalf of the Board

Place : Hyderabad
Date : May 30, 2018

P.Trivikrama Prasad
Managing Director
DIN: 00006887

D. Ashok
Chairman
DIN: 00006903

Annexure - 6

Particulars of loans, guarantees or investments during the Financial Year 2017-18 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 Resolution	For Loans	
							Rate of Interest	Date of maturity
Towards Equity Share Capital	For making investments in on going projects, taken up by the Subsidiaries	13.04.2017 & 27.11.2017	Nava Agro Pte Ltd., 18, Duxton Hill Singapore - 089601	615.22	--	30.01.2017	--	--
	For making Nava Holding Pte. Ltd, (NHPL) as a wholly owned subsidiary (directly) and for making investments in on going projects, taken up by NHPL	07.02.2018 & 12.02.2018	Nava Holding Pte. Ltd., 18 Duxton Hill Singapore - 089601	639.09	--	18.08.2017	--	--
	For making investments in ongoing projects, taken up by the Subsidiaries	29.03.2018	Nava Bharat (Singapore) Pte. Ltd., 18 Duxton Hill Singapore - 089601	10599.07	--	24.03.2018	--	--

Note: The aggregate investments made, as on March 31, 2018 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 30, 2018

Annexure - 7

REMUNERATION POLICY

Preamble:

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

1. The Objective:

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

2. Nomination and Remuneration Committee:

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

3. Remuneration of the Board of Directors:

The Promoter Directors should be paid a profit related commission apart from salary and perquisites. The Working Directors shall be paid a monthly salary, according to decision taken by the Annual General Meeting in that respect, as specified in the Act. The Board of Directors shall take into account the time spent by the Board Members on their duties, their responsibilities, as well as the operational and economical performance of the Company. Additional payments may be effected to individual Board Members for specific projects which cannot be classified as ordinary tasks for Board Members, as well as for work in Sub-Committees of the Board, as applicable subject to necessary approvals as per the Companies Act, 2013. Payments for such tasks shall be subject to approval by the other Board Members. The Company shall secure immunity for the Board of Directors and the KMP for all claims that can eventually be made against them, connected to their work on behalf of the Company.

4. Senior Executives – Terms of employment:

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

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

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

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

5. Incentives:

The employees may be paid incentives or offered stock incentives, based on specific plans prepared by the Board of Directors. Incentives shall be directly related to the working performance of the individual employees, their status and responsibility, the economical performance of the Company, the achievements of certain operational goals, including reaching certain budget targets. Such incentives can only be paid out to employees who are still working for the Company or when the incentives are due for payment for the period of service.

6. Stock Incentives:

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

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

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

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

7. Terms of Reference:

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

The recommendations of the Nomination and Remuneration Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever necessary. Additionally the Nomination and Remuneration Committee has been vested with the powers for administration of Remuneration policy:

(a) The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

(b) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director from time to time. The Committee recommends to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Other Employees.

(c) The Nomination and Remuneration Committee, while formulating the policy under (b) above will ensure that:

   i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

   ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   iii. Remuneration to Directors, Key Managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.

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

The role and responsibilities of the position are the criteria for determining the qualification and positive attributes. The criteria for independence of independent directors are as specified under Section 149(6) of the Companies Act, 2013.

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

The criteria for the appointment of directors, KMPs and senior management personnel are as follows:

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

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

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

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

8. Remuneration – General Principles:

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

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

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

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

II. The principles for fixed salaries:

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

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

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

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

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

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

a) Non-monetary benefits:

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

b) Long Term Incentives:

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

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

c) Additional Arrangements:

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

9. Performance Evaluation:

Legal Provisions:

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

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

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

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

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

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

   Criteria for evaluation of Independent Directors and Board:

   Performance indicators for evaluation:

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

- Ability to contribute to and monitor corporate governance practices.
- Ability to contribute by introducing international best practices to address top management issues.
- Active participation in long term strategic planning.
- Commitment to the fulfilment of a director's obligations and fiduciary responsibilities.

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

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

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

10. Authority to decide on deviations from this Policy:

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

Annexure - 8

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	
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year.	Name of the Director	Ratio
		Mr. D. Ashok, Chairman	205.09x
		Mr. P. Trivikrama Prasad, MD	205.02x
		Mr. GRK Prasad, ED	100.27x
		Mr. CV Durga Prasad, Director (BD)	82.87x
		Dr. ERC Shekar, Director	1.47x
		Mr. K. Balarama Reddi, Director	1.47x
		Dr. D. Nageswara Rao, Director	1.47x
		Dr. MVG Rao, Director	1.47x
		Dr. CV Madhavi, Director	1.47x
II	The Percentage increase in remuneration of each director, CFO, CEO, CS in the financial year.	Name of the Director	% increase in remuneration
		Mr. D. Ashok, Chairman	Nil
		Mr. P. Trivikrama Prasad, MD	Nil
		Mr. GRK Prasad, ED (for 2 years)	17.65
		Mr. CV Durga Prasad, Director (BD) (for 2 years)	17.65
		Dr. ERC Shekar, Director	Nil
		Mr. K. Balarama Reddi, Director	Nil
		Dr. D. Nageswara Rao, Director	Nil
		Dr. MVG Rao, Director	Nil
		Dr. CV Madhavi, Director	Nil
		Mr. T. Hari Babu, CFO	13.00
		Mr. VSN Raju, CS & VP (for 8 months)	8.67
III	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees increased by 5.18%.	
IV	The number of permanent employees on the rolls of the Company.	There were 866 permanent employees on the rolls as on March 31, 2018.	
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 8.77%. The ratio of percentile increase in salaries of employees and managerial personnel is 1:3.03. 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 30, 2018

D. Ashok
Chairman
DIN: 00006903

Annexure - 9

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

Sl. No.	Name & Designation	Remuneration received (₹ in lakhs)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of Commence-ment of employment	Age	The last employement held before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule(2) of Rule 5	Whether the employee is a relative of any director or manager of the company
1	Mr. D. Ashok Chairman	698.51	Contractual	M.B.A. (U.S.A.) 36 years	28.08.1981	61	...	Not Applicable	Yes*
2	Mr. P. Trivikrama Prasad Managing Director	698.26	Contractual	M.B.A. (U.S.A.) 36 years	01.08.1981	64	...	Not Applicable	No
3	Mr. GRK. Prasad Executive Director	341.52	Contractual	B.Sc., F.C.A. & F.C.S. 37 years	16.08.1995	60	General Manager, DCL Polysters Ltd.	Not Applicable	No
4	Mr. C.V. Durga Prasad Director (Business Development)	282.23	Contractual	B.Com 45 years	01.07.1973	66	...	Not Applicable	No
5	Mr. J.Ramesh Executive Vice President (FAP-O)	215.76	Contractual	B.Com., M.B.A. 35 years	01.04.1997	61	Director Nav Chrome Ltd.,	No employee was in receipt of remuneration above the remuneration of Managing Director/ Whole-time Director	No
6	Mr. P.J.V. Sarma Senior Executive Vice President (Strategy & Planning)	136.86	Contractual	B.Tech., AICWA, PGDFM 37 years	02.08.2010	59	Regional Director, ICICI Lombard General Insurance Co. Ltd.		No
7	Mr. Y Sreenivasa Murthy, Vice President	69.77	As per Company's Rules	B.E., MBA (Finance), MBA (Marketing) 31 years	12.09.2016	55	Director-Operations & GM Pentair Valves & Controls India Pvt. Ltd.		No
8	Mr. M Nageswara Rao Vice President (Finance)	75.47	Contractual	AICWA 41 years	11.06.2009	58	GM - F&A NCS Sugars Ltd.		No
9	Mr. T Hari Babu Chief Financial Officer	65.15	As per Company's Rules	B.Com. A.C.A. 29 Years	08.07.1993	57	Manager (Accounts), Suchitra Components Ltd		No
10	Mr. V S N Raju Company Secretary & Vice President	59.94	As per Company's Rules	B.Com., A.C.S. 22 years	28.04.2016	48	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 and Mr.D.Ashwin are related to each other as Father and Son respectively)

For and on behalf of the Board

Place : Hyderabad
Date : May 30, 2018

P. Trivikrama Prasad
Managing Director
DIN: 00006887

D. Ashok
Chairman
DIN: 00006903

Annexure - 10

Form No. MR-3
SECRETARIAL AUDIT REPORT

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

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 called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2018** has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (the Act) (applicable Sections as on date) and the Rules made under that Act;

(ii) The Companies Act, 1956 (applicable Sections as on date) and the Rules made under that Act;

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (since repealed); and

   (e) The Securities and Exchange Board of India (Depositories and Participants) regulations, 1996.

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

   (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

   (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(viii) The industry specific laws that are applicable to the company are as follows:

   (a) Electricity Act, 2003;

   (b) Sugar Factories Control Act, 1950;

   (c) Sugar Cess Act 1982 (applicable up to 30th June, 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 dividend 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, Regulations of SEBI and other applicable acts as specified above to the industry of the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review Mr. D. Ashwin who is related to Mr. D. Ashok, Chairman of the Company, has been co-opted as an Additional Director of the Company w.e.f. August 18, 2017.

Mr. Edayathimangalam Ramnath Chandra Shekar, Independent Director (DIN:00013670) has been named as a disqualified director under the provisions of section 164(2)(a) of the Act by the Office of the Registrar of Companies, NCT of Delhi & Haryana. We were informed that Mr. ERC Shekar has submitted to the Board of Directors of the Company that he has resigned from the Jaypee SPA Infocom Limited (Jaypee) w.e.f. March 30, 2011 which defaulted in compliance of the provisions of section 164(2)(a) the Act, and filed e-form 32 in respect of resignation on October 24, 2011 vide SRN B23437767. Jaypee has filed another e-form 32 (on December 23, 2011) appointing him as a director w.e.f. March 31, 2011 without his consent or knowledge in gross violation of the provisions of section 264 of the Companies Act, 1956. Further, he has filed a complaint before the Office of the Registrar of Companies, NCT of Delhi & Haryana to cancel the e-Form- 32 filed on December 23, 2011 for appointing him as a director of Jaypee without his consent and to take necessary action against the said Jaypee and concerned directors and remove his name as disqualified director which is under process. Considering his submissions and documentary evidence submitted by him the Board of Directors of the Company took the view that his name was wrongly included in the list of disqualified directors and the authorities should take necessary action.

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

We further report that there was no prosecution 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 except the disqualification which has been contested, to Mr.ERC Shekar under the provisions of section 164(2).

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 2,74,240 equity shares belonging to 779 shareholders were transferred to Investor Education and Protection fund.

We further report that the Company has, inter alia, obtained the approval of shareholders at the Annual General Meeting held on August 9, 2017 for the following matter:

To appoint the auditors M/s. Walker Chandiok & Co. LLP, Chartered Accountants in place of M/s.Brahmayya & Co., pursuant to the provisions of section 139(2) of the Act.

FOR P.S. RAO & ASSOCIATES
COMPANY SECRETARIES

Place: Hyderabad
Date : May 30, 2018

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

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

'Annexure A'

To
The Members
Nava Bharat Ventures Limited
Hyderabad

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

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

FOR P.S. RAO & ASSOCIATES
COMPANY SECRETARIES

Place: Hyderabad
Date : May 30, 2018

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

Management discussion and analysis

The Management discussion and analysis provides an overview of the financial, operational and strategic progress made by your Company in the year 2017-18. The discussion shared below should be read together with the Directors' report and the audited financial statements that form part of the Annual report.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Power

India is the third largest producer and fourth largest consumer of electricity in the world, with the installed power capacity reaching 330,860.58 GW as of December 2017.

The country also has the fifth largest installed capacity in the world. The government targets capacity addition of around 100 GW under the 13th Five-Year Plan (2017–22). It has based its capacity addition requirement on 19th Electric Power Survey (EPS), which has reduced the demand in FY22 by 18%. Under the National Electricity Plan (NEP), the new coal based capacity addition required is 94GW by FY22 primarily driven by accelerated retirement of older coal based capacity due to inability to meet new environmental norms and retire all capacity which have served 25 years of life. Given that 48GW is already under construction, no additional capacity is required till FY22 while 46GW of coal based capacity is required by FY27. This additional capacity requirement has been arrived based on 19th EPS survey assuming 6.2% growth in demand for FY17-22. We also note that capacity addition under 2017-22 under last NEP was pegged at 80GW including 49GW of coal. As per 19th EPS the demand for power has been revised downwards compared to 18th EPS survey in line with the new realities.

Coal based capacity of 22,716 MW (5,927 MW + 16,789 MW) is considered for retirement during 2017-22. This is based upon the assessment made by CEA which consists of 5,927 MW of capacity assuming that the normal trend of past retirement process would continue along with a coal based capacity of 16,789 MW which doesn't have space for installation of FGD (Flu Gas Desulphurization) system to curb SOx emissions. Besides, the coal based capacity of 25,572 MW, has been considered for retirement during 2022-27 which will be completing 25 years of operation by March, 2027. The domestic coal requirement for FY22 and FY27 has been estimated as 685 mt and 827mt respectively while imports by plants designed on imported coal to be 50 mt in the year 2021-22 as well as in 2026. The Ministry of Power had set a target of 1,229.4 billion units (BU) of electricity to be generated in the financial year 2017-18, which is 50 BU's higher than the target for 2016-17.

Your Company operates 114 MW coal fired power facility in Telangana, a 20 MW mixed fuel thermal power plant in A.P. and a coal fired power facility with a capacity of 150 MW in Odisha. Coal for the power plants is primarily obtained through coal linkages while the rest is procured through e-auctions domestically. Nava Bharat Energy India Limited, a step-down subsidiary of Nava Bharat Ventures Limited operates a 150 MW coal fired power plant in Telangana which also obtains coal through e-auctions domestically in preference to imported coal.

Ferro Alloys

Ferro alloys are used in the production of iron and steel. These alloys impart distinctive qualities to steel and cast iron and serve important functions during production. Ferro Alloys impart resistance to corrosion, improve hardness and tensile strength at high temperature, give wear and abrasion resistance and other properties like creep strength to Steel.

South Africa is the leading supplier of Ferro Manganese & Silico Manganese in the world and the largest consumer of the two Manganese alloys is China. South Africa is also the leading supplier of Ferro Chrome. China is the world's largest stainless steel producer. Thus, Ferro Alloy prices fluctuate based on the demand and supply of Ferro Alloys and Steel in China. A similar effect is seen in the prices of manganese and chrome ore which vary in line with demand emanating from China.

The production growth and prices in the Iron and Steel Industry are the key drivers of demand for Ferro Alloys.

Your Company operates smelters for the production of Manganese alloys (Ferro Manganese & Silico Manganese) and Chromium alloys (Ferro Chrome) in Telangana and Odisha States with manufacturing capacities of 1,25,000 TPA & 75,000 TPA respectively.

Sugar

India is the world's largest consumer and the 2nd largest producer of Sugar in the world. The market size is USD 13.3 billion and is growing at approximately 3% per year. Sugar is an essential input for soft drinks/sweetened beverages, convenience foods, fast food, candy / sweets, confectionery, baking products and the respective industries. The industry is largely influenced by a lot of regulations in India. These regulations center around the economic interest of the marginal farmer, domestic prices, and the perishable nature of cane. Efforts are being made to reduce these regulatory hurdles to usher in a market driven industry.

Sugar production in India is set to bounce back from a seven-year low as the area planted to cane increases and rain boosts yields in the world's top consumer. A rise in soil moisture in India led farmers to expand sugar cane area 4.8 percent from a year earlier. A substantial increase in sugarcane yields in Maharashtra and North Karnataka has forced the sugar industry to revise upwards the production estimates of the sweetener to record a 29.5 million tonnes (mt) for the 2017-18 season.

Maharashtra and Karnataka are seen reporting one of the highest ever sugarcane yields of around 100 tonnes per hectare and 91 tonnes per hectare respectively during the year under review . This is mainly on account of extended rains during the latter half of the monsoon season. Previous year, these States reeling under the impact of drought had reported yields of around 60 tonnes/ha. Uttar Pradesh was expected to produce 10.51 mt, while the output in Maharashtra was likely to be around 10.1 mt. Karnataka is seen producing 3.54 mt in the current season.

Sugar prices were expected to remain firm in sugar season 2017-18, despite higher production and depressed global prices. The sugar prices will continue to be supported by high import duties and depleted sugar stocks.

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

OPPORTUNITIES AND THREATS

Power

Power consumption is estimated to increase from 1160.1 TWh in 2016 to 1,894.7 TWh in 2022. Growing population, increasing penetration, per-capita usage, expansion in the industrial activity will provide a boost to the demand for electricity. The power sector has been allowed 100% FDI which has stimulated investments in the sector that have reached US$ 12.3 billion during April 2000 to September 2017, accounting for 3.44 per cent of total FDI inflows in India. Schemes like Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) have already been implemented for rural and urban areas respectively.

China's coal imports rose in March from a year ago as utilities boosted their purchases to replenish inventories amid colder-than-usual winter weather that drew down fuel stockpiles. Coal imports earlier to that climbed 20.9 percent from a year ago to 26.7 million tonnes that was up from 20.9 million tonnes in February. For the first quarter, China imported 75.41 million tonnes of coal, which rose up 16.6 percent from the same period a year earlier.

Overseas Investments

Maamba Collieries Limited (MCL), is a step-down subsidiary of Nava Bharat Ventures Limited and has implemented a 300 MW thermal power project in Zambia with a net investment outlay of about USD 843 million. Nava Bharat (Singapore), the wholly owned subsidiary of the Company holds about 65% equity in Maamba Collieries, while the balance (35%) is owned by ZCCMIH, which is the mineral investments holding Company of the Government of Republic of Zambia. MCL has the largest coal concession in Zambia with estimated resource of 193 million tonnes comprising high grade and thermal grade coal, spread over 1,070 hectares out of a total concession area of 7,900 hectares at Maamba, in Sinazongwe district of Southern Province.

The 300 MW power plant commenced commercial operations with effect from July 27, 2017. Zambia has moved towards a tariff regime based on cost of service, this is a redeeming development which goes to strengthen the local utility, and in turn helps the power plant of Maamba Collieries Limited sustain operational stability, going forward.

The Company will receive a big boost by the accretion to revenues and profits henceforth on a consolidated basis.

Ferro Alloys

Ferro alloy industry is mainly driven by demand from the iron and steel industry. Steel prices have been weak in the beginning of the year and started picking up from the second quarter onwards and firmed up in the third quarter. This was mainly attributed to increase in exports and demand from the domestic market for Steel. Due to demand from China for Manganese ore the major mining companies from Australia, South Africa, Gabon etc. continuously increased the rate quarter after quarter during FY 2017-18. Indigenously the Manganese Ore India Limited (MOIL) also revised the price of Mn ore in tandem with international markets. Due to demand from Stainless Steel sector of China, Japan, South Korea, etc. besides, indigenous steel mills, the prices significantly improved and maintained during subsequent quarters. After China's announcement on restriction of production of Metallurgical Coke due to environmental issues, there was a shortfall in supply of this reductant, which had led to substantial increase in prices from September 2017 onwards and still holding firm.

Sugar

India's sugar production rose upward to 29.5 million tonnes (mt) during 2017-18 and hit a seven-year low of 21.3 million tonnes in 2016-17. With a rise in sugar production and being 4.5 mt higher than the estimated domestic consumption of 25 mt, a part of this needed to be exported to reduce the burden of surplus sugar in the country and this in turn will give extra cash flows to the sugar mills.

Overseas Investments - Zambian Sugar Project

Kawambwa Sugar Limited, step-down-subsidiary, having integrated sugar project in Zambia has obtained the approval for the Environmental Impact Assessment for the proposed 5000 TCD integrated sugar project.It has intiated seeding program in consultation with a renowned South African Sugarcane Research Institute (SASRI).

Overseas Investments - Healthcare Services

The Company's foray into Healthcare Services on Asia Pacific Region was achieved through acquisition of majority stake in a cluster of Companies in Singapore.Nava Holding Pte Ltd, a special purpose vehicle formed as a wholly-owned subsidiary of Nava Bharat Ventures Limited entered into Sales and Supply agreement to exclusively distribute the finished product called "Monofer" in Malaysia.

SEGMENT-WISE PERFORMANCE

Your Company's focus on driving a profitable operation in light of dynamic operating conditions during FY18 is depicted in the table below:

Sr. No.	Particulars	Ferro Alloys		Power		Sugar		Others (operating income)	
		31.03. 2018	31.03. 2017	31.03. 2018	31.03. 2017	31.03. 2018	31.03. 2017	31.03. 2018	31.03. 2017
1	Production* (MT)/(MU)	163,724	139,658	1,239	1,145	47,418	33,645	-	-
2	Sales (MT)/(MU)*	166,066	134,622	1,086	995	37,857	36,594	-	-
3	Revenue from operations (₹in Lakhs)	90,697	62,516	56,730	49,515	17,080	16,985	4,378	1,865
4	PBT (₹in Lakhs)	7,228	(997)	14,463	12,818	(269)	2,123	2,293	(1,688)

* Ferro Alloys includes 68,000.34 MT (previous year: 62,267 MT) on account of conversion for Tata Steel Ltd.

Power in gross generation.

Integrated Coal & 300 MW Power Project of Maamba Collieries Limited (MCL), Zambia –

During the FY 2018, MCL commenced commercial operations of 300 MW Power Project. The Company's consolidated income and profit received boost with the onset of commercial operations of 300 MW power plant of MCL. In order to address certain specific deviations in principal equipment at the time of COD, MCL undertook a mini overhaul of the two units taking advantage of EPC Contractor's personnel at the site, after COD. Though this had affected the revenues and profit in Q3 of FY 2018, long term availability of the power plants was ensured by this unplanned maintenance outage. MCL has since operated the Power station at high availability and reported healthy financials derived from both power operations and coal mining. MCL maintains division wise accounting and profitability and both the divisions turned out profit for FY2018.

MCL is still to address the payment delays arising out of power supply to the local utility which is undergoing structural reforms. The payment obligations of the Utility are however fully secured by a Sovereign Guarantee.

The following table sets out the performance of MCL for FY2018 consisting of power operations from August 2017 and mining operations for full FY2018 while the financials for FY 2017 relate to mining operations only.

Particulars	FY 2018			FY2017		
	Mining	Power	Total	Mining	Power	Total
Coal Production (MT)	**690,349**	**NA**	**690,349**	**543,451**	**NA**	**543,451**
High Grade Coal (MT)	532,452	NA	532,452	355,126	NA	355,126
Thermal Grade Coal(MT)	157,897	NA	157,897	188,325	NA	188,325
Power (MU)						
Gross	NA	1,085.62	1,085.62	NA	0	0
Net at our busbar	NA	962.86	962.86	NA	0	0
Coal Sales (MT)						
Sales High Grade Coal(MT)	326,612	NA	326,612	276,486	NA	276,486
Thermal Grade Coal(MT) – Internal consumption	8,77,450	NA	8,77,450	4,53,364	NA	4,53,364
Power Sales (MU)	NA	958.26	958.26	NA	0	0
Income – Total	**8,835.10**	**71,157.27**	**79,992.37**	**6,942.59**	**0**	**6,942.59**
Coal Sales (₹ in Lakhs)	8,835.10	NA	8,835.10	6,600.56	NA	6,600.56
Power (₹ in Lakhs)	NA	71,157.27	71,157.27	NA	0	NA
Other income (₹ in Lakhs)	83.30	2,707.01	2,790.30	342.03	0	342.03
Profit Before Tax (₹ in Lakhs)	458.49	12,010.00	12,468.49	1,715.90	0	1,715.90
Tax including Deferred Tax (₹ in Lakhs)	2,308.52			(318.85)	0	(318.85)
Profit After Tax (₹ in Lakhs)	10,159.97			1,397.06	0	1,397.06

OUTLOOK

Power

Indian power sector is undergoing a significant change that has redefined the industry's outlook. The government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agricultural use. India has large reserves of coal. By the end of December 2017, total installed coal capacity in India stood at 192,971.50 MW. As of December 2017, total thermal installed capacity in the country stood at 218.96 GW, while hydro and renewable energy installed capacity totalled to 44.96 GW and 60.16 GW, respectively.

Weaknesses in the sector do exist in terms of large underutilized capacities, muted demand, bunched capacity addition, soft merchant power prices, lack of power purchase agreements and weak discoms.

Ferro Alloy

The demand for Ferro Alloys is linked to the demand for Steel. India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased growth in the infrastructure, automobile and railway sectors.

The manganese alloy industry faces an adverse competition in exports from the product of Malaysian origin owing to low costs of principal inputs in that country.

Your Company is allowed to export Silico manganese to USA without dumping margin and is placed advantageously vis a vis other Indian producers and therefore affords it to widen its market reach.

Nava Bharat Ventures renewed its agreement for conversion of Chrome Ore to Ferro Chrome with Tata Steel Limited for a period of 4 years commencing from April 2016, to produce up to 70,000 MT per annum of High Carbon Ferro Chrome at its Ferro Alloy Plant in Odisha. This has led to reasonable stability for this part of the business.

Sugar

Indian Sugar Mills Association (ISMA), had revised its estimates for country's 2017-18 sugar production upward to 29.5 million tonnes from its second advance estimate of 26.1 million tonnes. The association had earlier pegged sugar production at 26.1 million tonnes for the 2017-18 marketing year but it had sharply revised the estimates upwards citing substantially higher sugar cane yields per hectare reported from Maharashtra and North Karnataka.

The increased sugar production outlook in India has added to the concerns on excess global supplies pulling down the raw sugar futures. Domestic demand is supposed to be around 25 million tonnes and that a lot of sugar will be left over to top up stocks or exports.

The long-term prices and profitability of Indian sugar companies will remain highly cyclical and dependent on domestic and international supply-demand trends. The price trends in the international markets will be one of the key determinants of future profitability.

RISKS

Power

India's coal-fired power sector continues to suffer multi-faceted challenges posed. It's a situation for a complete misery for these plants running on historic low Plant load Factor (PLF), eroding the 'balance' of these balance sheets amongst the pool of bad planning, unexpected regulations, lack of PPAs, slowdown in the economy and a very notable factor of cheap renewables. Over the past five years, the Indian power sector witnessed rapid additions in anticipation of unrealistic demand. The price of one unit of power sold in the spot market has jumped over 50 per cent over a year ago. This implies an increase in demand and input cost. It may also be an early indicator for state distribution companies (discoms) to consider long-term options for power procurement. As the cost of short-term power rises, it is likely that state discoms would look at longer tenure for power purchase agreements (PPAs).The exchange prices have moved up and the bilateral agreement prices are also going up for the last one year. Rising coal prices also pose a challenge for state distribution companies. In February 2018, all-India peak demand for electricity increased 9.8 per cent year-on-year (y-o-y) to 158.3 gigawatt (GW). The peak supply improved 9.3 per cent y-o-y to 157.2 GW-a deficit of about 1.04 GW during the month.

Ferro Alloy

Ferro Alloys are purely dependent on the demand for Steel in the country. Although, the picture for India in terms of steel demand looks bright, all major steel companies are under stress due to debt burden on the balance sheet. Further, cheaper steel imports from countries like China can cause havoc to the domestic steel companies which can impact the demand for Ferro Alloys. Highly volatile prices of Chrome ore and manganese ore also pose a risk to the realizations of the domestic ferro alloy producers.

Sugar

India likely to witness a record Sugar production of almost 29-30 million tonnes in the 2018-19 crop marketing year that will start from October 2018. If estimates are correct, then India might have a surplus of almost 4-5 million tonnes of Sugar by the end of 2018-19 season. The retreating monsoon this year has been good in parts of Maharashtra after two consecutive years of low rains, while in Uttar Pradesh the high-yielding C0-238 variety is expected to cover almost 80 per cent of the planted area, which should itself lead to a significant rise in sugar production.

Internal Control Systems and their Adequacy

By design, the internal control systems of your Company have information on the dynamic face of the business. There is a pre-defined set of rules overviewed by the Board and the top management. There are sufficient risk-mitigation tools in place, which facilitate continuity in operations, safeguard of assets and other resources and compliance with the legal & regulatory procedures so as to adhere to the internal policies that have been articulated. The Company's internal control system has been developed in order to:

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

- Protect the assets of your Company from fraud, loss or misuse;
- Acting upon the corporate strategy;
- Adopt complete accuracy in measurement and follow best practices for both internal and external reporting;
- Respond quickly to risks emerging from the Group to which your Company belongs; and
- Ensure suitable action and rapid execution of correctional measures, depending on the situation.

While internal control systems and procedures are an important part of the overall corporate governance for the company, the stability of operations along with accuracy of financial information and orderly compliance have equal importance.

In line with the stated internal policies and procedures, the Audit committee of your Company has taken on board the internal audit reports submitted regularly during the year 2017-18. The observations have received due cognizance and implementation of remedial measures has been overseen continually.

Financial Performance with Respect to Operational Performance

Particulars	FY 2018 ₹ in Lakhs	FY 2017 ₹ in Lakhs	% change
Net sales/ income from operations	130,864.00	99,037.46	32.14
Other income	4,647.69	5,097.05	(8.80)
Total income	**135,511.69**	**104,134.51**	**30.13**
Total expenditure	**111,796.71**	**91,878.43**	**21.68**
Profit/Loss before tax	23,714.98	12,256.08	93.50
Provision for			
-Current tax	6,773.42	2,778.22	143.80
-Deferred tax	785.76	1,518.20	(48.24)
Total	7,559.18	4,296.42	75.94
Profit/Loss after tax	**16,155.80**	**7,959.66**	**102.97**
Net Worth	**277,024.86**	**262,547.28**	**5.51**

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

The fully-diluted book value of every equity share belonging to your Company was ₹ 155.13 as on March 31, 2018. During FY 2017-18, the price of the equity shares of your Company ranged from ₹118.70 per share to ₹181.45 per share on National Stock Exchange of India Limited and ₹118.75 per share to ₹ 181.35 per share on BSE Limited.

HUMAN RESOURCES

Nava Bharat believes that Human Resources are central to the sustainable growth of the business and hence the Company strives continuously to harness their skill and creativity.

Whilst the focus continues to be on Performance Management, Talent Engagement, Capability Development and maintaining cordial Industrial Relations, the Company also looks at the ways to develop the potential of its human resources by adopting various HR strategies and techniques viz., review of organisation structure, Job Evaluation, identification of competencies, new dimensions in performance assessment, etc.

Performance Management

While a structured process for assessing the performance of employees is already in place, new metrics have been added to strengthen the process of assessment. Further, the existing metrics have also been redesigned in order to strengthen the systems at the root level and take them to next higher level. During the year, the Company has clearly differentiated high contributors from those at the other performance levels, by rewarding them suitably.

Talent Engagement

The Company has been encouraging its employees to participate in various operational efficiency building operations through committing itself to upgrade its standards in Quality, Environment, Safety and Energy Management. The importance of these standards are reiterated through celebrating various employee-involved activities on important days like Republic Day, Independence Day, Safety Week, World Environment Day, etc.

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 facilities built within the colony.

Capability Development

The employees have undergone planned skill and competency development programmes to sharpen their axes and augment their capabilities. The Company also initiated the exercise of developing a framework for enhancing the capabilities of the employees in focused manner.

Industrial Relations

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 866 as on March 31, 2018.

Cautionary Forward-Looking Statements

Some of the statements included in this document could be forward looking in nature. These statements may include forecasts for financial growth, future plans & strategies, intentions and viewpoints which may concern the regular course of business from time to time. These statements are made based on the information available and the Management takes no obligation to periodically update these statements given the change in market dynamics. The actual events may unfold differently than these forward-looking statements mention, given the risks and uncertainties associated with the business. Some of these risks may include uncertain market conditions that may lead to reduced spending on the products and services that your Company deals in, the ability to build, create and acquire new businesses and also grow the existing businesses, availability of skilled manpower and retention of qualified professionals, exchange-rate fluctuations and other common risks associated with industry as a whole.

Report on Corporate Governance

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

(1) Company's philosophy on Corporate governance:

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

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

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

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

The Company implemented the norms of governance as provided in Chapter IV and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(2) Board of Directors:

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

The Board comprises ten directors, of which half of the total strength comprises non-executive and independent directors (including a Woman 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, as required under regulation no. 34 read with schedule V of SEBI (LODR) are as below.

Name	DIN	Category	No. of Board meetings		Attendance at the last AGM	No of directorships in other Companies		Chairmanships / memberships in other Companies	
			Held	Attended		Pvt Ltd.	Public Ltd.	Chairmanships	Memberships
Mr. D. Ashok	00006903	Executive (Promoter)	6	6	Yes	4	3	-	-
Mr.P. Trivikrama Prasad	00006887	Executive (Promoter group)	6	6	Yes	4	2	-	-
Mr. K. Balarama Reddi	00012884	Independent Director	6	6	Yes	4	6	2	6
Dr. ERC Shekar	00013670	Independent Director	6	5	Yes	1	2	2	-
Dr. MVG Rao	00012704	Independent Director	6	3	Yes	2	3	4	-
Dr. D. Nageswara Rao	02009886	Independent Director	6	5	Yes	5	-	-	-
Dr. CV Madhavi	06472632	Independent Director	6	6	Yes	-	-	-	-
Mr. CV Durga Prasad	00006670	Executive and Proffesional	6	5	Yes	1	-	-	-
Mr. GRK Prasad	00006852	Executive and Proffesional	6	6	Yes	3	4	-	1
Mr. D. Ashwin*	00007540	Non-executive & Non-independent (Promoter group)	6	2#	NA	7	2	-	-

* Appointed as Additional Director with effect from August 18, 2017.

\# Mr. D. Ashwin attended two meetings out of three meetings held after his co-option.

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

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

During the financial year, six Board meetings were held on the following dates:

May 27, 2017	August 09, 2017	August 18, 2017
October 30, 2017	January 29, 2018	March 24, 2018

(c) Relationships among directors:

Other than, Mr. D. Ashok and Mr. D. Ashwin, 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 Mr. D. Ashwin, Additional director who holds 34,29,212 equity shares of the Company.

(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

(3) Audit committee:

The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

(a) Brief description of terms of reference:

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

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 on 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.

(b) Composition:

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 Reddi	Independent Director	Chairman
Dr. MVG Rao	Independent Director	Member
Dr. D. Nageswara Rao	Independent Director	Member

(c) Meetings and attendance:

During the year, five meetings of the committee were held on the dates given below. All members, except Dr.MVG Rao, attended all the meetings. Dr.MVG Rao attended four meetings:

May 26, 2017	August 8, 2017 - adjourned to August 9, 2017	
August 18, 2017	October 28, 2017	January 29, 2018

(4) Nomination and Remuneration committee:

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

(a) Brief description of terms of reference:

The functioning and terms of reference of the Nomination and Remuneration committee are as prescribed under the erstwhile listing agreement and SEBI (LODR) Regulations, 2015. It determines the Company's policy on all elements of the remuneration packages of the directors including the executive directors. The role of the committee includes the following:

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

(b) Composition:

The Nomination and Remuneration committee comprises three Independent directors

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

(c) Meetings and attendance:

During the year, four meetings of the committee were held on the dates given below. All members, except Dr.MVG Rao, attended all the meetings. Dr.MVG Rao attended three meetings:

May 26, 2017	August 18, 2017
October 28, 2017	March 24, 2018

(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 or non-executive members 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.

Criteria formulated by Nomination and Remuneration committee for evaluation of Board committees and individual directors:

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

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

Performance evaluation was done by the respective bodies on March 24, 2018.

(5) Remuneration of Directors:

The Company's remuneration policy for directors, key managerial personnel and other employees is annexed to the Directors' report vide **Annexure - 7.** Further, the Company has adopted specific criteria for performance evaluation of Independent directors, Board, Committees and other individual directors.

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

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

The Board, at its meeting held on May 8, 2015 and annual general meeting on August 27, 2015 approved payment of remuneration/ commission to the Non-executive Directors for each year for a period of 5 years commencing from April 1, 2016, as the Board may from time to time determine (to be divided equally amongst the non-executive directors) not exceeding 1% of the net profits of the Company in any financial year subject to an overall ceiling of ₹25 lakhs per annum for every financial year to be paid and distributed equally among all the non-executive directors of the Company for each year; in addition to the sitting fees of ₹15,000/- per meeting in respect of all Committees or Board meetings effective from August 27, 2015.

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

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

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

(i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc for the FY 2017-18 :

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	84,00,000	1,02,83,914	5,12,07,039	6,98,90,953
Mr. P. Trivikrama Prasad Managing Director	0	84,00,000	1,02,58,462	5,12,07,039	6,98,65,501
Dr. ERC Shekar	75,000	0	0	5,00,000	5,75,000
Dr. MVG Rao	1,50,000	0	0	5,00,000	6,50,000
Mr. K. Balarama Reddi	2,25,000	0	0	5,00,000	7,25,000
Dr. D. Nageswara Rao	2,40,000	0	0	5,00,000	7,40,000
Dr. CV Madhavi	1,20,000	0	0	5,00,000	6,20,000
Mr. D. Ashwin	0	0	0	0	0
Mr. CV Durga Prasad Director (Business Development)	0	1,20,00,000	1,62,62,988	0	2,82,62,988
Mr. GRK Prasad Executive Director	0	1,20,00,000	1,61,91,417	60,00,000	3,41,91,417

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

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

The Company has no options outstanding as at the beginning of the year and has not granted any stock options during the financial year 2017-18.

(6) Stakeholders' Relationship committee:

The Company has Stakeholders' Relationship committee at the Board level, which consists of three directors namely Mr. K. Balarama Reddi, 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 Reddi, Non-executive and Independent director chairs the Stakeholders relationship committee. It deals with the complaints of the Shareholders on a regular basis.
(b)	Name and designation of Compliance Officer	Mr. VSN Raju Company Secretary & Vice President
(c)	Number of Shareholders' complaints received so far	8
(d)	Number not solved to the satisfaction of shareholders	Nil
(e)	Number of pending complaints	Nil

(7) General Body meetings:

(a) Location and time where last three Annual general meetings held:

Nature of meeting	Date	Time	Venue of meeting
45th annual general meeting	August 9, 2017	10.00 a.m.	Hotel Marigold, By and beside Green Park Hotel Hyderabad – 500 016
44th annual general meeting	August 24, 2016		
43rd annual general meeting	August 27, 2015		

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

Nature of meeting	Number of special resolutions passed
45th annual general meeting - August 9, 2017	Nil
44th annual general meeting - August 24, 2016	Nil
43rd annual general meeting - August 27, 2015	Three

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

No postal ballot was conducted during the financial year 2017-18.

(d) Person conducted the postal ballot exercise:

Not applicable.

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

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

(f) Procedure for postal ballot:

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

(8) Means of communication:

(a) Quarterly results:

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

Annual reports with audited financial statements are sent to the shareholders through electronic/ physical mode.

(b) Newspapers wherein results normally published:

The results are normally published by the Company in the newspapers (Financial Express, Business Standard) in English version, circulating in the whole of India and in regional newspaper (Mana 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 news letters and press releases from time to time were also displayed on the Company's website.

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

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

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

(9) General shareholder Information:

(a) Annual general meeting date, time and venue:

Date	August 6, 2018
Time	10:30 A.M
Venue	Hotel Marigold By and beside Green Park Hotel Hyderabad – 500016 Telangana

For the Financial year April, 2017 to March, 2018:

Board Meeting for consideration of Audited Accounts and recommendation of Dividend for 2017-18	May 30, 2018
Book closure dates	August 01, 2018 to August 06, 2018 (both days inclusive)
Last date for receipt of proxy forms	August 4, 2018
Date of the 46th annual general meeting	August 6, 2018
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 2017-18 (April 1, 2017 to March 31, 2018)		
1	First quarter results	August 9, 2017
2	Second quarter and half year results	October 30, 2017
3	Third quarter results	January 29, 2018
4	Annual Results (Audited)	May 30, 2018

(c) Dividend payment date:

The dividend would be paid within 30 days from the date of declaration for the financial year 2017-18, 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

The Listing fee was remitted to the above stock exchanges for FY 2018-19.

(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 and the Company's Registration Number is 001549 of 1972-73.

International Securities Identification Number (ISIN):

ISIN is a unique identification number allotted to dematerialised scrip. The ISIN has to be quoted in each transaction relating to dematerialised shares of the Company. The ISIN 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 2017-18:

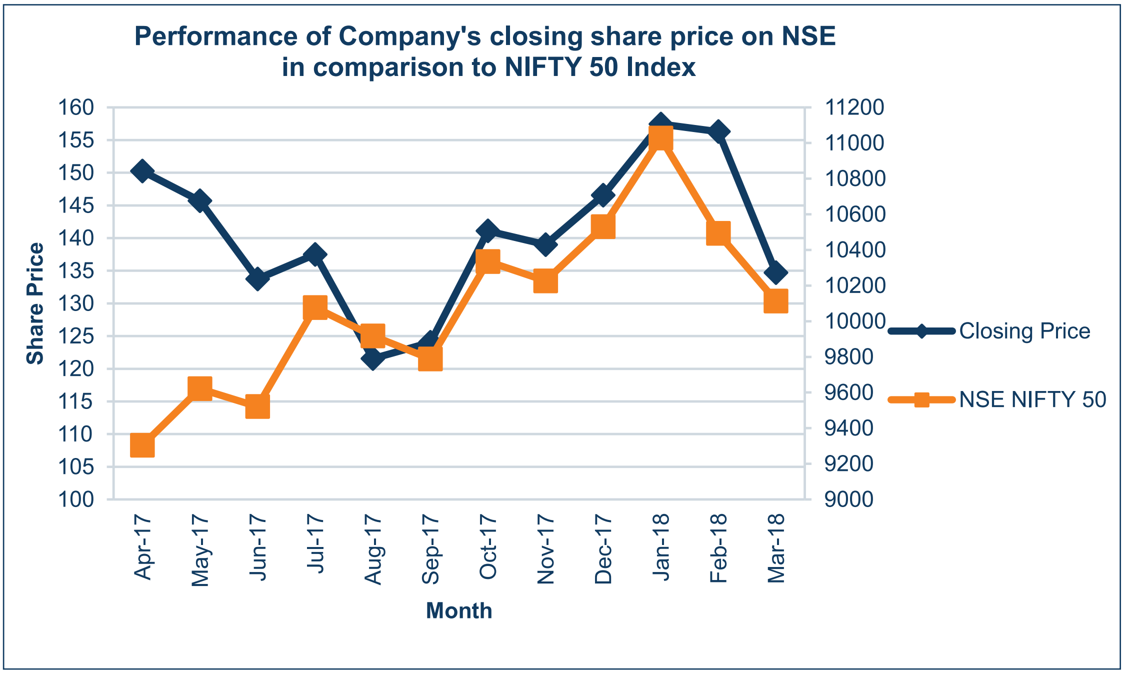
Month	Equity Shares of ₹2/-each				Closing NIFTY 50
	High (₹)	Low (₹)	Closing (₹)	Volume (No.)	
2017					
April	152.50	128.75	150.25	10084355	9304.05
May	149.05	135.15	145.70	4557882	9621.25
June	143.15	125.80	133.75	2616354	9520.90
July	141.40	127.30	137.50	10116923	10077.10
August	135.00	120.35	121.55	3553335	9917.90
September	136.95	118.70	124.05	7243620	9788.60
October	141.10	125.00	141.10	11913650	10335.30
November	146.15	126.95	139.00	9428062	10226.55
December	149.85	132.40	146.55	12991678	10530.70
2018					
January	181.45	151.30	157.45	25474531	11027.70
February	157.15	144.85	156.30	5996481	10492.85
March	152.40	132.00	134.70	3903668	10113.70

Market Price Data: High/Low (daily closing prices) on BSE Limited during each month in the FY 2017-18:

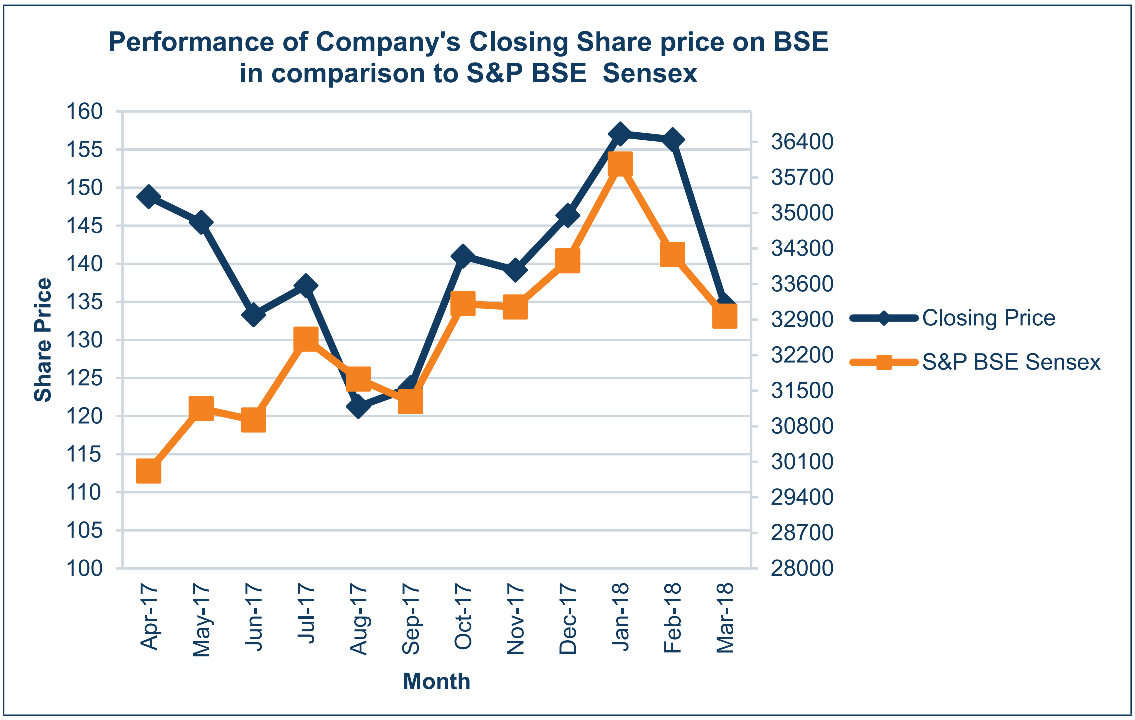
Month	Equity Shares of ₹2/-each				Closing S&P BSE SENSEX	Closing S&P BSE SmallCAP	Closing S&P BSE Allcap
	High (₹)	Low (₹)	Closing (₹)	Volume (No.)			
2017							
April	153.10	129.15	148.80	3449368	29918.40	15372.51	3748.09
May	149.20	134.20	145.45	820080	31145.80	15080.21	3805.38
June	143.55	125.65	133.30	277513	30921.61	15410.52	3801.54
July	141.70	127.50	137.10	2226714	32514.94	16093.56	4011.39
August	135.40	120.25	121.25	1115364	31730.49	15991.63	3970.35
September	136.60	118.75	123.75	1420518	31283.72	16113.68	3928.84
October	141.00	124.70	141.00	1664806	33213.13	17600.49	4188.69
November	147.05	127.10	139.15	1458118	33149.35	18228.87	4196.28
December	150.30	132.10	146.35	1380974	34056.83	19230.72	4349.86
2018							
January	181.35	151.65	157.05	4016711	35965.02	18716.77	4440.44
February	157.00	144.35	156.30	642047	34184.04	18127.93	4244.46
March	152.40	132.40	134.55	582120	32968.68	16994.36	4077.51

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

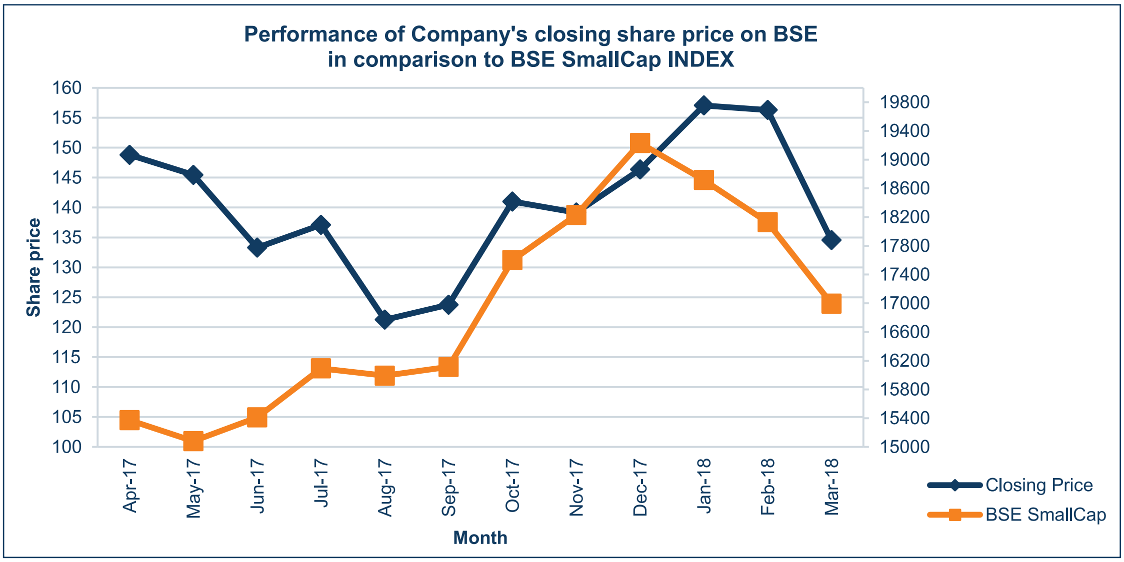
The Company is not forming part of NIFTY 50. Overall performance of the scrip of the Company in comparison to NIFTY 50 is as follows:



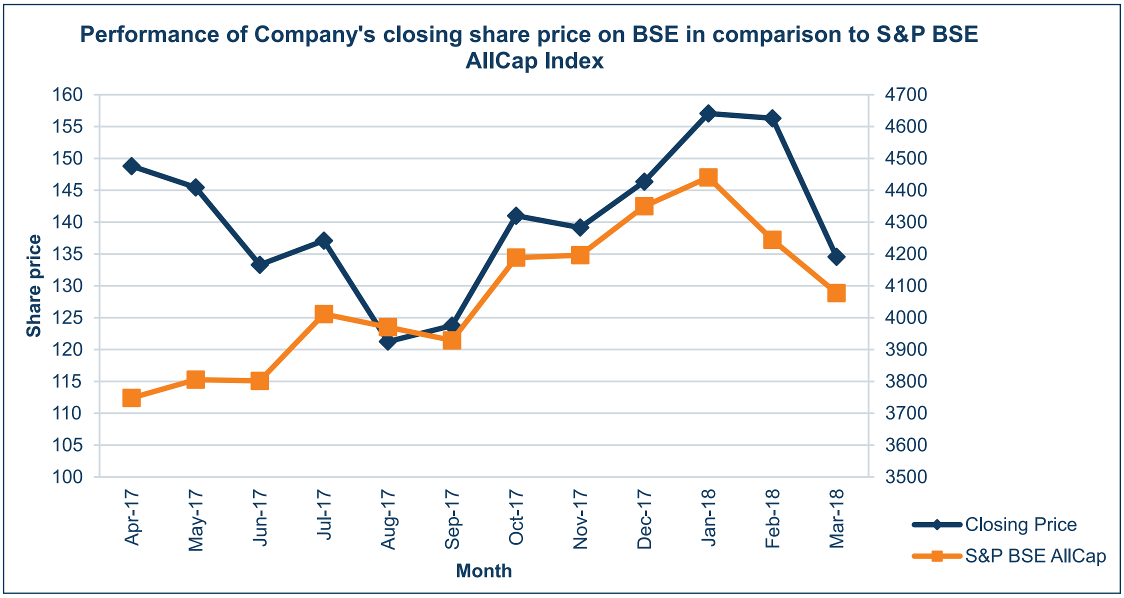
The Company is not forming part of S&P BSE Sensex. Overall performance of the scrip of the Company in comparison to S&P BSE Sensex is as follows:



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 Computershare Private Limited (Unit: Nava Bharat Ventures Limited) Karvy Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda Gachibowli, 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.karvycomputershare.com

(j) Share transfer system:

Karvy Computershare Private Limited, Hyderabad, is the Company's Registrars and Share Transfer Agents. Share Transfers are registered and returned in the normal course within a period of less than 15 days from the date of receipt, if the documents are in order in all respects, in line with Schedule VII to the SEBI (LODR) Regulations, 2015. Request for dematerialisation of shares are processed and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. The Registrars and Share Transfer Agents were delegated the power of share transfer to expedite the transfer formalities. It is in line with Schedule VII of the LODR and Reg. 40 of SEBI (LODR) Regulations, 2015.

(k) Distribution of shareholding:

Range of equity shares held	As on March 31, 2018			
	Shareholders		Shareholding	
	Number	%	Number	%
1	464	1.93	464	0.00
2 - 10	1920	7.99	11051	0.01
11 - 50	4139	17.22	145791	0.08
51 - 100	4168	17.34	383484	0.21
101 - 200	3390	14.11	605250	0.34
201 - 500	3724	15.50	1392073	0.78
501 - 1000	2459	10.23	2006427	1.12
1001 - 5000	2540	10.57	6052819	3.39
5001 – 10000	537	2.23	4049853	2.27
10001 and above	693	2.88	163928270	91.80
Total	**24034**	**100.00**	**178575482**	**100.00**

(l) Dematerialization of shares and liquidity:

Dematerialized shares as on March 31, 2018:

Number of shares	% of total shares	Number of shareholders	% of total shareholders
177227491	99.24	23486	97.72

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

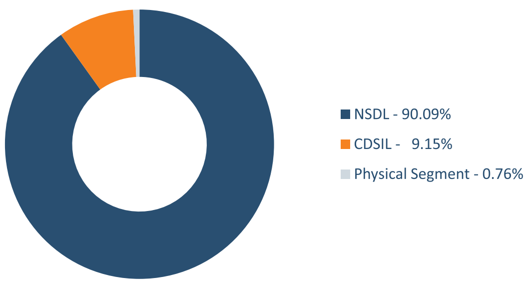
- Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the Depository Participant(DP) with whom he/ she has opened a Depository Account;
- DP processes the DRF and generates a unique number viz. DRN;
- DP forwards the DRF and share certificates to the Company's Registrar & Share Transfer Agent;

- The Company's Registrar & Share Transfer Agent after processing the DRF, confirms the request to the Depositories by cancellation of physical share certificates; and
- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

The break-up of shares in demat and physical form as on 31st March, 2018 is as follows:

Particulars	No. of shares of ₹ 2/-each	% of Shares
Demat Segment		
NSDL	160880698	90.09
CDSL	16346793	9.15
Sub-total	177227491	99.24
Physical Segment	1347991	0.76
Total	**178575482**	**100.00**

Equity Shares



(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 2017-18.

(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 Bhadradri Kothagudem district Telangana	Kharagprasad village – 759 121 Dhenkanal district Odisha
Samalkot - 533 440 East Godavari District Andhra Pradesh	Dharmavaram - 534 430 Prathipadu Mandal 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
Fax Number	91 40 2340 3013
Website	www.nbventures.com
e-mail id	investorservices@nbv.in
Grievance Redressal Division e-mail id	grd@nbv.in

(10) OTHER DISCLOSURES:

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

All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the Audit committee. The Board has approved a Policy for related party transactions which has been uploaded on the Company's Website at the following link:

http://www.nbventures.com/corporate_policies.htm

There have been no materially significant related party transactions, monetary transactions or relationships 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 Note No. 35 of the Standalone Financial Statement.

Related party disclosure in the format prescribed in Schedule V(A) of the SEBI (LODR) Regulations, 2015 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 the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

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

The Company 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

(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 SEBI (LODR) Regulations, 2015 relating to all matters specified therein, i.e., (1) Board of directors; (2) Audit committee;(3) Nomination and Remuneration committee; (4)Remuneration of directors; (5) Stakeholders' Relationship committee (6) General Body meetings (7) Means of communication; (8) General shareholder information; and (9) CEO and CFO Certification.

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

The company had formulated a policy for determining 'material' subsidiaries and the policy was disclosed on the Company's website under the web link: http://www.nbventures.com/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 SEBI (LODR) Regulations, 2015 which is posted on the Company's website under the web link: 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 world-wide commodity risk and the fiscal policies on import or export. Currently, the Company does not have recourse to any hedging mechanism to mitigate the volatility of prices. However, it does regulate the production of manganese alloys duly considering the international market indices from time to time, both for import of feed stock and export of finished product to sustain reasonable earnings, as much as possible.

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

All the above requirements are complied with.

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

Discretionary Requirements

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

i. The Board:

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

ii. Shareholders' rights:

All the quarterly financial results are placed on the Company's Website: www.nbventures.com apart from publishing the same in the Newspaper

iii. Modified opinion(s) in audit report:

There are no modified opinions in the Audit Reports.

iv. Separate Posts of Chairman and CEO:

The Company has separate posts of Chairman and Managing Director.

v. Reporting of internal auditor:

The Internal auditor reports to the Chairman of the Audit Committee directly.

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

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

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

As required under Regulation 30 of SEBI(LODR) Regulations, 2015, the Board of directors of the Company approved the Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges effective from December 1, 2015 and has been hosted on the website of the Company at the following link: 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 SEBI(LODR) Regulations, 2015, which is placed on the Website of the Company at http://www.nbventures.com/corporate_policies.htm

Corporate governance requirements with reference to Subsidiary Companies:

Independent directors viz. Mr. K. Balarama Reddi 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 2017-18, as detailed below:

Name of the Independent director	Director on the Board of subsidiary Companies
Mr. K. Balarama Reddi	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 SEBI (LODR) Regulations, 2015, the financial statements, significant transactions, investments and the minutes of the board meetings of the subsidiary companies are considered at the meetings of the Audit committee / Board of directors of the Company, as the case may be.

Meetings of Independent directors:

The Company's Independent directors met on March 24, 2018, without the presence of Non-independent directors. The meeting was attended by all the Independent directors.

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

Prohibition of Insider trading:

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

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

Website:

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

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web based application designed by NSE for Corporates. The shareholding pattern, corporate governance report and various other reports are filed electronically on NEAPS. The Company is also filing various reports through NEAPS.

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

BSE Listing Centre is a web-based application designed for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, financial results, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES):

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

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

Code of Conduct:

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the senior management personnel and directors including independent directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code covers duties of independent directors also gives guidance and support needed for ethical conduct of business and compliance of law. A policy on obligation of directors and senior management personnel and for disclosure of committee positions and commercial transitions pursuant to Reg.26(2) and (5) is in place.

A copy of the Code has been put on the Company's website (www.nbventures.com). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

All the Board members and the senior management personnel have confirmed compliance with the Code.

Declaration on compliance with Code of Conduct is annexed.

Compliance certificate:

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

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

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

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, the Company is required to transfer equity shares in respect of which dividends have not been claimed for a period of seven years continuously, to IEPF. The Company has transferred 244915 equity shares of ₹2/- each to IEPF during the year. Details of these shares are available on the Company's website:www.nbventures.com

Further, shares in respect of whom dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer 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

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, 2018 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 31.03.2018 (₹)	Due date for transfer to IEPF
1	2016-2017	09.08.2017	1.00	50%	09.09.2017	14,67,287	09.09.2024
2	2015-2016	24.08.2016	3.00	150%	23.09.2016	21,75,951	23.09.2023
3	2014-2015	27.08.2015	5.00	250%	28.09.2015	35,05,890	28.09.2022
4	2013-2014	08.08.2014	5.00	250%	08.09.2014	34,32,350	08.09.2021
5	2012-2013	16.08.2013	5.00	250%	16.09.2013	33,97,640	16.09.2020
6	2011-2012	08.08.2012	4.00	200%	07.09.2012	17,16,984	07.09.2019
7	2010-2011	28.07.2011	6.00	300%	27.08.2011	22,51,182	27.08.2018

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. 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 2009-10 were transferred by the Company in the name of IEPF on December 5, 2017 and the statement containing such details as may be prescribed is placed on Company's website www.nbventures.com

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 I.D.No.18391954.

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

Particulars	No. of share-holders	No. of equity shares of ₹ 2/-each
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2017	1254	1178790
Shareholders who approached the Company for transfer of shares from suspense account during the year	8	22940
Shareholders to whom shares were transferred from the suspense account during the year	8	22940
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	--	244915
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	1246	910935

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 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 30, 2018

D. Ashok
Chairman
DIN: 00006903

CEO and CFO Certification

for FY ended March 31, 2018
(Pursuant to Regulation 17(8) of SEBI (LODR) 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, 2018 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

T. Hari Babu
Chief Financial Officer

Place : Hyderabad
Date : May 30, 2018

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 SEBI(LODR) Regulations, 2015.

The Board laid down a Code of Conduct for all Board members and Senior Management personnel of the Company. The Code of Conduct 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, 2018.

On behalf of the Board
For **Nava Bharat Ventures Limited**

P. Trivikrama Prasad
Managing Director
DIN: 00006887

Place: Hyderabad
Date : May 30, 2018

Auditor's Certificate on Corporate Governance

Nava Bharat Ventures Limited
HYDERABAD.

I have examined the compliance of conditions of Corporate Governance by NAVA BHARAT VENTURES LIMITED, Hyderabad, for the year ended on March 31, 2018, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the Listing Agreement entered into by the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. 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

Place : Hyderabad
Date : May 30, 2018

Independent Auditor's Report

To
The Members of
Nava Bharat Ventures Limited

Report on the Standalone Financial Statements

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 2018, 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.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The standalone financial statements of the Company as at and for the year ended 31 March 2017 were audited by the Company's predecessor auditor who had expressed an unmodified opinion on those standalone financial statements vide their report dated 27 May 2017. The balances as at 31 March 2017 as per the audited standalone financial statements, duly read in conjunction with note 40 to the financial statements, have been considered as opening balances for the purpose of these standalone financial statements.

Report on Other Legal and Regulatory Requirements

10. 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.

11. 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 2018 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 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated May 30, 2018 as per Annexure II expressed an 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 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

       ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

       iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

       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

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad
Date: May 30, 2018

Annexure I to the Independent Auditor's Report of even date to the members of Nava Bharat Ventures Limited, on the standalone financial statements for the year ended March 31, 2018

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 fixed assets.

(b) The fixed assets 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 fixed assets 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 leasehold / freehold	Gross block as on 31 March 2018 (₹ in lakhs)	Net block on 31 March 2018 (₹ 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 ₹1,409.78 lakhs and net block of ₹1,230.96 lakhs as on 31 March 2018 situated at Samalkot, East Godavari district are not held in the name of the Company, owing to the expiry of lease period of the land on 12 August 1996, on which the same are constructed.

(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 loan granted to one party, the principal and interest amounts are repayable on demand and since the repayment of principal has not been demanded, in our opinion, repayment of the principal amount is regular. Further, the repayment of interest amounts in respect of the said loan is regular. In respect of the 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 provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(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, sales-tax, service tax, duty of customs, duty of excise, value added 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 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	-

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
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	-
		94.35	-	2011-16	Commissioner of Customs and Central Excise (Appeals), Hyderabad	-
		136.90	-	2000-01 to 2001-02	Hon'ble High Court of Judicature at Hyderabad for the combined states of Telangana and Andhra Pradesh	-
		12.61	-	2000-01 to 2005-06	Commissioner of Central Excise (Appeals), Visakhapatnam	-
Finance Act, 1994 (as amended	Service Tax	124.55	-	2009-14	Commissioner of Service Tax (Appeals), Hyderabad	-
		17.05	-	2014-15	Commissioner of Service Tax (Appeals), Hyderabad	-
		474.74	-	2007-08	CESTAT, Kolkata	-
		14.65	-	April 2012 to March 2014	Deputy Commissioner of Central Excise, Kakinada	-
		22.72	-	April 2011 to March 2017	Assistant Commissioner of Central Excise, Kakinada	-
		60.76	-	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	-
		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	Income Tax Appellate Tribunal (ITAT)	-
		2,078.02	-	AY 2010-11	Hon'ble High Court of Judicature at Hyderabad for the combined states of Telangana and Andhra Pradesh	-
		176.11	176.11	AY 2011-12	Income Tax Appellate Tribunal (ITAT)	-
		290.02	290.02	AY 2012-13	Commissioner of Income Tax (Appeals)	-
		85.19	85.19	AY 2013-14	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) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(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

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad
Date : May 30, 2018

Annexure II to the Independent Auditor's Report of even date to the members of Nava Bharat Ventures Limited on the standalone financial statements for the year ended March 31, 2018

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 2018, 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 2018, 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

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad
Date : May 30, 2018

Balance Sheet as at March 31, 2018

(₹ in lakhs)

	Notes	As at March 31, 2018	As at March 31, 2017 (Restated)	As at April 1, 2016 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	3	80,796.13	83,099.02	84,507.59
Capital work-in-progress		627.51	735.00	474.69
Investment property	4	247.28	252.98	258.68
Other intangible assets	5	306.25	433.35	464.94
Financial assets				
(i) Investments	6	121,306.50	109,262.05	109,318.35
(ii) Loans	7	42,363.75	46,364.18	28,993.78
(iii) Other financial assets	8	1,261.46	1,256.51	1,354.84
Deferred tax assets (net)	17	10,765.99	13,212.67	14,805.27
Other non-current assets	9	505.63	1,114.87	1,171.32
		258,180.50	**255,730.63**	**241,349.46**
Current assets				
Inventories	10	28,789.21	23,335.00	21,559.57
Financial assets				
(i) Trade receivables	11	17,261.21	9,794.44	17,090.17
(ii) Cash and cash equivalents	12	1,917.97	2,132.51	189.89
(iii) Bank balances other than (ii) above	12	1,295.34	1,470.28	1,570.54
(iv) Loans	7	2,500.00	-	21,686.33
(v) Other financial assets	8	3,353.49	4,916.40	7,233.57
Current tax assets (net)		390.21	660.67	296.45
Other current assets	9	12,051.43	9,739.54	6,363.36
		67,558.86	**52,048.84**	**75,989.88**
Total Assets		**325,739.36**	**307,779.47**	**317,339.34**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	3,572.77	3,572.77	1,787.01
Other equity	14	273,452.07	258,974.53	255,704.40
Total equity		**277,024.84**	**262,547.30**	**257,491.41**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	15	14,868.74	15,015.17	24,396.57
(ii) Other financial liabilities	16	33.40	37.72	42.92
Provisions	18	927.89	1,182.42	780.80
Current liabilities				
Financial liabilities				
(i) Borrowings	15	6,289.56	6,310.54	11,481.14
(ii) Trade payables	31	7,728.22	7,138.29	8,559.31
(iii) Other financial liabilities	16	16,569.88	13,167.83	10,516.74
Other current liabilities	19	1,086.65	1,683.37	2,973.76
Provisions	18	1,210.18	696.83	1,096.69
Total Liabilities		**48,714.52**	**45,232.17**	**59,847.93**
Total Equity and Liabilities		**325,739.36**	**307,779.47**	**317,339.34**

The accompanying notes 1 to 40 form an integral part of these standalone financial statements.

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Nava Bharat Ventures Limited

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director
DIN: 00006852

VSN Raju
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director
DIN: 00006887

D. Ashok
Chairman
DIN: 00006903

Place: Hyderabad, India
Date : May 30, 2018

Place: Hyderabad, India
Date : May 30, 2018

Statement of Profit and Loss for the year ended March 31, 2018

(₹ in lakhs except earnings per equity share)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)
Revenue from operations	20	130,864.00	99,037.46
Other income	21	4,647.69	5,097.05
Total income		**135,511.69**	**104,134.51**
Expenses			
Cost of materials consumed	22	76,649.96	55,604.93
Excise duty		(89.95)	3,641.66
Purchases of stock-in-trade		232.93	249.60
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	429.57	(1,818.72)
Other manufacturing expenses	24	8,998.10	6,908.89
Employee benefits expense	25	8,980.42	8,228.73
Finance costs	26	1,531.04	3,666.69
Depreciation and amortisation expense	3, 4, 5	3,743.09	3,707.61
Other expenses	27	11,321.56	11,689.04
Total expenses		**111,796.72**	**91,878.43**
Profit before tax		**23,714.97**	**12,256.08**
Tax expense:			
(a) Current tax	28	6,773.42	2,778.22
(b) Deferred tax expense		785.76	1,518.20
Profit for the year		**16,155.79**	**7,959.66**
Other comprehensive income	29		
Items that will not be reclassified to profit or loss		17.32	214.99
Income tax relating to items that will not be classified to profit/loss		(6.00)	(74.40)
Total other comprehensive income for the year		**11.32**	**140.59**
Total comprehensive income for the year		**16,167.11**	**8,100.25**
Earnings per equity share (EPES)	30		
Basic EPES (In absolute ₹ terms)		9.74	4.80
Diluted EPES (In absolute ₹ terms)		9.74	4.80

The accompanying notes 1 to 40 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad, India
Date : May 30, 2018

For and on behalf of the Board of Directors of
Nava Bharat Ventures Limited

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director
DIN: 00006852

VSN Raju
Company Secretary &
Vice President

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Managing Director
DIN: 00006887

D. Ashok
Chairman
DIN: 00006903

Place: Hyderabad, India
Date : May 30, 2018

Statement of Cash Flows for the year ended March 31, 2018

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)*
Cash flow from operating activities:		
Profit before tax	23,714.97	12,256.08
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	3,743.09	3,707.61
Amortisation of prepaid lease rentals	-	4.06
Investments written off	-	27.00
Deferred rental income	-	(4.29)
Interest income of employee loans	-	(11.27)
Employee benefit expense	270.14	216.75
Income on employee retention deposits	-	(1.44)
Liabilities no longer required written back	(46.57)	(76.34)
Unrealised foreign exchange loss (net)	176.99	-
Interest income	(2,636.90)	(3,320.54)
Change in fair value	(198.11)	30.24
Gains on sale of investments	(75.75)	(22.22)
Dividend Income	(34.04)	(14.53)
Gain on sale of property, plant and equipment	(79.33)	62.14
Interest expense	1,060.84	3,021.23
Adjustment for changes in working capital:		
Increase in inventories	(5,454.20)	(1,775.43)
Decrease / (increase) in trade receivables	(7,459.25)	7,295.71
Decrease in other financial assets	250.90	660.39
Increase in other assets	(1,685.11)	(3,452.16)
(Decrease) /increase in trade payables	636.51	(1,421.03)
(Decrease) /increase in other financial liabilities	(844.50)	4,421.37
(Decrease) /increase in other current liabilities	(596.72)	(1,214.07)
	(12,972.01)	**8,133.18**
Cash generated from operations	**10,742.96**	**20,389.26**
Income taxes paid	(4,842.05)	(3,151.12)
Net cash generated from operating activities	**5,900.91**	**17,238.14**

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)*
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,319.57)	(2,588.44)
Proceeds from sale of fixed assets	181.44	4.25
Repayment of loans from related party	4,235.23	4,317.93
Loans granted to a related party	(2,500.00)	-
Receipts from employee welfare trust	340.00	-
Decrease / (increase) in other bank balances	174.94	(35.77)
Investments made during the year	(16,345.86)	(4,001.34)
Proceeds from sale of investments	4,575.27	4,022.62
Dividend income received	34.04	14.53
Interest income received	3,943.97	3,405.42
Net cash generated from/(used in) investing activities	(6,680.54)	5,139.20
Cash flows from financing activities		
Proceeds from long term borrowings	10,599.06	-
Repayment of long term borrowings	(6,920.63)	(9,202.53)
Repayment of short term borrowings	(25.15)	(5,170.60)
Dividend paid for the year including DDT	(2,029.57)	(3,044.36)
Interest expense	(1,058.62)	(3,017.23)
Net cash generated from/(used in) financing activities	**565.09**	**(20,434.72)**
Net increase/(decrease) in cash and cash equivalents	**(214.54)**	**1,942.62**
Cash and cash equivalents at the beginning of the year	2,132.51	189.89
Cash and cash equivalents at the end of the year	**1,917.97**	**2,132.51**
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash on hand	6.23	12.19
Balances with banks:		
On Current Account	1,911.74	2,120.32
Total cash and cash equivalents (refer note 12)	**1,917.97**	**2,132.51**

*Duly restated for the effects of the matters disclosed in note 40.

This is the Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad, India
Date : May 30, 2018

For and on behalf of the Board of Directors of
Nava Bharat Ventures Limited

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director
DIN: 00006852

VSN Raju
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director
DIN: 00006887

D. Ashok
Chairman
DIN: 00006903

Place: Hyderabad, India
Date : May 30, 2018

Statement of Changes in Equity for the year ended March 31, 2018

(a) Equity Share Capital

(₹ in lakhs except equity shares data)

	Number	Amount
Equity shares of ₹2 each issued, subscribed and fully paid-up		
Balance as at April 1, 2016	89,287,741	1,787.01
Changes during the year	89,287,741	1,785.76
Balance as at March 31, 2017	**178,575,482**	**3,572.77**
Changes during the year	-	-
Balance as at March 31, 2018	**178,575,482**	**3,572.77**

(b) Other Equity

(₹ in lakhs)

	Reserves and Surplus						Treasury shares	Other Comprehensive Income - Actuarial gain/(loss)	Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Other reserve	Surplus in the Statement of Profit and Loss			
Balance as at April 1, 2016	**60.20**	**826.39**	**26,214.22**	**89,352.40**	**33.60**	**147,039.41**	**(206.34)**	**34.50**	**263,354.38**
Prior period errors (refer note 40)	-	-	-	-	-	4,770.65	2,879.33	-	7,649.98
Balance as at April 1, 2016 (Restated)	**60.20**	**826.39**	**26,214.22**	**89,352.40**	**33.60**	**142,268.76**	**(3,085.67)**	**34.50**	**255,704.40**
Profit for the year	-	-	-	-	-	7,959.66	-	-	7,959.66
Dividend on equity capital	-	-	-	-	-	(2,529.43)	-	-	(2,529.43)
Corporate dividend tax	-	-	-	-	-	(514.93)	-	-	(514.93)
Issue of bonus shares	-	-	-	(1,785.76)	-	-	-	-	(1,785.76)
Other comprehensive income for the year	-	-	-	-	-	-	-	140.59	140.59
Balance as at March 31, 2017 (Restated)	**60.20**	**826.39**	**26,214.22**	**87,566.64**	**33.60**	**147,184.06**	**(3,085.67)**	**175.09**	**258,974.53**
Profit for the year	-	-	-	-	-	16,155.79	-	-	16,155.79
Dividend on equity capital	-	-	-	-	-	(1,686.28)	-	-	(1,686.28)
Corporate dividend tax	-	-	-	-	-	(343.29)	-	-	(343.29)
Adjustments	-	-	-	-	-	-	340.00	-	340.00
Other comprehensive income for the year	-	-	-	-	-	-	-	11.32	11.32
Balance as at March 31, 2018	**60.20**	**826.39**	**26,214.22**	**87,566.64**	**33.60**	**161,310.28**	**(2,745.67)**	**186.41**	**273,452.07**

The accompanying notes 1 to 40 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad, India
Date : May 30, 2018

T. Hari Babu
Chief Financial Officer

VSN Raju
Company Secretary &
Vice President

Place: Hyderabad, India
Date : May 30, 2018

For and on behalf of the Board of Directors of
Nava Bharat Ventures Limited

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 for the year ended March 31, 2018

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 - 500082. 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 principal 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 May 30, 2018.

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 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/ written down value based on the useful lives estimated by the management. Considering the applicability of Schedule II of 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 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.

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. **Operating lease commitments - Company as a lessee:**

The Company has taken on lease certain commercial properties for its business operations and the lease rentals for the said properties are subject to escalations during the tenure of lease. However, as these escalations were in the nature of general inflation to compensate for the lessor's expected inflationary cost increase, the Company is directly charging the lease payments to the statement of profit and loss instead of following straight line method of charging lease payments.

ii. **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.

Notes to the financial statements for the year ended March 31, 2018

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

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 derecognised 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

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 derecognised.

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 derecognised 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 derecognized 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.

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.

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

Notes to the financial statements for the year ended March 31, 2018

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. 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, rendering of services, income from interest and dividend, income from guarantee commission, 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 Company. Specifically, the following basis is adopted for various sources of income:

i. **Sale of goods:**

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. 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 in accordance with the terms of arrangement with customers and based on the units of energy delivered and 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 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. 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 in accordance with the terms agreed with the customer in the operations and maintenance agreement.

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.

v. **Guarantee commission:**

Guarantee commission is recognised as an income over the life of financial guarantee contract on a time proportion basis.

Notes to the financial statements for the year ended March 31, 2018

vi. **Export benefits:**

Export benefits in the form of duty drawback and Merchandise Exports from India and other schemes are recognised on accrual 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.

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

Notes to the financial statements for the year ended March 31, 2018

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 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 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

Notes to the financial statements for the year ended March 31, 2018

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 derecognised when:

i. The rights to receive cash flows from the asset have expired, or

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 derecognised 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:

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 18.

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 March 31, 2018, the Company's hedging instruments did not qualify for hedge accounting in accordance with the Company's policy. Hence the interest rate swap contracts are not designated in hedge relationships and are measured at FVTPL.

Notes to the financial statements for the year ended March 31, 2018

2.1 Recent accounting pronouncements:

Ind AS 115: Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not considered to be significant.

Notes to the financial statements for the year ended March 31, 2018

3. Property, plant and equipment

(₹ in lakhs)

	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equip-ment	Air conditioners and Coolers	Railway Sidings	Power evacuation lines *	Other assets	Total
Gross block											
As at April 1, 2016	2,849.77	15,277.44	68,579.27	95.41	88.71	63.94	29.44	358.72	284.05	158.18	87,784.93
Additions during the year	-	144.81	2,112.67	1.35	37.52	11.38	4.85	-	-	8.75	2,321.33
Disposals/Adjustments	-	11.97	256.83	-	3.98	0.77	0.83	-	-	0.72	275.10
As at March 31, 2017	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
As at March 31, 2018	2,849.77	15,617.71	71,370.71	102.91	228.06	89.86	36.51	358.72	284.05	173.17	91,111.47
Accumulated depreciation											
Up to 31 March 2016	-	718.11	2,421.81	34.86	13.01	0.50	9.19	37.71	8.26	33.89	3,277.34
Charge for the year	-	702.49	2,823.50	19.17	22.06	21.31	5.58	37.71	8.26	23.44	3,663.52
Adjustments	-	6.21	200.38	-	-	0.77	0.79	-	-	0.57	208.72
Up to March 31, 2017	-	1,414.39	5,044.93	54.03	35.07	21.04	13.98	75.42	16.52	56.76	6,732.14
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
Up to March 31, 2018	-	2,043.73	7,873.99	66.73	60.91	38.23	17.93	113.13	24.78	75.91	10,315.34
Net block											
As at March 31, 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
As at March 31, 2017	2,849.77	13,995.89	65,390.18	42.73	87.18	53.51	19.48	283.30	267.53	109.45	83,099.02

* 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.

Notes to the financial statements for the year ended March 31, 2018

4. Investment property

(₹ in lakhs)

	Land	Building	Total
Gross block			
As at April 1, 2016	101.91	173.93	275.84
Additions during the year	-	-	-
As at March 31, 2017	**101.91**	**173.93**	**275.84**
Additions during the year	-	-	-
As at March 31, 2018	**101.91**	**173.93**	**275.84**
Accumulated depreciation			
Up to 31 March 2016	-	17.16	17.16
Charge for the year	-	5.70	5.70
Up to March 31, 2017	**-**	**22.86**	**22.86**
Charge for the year	-	5.70	5.70
Up to March 31, 2018	**-**	**28.56**	**28.56**
Net block			
As at March 31, 2018	**101.91**	**145.37**	**247.28**
As at March 31, 2017	**101.91**	**151.07**	**252.98**

5. Other intangible assets

(₹ in lakhs)

	Computer Software	Water drawing rights	Total
Gross block			
As at April 1, 2016	83.63	422.21	505.84
Additions during the year	6.80	-	6.80
Disposals	1.68	-	1.68
As at March 31, 2017	**88.75**	**422.21**	**510.96**
Additions during the year	11.67	-	11.67
As at March 31, 2018	**100.42**	**422.21**	**522.63**
Accumulated amortization			
Up to 31 March 2016	28.32	12.58	40.90
Charge for the year	25.81	12.58	38.39
Disposals	1.68	-	1.68
Up to March 31, 2017	**52.45**	**25.16**	**77.61**
Charge for the year	29.86	108.91	138.77
Up to March 31, 2018	**82.31**	**134.07**	**216.38**
Net block			
As at March 31, 2018	**18.11**	**288.14**	**306.25**
As at March 31, 2017	**36.30**	**397.05**	**433.35**

Notes to the financial statements for the year ended March 31, 2018

6. Investment

(₹ in lakhs)

		Face value	As at March 31, 2018	As at March 31, 2017
Investments in equity shares (fully paid-up)				
(i)	**Quoted - designated at FVTPL**			
	Nil (March 31, 2017: 63,300) shares in Avanthi Leathers Limited	₹10	-	0.63
	76,830 (March 31, 2017: 76,830) shares in NB Footware Limited	₹10	4.61	4.41
	5,600 (March 31, 2017: 7,500) shares in Avathi Feeds Limited	₹2	125.14	55.31
	8,000 (March 31, 2017: 8,000) shares in IDBI Bank Limited	₹10	5.78	6.01
	22,800 (March 31, 2017: 22,800) shares in Andhra Bank	₹10	9.48	13.21
	12,284 (March 31, 2017: 12,284) shares in TATA Consultancy Services Limited	₹1	349.99	298.72
	9,651 (March 31, 2017: 9,651) shares in MOIL Limited	₹10	18.88	30.28
	200 (March 31, 2017: 200) shares in Kothari Sugars and Chemicals Limited	₹10	0.02	0.03
	2,857 (March 31, 2017:2,857) shares in The Jeypore Sugar Company Limited	₹10	0.03	0.03
			513.93	**408.63**
(ii)	**Unquoted**			
(a)	**Investments carried at cost - Subsidiaries**			
	41,499,998 (March 31, 2017: 41,499,998) shares in Brahmani Infratech Private Limited, India	₹10	4,150.00	4,150.00
	454,020,000 (March 31, 2017: 454,020,000) shares in Nava Bharat Projects Limited, India	₹2	9,080.40	9,080.40
	260,000,000 (March 31, 2017: 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 (March 31, 2017: 16,870) shares of Singapore Dollar (SGD) 1 each	SGD 1	4.36	4.36
	174,840,000 (March 31, 2017: 158,590,000) shares of United States Dollar (US$) 1 each	US$ 1	100,742.16	90,143.10
	1,000 (March 31, 2017: 1,000) shares in Nava Energy Pte Limited, Singapore	US$1	0.67	0.67
	951,000 (March 31, 2017: 1000) shares in Nava Agro Pte Limited, Singapore	US$1	615.22	0.67
	1,001,000 (March 31, 2017: Nil) shares in Nava Holding Pte Limited, Singapore	US$1	639.09	-
			120,431.90	**108,579.20**

Notes to the financial statements for the year ended March 31, 2018

(₹ in lakhs)

		Face value	As at March 31, 2018	As at March 31, 2017
(b)	**Investments designated at FVTPL - Others**			
	75,000 (March 31, 2017: 75,000) shares in Srinivasa Cystine Limited	₹10	360.17	271.14
	Nil (March 31, 2017: 25,884) shares in Kinnera Power Company Private Limited	₹10	-	2.58
	Investments in government Securities (at amortised cost)			
	- 6 years National Savings Certificates		0.50	0.50
			121,306.50	**109,262.05**
	Aggregate amount of Quoted Investments		513.93	408.63
	Aggregate amount of Un-Quoted Investments		120,792.57	108,853.42
	Aggregate amount of Impairment in Value of Investments		93.72	91.14

Details of ownership interest in subsidiaries (in %):

		As at March 31, 2018	As at March 31, 2017
(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 Holding 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, the Company has pledged its entire investment in 260,000,000 (March 31, 2017: 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.

7. Loans

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
(Unsecured, considered good)		
Non-current		
Related parties * (refer note 35)	42,363.75	46,364.18
	42,363.75	46,364.18
Current		
Related parties ** (refer note 35)	2,500.00	-
	2,500.00	-

* Represents amounts lent to a subsidiary for onward lending to step-down subsidiary for meeting its project related expenditure at an interest rate of 5% (March 31, 2017: 5%) per annum.

** Represents amounts lent to a subsidiary for meeting the working capital requirements at an interest rate of 9.50% per annum.

Notes to the financial statements for the year ended March 31, 2018

8. Other financial assets

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
(Unsecured, considered good)		
Non-current		
Security deposits	1,226.74	1,184.39
Margin money deposits	-	25.19
Others	34.72	46.93
	1,261.46	**1,256.51**
Current		
Restricted bank balances		
- Unpaid dividend accounts	179.47	198.76
Forward contract asset	223.47	-
Other receivables from related parties		
- Guarantee commission	142.59	433.70
- Others	319.78	869.99
Interest accrued		
- From related parties	1,971.92	2,418.80
- From others	39.16	58.04
Accrued conversion charges	378.12	532.06
Others	98.98	405.05
	3,353.49	**4,916.40**

9. Other assets

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
(Unsecured, considered good)		
Non-current		
Capital advances	31.56	14.01
Payments made under protest *	271.72	265.51
Prepaid expenses	121.27	133.19
Balances with government authorities	-	622.91
Others	81.08	79.25
	505.63	**1,114.87**
Current		
Advances to vendors	7,812.12	4,730.72
Balance with government authorities	3,954.92	4,550.41
Prepaid expenses	231.27	263.08
Others	53.12	195.33
	12,051.43	**9,739.54**

* Represents payments made to government authorities in protest in connection with the ongoing disputes.

Notes to the financial statements for the year ended March 31, 2018

10. Inventories (at lower of cost or net realisable value)

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Raw materials (including raw material in transit aggregating to ₹ Nil (March 31, 2017: ₹ 982.94 lakhs)	14,254.54	8,512.63
Work-in-progress	297.30	631.96
Finished goods	11,933.70	12,039.02
Stock-in-trade	65.07	54.66
Stores and spares (including material in transit aggregating to ₹ Nil (March 31, 2017: ₹ 9.89 lakhs)	2,237.70	2,095.85
Others	0.90	0.88
	28,789.21	**23,335.00**

11. Trade receivables

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Secured, considered good	-	-
Unsecured, considered good		
- From related parties	1,075.21	902.93
- From others	16,186.00	8,891.51
	17,261.21	**9,794.44**

12. Cash and Bank balances

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
Balances with banks		
On current accounts	1,911.74	2,120.32
Cash on hand	6.23	12.19
	1,917.97	**2,132.51**
Bank balances other than above		
Deposits with banks with maturity period from 3 to 12 months	147.34	110.24
Margin money deposits *	1,148.00	1,360.04
	1,295.34	**1,470.28**
	3,213.31	**3,602.79**

* Represents deposits held with banks as security against borrowings, guarantees and other arrangements.

Notes to the financial statements for the year ended March 31, 2018

13. Equity Share Capital:

(₹ in lakhs except equity shares data)

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of ₹2 each	250,000,000	5,000.00	250,000,000	5,000.00
	250,000,000	**5,000.00**	**250,000,000**	**5,000.00**
Issued and subscribed share capital				
Equity shares of ₹2 each	178,826,957	3,576.54	178,826,957	3,576.54
	178,826,957	**3,576.54**	**178,826,957**	**3,576.54**
Fully paid-up share capital				
Equity shares of ₹2 each	178,575,482	3,571.51	178,575,482	3,571.51
Add: Forfeited shares of ₹2 each (amount originally paid up)	-	1.26	-	1.26
	178,575,482	**3,572.77**	**178,575,482**	**3,572.77**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

(₹ in lakhs except equity shares data)

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Balance at the beginning of the year	178,575,482	3,571.51	89,287,741	1,785.75
Issue of bonus shares	-	-	89,287,741	1,785.76
Balance at the end of the year	**178,575,482**	**3,571.51**	**178,575,482**	**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.

(c) Details of shareholders holding more than 5% equity shares in the Company

	As at March 31, 2018		As at March 31, 2017	
	Number	%age	Number	%age
Nav Developers Limited	15,840,362	8.87%	15,840,362	8.87%
Wellington Management Company, LLP with its PAC	8,979,168	5.03%	15,630,053	8.75%
D Bhaktapriya	9,802,900	5.49%	9,802,900	5.49%

Notes to the financial statements for the year ended March 31, 2018

(d) **Details of treasury shares held by the Company**

(i) The paid up share capital includes 9,947,020 (March 31, 2017: 9,947,020) equity shares of ₹2/- each fully paid up, owned by the Company, pursuant to order of Hon'ble High Court of Andhra Pradesh dated 30 December 1996 in the Scheme of amalgamation of Nav Chrome Limited with the Company, which are vested in a Trustee (Nav Energy Private Limited) for the benefit of the Company which are to be sold and net sale proceeds are to be paid to the Company and such shares are not considered for dividend and treated as treasury shares and reduced from other equity.

(ii) The paid up share capital includes 2,800,000 (March 31, 2017: 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 March 31, 2018, thereby adjusting the balance of other equity.

(e) **Aggregate number of bonus shares issued during five years immediately preceeding the date of Balance Sheet:**

During the year ended March 31, 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

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
Capital reserve		
Balance at the beginning and end of the year	60.20	60.20
Capital redemption reserve		
Balance at the beginning and end of the year	826.39	826.39
Securities premium reserve		
Balance at the beginning and end of the year	26,214.22	26,214.22
Treasury Shares		
At the beginning of the year	(3,085.67)	(3,085.67)
Less: Adjustments*	340.00	-
At the end of the year	**(2,745.67)**	**(3,085.67)**
General reserve		
At the beginning of the year	87,566.64	89,352.40
Less: Issue of bonus shares	-	(1,785.76)
At the end of the year	**87,566.64**	**87,566.64**
Other reserves:		
Subsidies - Balance at the beginning and end of the year	33.60	33.60
Surplus in Statement of Profit and Loss		
At the beginning of the year	147,184.06	142,268.76
Profit for the year	16,155.79	7,959.66
At the end of the year	**163,339.85**	**150,228.42**

Notes to the financial statements for the year ended March 31, 2018

Appropriations:		
Dividend on Equity Capital	(1,686.28)	(2,529.43)
Corporate Dividend Tax	(343.29)	(514.93)
At the end of the year	**161,310.28**	**147,184.06**
Other comprehensive income		
Actuarial gain/(loss) on employment benefits		
At the beginning of the year	175.09	34.50
for the year	11.32	140.59
At the end of the year	**186.41**	**175.09**
	273,452.07	**258,974.53**

Nature and purpose of reserves

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.

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.

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Treasury shares

(i) Represents 9,947,020 equity shares of ₹2/- each fully paid up, vested with the Company, pursuant to order of Hon'ble High Court of Andhra Pradesh dated 30 December 1996 in the Scheme of amalgamation of Nav Chrome Limited with the Company, which are vested in a Trustee (Nav Energy Private Limited) for the benefit of the Company which are to be sold and net sale proceeds are to be paid to the Company and such shares are not considered for dividend and treated as treasury shares and 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 March 31, 2017 have been accounted for as a treasury stock as at March 31, 2018, thereby adjusting the balance of other equity.

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 Company. 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 and Loss.

*Represents adjustment on account of repayment of monies lent to the Nava Bharat Employee Welfare Trust.

Notes to the financial statements for the year ended March 31, 2018

15. Borrowings

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Non current borrowings		
Secured		
- Term loans - from banks (refer notes (a), (b) and (d))	26,599.66	22,140.67
- Other loans - from banks (refer notes (c) and (d))	486.76	852.18
	27,086.42	**22,992.85**
Less: Current maturities of long-term borrowings	(12,217.68)	(7,977.68)
	14,868.74	**15,015.17**
Current borrowings		
Secured		
Loans repayable on demand		
- Working capital loan from banks (refer note (e))	4,345.50	3,192.18
- Buyers credit (refer note (f))	1,944.06	3,118.36
	6,289.56	**6,310.54**

(a) Terms loans outstanding to the tune of ₹15,986.24 lakhs (March 31, 2017: ₹22,140.67 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 further secured by way of pleadge 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 INR to USD and fixing the interest rate in accordance with the terms of the arrangement.

(b) Terms loans outstanding to the tune of ₹10,613.42 lakhs (March 31, 2017: ₹Nil) 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 further secured by way of pleadge 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.

(c) Terms loans outstanding to the tune of ₹486.76 lakhs (March 31, 2017: ₹852.18 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.

(d) All the above loans carry interest rates ranging from 3.89% to 11.40% per annum (March 31, 2017: 3.87% to 11.60%).

(e) 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, currently at 9.25% per annum (March 31, 2017: 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 pasu with the other lenders. The facility is further secured by a pari pasu second charge on all fixed assets of the Company both present and future.

(f) Buyers credit outstanding are availed from banks and carry an interest rate linkted to the respective Bank's margin and LIBOR on the date of loan and ranges between 1.73% to 1.75% per annum (March 31, 2017: 1.75%). The said facility is secured by hypothecation of all chargeable current assets of the Company and rank pari pasu with the other lenders. The facility is further secured by a pari pasu second charge on all fixed assets of the Company both present and future.

Notes to the financial statements for the year ended March 31, 2018

16. Other financial liabilities

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
Non current		
Employee Retention deposits	-	4.32
Other retention deposits	33.40	33.40
	33.40	**37.72**
Current		
Dues to		
- Directors	1,049.14	597.33
- Employees	1,189.40	904.30
Security deposits		
- Employee retension deposit	0.84	14.25
- Others	456.86	440.48
Forward contract liability	-	1,342.19
Interest accrued but not due on borrowings	254.40	252.17
Unpaid dividends	179.47	198.76
Accrual for expenses		
- From related parties	-	232.90
- Others	1,161.75	1,207.77
Current maturities of long term borrowings	12,217.68	7,977.68
Other liabilities	60.34	-
	16,569.88	**13,167.83**

17. Deferred tax assets, net

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
Deferred tax assets/(liabilities):		
- Financial assets reported at fair value	-	93.98
- Minimum Alternate Tax (MAT) credit entitlement	19,775.28	21,436.21
- Property, plant and equipment and intangible assets	(10,536.67)	(9,598.99)
- Employment benefits	739.99	650.41
- Bonus payable	470.76	147.15
- Other disallowances	316.63	483.91
Deferred tax assets, net	**10,765.99**	**13,212.67**

Notes to the financial statements for the year ended March 31, 2018

Movement in deferred tax assets:

(₹ in lakhs)

	As at March 31, 2017	Charge/(credited) to		MAT credit utilisation	As at March 31, 2018
		Statement of Profit and Loss	Other Comprehensive 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	(167.29)	-	-	316.63
(vi) Movement in MAT balances	21,436.21	-	-	(1,660.93)	19,775.28

The Company also has certain tax credits, in the form of MAT credit, to the tune of ₹597.01 lakhs (March 31, 2017: Nil) which has not been accounted for in accordance with the Company's accounting policy.

(₹ in lakhs)

	As at April 1, 2016	Charge/(credited) to		MAT credit utilisation	As at March 31, 2017
		Statement of Profit and Loss	Other Comprehensive Income		
(i) Property, plant and equipment and intangible assets	(7,874.30)	(1,724.69)	-	-	(9,598.99)
(ii) Employment benefits	649.76	75.05	(74.40)	-	650.41
(iii) Bonus payable	-	147.15	-	-	147.15
(iv) Financial assets reported at fair value	46.04	47.94	-	-	93.98
(v) Others	547.56	(63.65)	-	-	483.91
(vi) Movement in MAT balances	21,436.21	-	-	-	21,436.21

Notes to the financial statements for the year ended March 31, 2018

18. Provisions

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Non-current		
Provision for employee benefits		
- Compensated absence, unfunded	518.54	652.77
- Gratuity, funded	409.35	529.65
	927.89	**1,182.42**
Current		
Provision for employee benefits		
- Compensated absence, unfunded	462.58	247.57
- Gratuity, funded	747.60	395.74
- Others	-	53.52
	1,210.18	**696.83**

(a) Gratuity

The Company 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 March 31, 2018 and March 31, 2017. The following table set out the reconciliation of opening and closing balances of the present value and defined benefit obligation.

(i) Change in projected benefit obligation

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Present value of obligation at the beginning of year	1,555.87	1,596.61
Current service cost	114.31	116.57
Interest cost	100.39	117.02
Past Service Cost -(vested benefits)	182.53	-
Benefits paid	(48.00)	(55.97)
Benefits paid directly by the company	(62.40)	-
Actuarial (gain)/loss on obligation	(15.55)	(218.36)
Defined benefit obligation at end of the year	**1,827.15**	**1,555.87**

Notes to the financial statements for the year ended March 31, 2018

(ii) Change in plan assets

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Fair value of plan assets at the beginning of the year	630.49	617.71
Adjustments to opening balance of plan assets	(4.34)	(7.37)
Return of plan assets (excl. int. income)	7.48	(3.37)
Interest income	41.72	44.74
Contributions during the year	42.85	34.76
Benefits paid during the year	(48.00)	(55.98)
Fair value of planned assets at the end of the year	**670.20**	**630.49**

(iii) Reconciliation of present value of obligation on the fair value of plan assets

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Present value of projected benefit obligation at the end of the year	1,827.15	1,555.87
Funded status of plan	(670.20)	(630.49)
Net liability recognised in the balance sheet	**1,156.95**	**925.38**

(iv) Expenses recognised in the Statement of Profit and Loss:

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	114.31	116.57
Net interest cost	58.68	72.28
Past service cost (vested benefits)	182.53	-
Expense for the year	**355.52**	**188.85**

Recognised in other comprehensive income:

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial gain for the year	(15.55)	(218.36)
Return on plan assets excluding net interest	(7.49)	3.37
Total expenditure recognised	**(23.04)**	**(214.99)**

Notes to the financial statements for the year ended March 31, 2018

(v) Key actuarial assumptions

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.29%	6.69%
Salary escalation	6.00%	6.00%
Attrition rate	13.33%	13.33%
Expected rate of return on plan assets	6.69%	6.69%
Mortality rate	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Return on plan assets excluding net interest	7.51	3.37

The estimates of future salary increase considered in actuarial valuation take 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.

(vi) Impact on defined benefit obligations

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Assumptions		
Sensitivity level		
- Discount rate : 1% increase	(56.52)	(84.72)
- Discount rate : 1% decrease	81.36	96.55
- Future salary : 1% increase	69.91	70.70
- Future salary : 1% decrease	(28.00)	(66.52)

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

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Advance from customers	-	22.37
Statutory dues	1,086.65	1,661.00
	1,086.65	**1,683.37**

Notes to the financial statements for the year ended March 31, 2018

20. Revenue from operations

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
- Ferro alloys (including excise duty of ₹ 624.76 lakhs (March 31, 2017: ₹ 2,368.06 lakhs)	67,334.12	42,073.06
- Sugar (including excise duty of ₹ 202.57 lakhs (March 31, 2017: ₹ 818.51 lakhs)	13,753.43	13,887.86
- Power	19,100.90	17,989.09
- Others	2,151.72	2,229.11
Sale of services		
- Ferro alloys coversion charges	21,561.10	19,034.58
- Operation and maintenance services	4,377.61	1,865.50
Other operating revenue		
- Export incentive income	1,003.10	854.80
- Utility services	304.43	525.05
- Sale of by-products	521.03	91.38
- Scrap sales	175.47	136.98
- Others	581.09	350.05
	130,864.00	**99,037.46**

21. Other income

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on financial assets measured at amortised cost	2,636.90	3,062.11
Income from investments		
- Change in fair value	198.11	-
- Gain on sale of investments	75.75	22.22
- Dividend income	34.04	14.53
Other non-operating income		
- Gurantee commission	836.22	1,640.81
- Fair value gain on derivatives not designated as hedges	223.47	-
- Others	643.20	357.38
	4,647.69	**5,097.05**

Notes to the financial statements for the year ended March 31, 2018

22. Cost of materials consumed

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	7,529.69	7,395.80
Add: Purchases	83,374.81	55,952.49
	90,904.50	**63,348.29**
Cost of material sold	-	213.67
Inventory at the end of the year	14,254.54	7,529.69
	76,649.96	**55,604.93**

23. Change in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year		
Stock-in-trade	54.66	73.75
Finished goods	12,039.02	9,574.77
Work-in-progress	631.96	1,258.40
	12,725.64	**10,906.92**
Inventory at the end of the year		
Stock-in-trade	65.07	54.66
Finished goods	11,933.70	12,039.02
Work-in-progress	297.30	631.96
	12,296.07	**12,725.64**
	429.57	**(1,818.72)**

24. Other manufacturing expenses

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	3,733.13	3,068.63
Power, fuel and water	589.60	750.44
Briquetting expenses	410.71	339.23
Fly ash bricks manufacturing	10.91	51.46
Organic manure expenses	61.30	61.52
Raw material handling charges	1,398.88	1,307.46
Finished product handling charges	798.64	642.99
Cane development expenses	1,545.15	356.59
Testing and analysis charges	74.15	54.87
Other expenses	375.63	275.70
	8,998.10	**6,908.89**

Notes to the financial statements for the year ended March 31, 2018

25. Employee benefits expense

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	7,795.87	6,607.48
Contribution to provident and other funds (note (a) below)	358.28	376.31
Staff welfare expenses	406.94	452.05
Gratuity and other compensated absences	419.33	792.89
	8,980.42	**8,228.73**

(a) During the current year ended March 31, 2018, the Company contributed ₹344.77 lakhs (March 31, 2017: ₹369.88 lakhs) to provident fund and ₹7.91 lakhs (March 31, 2017:₹3.58 lakhs) towards employee state insurance fund.

26. Finance costs

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)
Interest cost on financial liabilities measured at amortized cost	1,060.84	3,142.33
Other borrowing cost		
Bank charges and commission	470.20	524.36
	1,531.04	**3,666.69**

27. Other expenses

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)
Rent	39.80	49.21
Repairs and maintenance		
- Machinery	1,969.71	1,957.18
- Buildings	457.06	461.47
- Others	116.22	120.13
Rates and taxes	2,310.25	2,054.57
Freight and transportation	2,172.26	1,231.39
Insurance	235.47	307.53
Advertisement and sales promotion	10.50	9.92
Communication expense	57.68	67.80
Travelling and conveyance	247.22	193.83
Legal and professional charges	791.87	601.60
Foreign exchange fluctuations	1,104.13	-
Loss on forward contracts	-	1,342.19

Notes to the financial statements for the year ended March 31, 2018

Payments to auditors:		
as auditors	40.52	43.75
for other services	5.31	36.88
for reimbursement of expenses	-	0.25
Corporate social responsibility (CSR) expenses (refer note (a) below)	264.44	320.65
Loss on sale of assets/material	17.96	98.12
Open access charges	276.09	1,102.36
Unscheduled interchange charges	105.44	60.54
Ash disposal charges	406.40	334.06
Investments written off	-	27.00
Other expenses	693.23	1,268.61
	11,321.56	**11,689.04**

(a) Details of CSR expenditure

(₹ in lakhs)

	March 31, 2018	March 31, 2017
a. Gross amount required to be spent by the Company during the year	260.82	320.03
b. Amount spent during the year on:		
(i) Construction/acquisition of any asset	26.15	164.03
(ii) On purposes other than (i) above	238.29	156.62
Amount remaining to be spent	-	-

28. Income taxes

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)
Statement of Profit and Loss		
Current taxes	6,773.42	2,778.22
Deferred tax expense	785.76	1,518.20
Income tax expense reported in the Statement of Profit and Loss	**7,559.18**	**4,296.42**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic corporate tax rate for the year ended March 31, 2018 and March 31, 2017:

Notes to the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year	23,714.97	12,256.08
Tax rate applicable to the Company	34.608%	34.608%
Tax expense on net profit	8,207.28	4,241.59
Increase/(decrease) in tax expenses on account of:		
(i) Non-taxable income/exempt income	(1,501.36)	(1,716.13)
(ii) Depreciation on spares	62.64	63.86
(iii) Expenses inadmissible under the income tax act	341.91	176.21
(iv) Other adjustments	448.72	92.67
(v) Accelerated depreciation	-	1,438.22
	(648.09)	**54.83**
Tax as per normal provision under Income tax	7,559.19	4,296.42

29. Other comprehensive income

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial gain/(losses) on post employment benefit expenses	9.84	218.36
Return on plan assets excluding net interest	7.48	(3.37)
Deferred taxes on above	(6.00)	(74.40)
	11.32	**140.59**

30. Earnings per equity share

(₹ in lakhs except equity shares data and earnings per equity share)

	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)
(a) Net profit attributable to equity shareholders	16,155.79	7,959.66
(b) Computation of weighted average number of equity shares:		
Weighted average number of equity shares outstanding during the year	165,828,462	165,828,462
Add: Effect of potential dilutive shares	-	-
Weighted average number of equity shares adjusted for the effect of dilution	165,828,462	165,828,462
(c) Earnings per equity share		
Basic (in absolute ₹ terms)	9.74	4.80
Diluted (in absolute ₹ terms)	9.74	4.80

Notes to the financial statements for the year ended March 31, 2018

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:

(₹ in lakhs)

		As at March 31, 2018	As at March 31, 2017
(a)	The principal amount remaining unpaid as at the end of the year	708.91	546.43
(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 apppointed 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).	-	-

Notes to the financial statements for the year ended March 31, 2018

32. Fair Value measurements

(i) Financial instruments by category

(₹ in lakhs)

	As at March 31, 2018		As at March 31, 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments (other than subsidiaries)	874.10	0.50	682.36	0.50
Loans to related parties	-	44,863.75	-	46,364.18
Security deposits	-	1,226.74	-	1,184.39
Employee loans	-	34.72	-	46.93
Others	-	-	-	25.19
Trade receivables	-	17,261.21	-	9,794.44
Cash and cash equivalents	-	1,917.97	-	2,132.51
Other bank balances	-	1,295.34	-	1,470.28
Guarantee commission receivable	-	142.59	-	433.70
Interest accrued	-	2,011.08	-	2,476.83
Other financial assets	223.47	976.35	-	2,005.86
Financial liabilities				
Borrowings	-	32,889.22	-	28,451.21
Employee retention deposits	-	-	-	4.32
Rental deposits	-	33.40	-	33.40
Trade payables	-	7,728.22	-	7,138.29
Forward contract liability	-	-	1,342.19	-
Other financial liabilities	-	4,352.20	-	3,847.97

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 subsidiary.

(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:

a. The fair values of the quoted shares are based on price quotations at the reporting dates.

b. 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.

Notes to the financial statements for the year ended March 31, 2018

c. Fair value of Interest free loan given to employees and security deposits have been calculated by discounting future cash flows using rates currently available for debt on similar terms credit risk and remaining maturities.

d. 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 March 31, 2018 and March 31, 2017:

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2018:

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3
Financial Assets measured at FVTPL			
Investments	513.93	360.17	-
Other financial assets	-	223.47	-

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2017:

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3
Financial Assets			
Investments	408.63	273.73	-
Financial liability			
Derivative liability	-	1,342.19	-

33. Net debt reconciliation

The following table sets out an analysis of the movements in net debt for the year:

(₹ in lakhs)

Particulars	Current borrowings	Non - Current borrowings	Interest accrued
Net debt as on March 31, 2017	6,310.54	22,992.85	252.17
Cash flows	(25.15)	3,678.43	-
Interest expense	-	-	1,060.84
Interest paid	-	-	(1,058.62)
Forex adjustment	4.18	415.14	-
Net debt as on March 31, 2018	6,289.56	27,086.42	254.40

Notes to the financial statements for the year ended March 31, 2018

34. Contingent liabilities, commitments and pending litigations:

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Contingent Liabilities		
Guarantees excluding financial guarantees	25,092.38	68,982.29
Claims against the Company not acknowledged as debts relating to:		
- Cross subsidy charges (refer note (i) below)	3,927.53	2,441.53
- Electicity duty (refer note (ii) & (iii) below)	733.25	726.26
- Royalty on coal procurement (refer note (iv) below)	855.64	529.15
- Land lease charges (refer note (v) below)	274.86	264.33
- Central excise matters (refer note (vi) below)	1,036.15	1,232.07
- Service tax matters (refer note (vii) below)	714.47	711.40
- Customs matters (refer note (viii) below)	206.06	206.06
- Sales tax matters (refer note (ix) below)	144.23	144.23
- Others	232.82	366.86
Other money for which the Company is contingently liable:		
(i) Disputed income tax liabilities (refer note (x) below)	3,447.29	1,622.52
(ii) Others	-	198.81
Renewal power purchase obligation (refer note (xi) below)	897.99	683.75
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	14.98	163.69

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 (March 31, 2017: ₹2,441.53 lakhs) and ₹1,486.00 lakhs (March 31, 2017: Nil) 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 March 31, 2018. However, on the basis of assessment of the facts of the demands 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 year ended 31 March 2018 and 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 (March 31, 2017: ₹500.79 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 March 31, 2018. 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 does 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 (March 31, 2017: ₹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 March 31, 2018, 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) Ammendment 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, royalities 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 ₹828.73 lakhs (March 31, 2017: ₹502.24 lakhs) and ₹26.91 lakhs (March 31, 2017: ₹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 March 31, 2018. 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 (March 31, 2017: ₹264.33 lakhs). Subsequently, 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 does not foresee the said matter to have a significant effect on the financial statements. The matter is currently pending for disposal as at March 31, 2018.

(vi) (i) The Company had in the prior years, received various demand notices from the Central Excise Authorities for sums aggregating to ₹941.80 lakhs (March 31, 2017: ₹941.45 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 (March 31, 2017: ₹55.29 lakhs) and ₹737.00 lakhs (March 31, 2017: ₹935.34 lakhs) respectively and with the Honourable High Court of the Combined State of Andhra Pradesh and Telangana for a sum of ₹136.90 lakhs (March 31, 2017: ₹136.90 lakhs) and the Commissioner of Central Excise Appeals, Visakhapatnam for a sum of ₹12.60 lakhs (March 31, 2017: ₹12.26 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 ₹94.35 lakhs (March 31, 2017: ₹92.28 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 March 31, 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 March 31, 2018. 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

Notes to the financial statements for the year ended March 31, 2018

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 ₹147.79 lakhs (March 31, 2017: ₹139.79 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 March 31, 2018.

(ii) During the prior years, the Company had received certain demand notices from the Service tax Authorities for sums aggregating to ₹98.12 lakhs (March 31, 2017: ₹93.69 lakhs) alleging non compliances with the provisions of the Central Excise Credit Rules during certain months of the financial years beginning from April 1, 2016 until the March 31, 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 ₹60.76 lakhs (March 31, 2017: ₹59.10 lakhs), ₹14.65 lakhs (March 31, 2017: ₹13.56 lakhs) and ₹22.71 lakhs (March 31, 2017: ₹21.04 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 (March 31, 2017: ₹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 March 31, 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 March 31, 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), Bhubaneshwar, demanding an amount of ₹214.09 lakhs (March 31, 2017: ₹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 Commssioner of Customs, Excise and Service Tax Appellate Tribunal during the year ended March 31, 2017, which is pending for disposal as at March 31, 2018. 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 (March 31, 2017: ₹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 March 31, 2018. 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:

Notes to the financial statements for the year ended March 31, 2018

(₹ in lakhs)

Financial year ended	As at March 31, 2018	As at March 31, 2017
2004-05	311.60	311.60
2007-08	325.24	241.41
2008-09	114.94	113.19
2009-10	2,144.21	62.45
2010-11	176.11	257.84
2011-12	290.02	290.02
2012-13	85.19	346.02

(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 March 31, 2018 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 for captive consumption, thereby resulting in a electricity duty liability of ₹236.19 lakhs (March 31, 2017: ₹236.19 lakhs). The Honourable Supreme Court vide its interim order during the year ended March 31, 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 (March 31, 2017: ₹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 March 31, 2018 includes an amount of ₹189.93 lakhs (March 31, 2017: ₹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 (March 31, 2017: ₹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 March 31, 2018 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 (March 31, 2017: ₹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 (March 31, 2017: ₹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 respWondent, to certain other cases in respect of certain land allotments, illegal land encroachments and other matters which are pending for disposal as at March 31, 2018 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 March 31, 2018 do not require any adjustments in this regard.

Notes to the financial statements for the year ended March 31, 2018

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	Subsidiary
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	
Maamba Collieries Limited	Step-down subsidiary
NB Rufiji Private Limited	
NB Tanagro Limited	
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	
D. Ashok	Key Management Personnel (KMP)
P. Trivikrama Prasad	
G. R. K. Prasad	
C.V. Durga Prasad	
D. Nikhil	Relatives of KMP
Dr. D. Rajasekhar	

(b) Transactions with related parties

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Nava Bharat (Singapore) Pte. Limited		
Sale of ferro alloys	-	6,016.26
Interest income	2,204.15	2,469.44
Guarantees renewed	16,408.39	-
Guarantee Commission income	338.80	753.94
Invesments in equity shares	10,599.07	-
Reimbursements received	-	11.85

Notes to the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Maamba Collieries Limited		
Project support services rendered	-	444.02
Reimbursements received	-	177.81
Staff support services rendered	60.98	148.12
Nava Bharat Energy India Limited		
Interest income on loans	160.11	-
Lease rent earned	1.84	2.11
Utility charges received	304.43	552.06
Sale of fly ash Bricks	3.45	6.89
Staff support services rendered	81.57	74.20
Staff support services availed	50.83	40.34
Loans granted	2,500.00	-
Collections made on behalf of the entity	-	569.17
Payments made on behalf of the entity	459.37	-
Nava Energy Pte. Limited		
Project support services rendered	4,377.61	1,421.48
Guarantee commission income	497.42	886.87
Finance provided (equity contributions in cash)	-	0.67
Reimbursements receivable	-	23.63
Nava Energy Zambia Limited		
Reimbursements receivable	-	15.27
Project support services rendered	66.84	-
Nava Agro Pte. Limited		
Invesments in equity shares	615.22	-
Nava Holding Pte. Limited		
Invesments in equity shares	639.09	-
Transactions with key management personnel		
Managerial Remuneration		
D. Ashok	698.51	464.20
P. Trivikrama Prasad	698.26	463.88
G. R. K. Prasad	341.52	275.85
C.V. Durga Prasad	282.23	217.10

Notes to the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Relatives of key managerial personnel		
Rent paid		
Dr. D. Rajasekhar	14.09	15.54
Remuneration		
D. Nikhil	8.02	6.68

(c) **Balances receivable/(payable)**

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Key Management personnel		
D Ashok	(512.07)	(286.16)
P Trivikrama Prasad	(512.07)	(286.16)
Subsidiaries		
Nava Bharat (Singapore) Pte. Limited	44,481.46	49,386.30
Nava Bharat Energy India Limited	2,696.13	(232.90)
Maamba Collieries Limited	12.30	483.26
Nava Energy Pte. Limited	1,075.21	1,120.04
Nava Energy Zambia Limited	108.14	-

(d) **Balances of corporate guarantees outstanding:**

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Provided on behalf of		
- Nava Bharat (Singapore) Pte Limited	-	29,285.88
- Nava Energy Pte Limited	25,092.38	24,965.33

(e) The Company has pledged its share of holdings in Nava Bharat Energy India Limited in connection with the loans availed by Nava Bharat Energy India Limited.

(f) **Key managerial personnel compensation**

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Short-term employee benefits	1,857.47	1,338.32
Post-employment defined benefit	83.85	17.88
Compensated absences	18.00	9.03
Termination benefits	61.20	55.80

(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 the 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 arms length prices. The Company is in the process of updating the transfer pricing documentation for the financial year ended March 31, 2018. 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. 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 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:

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Fixed rate instruments		
Financial assets		
Loans	44,863.75	46,364.18
Deposits with banks	1,295.34	1,470.28
Variable rate instruments		
Financial liabilities		
Borrowings*	32,889.22	28,451.21

Notes to the financial statements for the year ended March 31, 2018

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:

(₹ in lakhs)

	Change in basis points	March 31, 2018	March 31, 2017
Increase in basis points	50.00	164.45	142.26
Decrease in basis points	(50.00)	(164.45)	(142.26)

* The Company has entered into interest rate swap arrangement against the variable rate borrowing amounting to ₹15,986.24 lakhs (March 31, 2017: ₹22,140.67 lakhs) and accordingly the impact of interest rate sensitivity as mentioned above is expected to be offset proporationately.

(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 derivate contracts against principle amount. The counterparty for these contracts are banks.

($ in lakhs)

	USD	March 31, 2018	March 31, 2017
Derivatives not designated as hedges			
Forward contract	Buy	$247.91	$344.90
Forward contract	Sell	$30.00	$30.00

Foreign currency exposure as at each reporting date:

(In lakhs)

	As at March 31, 2018		As at March 31, 2017	
	Foreign currency	₹	Foreign currency	₹
United states dollars (USD):				
Financial assets				
- Trade and other receivables	85.83	5,594.26	114.28	7,410.01
- Loan	650.00	42,363.75	715.00	46,364.18
- Derivative asset	-	223.47	-	-

- Others	1.73	112.97	0.87	56.68
Financial liabilities				
- Borrowings	275.11	17,930.30	389.53	25,259.03
- Trade and other payables	3.91	254.85	0.50	32.42
- Interest accrued but not due	-	-	0.21	13.68

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)

Particulars	Change	March 31, 2018	March 31, 2017
USD sensitivity			
₹/USD - Increase by	5.00%	1,505.47	1,426.29
₹/USD - Decrease by	-5.00%	(1,505.47)	(1,426.29)

(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 uncertainities 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.

(₹ in lakhs)

Particulars	Change	March 31, 2018	March 31, 2017
NSE Nifty 50 sensitivity			
- Increase by	10.00%	51.39	40.86
- Decrease by	-10.00%	(51.39)	(40.86)

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.

(₹ in lakhs)

Particulars	Change	March 31, 2018	March 31, 2017
Net Asset value sensitivity			
- Increase by	10.00%	36.02	27.37
- Decrease by	-10.00%	(36.02)	(27.37)

Notes to the financial statements for the year ended March 31, 2018

(ii) Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty 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 counterparties. 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.

(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 March 31, 2018 and March 31, 2017. 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 homogenous 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 March 31, 2018:

Notes to the financial statements for the year ended March 31, 2018

(₹ in lakhs)

	On Demand	Upto 1 year	1 to 3 years	After 3 years
Borrowings	-	18,507.24	14,868.74	-
Trade payables	-	7,728.22	-	-
Financial guarantee contracts*	5,200.00	-	-	-
Other financial liabilities	-	4,352.20	33.40	-
	5,200.00	**30,587.66**	**14,902.14**	**-**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of March 31, 2017:

(₹ in lakhs)

	On Demand	Upto 1 year	1 to 3 years	After 3 years
Borrowings - Non-Current	-	14,288.22	15,015.17	-
Trade payables	-	7,138.29	-	-
Derivative liability	-	1,342.19	-	-
Financial guarantee contracts*	5,200.00	-	-	-
Other financial liabilities	-	3,847.97	37.72	-
	5,200.00	**26,616.67**	**15,052.89**	**-**

* Based on maximum amount that can be called for under the financial guarantee contract.

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.

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Borrowings #	32,889.22	28,451.21
Less: Cash and cash equivalents	1,917.97	2,132.51
Net Debt	**30,971.25**	**26,318.70**
Total equity	277,024.84	262,547.30
Equity and net debt	**307,996.09**	**288,866.00**
Gearing ratio	10.06%	9.11%

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.

Notes to the financial statements for the year ended March 31, 2018

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 March 31, 2018 and March 31, 2017.

39. Proposed distribution

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Proposed dividends on Equity shares:		
Final dividend for the year ended on March 31, 2018: ₹1.50 (March 31, 2017: ₹1.00) per share	2,529.44	1,686.28
Dividend distribution tax (DDT) on the above	514.99	343.29

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.

40. Restatement of financial statements:

During the year ended March 31, 2018, the management has reclassified and made adjustments to the following account balances in the Balance Sheet and Statement of Profit and Loss for compliances with the recognition, measurement, presentation and disclosure requirements of Ind AS:

(i) Balance Sheet as at March 31, 2017

(₹ in lakhs)

	Notes	As at March 31, 2017 Reported	Adjustments	As at March 31, 2017 Reported
Non-current assets				
Financial assets				
(i) Loans	(a)	49,039.04	(2,674.87)	46,364.18
(ii) Other financial assets	(b)	1,958.68	(702.17)	1,256.51
Deferred tax assets (net)	(c)	-	13,212.67	13,212.67
Other non-current assets	(b,c,d)	23,039.66	(21,924.79)	1,114.87
Current assets				
Financial assets				
(i) Bank balances other than cash and cash equivalents	(e)	110.24	1,360.04	1,470.28
(ii) Others financial assets	(e,f)	7,827.01	(2,910.61)	4,916.40
Other current assets	(d,f)	10,256.97	(517.43)	9,739.54
Equity				
Other equity	(a,c,d)	266,962.36	(7,987.83)	258,974.53
Liabilities				
Non-current liabilities				
Deferred tax liabilities	(c)	4,223.96	(4,223.96)	-
Current liabilities				
Financial liabilities				
Other financial liabilities	(f,g)	14,662.25	(1,494.42)	13,167.83
Other current liabilities	(g)	2,134.30	(450.93)	1,683.37

Notes to the financial statements for the year ended March 31, 2018

(ii) Balance Sheet as at April 1, 2016

(₹ in lakhs)

	Notes	As at April 1, 2016 Reported	Adjustments	As at April 1, 2016 Restated
Non-current assets				
Financial assets				
(i) Loans	(a)	31,668.64	(2,674.86)	28,993.78
(ii) Other financial assets	(b)	2,244.54	(889.71)	1,354.83
Deferred tax assets (net)	(c)	-	14,805.27	14,805.27
Other non-current assets	(b,c,d)	22,770.79	(21,599.47)	1,171.32
Current assets				
Financial assets				
(i) Bank balances other than cash and cash equivalents	(e)	74.46	1,496.08	1,570.54
(ii) Others financial assets	(e,f)	8,001.36	(767.79)	7,233.57
Other current assets	(d,f)	7,091.65	(728.29)	6,363.36
Equity				
Other equity	(a,c,d)	263,354.38	(7,649.98)	255,704.40
Liabilities				
Non-current liabilities				
Deferred tax liabilities	(c)	2,710.78	(2,710.78)	-
Current liabilities				
Financial liabilities				
Other financial liabilities	(f,g)	10,059.15	457.59	10,516.74
Other current liabilities	(g)	3,431.35	(457.59)	2,973.76

(iii) Statement of Profit and Loss:

(₹ in lakhs except earnings per equity share)

	Notes	March 31, 2017 Reported	Adjustments	March 31, 2017 Restated
Income				
Revenue from operations	(h)	97,934.00	1,103.46	99,037.46
Other income	(d,h)	6,458.94	(1,361.89)	5,097.05
Expenses				
Excise duty	(i)	-	3,641.66	3,641.66
Finance cost	(j)	5,008.88	(1,342.19)	3,666.69
Other expenses	(i,j)	13,988.51	(2,299.47)	11,689.04
Tax expense				
- Deferred tax expense	(c)	1,438.78	79.42	1,518.20
Earnings per equity share (EPES)				
- Basic (In absolute ₹ terms)		4.65		4.80
- Diluted (In absolute ₹ terms)		4.65		4.80

Notes to the financial statements for the year ended March 31, 2018

Notes: Represents

(a) accouting for treasury stock to the tune of ₹2,674.87 lakhs (April 1, 2016: ₹2,674.87 lakhs) by adjusting the balance of other equity.

(b) reclassification of the balances with government authorities to the ₹702.17 lakhs (April 1, 2016: ₹889.71 lakhs) to other non-current assets.

(c) reclassification of the balances of MAT credit entitlement to the tune of ₹21,436.21 lakhs (April 1, 2016: ₹21,436.21 lakhs) from other non-current assets, recognition and reclassificaiton of deferred tax liabilities to the tune of ₹3,998.58 lakhs (April 1, 2016: ₹3,920.16 lakhs) and ₹4,223.96 lakhs (April 1, 2016: ₹2,710.78 lakhs), respectively, including recognition of deferred tax expense to the tune of ₹79.42 lakhs for the year ended March 31, 2017.

(d) reclassification of prepaid expense amounting to ₹122.66 lakhs (April 1, 2016: ₹Nil) from other current assets to other non-current assets and de-reognition of interest acccrued on treasury stock to the tune of ₹1,313.41 lakhs (April 1, 2016: ₹1,054.27 lakhs) by adjusting the balance of other equity including adjustment of ₹258.43 lakhs to other income for the year ended March 31, 2017.

(e) reclassification of the balances of margin money deposits from other financial assets.

(f) reclassification of the balances of accrued revenues and accrued interest to the tune of ₹532.06 lakhs (April 1, 2016: ₹138.77 lakhs) and ₹58.04 lakhs (April 1, 2016: ₹589.52 lakhs), respectively from other current assets, reclassification of other assets to the tune of ₹195.33 lakhs (April 1, 2016: ₹Nil) to other current assets and adjustment of derivative assets with other financial liabilities to the tune of ₹1,945.35 lakhs (April 1, 2016: ₹Nil).

(g) reclassification of interest accrued and unpaid dividends to the tune of ₹252.17 lakhs (April 1, 2016: ₹250.14 lakhs) and ₹198.76 lakhs (April 1, 2016: ₹207.45 lakhs), respectively from other current liabilities.

(h) reclassification of other operating income to the tune of ₹1,103.46 lakhs from other income.

(i) reclassification of excise duty expense to the tune of ₹3,641.66 lakhs from other expenses.

(j) reclassification of loss on forward contracts to the tune of ₹1,342.19 lakhs to other expenses.

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's Registration No.: 001076N/N500013

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad, India
Date : May 30, 2018

For and on behalf of the Board of Directors of
Nava Bharat Ventures Limited

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director
DIN: 00006852

VSN Raju
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director
DIN: 00006887

D. Ashok
Chairman
DIN: 00006903

Place: Hyderabad, India
Date : May 30, 2018

Form AOC-I:

Statement containing salient features of the financial statements of Subsidiaries and Associate Companies for the year ending March 31, 2018
(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

₹ in lakhs

Name of the subsidiary	Reporting Currency	Exchange rate on the last date of the relevant financial year	Share Capital	Reserves and surplus	Total Assets	Total Liabilities	Invest-ments	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Share holding
Nava Bharat Energy India Limited	₹	-	20,000.00	32,517.62	77,143.41	77,143.41	-	29,419.71	(211.47)	60.00	(271.47)	-	100.00
Nava Bharat Projects Limited	₹	-	9,080.40	15,317.54	24,600.28	24,600.28	24,251.62	706.85	253.97	57.41	196.56	-	100.00
Brahmani Infratech Private Limited	₹	-	6,312.50	2,275.41	11,757.74	11,757.74	7,162.65	432.91	310.81	66.72	244.09	-	65.74
Nava Bharat (Singapore) Pte. Limited	US $	65.1750	1,13,958.49	(5,775.45)	1,53,146.44	1,53,146.44	84,255.28	4,018.98	44.49	744.68	(700.19)	-	100.00
Nava Energy Pte. Limited	US $	65.1750	0.65	502.09	2,587.08	2,587.08	0.58	6,635.67	1,099.98	83.86	1,016.12	-	100.00
Nava Holding Pte Limited	US $	65.1750	652.40	0.29	653.77	653.77	0.04	4.70	0.29	-	0.29	-	100.00
Nava Agro Pte Limited	US $	65.1750	619.81	(4.58)	617.15	617.15	451.69	-	(2.96)	-	(2.96)	-	100.00
Maamba Collieries Limited	US $	65.1750	1,26,137.97	(45,643.85)	5,26,443.60	5,26,443.60	-	82,645.47	12,468.49	2,308.52	10,159.97	-	64.69
Nava Energy Zambia Limited	US $	65.1750	0.88	358.80	2,480.65	2,480.65	-	6,604.18	432.16	121.98	310.18	-	100.00
Kawambwa Sugar Limited	US $	65.1750	449.71	(106.36)	350.12	350.12	-	-	(106.36)	-	(106.36)	-	100.00
Taish Pte. Limited	SGD	49.5168	0.07	(85.51)	372.96	372.96	184.27	4.93	(85.51)	-	(85.51)	-	65.00
Compai Pharma Pte. Limited	SGD	49.5168	0.07	(6.05)	51.93	51.93	0.02	0.11	(6.05)	-	(6.05)	-	65.00
TIS Pte. Limited	SGD	49.5168	189.15	(10.25)	297.06	297.06	4.46	152.75	(27.14)	(2.48)	(24.66)	-	42.25
The Iron Suites Pte. Limited	SGD	49.5168	4.95	(182.36)	38.36	38.36	-	27.87	(181.13)	-	(181.13)	-	38.02
Compai Healthcare Sdn. Bhd	MYR	16.8520	0.02	(9.34)	22.90	22.90	-	0.02	(9.34)	-	(9.34)	-	65.00

Notes:

1. Names of subsidiaries which are yet to commence operations : Nil
2. Names of subsidiaries which have been liquidated or sold during the year : NB Tanagro Limited and NB Rufiji Private Limited are under process of striking off

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

G.R.K. Prasad
Executive Director
DIN: 00006852

P. Trivikrama Prasad
Managing Director
DIN: 00006887

D. Ashok
Chairman
DIN: 00006903

Place: Hyderabad, India
Date : May 30, 2018

Independent Auditor's Report

To
The Members of
Nava Bharat Ventures Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Nava Bharat Ventures Limited ('the Holding Company' or 'the 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 2018, 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.

   Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') 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 cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control 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. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, and 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity

with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group, as at 31 March 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matters

9. We draw attention to:

   i) note 35(xviii) 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.

   ii) note 35(xix) to the consolidated financial statements describing the uncertainty over the outcome of proceeding 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 qualified in respect of the above matters.

Other Matters

10. We did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets of ₹688,155.24 lakhs and net assets of ₹192,183.81 lakhs as at 31 March 2018, total revenues of ₹100,553.52 lakhs and net cash outflows amounting to ₹33,588.32 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 covered under the Act, is based solely on the reports of the other auditors.

    Further, all of these subsidiaries are located outside India whose financial statements and other financial information 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 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, in respect of subsidiaries covered under the Act, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

11. We did not audit the financial statements/financial information of four subsidiaries, whose financial statements/financial information reflect total assets of ₹373.68 lakhs and net assets of ₹334.68 lakhs as at 31 March 2018, total revenues of ₹Nil and net cash inflows amounting to ₹86.83 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information are unaudited and 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 to the extent covered under the Act, are based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements / financial information are not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, in respect of subsidiaries covered under the Act, are not modified in respect of the above matter with respect to our reliance on the financial statements/financial information certified by the management.

12. The Consolidated financial statements of the Company as at and for the year ended 31 March 2017 were audited by the Company's predecessor auditor who had expressed an unmodified opinion on those consolidated financial statements vide their report dated 27 May 2017. The balances as at 31 March 2017 as per the audited consolidated financial statements, duly read in conjunction with note 44, have been considered as opening balances for the purpose of these consolidated financial statements.

Report on Other Legal and Regulatory Requirements

13. 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 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2018 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 Auditor's) 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 to the consolidated financial statements;

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act;

(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

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad
Date : May 30, 2018

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 March 31, 2018

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 2018, 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 2018, 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

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad
Date : May 30, 2018

Consolidated Balance Sheet as at March 31, 2018

(₹ in lakhs)

	Notes	As at March 31, 2018	As at March 31, 2017 (Restated)	As at April 1, 2016 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	3	575,311.77	176,100.50	176,458.32
Capital work-in-progress		969.36	396,929.32	357,398.51
Investment property	4	2,294.67	2,282.41	2,288.11
Goodwill	5	36,041.72	35,859.23	36,636.19
Other intangible assets	5	662.42	533.86	493.93
Financial assets				
(i) Investments	6	1,610.59	1,685.67	1,715.00
(ii) Loans		-	-	515.20
(iii) Other financial assets	7	1,361.32	6,288.00	2,291.70
Deferred tax assets (net)	17	16,525.94	20,609.29	22,700.24
Other non-current assets	8	3,013.38	4,417.96	8,982.03
		637,791.17	**644,706.24**	**609,479.23**
Current assets				
Inventories	9	40,427.61	39,978.22	40,676.74
Financial assets				
(i) Investments	6	15,878.25	39,413.12	3,758.84
(ii) Trade receivables	10	72,549.91	16,622.58	20,843.68
(iii) Cash and cash equivalents	11	27,804.48	62,295.02	62,599.42
(iv) Bank balances other than (iii) above	11	4,050.80	2,360.23	5,539.23
(v) Loans	12	35.98	18.82	5,036.87
(vi) Other financial assets	7	2,771.56	21,187.20	2,389.88
Current tax assets (net)		1,035.50	1,403.68	638.50
Other current assets	8	20,767.13	16,097.95	11,611.86
		185,321.22	**199,376.82**	**153,095.02**
Total Assets		**823,112.39**	**844,083.06**	**762,574.25**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	3,572.77	3,572.77	1,787.01
Other equity	14	334,895.08	312,650.64	310,517.61
Equity attributable to equity holders of holding company		**338,467.85**	**316,223.41**	**312,304.62**
Non-controlling interests		31,859.97	27,568.31	27,496.17
		370,327.82	**343,791.72**	**339,800.79**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	15	332,390.36	357,637.18	323,796.89
(ii) Other financial liabilities	16	425.42	21,856.43	17,295.55
Provisions	18	5,206.36	5,118.36	2,149.44
Deferred tax liabilities (net)		84.18	-	-
Current liabilities				
Financial liabilities				
(i) Borrowings	15	12,521.09	11,233.02	14,745.23
(ii) Trade payables	32	12,565.51	8,910.76	15,016.05
(iii) Other financial liabilities	16	84,071.79	87,955.76	43,624.52
Other current liabilities	19	3,495.88	6,328.45	4,586.27
Provisions	18	1,901.28	700.36	1,102.00
Current tax liabilities (net)		122.70	551.02	457.51
Total Liabilities		**452,784.57**	**500,291.34**	**422,773.46**
Total Equity and Liabilities		**823,112.39**	**844,083.06**	**762,574.25**

The accompanying notes 1 to 44 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 Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sanjay Kumar Jain
Partner
Membership No.: 207660

For and on behalf of the Board of Directors of
Nava Bharat Ventures Limited

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director
DIN: 00006852

VSN Raju
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director
DIN: 00006887

D. Ashok
Chairman
DIN: 00006903

Place: Hyderabad, India
Date : May 30, 2018

Place: Hyderabad, India
Date : May 30, 2018

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in lakhs except earnings per equity shares)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)
Revenue from operations	20	234,778.37	138,671.39
Other income	21	6,938.52	6,939.56
Total income		**241,716.89**	**145,610.95**
Expenses			
Cost of materials consumed	22	96,213.55	69,657.72
Excise duty		(89.95)	3,641.66
Purchases of stock-in-trade		242.16	404.17
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	5,961.54	(3,251.93)
Other manufacturing expenses	24	17,661.43	14,757.14
Employee benefits expense	25	14,786.05	13,167.45
Finance costs	27	24,633.77	7,217.12
Depreciation and amortisation expense	26	22,841.76	9,040.00
Other expenses	28	20,704.97	22,942.92
Total expenses		**202,955.28**	**137,576.25**
Profit before exceptional items and tax		**38,761.61**	**8,034.70**
Exceptional items		-	7,859.63
Profit before tax		**38,761.61**	**15,894.33**
Tax expense			
(a) Current tax	29	8,624.54	4,267.43
(b) Deferred tax expense		2,339.40	2,341.11
		10,963.94	6,608.54
Profit for the year		**27,797.67**	**9,285.79**
Net profit attributable to:			
- Shareholders of the Company		23,801.78	8,700.22
- Non-controlling interest		3,995.89	585.57
Other comprehensive income	30		
Items that will not be reclassified subsequently to profit or loss		433.30	(1,713.02)
Income tax relating to the above items		(5.64)	(74.35)
Total other comprehensive income for the year		**427.66**	**(1,787.38)**
Total comprehensive income for the year		**28,225.33**	**7,498.41**
Total comprehensive income attributable to:			
- Shareholders of the Company		23,933.67	6,864.71
- Non-controlling interest		4,291.66	633.70
Earnings per equity share (EPES)	31		
Basic EPES (In absolute ₹ terms)		14.35	5.25
Diluted EPES (In absolute ₹ terms)		14.35	5.25

The accompanying notes 1 to 44 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 Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad, India
Date : May 30, 2018

For and on behalf of the Board of Directors of
Nava Bharat Ventures Limited

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director
DIN: 00006852

VSN Raju
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director
DIN: 00006887

D. Ashok
Chairman
DIN: 00006903

Place: Hyderabad, India
Date : May 30, 2018

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)*
Cash flow from operating activities:		
Profit before tax	**38,761.61**	**15,894.33**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	22,841.76	9,040.00
Amortisation of prepaid lease rentals	-	5.07
Investments written-off	-	27.00
Deferred rental income	-	(4.29)
Interest income of employee loans	-	(11.27)
Income on employee retention deposits	-	(1.71)
Employee benefits expense	368.60	-
Provision for decommissioning and restoration cost	303.75	-
Liabilities no longer required written back	(79.57)	(104.71)
Interest income from bank deposits and others	(3,360.16)	(4,064.46)
Changes in fair value of investments	(1,076.40)	283.97
Gains on sale of investments	(302.03)	(391.30)
Dividend Income	(182.00)	(1,030.26)
(Gain)/loss on sale of property, plant and equipment	(188.80)	70.26
Bad debts written-off	-	927.75
Profit on disposal of subsidiary	-	(2,687.35)
Recognition of Government grant	-	(5,172.28)
Interest expense	23,154.34	6,334.04
Unrealised foreign exchange loss (net)	412.14	-
Foreign currency translation difference	114.60	-
Adjustment for changes in working capital:		
Decrease / (increase) in inventories	(449.39)	698.53
Decrease / (increase) in trade receivables	(55,919.81)	3,293.35
(Increase) / decrease in other financial assets	16,437.72	(22,013.77)
(Increase) / decrease in other assets	(4,868.24)	(1,064.96)
(Decrease) / increase in trade payables	3,654.75	(6,105.29)
(Decrease) / increase in other financial liabilities	(10,470.07)	12,282.65
(Decrease) / increase in other current liabilities	(2,832.57)	2,098.28
Increase in provisions	624.85	359.30
	(11,816.53)	**(7,231.45)**
Cash generated from operations	**26,945.07**	**8,662.88**
Income taxes paid	(6,862.19)	(4,773.27)
Net cash generated from operating activities	**20,082.88**	**3,889.61**

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)*
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,988.94)	(51,610.60)
Proceeds from sale of fixed assets	533.17	4.86
Loans given/(received)	(17.16)	5,533.24
Investment in subsidiary	-	(1.32)
Changes in other bank balances	4,703.83	1,274.41
Receipts from employee welfare trust	340.00	-
Investments made during the year	(7,645.48)	(48,737.72)
Proceeds from sale of investments	32,633.86	13,996.82
Proceeds from sale of investment in a subsidiary	-	6,801.92
Dividend received	182.00	1,030.26
Interest received	3,870.37	3,901.98
Net cash generated from/(used in) investing activities	**26,611.65**	**(67,806.15)**
Cash flows from financing activities		
Proceeds from long-term borrowings	10,599.06	1,01,917.70
Repayment of long-term borrowings	(67,577.18)	(25,006.71)
Proceeds from /(repayment) of short-term borrowings, net	1,283.89	(3,512.21)
Dividends paid	(2,029.57)	(2,538.12)
Interest paid	(23,589.20)	(6,102.48)
Net cash generated from/(used in) financing activities	**(81,313.00)**	**64,758.18**
Net increase/(decrease) in cash and cash equivalents	**(34,618.47)**	**841.64**
Cash and cash equivalents at the beginning of the year	62,295.02	62,599.42
Foreign currency translation reserve	127.93	(1,146.04)
Cash and cash equivalents at the end of the year	**27,804.48**	**62,295.02**
Components of cash and cash equivalents:		
Cash on hand	15.87	24.42
Balances with banks:		
On current accounts	27,538.61	62,270.60
On deposit accounts	250.00	-
Total cash and cash equivalents (note 11)	**27,804.48**	**62,295.02**

*Duly restated for the effects of the matters disclosed in note 44.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad, India
Date : May 30, 2018

For and on behalf of the Board of Directors of
Nava Bharat Ventures Limited

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director
DIN: 00006852

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Company Secretary &
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Managing Director
DIN: 00006887

D. Ashok
Chairman
DIN: 00006903

Place: Hyderabad, India
Date : May 30, 2018

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

(a) Equity Share Capital

(₹ in lakhs except equity shares data)

	March 31, 2018		March 31, 2017	
	Number	Amount	Number	Amount
Equity shares of ₹2 each issued, subscribed and fully paid-up				
Balance at the beginning of the year	1785,75,482	3,572.77	92,87,741	1,787.01
Changes during the year	-	-	8,92,87,741	1,785.76
Balance at the end of the year	**1785,75,482**	**3,572.77**	**1785,75,482**	**3,572.77**

(b) Other Equity

(₹ in lakhs)

	Reserves and Surplus						Treasury shares	Other Comprehensive Income		Equity attributable to equity holders of holding comp any	Non-controlling interest	Total
	Capital reserve	Capital redemp-tion reserve	Securities premium reserve	General reserve	Other reserve	Surplus in statement of profit and loss		Foreign currency translation reserve	Actuarial gain/ (loss)			
Balance as at April 1, 2016	**60.20**	**826.39**	**26,214.22**	**89,352.41**	**33.60**	**190,929.11**	**(206.34)**	**13,210.63**	**38.91**	**320,459.13**	**27,496.17**	**347,955.30**
Prior period errors (refer note 44)	-	-	-	-	-	(7,062.19)	(2,879.33)	-	-	(9,941.52)	-	(9,941.52)
Balance as at April 1, 2016 (Restated)	**60.20**	**826.39**	**26,214.22**	**89,352.41**	**33.60**	**183,866.92**	**(3,085.67)**	**13,210.63**	**38.91**	**310,517.61**	**27,496.17**	**338,013.78**
Profit for the year	-	-	-	-	-	8,700.22	-	-	-	8,700.22	585.57	9,285.79
Dividend on equity shares	-	-	-	-	-	(2,529.43)	-	-	-	(2,529.43)	-	(2,529.43)
Corporate dividend tax	-	-	-	-	-	(514.93)	-	-	-	(514.93)	-	(514.93)
Issue of bonus shares	-	-	-	(1,785.76)	-	-	-	-	-	(1,785.76)	-	(1,785.76)
Adjustment on account of sale of subsidiary	-	-	-	-	-	98.53	-	(0.09)	-	98.44	-	98.44
Adjustments	-	-	-	-	-	-	-	-	-	-	(561.57)	(561.57)
Other comprehensive income for the year	-	-	-	-	-	-	-	(1,981.07)	145.56	(1,835.51)	48.13	(1,787.38)
Balance as at March 31, 2017 (Restated)	**60.20**	**826.39**	**26,214.22**	**87,566.65**	**33.60**	**189,621.31**	**(3,085.67)**	**11,229.47**	**184.47**	**312,650.64**	**27,568.31**	**340,218.94**
Profit for the year	-	-	-	-	-	23,801.78	-	129.60	-	23,931.38	3,995.89	27,927.27
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
Other comprehensive income for the year	-	-	-	-	-	-	-	-	2.63	2.63	295.77	298.40
Balance as at March 31, 2018	**60.20**	**826.39**	**26,214.22**	**87,566.65**	**33.60**	**211,393.52**	**(2,745.67)**	**11,359.07**	**187.10**	**334,895.08**	**31,859.97**	**366,755.05**

The accompanying notes 1 to 44 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad, India
Date : May 30, 2018

T. Hari Babu
Chief Financial Officer

VSN Raju
Company Secretary &
Vice President

Place: Hyderabad, India
Date : May 30, 2018

For and on behalf of the Board of Directors of
Nava Bharat Ventures Limited

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 for the year ended March 31, 2018

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") 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. The Companies 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 May 30, 2018.

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

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 derecognizes 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 for the year ended March 31, 2018

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	42.25%	65%
12.	The Iron Suites Pte. Limited*	Singapore	38.03%	90%
13.	Compai Healthcare Sdn. Bhd*	Malaysia	65%	100%
14.	Compai Pharma Pte. Limited*	Singapore	65%	100%
15.	Kawambwa Sugar Limited	Zambia	100%	100%
16.	NB Tanagro Limited	Tanzania	80%	80%
17.	NB Rufiji Private Limited	Tanzania	100%	100%

* Represents the entities acquired during the year ended March 31, 2018 from its erstwhile shareholders pursuant to a shareholder's agreement entered therewith.

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 for the year ended March 31, 2018

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 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 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. 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.

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/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 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.

Notes

to the Consolidated financial statements for the year ended March 31, 2018

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:**

An ore 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 ore reserve requires the size, shape and depth of orebodies 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 and Nava Bharat Projects Limited, subsidiaries of the company, have their principal objectives of engaging in the business of infrastructure development and operations and maintenance of power plants, project management support services and investment consultancy service, respectively. However, owing to pending disposal of a continuing litigation, the management has temporarily invested the available funds as at March 31, 2018, 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 the aforesaid Companies. Accordingly, the Companies have not got themselves registered under the aforesaid provisions as at March 31, 2018.

xi. **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.

xii. **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. The value recognised is the present value of the estimated future restoration costs attributable to the current period.

xiii. **Decommissioning and dismantling cost:**

Provision is made for costs associated with restoration of the land in which the power generating assets of the Company 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 Company's obligations at that time.

Notes

to the Consolidated financial statements for the year ended March 31, 2018

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.

xiv. **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.

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;

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

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 derecognised 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.

Notes

to the Consolidated financial statements for the year ended March 31, 2018

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

h) 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 derecognised.

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 derecognised 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.

i) 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 is accounted for in the same way

Notes

to the Consolidated financial statements for the year ended March 31, 2018

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 ore 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 ore to be mined in the future, the costs are recognised as a noncurrent asset, referred to as a stripping activity asset, if the following criteria are met:

a) Future economic benefits (being improved access to the ore body) are probable

b) The component of the ore 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 ore 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 ore 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 ore 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 ore, 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 ore 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 ore 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 ore 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 ore body, the stripping activity asset is then carried at cost less depreciation and any impairment losses.

j) **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.

j (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.

Notes

to the Consolidated financial statements for the year ended March 31, 2018

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.

An intangible asset is derecognized 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.

k) **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.

l) **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.

m) **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.

n) **Revenue recognition:**

Revenue comprises of sale of goods, sale of power, rendering of services, income from

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interest and dividend, 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. Specifically, the following basis is adopted for various sources of income:

i. **Sale of goods:**

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. 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 in accordance with the terms of arrangement with customers and based on the units of energy delivered and 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. 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 provisions of operations and maintenance services are recognised in accordance with the terms agreed with the customers in the operations and maintenance agreement.

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.

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.

o) **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 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

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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.

p) **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 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.

q) **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 the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. 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.

r) **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".

s) **Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an

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to the Consolidated financial statements for the year ended March 31, 2018

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.

t) **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.

u) **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.

v) **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.

w) **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 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.

x) **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.

y) **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

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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 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 and shown as MAT credit entitlement.

z) 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.

aa) Fair value measurement:

The Group 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 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.

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.

ab) 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

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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.

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 derecognised 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 derecognised 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 the Statement of Profit and Loss as other income or finance costs.

ac) **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 18.

ad) **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.

ae) **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

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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 March 31, 2018, the Group's hedging instruments did not qualify for hedge accounting in accordance with the Group's policy. Hence the interest rate swap contracts are not designated in hedge relationships and are measured at FVTPL.

2.1 Recent accounting pronouncements:

Ind AS 115: Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect of adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on the consolidated financial statements and the impact is not considered to be significant.

Notes to the consolidated financial statement for the year ended March 31, 2018

3. Property, plant and equipment

(₹ in lakhs)

	Land - Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Air conditioners and coolers	Railway sidings	Power evacuation lines*	Air craft	Deferred stripping costs	Improvements to leased premises	Other assets	Total
Gross block															
As at April 1, 2016	3,377.97	26,423.75	148,227.43	109.46	2,153.48	77.22	14.69	35.24	358.72	7,009.01	1,938.36	2,877.38	54.50	423.53	193,080.74
Additions during the year	-	634.34	6,164.04	3.96	165.08	21.02	188.83	4.85	-	-	271.74	2,509.43	-	27.56	9,990.85
Disposals/Adjustments	-	11.97	313.19	3.77	139.70	0.77	-	0.84	-	-	-	-	-	5.53	475.77
Foreign currency translation adjustments	-	(115.32)	(704.12)	(1.18)	(37.77)	(0.43)	-	-	-	-	(49.90)	(142.24)	-	(0.24)	(1,051.20)
As at March 31, 2017	**3,377.97**	**26,930.80**	**153,374.16**	**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**	**201,544.62**
Additions during the year	-	41,906.06	346,461.23	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	76.41	285.03	-	4,918.57
As at March 31, 2018	**3,377.97**	**68,920.29**	**503,795.07**	**152.52**	**2,400.03**	**148.33**	**222.80**	**42.30**	**358.72**	**7,009.01**	**2,496.41**	**9,654.22**	**25,644.77**	**462.55**	**624,684.99**
Accumulated depreciation															
Up to 31 March 2016	-	1,385.54	10,780.24	80.89	900.94	8.87	4.19	10.55	37.71	266.92	522.89	2,520.89	12.30	90.49	16,622.42
Charge for the year	-	1,244.95	6,997.68	20.37	297.80	25.25	18.97	6.80	37.71	303.26	110.80	361.57	-	69.68	9,494.84
Disposals/Adjustments	-	6.21	214.93	0.67	123.66	0.77	-	0.79	-	-	-	-	-	1.65	348.68
Foreign currency translation adjustments	-	(13.84)	(204.01)	(1.18)	(24.19)	(0.23)	-	-	-	-	(14.68)	(66.11)	-	(0.22)	(324.46)
Up to March 31, 2017	**-**	**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
Up to March 31, 2018	**-**	**5,381.19**	**37,429.64**	**125.11**	**1,388.39**	**72.26**	**64.05**	**21.71**	**113.13**	**578.44**	**1,092.41**	**2,759.64**	**126.49**	**220.76**	**49,373.22**
Net block															
As at March 31, 2018	3,377.97	63,539.10	466,365.43	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	575,311.77
As at March 31, 2017	3,377.97	24,320.36	136,015.18	9.06	1,090.20	63.92	180.36	22.69	283.30	6,438.83	1,541.19	2,428.22	42.20	287.02	176,100.50

* 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.

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4. Investment property

(₹ in lakhs)

	Land	Building	Total
Gross block			
As at April 1, 2016 (Restated)	2,131.34	173.93	2,305.27
Additions during the year	-	-	-
As at March 31, 2017	**2,131.34**	**173.93**	**2,305.27**
Additions during the year	17.96	-	17.96
As at March 31, 2018	**2,149.30**	**173.93**	**2,323.23**
Accumulated depreciation			
Up to 31 March 2016	-	17.16	17.16
Charge for the year	-	5.70	5.70
Up to March 31, 2017	**-**	**22.86**	**22.86**
Charge for the year	-	5.70	5.70
Up to March 31, 2018	**-**	**28.56**	**28.56**
Net block			
As at March 31, 2018	2,149.30	145.37	2,294.67
As at March 31, 2017	2,131.34	151.07	2,282.41

(a) Fair value disclosure

(₹ in lakhs)

	March 31, 2018	March 31, 2017
Investment property	2,850.00	2,850.00

Estimation of fair value

The Group performs a valuations for its investment properties at least annually by its internal team. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources including:

(i) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;

(ii) discounted cash flow projections based on reliable estimates of future cash flows;

(iii) capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair value of investment properties have been determmined 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.

Notes

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5. Other intangible assets

(₹ in lakhs)

	Other intangible assets			Goodwill
	Computer Software	Water drawing rights	Total	
Gross block				
As at April 1, 2016	157.55	422.21	579.76	36,636.19
Additions during the year	108.52	-	108.52	-
Disposals	1.69	-	1.69	-
Foreign currency translation adjustments	(0.97)	-	(0.97)	(776.96)
As at March 31, 2017	**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
As at March 31, 2018	**621.54**	**422.21**	**1,043.75**	**36,041.72**
Accumulated amortization				
Up to 31 March 2016	73.24	12.58	85.83	-
Charge for the year	56.06	12.58	68.64	-
Disposals	1.68	-	1.68	-
Foreign currency translation adjustments	(1.03)	-	(1.03)	-
Up to March 31, 2017	**126.59**	**25.16**	**151.76**	**-**
Charge for the year	119.41	109.42	228.83	-
Foreign currency translation adjustments	0.74	-	0.74	-
Up to March 31, 2018	**246.74**	**134.58**	**381.33**	**-**
Net block				
As at March 31, 2018	374.80	287.63	662.42	36,041.72
As at March 31, 2017	136.82	397.05	533.86	35,859.23

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6. Investments

(₹ in lakhs)

	Face value	As at March 31, 2018	As at March 31, 2017
Non current			
(i) Investments in equity shares (fully paid-up)			
(a) Quoted - designated at FVTPL			
Nil (March 31, 2017: 63,300) shares in Avanthi Leathers Limited	₹10	-	0.63
76,830 (March 31, 2017: 76,830) shares in NB Footwear Limited	₹10	4.61	4.41
5,600 (March 31, 2017: 7,500) shares in Avathi Feeds Limited	₹2	125.14	55.31
8,000 (March 31, 2017: 8,000) shares in IDBI Bank Limited	₹10	5.78	6.01
22,800 (March 31, 2017: 22,800) shares in Andhra Bank	₹10	9.48	13.21
12,284 (March 31, 2017: 12,284) shares in TATA Consultancy Services Limited	₹1	349.99	298.72
9,651 (March 31, 2017: 9,651) shares in MOIL Limited	₹10	18.88	30.28
200 (March 31, 2017: 200) shares in Kothari Sugars and Chemicals Limited	₹10	0.02	0.03
2,857 (March 31, 2017:2,857) shares in The Jeypore Sugar Company Limited	₹10	0.03	0.03
		513.93	**408.63**
(b) Unquoted			
Investments carried at cost - Subsidiaries			
Nil (March 31, 2017: 1,000) shares of NB Tanagro Limited	USD 1	-	0.65
Nil (March 31, 2017: 1,000) shares of Kawambwa Sugar Limited	USD 1	-	0.67
Investments designated at FVTPL - Others			
75,000 (March 31, 2017: 646,000) shares in Srinivasa Cystine Limited	₹10	360.17	271.14
Nil (March 31, 2017: 25,884) shares in Kinnera Power Company Private Limited	₹10	-	2.58
(ii) Investment in government Securities (at amortised cost)			
- 6 years National Savings Certificates		0.50	0.50
(iii) Investments in preference shares of other entities (fully paid-up) - designated at amortised cost			
736,000 (March 31, 2017: 736,000) 6% Cumulative redeemable preference Shares of A9 Realty Private Limited	₹100	736.00	736.00
Nil (March 31, 2017: 135,500) 6% Cumulative redeemable preference Shares of Rio Reality Private Limited fully paid up	₹100	-	135.50
Nil (March 31, 2017: 130,000) 6% Cumulative redeemable preference Shares of Juventus Infrastructure and Projects Private Limited	₹100	-	130.00
		1,610.59	**1,685.67**

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(₹ in lakhs)

	Face value	As at March 31, 2018	As at March 31, 2017
Current Investments			
Investements in mutual funds			
Unquoted - designated at FVTPL			
159,425 (March 31, 2017: 159,425) units in Birla Sunlife Income Fund		121.15	116.84
439,221 (March 31, 2017: 439,221) units in Birla Sunlife Short Term Opportunities Fund		126.74	119.18
1,219,448 (March 31, 2017: 1,219,448) units in ICICI Prudential Corporate Bond Fund		329.60	309.35
2,224,377 (March 31, 2017: 2,224,377) units in ICICI Prudential Income Opportunities Fund		540.05	511.79
228,833 (March 31, 2017: 228,833) units in ICICI Prudential Income Regular Fund		125.98	119.63
685,251 (March 31, 2017: 685,251) units in ICICI Prudential Regular Savings Fund		127.30	119.02
5,745,343 (March 31, 2017: 5,745,343) units in Kotak Income Opportunities Fund		1,098.81	1,030.95
10,513,866 (March 31, 2017: 10,513,866) units in L&T Income Opportunities Fund		2,093.04	1,962.57
8,633,274 (March 31, 2017: 8,633,274) units in Reliance Corporate Bond Fund		1,209.80	1,136.64
3,363,247 (March 31, 2017: 973,929) units in Reliance Regular Savings Fund		814.16	220.66
2,088,409 (March 31, 2017: 2,088,409) units in UTI Income Opportunities Fund		330.95	310.44
Nil (March 31, 2017: 4,319,157) units in IDFC Arbitration (Dividend Payout) Fund		-	546.41
Nil (March 31, 2017: 4,378,759) units in IDFC Corporate Bond Fund		-	489.17
Nil (March 31, 2017: 3,189,518) units in HDFC Short Term Fixed Maturity Plan		-	1,033.72
3,642,124 (March 31, 2017: Nil) units in ICICI Prudential Equity Arbitrage Fund		496.79	-
4,373,558 (March 31, 2017: Nil) units in Kotak Arbitrage Fund - Monthly Dividend		467.65	-
97,591 (March 31, 2017: 79,838) units in Kotak Low Duration Fund Standard Growth		2,071.97	1,582.77
198,391 (March 31, 2017: 198,391) units in Birla Sunlife Savings Fund		678.31	632.18
2,073,187 (March 31, 2017: 2,073,187) units in HDFC Cash Management Fund		713.88	671.92
5,848,911 (March 31, 2017: 5,848,911) units in HDFC Short Term Opportunities Fund		1,121.51	1,052.10
4,850,368 (March 31, 2017: 4,552,479) units in ICICI Purudential Equity Arbitrage Fund		661.60	625.60
Nil (March 31, 2017: 127,784) units in ICICI Purudential Money Market Fund		-	286.72
1,258,420 (March 31, 2017: 1,258,420) units in IDFC Super Saver Income Fund		445.12	419.96
4,859,111 (March 31, 2017: 4,859,111) units in Kotak Income Opportunities Fund		929.32	871.92
12,810 (March 31, 2017: 12,810) units in Tata Floater Fund		337.41	315.78
1,953 (March 31, 2017: Nil) units in Reliance Liquid Fund - Growth		82.48	-
8,927,812 (March 31, 2017: 6,508,601) units in Kotak Equity Arbitrage Fund		954.63	699.49

Notes

to the Consolidated financial statements for the year ended March 31, 2018

(₹ in lakhs)

	Face value	As at March 31, 2018	As at March 31, 2017
Quoted - designated at FVTPL			
Investments in debt securities*		-	24,228.31
		15,878.25	**39,413.12**
Aggregate amount of Quoted Investments		513.93	24,636.94
Aggregate amount of Un-Quoted Investments		16,974.92	16,461.85
Aggregate amount of Impairment in Value of Investments		93.72	91.86

* Represents investment securities pledged with bank as a security against the loan availed by Nava Bharat (Singapore) Pte. Limited.

7. Other financial assets

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
(Unsecured, considered good)		
Non-current		
Restricted cash*	-	4,279.77
Security deposits	1,275.91	1,192.90
Staff loans	34.72	45.79
Fixed deposits maturing after 12 months from the balance sheet date	50.69	67.38
Others	-	702.16
	1,361.32	**6,288.00**
Current		
Restricted bank balances		
- Margin money deposits**	-	2,097.94
- Unpaid dividend accounts	179.47	198.76
Staff loans	102.64	30.81
Forward contract asset	1,689.72	-
Receivables from sale of power during trial operations	-	16,955.53
Other receivables	136.80	553.09
Security deposits	134.88	158.87
Interest accrued	149.93	660.14
Accrued conversion charges	378.12	532.06
	2,771.56	**21,187.20**

* Represents Nil (March 31, 2017: ₹4,279.77 Lakhs) (USD equivalent: 6.6 millions) amounts held by Maamba Collieries Limited (MCL), Zambia which is restricted for utilisation in the day to day operations in accordance with the terms of the power purchase agreement with a customer.

** Represents deposits held with banks as security against borrowings, guarantees and other arrangements.

Notes

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8. Other assets

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
(Unsecured, considered good)		
Non-current		
Capital advances	2,537.26	4,140.90
Payments made under protest *	271.73	265.50
Prepaid expenses	204.39	11.56
	3,013.38	**4,417.96**
Current		
Advances to vendors	10,754.63	6,504.79
Balances with government authorities	9,163.75	8,007.76
Prepaid expenses	766.81	1,158.72
Other receivables	81.94	426.68
	20,767.13	**16,097.95**

* Represents payments made to government authorities in protest in connection with the ongoing disputes.

9. Inventories (at lower of cost or net realisable value)

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Raw materials (including raw material in transit aggregating to ₹ Nil (March 31, 2017: ₹ lakhs 982.94)	15,751.77	9,711.02
Work-in-progress	297.30	631.96
Finished goods	19,875.61	25,507.10
Stock-in-trade	68.58	63.97
Stores and spares (including material in transit aggregating to ₹ Nil (March 31, 2017: ₹ lakhs 9.89)	4,433.45	4,063.28
Others	0.90	0.89
	40,427.61	**39,978.22**

10. Trade receivables

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
Secured, Considered good	-	-
Unsecured, Considered good	72,549.91	16,622.58
	72,549.91	**16,622.58**

Notes

to the Consolidated financial statements for the year ended March 31, 2018

11. Cash and bank balances

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
Cash and cash equivalents		
Balances with bank		
- on current accounts	27,538.61	62,270.60
Deposits with maturity less than 3 months	250.00	-
Cash on hand	15.87	24.42
	27,804.48	**62,295.02**
Bank balances other than above		
Deposits with bank with maturity period from 3 to 12 months	2,447.34	2,360.23
Margin money deposits *	1,603.46	-
	4,050.80	**2,360.23**
	31,855.28	**64,655.25**

* Represents deposits held with banks as security against borrowings, guarantees and other arrangements of the group.

12. Loans

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
Current		
(Unsecured, Considered Good)		
Other receivables	35.98	18.82

Notes

to the Consolidated financial statements for the year ended March 31, 2018

13. Equity Share Capital:

(₹ in lakhs except equity shares data)

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of ₹2 each	250,000,000	5,000.00	250,000,000	5,000.00
	250,000,000	**5,000.00**	**250,000,000**	**5,000.00**
Issued and subscribed share capital				
Equity shares of ₹2 each	178,826,957	3,576.54	178,826,957	3,576.54
	178,826,957	3,576.54	178,826,957	3,576.54
Fully paid-up share capital				
Equity shares of ₹2 each	178,575,482	3,571.51	178,575,482	3,571.51
Add: Forfeited shares of ₹2 each (amount originally paid up)	-	1.26	-	1.26
	178,575,482	**3,572.77**	**178,575,482**	**3,572.77**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

(₹ in lakhs except equity shares data)

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Balance at the beginning of the year	178,575,482	3,571.51	89,287,741	1,785.75
Issue of bonus shares	-	-	89,287,741	1,785.76
Balance at the end of the year	**178,575,482**	**3,571.51**	**178,575,482**	**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.

(c) Details of shareholders holding more than 5% equity shares in the Company

(₹ in lakhs except equity shares data)

	As at March 31, 2018		As at March 31, 2017	
	Number	% age	Number	% age
Nav Developers Limited	15,840,362	8.87%	15,840,362	8.87%
Wellington Management Company, LLP with its PAC	8,979,168	5.03%	15,630,053	8.75%
D Bhaktapriya	9,802,900	5.49%	9,802,900	5.49%

Notes

to the Consolidated financial statements for the year ended March 31, 2018

(d) Details of treasury shares held by the Company

(i) The paid up share capital includes 9,947,020 (March 31, 2017: 9,947,020) equity shares of ₹2/- each fully paid up, owned by the Company, pursuant to order of Hon'ble High Court of Andhra Pradesh dated 30 December 1996 in the Scheme of amalgamation of Nav Chrome Limited with the Company, which are vested in a Trustee (NAV Energy Private Limited) for the benefit of the Company which are to be sold and net sale proceeds are to be paid to the Company and such shares are not considered for dividend and treated as treasury shares and reduced from other equity.

(ii) The paid up share capital includes 2,800,000 (March 31, 2017: 2,800,000) equity shares of ₹2/- each fully paid up, held by Nava Bharat Employee Welfare Trust towrads the General Employees Benefit Scheme (GEBS). Consequently, the said shares have been accounted for as a treasury stock as at March 31, 2018, thereby adjusting the balance of other equity.

(e) Aggregate number of bonus shares issued during five years immediately preceeding the date of Balance Sheet:

During the year ended March 31, 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 equity share held on the date of issue.

14. Other Equity

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
Capital reserve		
Balance at the beginning and end of the year	**60.20**	**60.20**
Capital redemption reserve		
Balance at the beginning and end of the year	**826.39**	**826.39**
Securities premium reserve		
Balance at the beginning and end of the year	**26,214.22**	**26,214.22**
Treasury Shares		
At the beginning of the year	(3,085.67)	(3,085.67)
Less: Adjustments*	340.00	-
At the end of the year	**(2,745.67)**	**(3,085.67)**
General reserve		
At the beginning of the year	87,566.65	89,352.41
Less: Bonus issue of equity shares	-	(1,785.76)
At the end of the year	**87,566.65**	**87,566.65**
Other reserves		
Subsidies - Balance at the beginning and end of the year	33.60	33.60
Surplus in Statement of Profit and Loss		
At the beginning of the year	189,621.31	183,866.92
Net surplus on subsidaries sold/written off during the year	-	98.53
Profit for the year	23,801.78	8,700.22
At the end of the year	**213,423.09**	**192,665.67**

Notes

to the Consolidated financial statements for the year ended March 31, 2018

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
Appropriations:		
Dividend on Equity Capital	(1,686.28)	(2,529.43)
Corporate Dividend Tax	(343.29)	(514.93)
At the end of the year	**211,393.52**	**189,621.31**
Other comprehensive income		
(i) Actuarial gain/(loss) on post employment benefits		
At the beginning of the year	184.47	38.91
for the year	2.63	145.56
At the end of the year	**187.10**	**184.47**
(ii) On Foreign currency translation reserve		
At the beginning of the year	11,229.47	13,210.63
Net surplus/deficit on subsidaries sold/written off during the year	-	(0.09)
for the year	129.60	(1,981.07)
At the end of the year	**11,359.07**	**11,229.47**
	334,895.08	**312,650.64**

Nature and purpose of reserves

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.

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.

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Treasury shares

(i) Represents 9,947,020 (March 31, 2017: 9,947,020) equity shares of ₹2/- each fully paid up, vested with the Company, pursuant to order of Hon'ble High Court of Andhra Pradesh dated 30 December 1996 in the Scheme of amalgamation of Nav Chrome Limited with the Company, which are vested in a Trustee (NAV Energy Private Limited) for the benefit of the Company which are to be sold and net sale proceeds are to be paid to the Company and such shares are not considered for dividend and treated as treasury shares and reduced from other equity.

(ii) Represents amounts paid to Nava Bharat Employee Welfare Trust in the earlier years towards acquisition of 1,400,000 (March 31, 2017: 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 March 31, 2017 have been accounted for as a treasury stock as at March 31, 2018, thereby adjusting the balance of other equity.

Notes

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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 Company. 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.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income.

*Represents adjustment on account of repayment of monies lent to the Nava Bharat Employee Welfare Trust.

15. Borrowings

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Non current borrowings		
Secured		
Term loans		
- From banks (refer notes (a),(b), (d) to (g) and (j))	311,072.10	360,582.85
- From others (refer notes (h) to (i) and (j))	59,422.17	66,196.37
Other loan - from banks (refer note (c))	486.76	852.18
Unsecured		
- From related parties (refer note (k))	17,258.04	-
	388,239.07	**427,631.40**
Less: Current maturities of long-term borrowings	(55,848.71)	(69,994.22)
	332,390.36	**357,637.18**
Current borrowings		
Secured		
Loans repayable on demand		
Working capital loan from bank (refer notes (l) and (n))	8,091.45	8,114.66
Buyers credit (refer note (m))	1,944.06	3,118.36
Unsecured		
Loans from related parties (refer note (o))	2,485.58	-
	12,521.09	**11,233.02**

(a) Terms loans outstanding to the tune of ₹15,986.24 lakhs (March 31, 2017: ₹22,140.67 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 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 INR to USD and fixing the interest rate in accordance with the terms of the arrangement.

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(b) Terms loans outstanding to the tune of ₹10,613.42 lakhs (March 31, 2017: ₹Nil) 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 further secured by way of pleadge 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.

(c) Other loan from bank outstanding to the tune of ₹486.76 lakhs (March 31, 2017: ₹852.18 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.

(d) All the above term loans carry an interest rate ranging from 3.89% to 11.40% per annum (March 31, 2017: 3.87% to 11.60%).

(e) Term loans availed by Nava Bharat Energy India Limited (NBEIL) from banks and outstanding to the tune of ₹15,788.52 lakhs (March 31, 2017: ₹21,065.67 lakhs) are secured by pari-pasu 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 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 Nava Bharat Veture 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. The said loans carry interest in the range of 10.15% to 10.90% per annum (March 31, 2017: 11% per annum) and is payable monthly. The loans are repayable in 36 equal quarterly installments commencing from 1 April 2013.

(f) Term loans availed by Maamba Colleries Limited (MCL) and outstanding to the tune of ₹11,079.75 lakhs, ₹202,205.41 lakhs and ₹55,398.75 lakhs (March 31, 2017: ₹12,320.55 lakhs, ₹224,850.02 lakhs and ₹61,707.15 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. (March 31, 2017: 5%, 5% and 6.50% above LIBOR p.a.), respectively. These loans are repayable in 20 half yearly installments. As at March 31, 2018, MCL has repaid three 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.

(g) Loans availed by Nava Bharat (Singapore) Pte Limited (NBS) and outstanding to the tune of ₹Nil (March 31, 2017: ₹18,498.79 lakhs) availed carry an interest rate of nil (March 31, 2017: range of 1.1% to 1.15% p.a.), respectively. These loans are secured by a charge on investment securities (debt securities) held by NBS amounting to ₹Nil (March 31, 2017: ₹24,228.30 lakhs).

(h) Term loans availed by Maamba Colleries Limited (MCL) and outstanding to the tune of ₹30,469.31 lakhs and ₹27,595.31 lakhs (March 31, 2017: ₹33,881.51 lakhs and ₹30,719.59 lakhs) carry an interest rate of 7.75% and 6.60% above LIBOR p.a. (March 31, 2017: 7.57% and 6.60% above LIBOR p.a.), respectively. These loans are repayable in 20 half yearly installments. As at March 31, 2018, MCL has repaid three 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 Colleries Limited (MCL) and outstanding to the tune of ₹1,357.55 lakhs (March 31, 2017: ₹1,595.28 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 Colleries Limited (MCL) from ZCCM Investments Holding Plc carrying an interest rate of 6% p.a. This loan is repayable in 5 annual installments commencing a year after the Commercial Operations Date (COD) of MCL.

(l) Working capital loans outstanding to the tune of ₹4,345.50 lakhs (March 31, 2017: ₹3,192.18 lakhs) represents cash credit facility availed from banks and carry an interest linked to the respective Bank's prime/base lending rates, currently at 9.25% per annum (March 31, 2017: 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

Notes

to the Consolidated financial statements for the year ended March 31, 2018

present and future and rank pari pasu with the other lenders. The facility is further secured by a pari pasu second charge on all fixed assets of the company both present and future.

(m) Working capital loans outstanding to the tune of ₹3,745.95 lakhs (March 31, 2017: ₹4,922.48 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 currents 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 the Company 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 9.50% per annnum (March 31, 2017: 9.50% to 10.50% per annum).

(n) Buyers credit outstanding are availed from banks and carry an interest rate linkted to the respective Bank's prime/base lending rates and ranges between 1.73% to 1.75% per annum (March 31, 2017: 1.75%). The said facility is secured by hypothecation of all chargeable current assets of the Company and rank pari pasu with the other lenders. The facility is further secured by a pari pasu second charge on all fixed assets of the company both present and future.

(o) Represents amounts due to related parties, which are repayable in accordance with the terms of the lending arrangement.

16. Other financial liabilities

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
Non current		
Employee deposits	1.82	6.85
Other retention deposits	33.40	33.40
Dues to related parties	-	17,170.65
Other liabilities	390.20	4,645.53
	425.42	**21,856.43**
Current		
Dues to		
- Directors	1,049.14	598.38
- Employees	1,810.69	975.28
Security deposits		
- Employee deposits	0.84	113.49
- Others	4,512.95	3,440.48
Forward contract liability	1.58	1,342.19
Interest accrued but not due on borrowings	282.35	717.21
Unpaid dividends	179.47	198.76
Accrual for expenses		
- Related parties	257.94	-
- Others	3,082.10	8,220.68
Current maturities of long-term borrowings	55,848.71	69,994.22
Creditors for capital goods	16,985.68	-
Other liabilities	60.34	2,355.08
	84,071.79	**87,955.76**

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to the Consolidated financial statements for the year ended March 31, 2018

17. Break-up of amounts disclosed on the face of Balance Sheet:

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	16,525.94	20,609.29
Deferred tax liabilities	84.18	-
Deferred tax assets, net	**16,441.76**	**20,609.29**

Deferred tax assets, net

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017 (Restated)
Deferred tax assets/(liabilities):		
- Financial assets reported at fair value	(131.82)	(92.31)
- Minimum Alternate Tax (MAT) credit entitlement	27,183.26	29,070.20
- On carried forward business losses	5,273.53	6,016.60
- Property, plant and equipment and intangible assets	(17,672.01)	(15,689.31)
- Employee benefits	1,299.96	797.56
- Others	488.84	506.55
Deferred tax assets, net	**16,441.76**	**20,609.29**

Movement in deferred tax assets:

(₹ in lakhs)

	As at March 31, 2017	(Charge)/credited to		MAT credit utilisation	As at March 31, 2018
		Statement of Profit and Loss	Other Comprehensive 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)	(39.51)	-	-	(131.82)
(iv) Others	506.55	(17.71)	-	-	488.84
(v) On carried forward business losses	6,016.60	(743.07)	-	-	5,273.53
(vi) Movement in Minimum Alternate Tax (MAT) balances	29,070.20	(64.44)	-	(1,822.50)	27,183.26

Notes

to the Consolidated financial statements for the year ended March 31, 2018

Movement in deferred tax assets:

(₹ in lakhs)

	As at April 1, 2016	(Charge)/credited to		MAT credit utilisation	As at March 31, 2017
		Statement of Profit and Loss	Other Comprehensive Income		
(i) Property, plant and equipment and intangible assets	(13,389.96)	(2,299.35)	-	-	(15,689.31)
(ii) Employee benefits	661.42	210.49	(74.35)	-	797.56
(iii) Financial assets reported at fair value	0.45	(92.76)	-	-	(92.31)
(iv) Others	548.56	(42.01)	-	-	506.55
(v) On carried forward business losses	6,396.78	(380.18)	-	-	6,016.60
(vi) Movement in Minimum Alternate Tax (MAT) balances	28,482.99	587.21	-	-	29,070.20

Deferred tax assets on certain tax credits aggregating to ₹3,327.19 lakhs (March 31, 2017 : ₹ 82.63 lakhs) has not been recognied by the Company and one of its overseas subsidiary on the basis of assessment of reasonable certainity of availability of future taxable profits.

18. Provisions

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Non-current		
Provision for employee benefits		
- Compensated absence, unfunded	591.21	721.01
- Gratuity, funded	527.27	613.22
Provision for decomissioning costs	826.03	764.84
Provision for environment rehabilitation costs	3,261.85	3,019.29
	5,206.36	**5,118.36**
Current		
Provision for employee benefits		
- Compensated absence, unfunded	472.18	249.05
- Gratuity, funded	759.01	397.79
- Others	-	53.52
Other provisions	670.09	-
	1,901.28	**700.36**

Notes

to the Consolidated financial statements for the year ended March 31, 2018

(a) Reconciliation of provision for decomissioning costs:

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Carrying amount at the beginning of the year	**764.84**	**708.19**
Unwinding of discount	61.19	56.65
Utilised during the year/Adjustments	-	-
Carrying amount at the end of the year	**826.03**	**764.84**

(b) Reconciliation of provision for environment rehabilitation costs:

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Carrying amount at the beginning of the year	**3,019.29**	**549.73**
Recognised during the year	-	2,427.99
Unwinding of discount	227.20	53.23
Foreign currency translation adjustments	15.36	(11.66)
Carrying amount at the end of the year	**3,261.85**	**3,019.29**

(c) Gratuity

The Company 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 March 31, 2018 and March 31, 2017. 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

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Present value of obligation at the beginning of year	1,641.50	1,665.99
Current service cost	121.98	125.36
Interest cost	107.65	122.08
Past service cost - (vested benefits)	204.46	-
Benefits paid	(53.51)	(58.91)
Benefits paid directly by the company	(62.40)	-
Actuarial (gain)/loss on obligation	(3.20)	(213.02)
Defined benefit obligation at end of the year	**1,956.48**	**1,641.50**

Notes

to the Consolidated financial statements for the year ended March 31, 2018

(ii) Change in plan assets

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Fair value of plan assets at the beginning of the year	630.49	617.71
Adjustments to opening balance of plan assets	(4.34)	(7.37)
Return of plan assets (excl. int. income)	7.48	(3.37)
Interest income	41.72	44.74
Contributions during the year	42.85	34.76
Benefits paid during the year	(48.00)	(55.98)
Fair value of planned assets at the end of the year	**670.20**	**630.49**

(iii) Reconciliation of present value of obligation on the fair value of plan assets

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Present value of projected benefit obligation at the end of the year	1,956.48	1,641.50
Fair value of plan assets	(670.20)	(630.49)
Net liability recognised in the balance sheet	**1,286.28**	**1,011.01**

(iv) Expenses recognised in the Statement of Profit and Loss:

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	121.98	125.36
Net interest cost	65.92	77.35
Past service cost (Vested benefits)	182.54	-
Expense for the year	**370.44**	**202.71**

Recognised in other comprehensive income:

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial (gain) /loss for the year	(3.20)	(213.02)
Return on plan assets excluding net interest	(7.49)	3.37
Total expenditure recognised	**(10.69)**	**(209.65)**

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to the Consolidated financial statements for the year ended March 31, 2018

(v) Key actuarial assumptions

	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.29% to 7.68%	6.69%
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	6.69%	6.69%
Mortality Rate	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Return on plan assets excluding net interest	7.51%	7.51%

The estimates of future salary increase considered in actuarial valuation take 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.

(vi) Impact on defined benefit obligations

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Assumptions		
Sensitivity level		
- Discount rate : 1% increase	(69.18)	(96.02)
- Discount rate : 1% decrease	96.33	110.38
- Future salary : 1% increase	81.61	80.61
- Future salary : 1% decrease	(37.98)	(76.16)

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

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Advance from customers	43.64	22.37
Statutory dues	3,407.30	6,306.08
Other liabilities	44.94	-
	3,495.88	**6,328.45**

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to the Consolidated financial statements for the year ended March 31, 2018

20. Revenue from operations

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of goods		
- Ferro alloys (including excise duty of ₹ 624.76 lakhs (March 31, 2017: ₹ 2,368.06 lakhs)	67,334.12	42,073.06
- Sugar (including excise duty of ₹ 202.57 lakhs (March 31, 2017: ₹ 818.51 lakhs)	13,753.43	13,887.86
- Power	118,491.54	46,247.99
- Coal	8,736.47	6,821.35
- Others	2,151.72	2,395.21
Sale of services		
- Ferro alloys coversion charges	21,561.10	19,034.58
- Operation and maintainence services	-	6,778.12
- Others	42.85	-
Other operating revenue		
- Export incentives	1,003.10	854.80
- Sale of by-products	521.03	91.38
- Scrap sales	175.47	136.98
- Others	1,007.54	350.06
	234,778.37	**138,671.39**

21. Other income

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on financial assets measured at amortised cost	3,360.16	4,253.23
Income from investments		
- Changes in fair value	1,076.40	-
- Gain on sale of investments	302.03	391.30
- Dividend income	182.00	1,030.26
Other non-operating income		
- Fair value gain on derivatives not designated as hedges	1,673.35	-
- Others	344.58	1,264.77
	6,938.52	**6,939.56**

Notes

to the Consolidated financial statements for the year ended March 31, 2018

22. Cost of materials consumed

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	8,728.08	10,761.68
Add: Purchases	103,237.24	67,837.79
Less: Cost of material sold	-	213.67
Less: Inventory at the end of the year	15,751.77	8,728.08
	96,213.55	**69,657.72**

23. Change in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year		
Stock-in-trade	63.97	73.75
Finished goods	25,507.10	23,987.22
Work-in-progress	631.96	1,258.40
	26,203.03	**25,319.37**
Inventory at the end of the year		
Stock-in-trade	68.58	63.97
Finished goods	19,875.61	25,507.10
Work-in-progress	297.30	631.96
	20,241.49	**26,203.03**
	5,961.54	**(883.66)**
Less: Amount capitalised during the period	-	(2,368.27)
	5,961.54	**(3,251.93)**

24. Other manufacturing expenses

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	4,002.38	3,432.14
Mining expenses	3,407.44	3,242.91
Raw material handling charges	2,097.57	1,708.35
Operational and maintenance expenses	3,397.61	3,182.12
Cane development expenses	1,545.15	356.59
Power and fuel	1,429.10	1,362.51
Finished product handling charges	798.64	642.99
Others	983.54	829.53
	17,661.43	**14,757.14**

Notes

to the Consolidated financial statements for the year ended March 31, 2018

25. Employee benefits expense

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	12,972.17	10,927.30
Contribution to provident and other funds (note a)	467.29	731.09
Staff welfare expenses	670.90	759.18
Gratuity and other compensated absences	675.69	749.88
Total	**14,786.05**	**13,167.45**

(a) During the current year ended March 31, 2018, the Company contributed ₹368.63 lakhs (March 31, 2017: ₹389.43 lakhs) to provident fund and ₹7.91 lakhs (March 31, 2017:₹3.58 lakhs) towards employee state insurance fund.

26. Depreciation and amortisation expense:

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment	24,064.20	9,494.84
Amortisation of intangible assets	228.83	68.64
Depreciation on investment property	5.70	5.70
	24,298.73	**9,569.18**
Less: Amount capitalised as deferred stripping costs	1,456.97	529.18
	22,841.76	**9,040.00**

27. Finance costs

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)
Interest cost on financial liabilities measured at amortized cost	23,154.34	6,547.01
Other borrowing cost		
Bank charges and commission	1,479.43	670.11
	24,633.77	**7,217.12**

Notes

to the Consolidated financial statements for the year ended March 31, 2018

28. Other expenses

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
		(Restated)
Rent	256.16	151.04
Repairs and maintenance		
- Machinery	3,414.37	3,375.30
- Buildings	787.18	649.63
- Others	591.65	647.33
Rates and taxes	2,522.48	2,186.20
Freight and transportation	2,172.69	1,243.19
Insurance	2,264.16	772.91
Advertisement and sales promotion	19.18	106.86
Communications expenses	243.04	219.18
Travelling and conveyance	1,034.85	696.81
Legal and professional charges	2,367.87	3,503.77
Foreign exchange fluctuations	1,114.30	-
Payments to auditors		
as auditors	59.11	126.25
for taxation matters	4.95	-
for other services	-	34.09
for reimbursement of expenses	0.68	0.25
Corporate social responsibility (CSR) expenses (refer note (a) below)	890.31	940.49
Loss on sale of assets/material	0.14	106.42
Diminution in value of inventories	18.41	-
Investments written-off	-	27.00
Project expenditure	-	140.23
Bad debts written-off	-	927.75
Provision for other financial assets	-	186.71
Electricity expenses	-	106.89
Fair value loss on investments	-	472.77
Loss on forward contracts	-	1,342.19
Unscheduled interchange charges	363.14	258.00
Ash disposal charges	406.40	432.59
Open access charges	682.16	2,501.04
Others	1,491.74	1,788.03
	20,704.97	**22,942.92**

Notes

to the Consolidated financial statements for the year ended March 31, 2018

(a) **Details of CSR expenditure**

(₹ in lakhs)

	March 31, 2018	March 31, 2017
a. Gross amount required to be spent by the Company during the year	451.34	562.82
b. Amount spent during the year on:		
(i) Construction/acquisition of any asset	214.58	389.03
(ii) On purposes other than (i) above	675.73	551.46
Amount remaining to be spent	-	-

29. Income taxes

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)
Statement of Profit and Loss		
Current taxes	8,624.54	4,267.43
Deferred tax expense	2,339.40	2,341.11
Income tax expense reported in the Statement of Profit and Loss	**10,963.94**	**6,608.54**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic corporate tax rate for the year ended March 31, 2018 and March 31, 2017:

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year	38,761.61	15,894.33
Tax rate applicable to the company	34.608%	34.608%
Tax expense on net profit	**13,414.62**	**5,500.71**
Increase/(decrease) in tax expenses on account of:		
(i) Non-taxable income/exempt Income	(27,001.17)	(17,744.15)
(ii) Depreciation on spares	62.64	63.86
(iii) Expenses inadmissible under income tax	24,080.57	16,330.06
(iv) Other adjustments	279.26	8.85
(v) Effect of increase in tax losses in power division of a ovearseas subsidiary	610.57	81.96
(vi) Amounts pertaining to earlier years	26.16	219.26
(vii) On account of temporary differences of overseas subsidiary	(394.97)	(76.09)
(viii) Tax credited on business loss, depreciation and others	(83.42)	617.16
(ix) Foreign tax	710.21	1.60
(x) Difference in tax rates	(25.86)	-
(xi) Difference in tax rates of overseas subsidiaries	(714.66)	167.10
(xii) Accelerated depreciation	-	1,438.22
	(2,450.68)	1,107.83
Tax as per normal provision under Income tax	**10,963.94**	**6,608.54**

Notes

to the Consolidated financial statements for the year ended March 31, 2018

30. Other comprehensive income

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial gain/(losses) on post employment benefit expenses	8.28	220.01
Foreign currency translation adjustments	425.02	(1,933.04)
Deferred taxes on above	(5.64)	(74.35)
	427.66	**(1,787.38)**

31. Earnings per equity share [EPES]

(₹ in lakhs except equity shares data and earnings per equity share)

	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)
(a) Net profit attributable to equity shareholders	23,801.78	8,700.22
(b) Computation of weighted average number of equity shares:		
Weighted average number of equity shares outstanding during the year	165,828,462	165,828,462
Add: Effect of potential dilutive shares	-	-
Weighted average number of equity shares adjusted for the effect of dilution	**165,828,462**	**165,828,462**
(c) EPES:		
Basic (in absolute ₹ terms)	14.35	5.25
Diluted (in absolute ₹ terms)	14.35	5.25

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 Group. This has been relied upon by the auditors. Dues to such parties are given below:

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
(a) The principal amount remaining unpaid as at the end of the year	774.02	546.43
(b) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(c) Amount of interest paid by the Group in terms of Section 16, of (MSMED Act, 2006) along with the amounts of payments made beyond the apppointed 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)	-	-

Notes

to the Consolidated financial statements for the year ended March 31, 2018

33. Fair Value measurements

(i) Financial instruments by category

(₹ in lakhs)

	As at March 31, 2018		As at March 31, 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments (other than subsidiaries)	16,752.35	736.50	40,095.47	1,002.00
Restricted cash	-	-	-	4,279.77
Security deposits	-	1,275.91	-	1,192.90
Employee loans	-	34.72	-	45.79
Others	-	50.69	-	769.54
Trade receivables	-	72,549.91	-	16,622.58
Cash and cash equivalents	-	27,804.48	-	62,295.02
Other bank balances	-	4,050.80	-	2,360.23
Loans	-	35.98	-	18.82
Receivables from sale of power during trial operations	-	-	-	16,955.53
Other financial assets	1,689.72	1,081.84	-	4,231.67
Financial liabilities				
Borrowings	-	400,760.16	-	438,864.42
Employee retention deposits	-	2.66	-	120.33
Other deposits	-	4,546.35	-	3,473.88
Trade payables	-	12,565.51	-	8,910.76
Dues to related parties	-	-	-	17,170.65
Forward contract liability	1.58	-	1,342.19	-
Other financial liabilities	-	24,097.91	-	17,710.92

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.

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: a. The fair values of the quoted shares are based on price quotations at

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the reporting dates. b. 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. c. Fair value of Interest free loan given to employees and security deposits have been calculated by discounting future cash flows using rates currently available for debt on similar terms credit risk and remaining maturities. d. 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 March 31, 2018 and March 31, 2017:

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2018: (₹ in lakhs)

Particulars	Level 1	Level 2	Level 3
Financial Assets measured at FVTPL			
Investments	513.93	16,238.42	-
Other financial assets	-	1,689.72	-

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2017: (₹ in lakhs)

Particulars	Level 1	Level 2	Level 3
Financial Assets			
Investments	408.63	39,686.84	-
Financial liability			
Derivative liability	-	1,342.19	-

34. Net debt reconciliation

The following table sets out an analysis of the movements in net debt for the year: (₹ in lakhs)

Particulars	Current borrowings	Non - Current borrowings	Interest accrued
Net debt as on March 31, 2017	11,233.02	427,631,.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	-
Net debt as on March 31, 2018	**12,521.09**	**388,239.07**	**282.35**

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35. Contingent liabilities, commitments and pending litigations:

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Contingent Liabilities		
Claims against the Company not acknowledged as debts relating to:		
- Cross subsidy charges (refer note (i) below)	3,927.53	2,441.53
- Electicity duty (refer note (ii) & (iii) below)	733.25	726.26
- Land lease charges (refer note (iv) below)	274.86	264.33
- Royalty on coal procurement (refer note (v) below)	1,392.31	1,065.82
- Central excise matters (refer note (vi) below)	1,036.15	1,232.07
- Service tax matters (refer note (vii) below)	714.47	711.40
- Customs matters (refer note (viii) below)	206.06	206.06
- Sales tax matters (refer note (ix) below)	144.23	144.23
- Others	232.82	366.86
Other money for which the Company is contingently liable:		
(i) Disputed income tax liabilities (refer note (x) below)	3,447.29	1,622.52
(ii) Others	-	198.81
Renewal power purchase obligation (refer note (xi) below)	897.99	683.75
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- In relation to investment properties	266.11	521.16
- Others	14.98	28,420.40

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 (March 31, 2017: ₹2,441.53 lakhs) and ₹1,486.00 lakhs (March 31, 2017: Nil) 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 March 31, 2018.

(ii) During the year ended 31 March 2018 and 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 (March 31, 2017: ₹500.79 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 March 31, 2018.

(iii) The Company had received a demand notice from the Northern Power Distribution Company Limited for an amount of ₹186.93 lakhs (March 31, 2017: ₹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

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received an interim order from the Honourable High Court to this extent. Accordingly, pending final outcome of the case as at March 31, 2018, 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 (March 31, 2017: ₹264.33 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 does not foresee the said matter to have a significant effect on the financial statements. The matter is currently pending for disposal as at March 31, 2018.

(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) Ammendment 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, royalities of 30% and 2% would be levied on the buyer of coal towards DMFT charges and NMET charges, respectively. Further, debit notes were raised for the coal procured by the manufacturing facilities in the states of Odisha and Telangana for amounts aggregating to ₹1,338.49 lakhs (March 31, 2017: ₹1,012.00 lakhs) and ₹53.82 lakhs (March 31, 2017: ₹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 March 31, 2018.

(vi) (i) The company had in the prior years, received various demand notices from the Central Excise Authorities for sums aggregating to ₹941.80 lakhs (March 31, 2017: ₹941.45 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 (March 31, 2017: ₹55.29 lakhs) and ₹737.00 lakhs (March 31, 2017: ₹935.34 lakhs) respectively and with the Honourable High Court of the Combined State of Andhra Pradesh and Telangana for a sum of ₹136.90 lakhs (March 31, 2017: ₹136.90 lakhs) and the Commissioner of Central Excise Appeals, Visakhapatnam for a sum of ₹12.60 lakhs (March 31, 2017: ₹12.26 lakhs), as applicable.

(ii) The Company had received a demand notice from the Commissioner of Central Excise for an amount of ₹94.35 lakhs (March 31, 2017: ₹92.28 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 appeal with the Commissioner of Customs and Central Excise (Appeals), Hyderabad which was settled against the Company during the year ended March 31, 2018. Aggreived 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 March 31, 2018.

(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 ₹147.79 lakhs (March 31, 2017: ₹139.79 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 March 31, 2018.

(ii) During the prior years, the Company had received certain demand notices from the Service tax Authorities for sums aggregating to ₹98.12 lakhs (March 31, 2017: ₹93.69 lakhs) alleging non compliances with the provisions of the Central Excise Credit Rules during certain months of the financial years beginning from April 1, 2016 until the March 31, 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 ₹60.76 lakhs (March 31, 2017: ₹59.10 lakhs), ₹14.65 lakhs (March 31, 2017: ₹13.56 lakhs) and ₹22.71 lakhs (March 31, 2017: ₹21.04 lakhs), respectively.

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(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 (March 31, 2017: ₹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 March 31, 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 March 31, 2018 which is pending for disposal.

(viii) During the year ended 31 March 2016, the Company had received a demand notice from the Commissionerate of Customs (Preventive), Bhubaneshwar, demanding an amount of ₹214.09 lakhs (March 31, 2017: ₹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 Commssioner of Customs, Excise and Service Tax Appellate Tribunal during the year ended March 31, 2017, which is pending for disposal as at March 31, 2018.

(ix) The Company had received demands from the Sales tax authorities of the state of Telangana for an aggregate of ₹144.23 lakhs (March 31, 2017: ₹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 March 31, 2018.

(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 details of the assessments of relevant financial year which is subject to the demands and the amount of demand along with the interest and penalties demanded is as follows:

(₹ in lakhs)

Financial year ended	As at March 31, 2018	As at March 31, 2017
2004-05	311.60	311.60
2007-08	325.24	241.41
2008-09	114.94	113.19
2009-10	2,144.21	62.45
2010-11	176.11	257.84
2011-12	290.02	290.02
2012-13	85.19	346.02

(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.

(xii) The management, on the basis of its internal assessment of the facts of the above mentioned cases, the underlying nature of transactions, the assessment of the status of the cases and the applicable provisions of the respective Act/Law, is confident of the cases being settled in favour of the Company and accordingly, doesnot forsee any adjustments to the financial statements as at and for the year ended March 31, 2018 other than to the extent already provided for.

Other pending litigations:

(xiii) 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 (March 31, 2017: ₹236.19 lakhs). The Honourable Supreme Court vide its interim order during the year ended March 31, 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 (March 31, 2017: ₹137.28 lakhs) were 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.

(xiv) The balance of trade receivables as at March 31, 2018 includes an amount of ₹189.93 lakhs (March 31, 2017: ₹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 (March 31, 2017: ₹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 March 31, 2018 along with the other dues from GRIDCO and accordingly does not foresee any adjustments to the financial statements in this regard.

(xv) During the earlier years ferro alloy manufacturing unit of the Company at Paloncha, Telangana had received demands aggregating to ₹668.00 lakhs (March 31, 2017: ₹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 (March 31, 2017: ₹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.

(xvi) The Group 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 March 31, 2018 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 March 31, 2018 do not require any adjustments in this regard.

(xvii) Maamba Colleries Limited (MCL), a subsidiary of the Company has several pending litigations as at March 31, 2018. 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 March 31, 2018 do not require any adjustments in this regard.

(xviii) During the year ended 31 March 2007, the Brahmani Infratech Private Limited (BIPL), a subsidiary of the Company, 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 Codeveloper) 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 Codeveloper 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 codeveloper and the status of the work executed, BIPL had served the notice of forfeiture of the security deposit made by the Codeveloper 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 paid by it, 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 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. Further, MTPPL has also filed a petition with the above said City Civil Court seeking necessary directions to direct BIPL to restrain from utilisation of amounts aggregating to ₹4,975.00 lakhs, representing refunds received from APIIC. Pending disposal of these matters with the

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judiciary, the management on the basis of its internal assessment of the facts of the case is confident of settling these cases in favour of BIPL. Accordingly, claims aggregating to ₹5,178.95 lakhs (March 31, 2017: ₹4,240.70 lakhs) of MTPPL after adjustment of the balance of security deposit received as at March 31, 2018 has been disclosed as a contingent liability; while the claims of BIPL to the tune of ₹3,784.47 lakhs (March 31, 2017: ₹3,350.34 lakhs) on account of the aforesaid order being considered a contingent asset as at March 31, 2018.

(xix) Investigation into the allotment of coal blocks to Brahmani Thermal Power Private Limited (BTPPL), formerly Navabharat Power Private Limited (NPPL):

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 the then Director of the Company 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 March 31, 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 March 31, 2018. Pending disposal of the aforesaid matters, the management, on the basis of its internal assessment of the facts of the case, is confident of resolving the case in favour of the Company.

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.

Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties wherever available.

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(a) **Business segment**

For the year ended March 31, 2018

(₹ in lakhs)

Particulars	FAP	Power	Sugar	Mining	Unallocated	Total
Segment Revenue						
External sales	90,696.58	156,241.23	17,080.22	20,325.17	6,480.57	**290,823.77**
Inter segment sales	(496.95)	(37,412.21)	(110.97)	(11,588.72)	(6,436.55)	**(56,045.40)**
Total segment revenue	90,199.63	118,829.02	16,969.25	8,736.45	44.02	**234,778.37**
Expense						
Depreciation and amortisation expense	654.38	17,564.90	535.58	3,890.78	196.12	**22,841.76**
Results						
Segment result	7,459.32	51,608.95	191.83	2,365.07	1,770.21	**63,395.38**
Finance costs						24,633.77
Profit before tax						**38,761.61**

Other information as at March 31, 2018

(₹ in lakhs)

Particulars	FAP	Power	Sugar	Mining	Unallocated	Total
Segment assets	45,477.77	627,954.41	17,926.43	87,678.78	44,075.00	823,112.39
Segment liabilities	8,242.95	379,091.58	6,047.64	23,579.88	35,822.52	452,784.57
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

For the year ended March 31, 2017

(₹ in lakhs)

Particulars	FAP	Power	Sugar	Mining	Unallocated	Total
Segment Revenue						
External sales	63,281.64	82,419.85	17,226.49	13,626.27	166.35	**176,720.60**
Inter segment sales	-	(31,534.78)	(309.00)	(6,205.43)	-	**(38,049.21)**
Total segment revenue	**63,281.64**	**50,885.07**	**16,917.49**	**7,420.84**	**166.35**	**138,671.39**
Expense						
Depreciation and amortisation expense	625.59	5,984.27	414.81	1,895.61	119.72	**9,040.00**
Results						
Segment result	577.54	16,015.91	3,016.32	1,716.70	1,784.98	**23,111.45**
Finance costs						7,217.12
Profit before tax						**15,894.33**

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Other information as at March 31, 2017

(₹ in lakhs)

Particulars	FAP	Power	Sugar	Mining	Unallocated	Total
Segment assets	33,446.33	606,259.90	16,631.03	83,681.92	104,063.88	844,083.06
Segment liabilities	8,798.80	417,075.87	4,667.57	19,838.75	49,910.35	500,291.34

(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:

(₹ in lakhs)

Particulars	March 31, 2018	March 31, 2017
Revenues from external customers		
- India	114,687.37	109,937.30
- Zambia	79,099.84	6,821.35
- China	17,703.07	4,602.43
- Japan	18,899.04	2,695.16
- Other countries	4,389.05	14,615.15

(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:

(₹ in lakhs)

Particulars	March 31, 2018	March 31, 2017
- India	147,544.35	150,956.56
- Zambia	434,228.54	428,225.28
- Other countries	36,520.43	36,941.44

(iii) Information about major customers:

(a) During the year ended March 31, 2017, revenues from one of the customers of the Group's FAP segment was ₹19,034.58 lakhs representing 13.73% of the Group's total revenues.

(b) Revenues from two of the customers of the Group's Power segment were ₹127,700.74 lakhs (March 31, 2017: ₹57,172.31 lakhs) representing 54.39% (March 31, 2017: 41.23%) 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	Key Management Personnel (KMP)
D. Ashok	
P. Trivikrama Prasad	
G. R. K. Prasad	
D. Ashwin	Director
D. Nikhil	Relative of KMP
Dr. D. Rajasekhar	

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(b) Transactions with related parties

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
ZCCM Investments Holdings Plc		
Interest expense	2,485.39	1,032.02
Transaction costs	199.58	-
Transactions with key management personnel		
Managerial Remuneration		
D. Ashok	698.51	464.20
P. Trivikrama Prasad	698.26	463.88
G. R. K. Prasad	341.52	275.85
C.V. Durga Prasad	282.23	217.10
D. Ashwin	1,086.09	750.60
Relatives of key managerial personnel		
Rent paid		
Dr. D. Rajasekhar	14.50	15.54
Remuneration		
D. Nikhil	8.02	6.68

(c) Balances receivable/(payable)

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Key Management personnel		
D. Ashok	(512.07)	(286.16)
P. Trivikrama Prasad	(512.07)	(286.16)
Subsidiaries		
ZCCM Investments Holdings Plc	(20,001.56)	(18,805.20)

(d) Key managerial personnel compensation

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	2,943.56	2,088.92
Post-employment defined benefit	83.85	17.88
Compensated absences	18.00	9.03
Termination benefits	61.20	55.80

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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:

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Borrowings		
- Fixed rate instruments	21,101.17	1,350.68
- Variable rate instruments*	379,658.99	437,513.73

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 as follows:

(₹ in lakhs)

	Change in basis points	March 31, 2018	March 31, 2017
Increase in basis points	50.00	1,898.29	2,187.57
Decrease in basis points	(50.00)	(1,898.29)	(2,187.57)

* The Group has entered into interest rate swap arrangement against the variable rate borrowing amounting to ₹244,710.22 lakhs (March 31, 2017: ₹276,575.85 lakhs) and accordingly the impact of interest rate sensitivity as mentioned above is expected to be offset proporationately.

(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 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 derivate contracts against principle amount. The counterparty for these contracts are banks.

(In lakhs)

	USD	March 31, 2018	March 31, 2017
Derivatives not designated as hedges			
Forward contract	Buy	$247.91	$344.90
Forward contract	Sell	$30.00	$30.00
Interest rate swap	Buy	$3,510.50	$3,923.50

Foreign currency exposure as at each reporting date:

(In lakhs)

	As at March 31, 2018		As at March 31, 2017	
	Foreign currency	₹	Foreign currency	₹
United states dollars (USD):				
Financial assets				
- Trade and other receivables	36.74	2,393.87	42.95	2,784.59
- Derivative asset	-	223.47	-	-
- Others	-	-	0.87	56.68
Financial liabilities				
- Borrowings	275.11	17,930.30	389.53	25,259.03
- Trade and other payables	5.94	387.25	0.50	32.42
- Interest accrued but not due	-	-	0.21	13.68

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:

(₹ in lakhs)

Particulars	Change	March 31, 2018	March 31, 2017
USD sensitivity			
₹/USD - Increase by	5.00%	(785.01)	(1,123.19)
₹/USD - Decrease by	-5.00%	785.01	1,123.19

(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 instruments. The Group has listed and non-listed equity securities that are susceptible to market price risk arising from uncertainities 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.

(₹ in lakhs)

Particulars	Change	March 31, 2018	March 31, 2017
NSE Nifty 50 sensitivity			
- Increase by	10.00%	51.39	40.86
- Decrease by	-10.00%	(51.39)	(40.86)
SGX (Singapore Stock Exchange) sensitivity			
- Increase by	10.00%	-	2,422.83
- Decrease by	-10.00%	-	(2,422.83)

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.

(₹ in lakhs)

Particulars	Change	March 31, 2018	March 31, 2017
Net Asset value sensitivity			
- Increase by	10.00%	1,623.84	1,545.85
- Decrease by	-10.00%	(1,623.84)	(1,545.85)

(ii) **Credit risk:**

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty 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 counterparties. 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 March 31, 2018 and March 31, 2017. 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.

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(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 homogenous 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 March 31, 2018:

(₹ in lakhs)

	Upto 1 year	1 to 3 years	After 3 years
Borrowings	68,369.80	119,388.84	213,001.52
Trade payables	12,565.51	-	-
Other financial liabilities	28,223.08	425.42	-
	109,158.39	**119,814.26**	**213,001.52**

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as of March 31, 2017:

(₹ in lakhs)

	Upto 1 year	1 to 3 years	After 3 years
Borrowings	81,227.24	97,662.91	259,974.27
Trade payables	8,910.76	-	-
Derivative liability	1,342.19	-	-
Other financial liabilities	16,619.35	17,534.39	4,322.04
	108,099.54	**115,197.29**	**264,296.31**

39. 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 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.

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(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Borrowings #	400,760.16	438,864.42
Less: Cash and cash equivalents	27,804.48	62,295.02
Net Debt	**372,955.68**	**376,569.40**
Equity attributable to equity holders of the holding company	338,467.85	316,223.41
Equity and net debt	**711,423.53**	**692,792.81**
Gearing ratio	52.42%	54.36%

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 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. No changes were made in the objectives, policies or processes for managing the capital during the year ended March 31, 2018 and March 31, 2017.

40. During the year ended March 31, 2018, BIPL a group company included in the consolidated financial statements had received communications from one of its minority shareholders alleging some irregularities in the acquisition of land made during the prior years. However, the management of BIPL on the basis of assessment of the nature of allegations, the amount paid for the land acquired and the fair value of the land as on the date of acquisition and as at the reporting date is of the view that the allegations are frivolous in nature and not tenable. Accordingly, the financial statements as at and for the year ended March 31, 2018 do not include any adjustments on account of the same.

41. Proposed distribution

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Proposed dividends on Equity shares:		
Final dividend for the year ended on March 31, 2018: ₹1.50 (March 31, 2017: ₹1.00) per share	2,529.44	1,686.28
Dividend distribution tax (DDT) on the above	514.99	343.29

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.

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42. Break-up of amounts incurred during construction period:

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	395,775.74	352,278.65
Add: Amounts incurred during the year		
(i) Additions to plant and equipment	27,860.31	31,394.59
(ii) Additions to building	638.86	1,442.82
(iii) Employee benefits expense	275.79	412.01
(iv) Finance costs	12,545.63	37,640.08
(v) Expenditure incurred on trial operations	5,872.80	16,089.58
(vi) Insurance expense	572.82	1,222.05
(vii) Professional charges	2,333.09	2,815.91
Less:		
(i) Revenues from sale of power during trail operations	33,081.92	37,852.59
(ii) Foreign currency translation adjustments	2,543.41	9,191.71
(iii) Amounts capitalised during the year	410,249.71	475.67
Balance at the end of the year	**-**	**395,775.74**

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 March 31, 2018:

Name of the entity in the Group	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 (₹ in lakhs)	As % of consolidated profit	Amount (₹ in lakhs)	As % of consolidated OCI	Amount (₹ in lakhs)	As % of consolidated TCI	Amount (₹ in lakhs)
Parent								
1. Nava Bharat Ventures Limited	49.91%	277,024.86	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 Infratech 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%	108,183.04	-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

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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)
	100.00%	**555,046.80**	**100.00%**	**28,041.33**	**100.00%**	**2.62**	**100.00%**	**28,043.95**
Consolidation adjustments		(184,718.98)		(243.66)		425.04		181.38
Sub-total		**370,327.82**		**27,797.67**		**427.66**		**28,225.33**
Non-controlling Interests in all subsidiaries		31,859.97		3,995.89		295.77		4,291.66
Total		**338,467.85**		**23,801.78**		**131.89**		**23,933.67**

(ii) As at and for the year ended March 31, 2017:

Name of the entity in the Group	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 consoli-dated net assets	Amount (₹ in lakhs)	As % of consoli-dated profit	Amount (₹ in lakhs)	As % of consoli-dated OCI	Amount (₹ in lakhs)	As % of consoli-dated TCI	Amount (₹ in lakhs)
Parent								
1. Nava Bharat Ventures Limited	50.96%	262,547.30	85.05%	7,959.66	51.23%	140.58	84.09%	8,100.24
Subsidiaries								
Indian								
1. Nava Bharat Energy India Limited	10.25%	52,794.85	15.44%	1,444.51	1.79%	4.90	15.05%	1,449.41
2. Nava Bharat Projects Limited	4.70%	24,200.20	1.00%	94.05	-0.04%	(0.10)	0.98%	93.95
3. Brahmani Infratech Private Limited	1.62%	8,345.82	2.36%	221.18	0.10%	0.28	2.30%	221.46
Foreign								
1. Nava Bharat (Singapore) Pte Limited	18.98%	97,794.61	-14.96%	(1,399.87)	0.00%	-	-14.53%	(1,399.87)
2. Maamba Collieries Limited	13.58%	69,978.02	15.43%	1,443.79	49.57%	136.04	16.40%	1,579.83
3. Nava Energy Zambia Limited	0.01%	48.88	1.14%	106.72	-2.65%	(7.28)	1.03%	99.44
4. Nava Energy Pte Limited	-0.10%	(510.79)	-5.45%	(509.73)	0.00%	-	-5.29%	(509.73)
5. Nava Agro Pte Limited	0.00%	(0.96)	-0.02%	(1.66)	0.00%	-	-0.02%	(1.66)
6. Kawambwa Sugar Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
7. NB TanAgro Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-

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8. NB Rufiji Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
9. Nava Holding Pte Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
10. Tiash Pte Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
11. Compai Pharma Pte Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
12. Compai Healthcare Sdn. Bhd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
13. TIS Pte Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
14. The Iron Suites Pte Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	100.00%	**515,197.93**	**100.00%**	**9,358.65**	**100.00%**	**274.42**	**100.00%**	**9,633.07**
Consolidation adjustments		(171,406.20)		(72.86)		(2,061.80)		(2,134.66)
Sub-total		**343,791.73**		**9,285.79**		**(1,787.38)**		**7,498.41**
Non-controlling Interests in all subsidiaries		27,568.31		585.57		48.13		633.70
Total		**316,223.42**		**8,700.22**		**(1,835.51)**		**6,864.71**

44. Restatement of financial statements:

During the year ended March 31, 2018, the management on the basis of its internal assessment, has reclassified and made adjustments to the following account balances in the Balance Sheet and Statement of Profit and Loss for compliances with the recognition, measurement, presentation and disclosure requirements of Ind AS:

(i) Balance Sheet as at March 31, 2017

(₹ in lakhs)

	Notes	March 31, 2017 Reported	Adjustments	March 31, 2017 Restated
Property, plant and equipment	(a)	178,129.93	(2,029.43)	176,100.50
Investment property	(a)	252.98	2,029.43	2,282.41
Financial assets - Loans	(b)	2,674.86	(2,674.86)	-
Deferred tax assets (net)	(c)	(1,260.31)	21,869.60	20,609.29
Other non-current assets	(c,d)	34,801.57	(30,383.61)	4,417.96
Financial assets				
(i) Trade receivables	(e)	35,232.62	(18,610.04)	16,622.58
(ii) Others financial assets	(e,g)	5,180.14	16,007.06	21,187.20
Other current assets	(e,g)	15,440.31	657.65	16,097.96
Other equity	(b,c,d,h)	324,013.02	(11,362.38)	312,650.64
Financial liabilities - Borrowings	(h)	357,463.67	173.51	357,637.18
Financial liabilities				
(i) Trade payables	(i)	11,265.84	(2,355.08)	8,910.76
(ii) Other financial liabilities	(g,i,j)	86,630.06	1,325.70	87,955.76
Other current liabilities	(j)	7,244.42	(915.97)	6,328.45

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(ii) Balance Sheet as at April 1, 2016

(₹ in lakhs)

	Notes	April 1, 2016 Reported	Adjustments	April 1, 2016 Restated
Property, plant and equipment	(a)	178,487.75	(2,029.43)	176,458.32
Investment property	(a)	258.68	2,029.43	2,288.11
Financial assets - Loans	(b)	3,190.06	(2,674.86)	515.20
Deferred tax assets (net)	(c)	163.22	22,537.02	22,700.24
Other non-current assets	(c,d)	38,519.28	(29,537.25)	8,982.03
Financial assets				
(i) Bank balances other than cash and cash equivalents	(f)	3,634.65	1,904.58	5,539.23
(ii) Others financial assets	(e,f,g)	3,916.42	(1,526.54)	2,389.88
Other current assets	(e,g)	11,989.90	(378.04)	11,611.86
Other equity	(b,c,d,h)	320,459.13	(9,941.52)	310,517.61
Financial liabilities - Borrowings	(h)	323,531.52	265.37	323,796.89
Financial liabilities - Other financial liabilities	(i,j)	43,117.12	507.40	43,624.52
Other current liabilities	(j)	5,092.61	(506.34)	4,586.27

(iii) Statement of Profit and Loss:

(₹ in lakhs except earnings per equity share)

	Notes	March 31, 2017 Reported	Adjustments	March 31, 2017 Restated
Revenue from operations	(k)	138,092.98	578.41	138,671.39
Other income	(d,k)	7,776.40	(836.84)	6,939.56
Excise duty	(l)	-	3,641.66	3,641.66
Finance cost	(h,m)	8,651.18	(1,434.06)	7,217.12
Other expenses	(l,m)	25,242.38	(2,299.46)	22,942.92
Deferred tax expense	(c)	1,086.49	1,254.62	2,341.11
Earnings per equity share (EPES)				
- Basic (In absolute ₹ terms)		5.67		5.25
- Diluted (In absolute ₹ terms)		5.67		5.25

Notes: Represents

(a) reclassification of land to investment property.

(b) accouting for treasury stock by adjusting the balance of other equity.

(c) reclassification of the balances of MAT credit entitlement to the tune of ₹29,070.20 lakhs (April 1, 2016: ₹28,482.99 lakhs) from other non-current assets, recognition of deferred tax liabilities to the tune of ₹7,200.60 lakhs (April 1, 2016: ₹5,945.97 lakhs) including recognition of deferred tax expense to the tune of ₹1,254.62 lakhs during the year ended March 31, 2017.

Notes

to the Consolidated financial statements for the year ended March 31, 2018

(d) de-reognition of interest acccrued on treasury stock to the tune of ₹1,313.41 lakhs (April 1, 2016: ₹1,054.26 lakhs) by adjusting the balance of other equity including adjustment of ₹258.43 lakhs to other income for the year ended March 31, 2017.

(e) reclassification of the amounts receivable from trial operations to the tune of ₹16,955.53 lakhs (April 1, 2016: ₹Nil) to other financial assets and balances receivable from government authorities to the tune of ₹1,654.51 lakhs (April 1, 2016: ₹Nil) to other current assets.

(f) reclassification of the balances of margin money deposits from other financial assets.

(g) reclassification of the balances of accrued revenues and accrued interest to the tune of ₹532.06 lakhs (April 1, 2016: ₹138.77 lakhs) and ₹660.14 lakhs (April 1, 2016: ₹239.27 lakhs), respectively from other current assets, reclassification of other receivables to the tune of ₹195.33 lakhs (April 1, 2016: ₹Nil) to other current assets and adjustment of derivative assets with other financial liabilities to the tune of ₹1,945.35 lakhs (April 1, 2016: ₹Nil).

(h) de-recognition of unamortised borrowing costs to the tune of ₹173.51 lakhs (April 1, 2016: ₹265.37 lakhs) including reversal of interest expense to the tune of ₹91.87 lakhs during the year ended March 31, 2017.

(i) reclassification of amounts of creditors for capital goods to other financial liabilities.

(j) reclassification of accrued interest and unpaid dividends to the tune of ₹717.21 lakhs and ₹198.76 lakhs (April 1, 2016: ₹299.95 lakhs and ₹207.45 lakhs) to other financial liabilities.

(k) reclassification of other operating income from other income.

(l) reclassification of excise duty expense from other expenses.

(m) reclassification of loss on forward contracts to the tune of ₹1,342.19 lakhs to other expenses.

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's Registration No.: 001076N/N500013

per **Sanjay Kumar Jain**
Partner
Membership No.: 207660

Place: Hyderabad, India
Date : May 30, 2018

For and on behalf of the Board of Directors of
Nava Bharat Ventures Limited

T. Hari Babu
Chief Financial Officer

G.R.K. Prasad
Executive Director
DIN: 00006852

VSN Raju
Company Secretary &
Vice President

P. Trivikrama Prasad
Managing Director
DIN: 00006887

D. Ashok
Chairman
DIN: 00006903

Place: Hyderabad, India
Date : May 30, 2018

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
Fax : +91 40 23403013; E-mail: investorservices@nbv.in; Website : www.nbventures.com

NOTICE

NOTICE is hereby given that the 46th Annual general meeting of the members of Nava Bharat Ventures Limited will be held on Monday, the 6th day of August, 2018 at 10:30 a.m. 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, 2018 including audited balance sheet as at March 31, 2018, the statement of profit & loss for the year ended on that date and the reports of the Board of directors and auditors thereon.

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, 2018.

Item No.3:

Re-appointment of director:

To appoint a director in place of Mr. D.Ashok (DIN: 00006903), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

Item No.4:

Appointment of Mr. D. Ashwin, Additional Director, as Director (Non- executive and non-independent):

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 Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. D. Ashwin (DIN: 00007540) who was appointed as an Additional Director of the Company by the Board of directors and whose term of office expires at this Annual General Meeting('AGM') and in respect of whom the Company received a notice under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director (Non-Executive and Non-Independent) of the Company, liable to retire by rotation".

Item No.5:

Re-appointment of and remuneration payable to Mr. GRK Prasad, Executive Director:

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 rules made thereunder (including any statutory modifications or re-enactment 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 of the members be and is hereby accorded to the re-appointment of and remuneration payable to Mr.GRK Prasad (DIN: 00006852), Executive Director, liable to retire by rotation pursuant to Article no.79 of Articles of Association of the Company, for a further period of five years with effect from June 28, 2018 on the remuneration, perquisites, benefits, and other allowances to him as mentioned below:

A. Salary : Salary in the range of ₹10,00,000/- to ₹ 15,00,000/- per month, as may be decided by the Board from time to time.

B. Incentive : In addition to the salary and perquisites / allowances, an incentive of ₹60,00,000/- per annum, be allowed and paid to Mr. GRK Prasad during the tenure of his appointment.

C. Perquisites : 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; and

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. GRK Prasad as Executive Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. GRK Prasad 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 or any other authority from time to time as minimum remuneration."

Item No.6:

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 rules made thereunder (including any statutory modifications or re-enactment 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 of the members be and is hereby accorded to the re-appointment of and remuneration payable to Mr.CV Durga Prasad (DIN: 00006670), Director (Business Development), for a period of one year with effect from June 28, 2018 on the remuneration, perquisites, benefits, and other allowances to him as mentioned below:

A. Salary : Salary in the range of ₹10,00,000/- to ₹ 15,00,000/- per month, as may be decided by the Board from time to time.

B. Perquisites : 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; and

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 Mr. CV Durga Prasad 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 or any other authority from time to time as minimum remuneration."

Item No.7:

Ratification of appointment and remuneration of Cost Auditors for the financial year 2018-19:

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 2018-19 at an aggregate fee of ₹7 (Seven) Lakhs plus out of pocket expenses and Goods and Service tax thereon, be and is hereby approved and ratified."

By Order of the Board
For **NAVA BHARAT VENTURES LIMITED**

Place: Hyderabad
Date : May 30, 2018

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; Fax No.040-23403013
E-mail : investorservices@nbv.in;
Website : www.nbventures.com

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 1, 2018 to August 6, 2018 (both days inclusive) in connection with the annual general meeting and dividend.
7. The dividend for the year ended March 31, 2018 as recommended by the Board, i.e. ₹1.50 (one rupee and fifty paisa 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 July 31, 2018. 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 July 31, 2018 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, 2011 will be transferred on August 27, 2018 to the 'Investor Education and Protection Fund' on expiry of 7 years from the date of transfer to the Unpaid Dividend Account, pursuant to Sec.205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013). Members who have not encashed their Dividend Warrants for the said financial year or subsequent year(s) are requested to send the same to the Company or its Registrars and 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 Computershare Private Limited with their claim for the transfer of their shares to their demat account. The dividend accruing on the said shares would be credited to the unpaid dividend account as the dividend is to be paid to the registered holders only. The dividend would also be remitted to the concerned shareholders on claiming their shares out of the unclaimed suspense account.
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 2009-10 were transferred by the Company in the name of IEPF on December 5, 2017 and the statement containing such details as may be prescribed is placed on Company's website 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 Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. In case of holding shares in electronic mode, members are requested to approach their Depository Participants for updation of bank account details with the aforesaid documents.

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. 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 2017-18 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 Computershare Private Limited / Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report 2017-18 are being sent by a permitted mode.

17. Members may also please note that the Notice of the 46th annual general meeting and the annual report 2017-18 is available on the Company's website: www.nbventures.com. The physical copies of the aforesaid documents will also be available at the Company's Regd. Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to the Company at: 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 46th annual general meeting of the Company.

18. Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

19. Retirement of Directors by rotation:

Mr. D Ashok, Whole-time Director and Chairman 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. D. Ashok as a Director, liable to retire by rotation.

20. 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 July 31, 2018 (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 Computershare Pvt. Ltd. (Karvy). The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote e-voting).

A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories (holding shares either in physical form or in dematerialised form) as on Tuesday, July 31, 2018 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. July 31, 2018. 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 46th 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 with a copy marked to 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 (xi) 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 July 31, 2018, may write to Karvy on the email Id: evoting@karvy.com or to Mr. Mohd Mohsin Uddin, Senior Manager, Contact No. 040-67162222, Ext No: 1562 at Karvy Computershare 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 (xi) as mentioned in (A) above, to cast the vote.

3. The remote e-voting period commences on Thursday, August 2, 2018 at 10:00 A.M. and ends on Sunday, August 5, 2018 at 5:00 P.M. During this period, the members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being July 31, 2018 may cast their vote by electronic means in the manner and process 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 at 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 Computershare Private Limited (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 rules made thereunder, as amended, as on the cut-off date, being July 31, 2018.

6. The Board of directors has appointed Mrs. D. Renuka, Practicing 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 explained in 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) 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 Sec.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. D. Ashwin, Additional Director, as Director (Non- executive and non-Independent):

Mr. D. Ashwin was appointed by the Board pursuant to the recommendations of the Nomination and Remuneration Committee and prior approval of the Audit Committee, as Additional Director under Section 161 of the Companies Act, 2013 w.e.f August 18, 2017 to hold office upto the date of annual general meeting thereafter.

The Company had received notice from one of the shareholders as per Section 160 of the Companies Act, 2013, proposing that Mr. D. Ashwin, be appointed as Director (Non- Executive & Non-Independent), liable to retire by rotation.

Mr. D. Ashwin is a graduate in Industrial Engineering from the University of Washington, USA with senior management 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. Currently heads Nava Bharat's international division, responsible for initiating, developing and managing Nava Bharat's international ventures in coal mining, power, agriculture and pharmaceuticals in Asia and Africa. Mr. D. Ashwin is also, the Resident Director of Maamba Collieries Limited, which operates Zambia's largest coal mine and the nation's first Thermal Power Plant.

The Board commends the Ordinary Resolution for members' approval.

Except Mr. D. Ashwin 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.5:

Re-appointment of and remuneration payable to Mr. GRK Prasad, Executive Director:

Mr. GRK Prasad is a Fellow Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India and has 37 years of varied professional experience.

Mr. GRK Prasad was appointed as Executive Director with effect from October 29, 2010 as approved by the General Body on July 28, 2011 and has been part of strategic management of the Company and its investments in India and overseas.

The General Body at the AGM held on August 16, 2013 approved the revision of remuneration payable to him with an incentive of ₹60,00,000/- per annum with effect from June 28, 2013.

The Board, on the recommendations of the Nomination and Remuneration Committee and prior approval of Audit Committee considered and approved the re-appointment and remuneration payable to Mr. GRK Prasad as Executive Director in appreciation of his contribution, for a further period of 5 (five) years w.e.f. June 28, 2018 as set out in the Resolution apart from the incentive, allowances and perquisites thereon, subject to the approval of members at the ensuing annual general meeting.

The resolution as set out at Item No.5 together with this explanatory statement constitutes abstract of terms of the re-appointment and remuneration payable to the Executive Director.

The Board commends the Ordinary Resolution for members' approval.

Except Mr. GRK Prasad, none of the 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.6:

Re-appointment of and remuneration payable to Mr. CV Durga Prasad, Director (Business Development):

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, developing and nurturing markets in India & abroad.

The General Body 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 for a period of 5 (five) years with effect from June 28, 2013.

The Board, on the recommendations of the Nomination and Remuneration Committee and prior approval of Audit Committee considered and approved the re-appointment and remuneration payable to Mr. CV Durga Prasad as Director (Business Development) in appreciation of his contribution, for a period of 1 (one) year from June 28, 2018 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 resolution as set out at Item No.6 together with this explanatory statement constitutes abstract of terms of the re-appointment and remuneration payable to the Director (Business Development).

The Board commends the Ordinary Resolution for members' approval.

Except Mr. CV Durga Prasad, none of the 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.7:

Ratification of appointment and remuneration of cost auditors for the Financial Year 2018-19:

The Board, on the recommendation of the Audit Committee, approved the appointment and remuneration of the cost auditors, M/s. Narasimha Murthy & Co., Cost Accountants, situated at 3-6-365, 104, Pavani Estate, Y. V. Rao Mansion, Himayat Nagar, Hyderabad– 500 029, to conduct the audit of the cost records of the Company across various segments, for the financial year ending 31st March, 2019 as per the following details:

S. No.	Product	Fee for 2018-19 (₹)
1	Electricity (Eight Units)	4,00,000
2	Ferro Alloys (Steel) (Two Units)	1,20,000
3	Sugar	1,20,000
4	Industrial Alcohol	60,000
	TOTAL	**7,00,000**

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, 2019.

None of the directors / key managerial personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7of the Notice.

The Board commends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the Members.

By Order of the Board
For **NAVA BHARAT VENTURES LIMITED**

Place: Hyderabad
Date : May 30, 2018

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; Fax No.040-23403013
E-mail : investorservices@nbv.in
Website : www.nbventures.com

Annexure - 1

Details of Directors seeking appointment / re-appointment at the Annual general meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standards on general meeting.

As required under this regulation, the particulars of Directors, Mr. D. Ashok, Chairman, Mr. D. Ashwin, Additional Director, Mr.GRK Prasad, Executive Director and Mr. CV Durga Prasad, Director (Business Development) who are proposed to be appointed / re appointed, is given below:

a	Name	Mr. D. Ashok	Mr. D. Ashwin	Mr. G.R.K. Prasad	Mr. C.V.Durga Prasad
b	Brief Resume				
i)	Age	61 Years	35 Years	60 Years	66 Years
ii)	Qualification	M.B.A. from U.S.A.	Graduate in Industrial Engineering from the University of Washington	B.Sc., FCA, FCS	B.Com
iii)	Experience	36 years	Over 10 years	37 years	45 years
iv)	Date of appointment on the Board of the Company (Nava Bharat Ventures Ltd.)	March 19, 1992	August 18, 2017	June 28, 2003	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	Experience in all facets of finance, Corporate Affairs and Overseas Operations	Commercial functions like raw material procurement, sales, marketing and business development
d	Terms and Conditions	As mentioned in the Resolution	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)]	Father of Mr. D. Ashwin, Additional Director.	Son of Mr. D. Ashok, Chairman.	Nil	Nil
f	Name(s) of other Companies in which Directorships / Trusteeships held (as per Section 165 of the Companies Act,2013)	1. Maamba Collieries Limited 2. Nava Bharat (Singapore) Pte.Ltd 3. Chapter One-Books Pte.Ltd. 4. Nava Bharat Projects Limited 5. Nava Bharat Energy India Limited 6. AV Dwellings Pvt.Limited 7. A.N.Investments Private Limited 8. Dr.Devineni Subbarao Trust 9. G.S.R.Trust	1. Maamba Collieries Limited, Zambia 2. Nava Bharat (Singapore) Pte Ltd 3. Nava Energy Pte. Limited 4. Nava Agro Pte.Limited 5. Kawambwa Sugar Limited 6. Chapter one – Books Pte. Limited 7. Nava Holding Pte. Limited 8. Tiash Pte. Limited 9. Compai Pharma Pte. Limited	1. Maamba Collieries Ltd., Zambia 2. Nava Bharat Projects Limited 3. Nava Bharat Energy India Limited 4. Brahmani Infratech Private Ltd. 5. Nava Agro Pte.Limited 6. Kawambwa Sugar Limited 7. Tiash Pte. Limited	1. Nava Bharat (Singapore) Pte. Ltd 2. The Indian Ferro Alloy Producers Association
g	Name(s) of companies in which Committee Membership(s) / Chairmanship(s) held	Chairman - Corporate social Responsibility Committees of 1. Nava Bharat Ventures Limited 2. Nava Bharat Projects Limited 3. Nava Bharat Energy India Limited Member - Nomination and Remuneration Committee of 'Nava Bharat Energy India Limited'	NIL	Member – Nomination & Remuneration Committee, Audit Committee and Corporate Social Responsibility Committee – Brahmani Infratech Pvt.Ltd.,	NIL
h	No. of shares of ₹ 2/- each held by the Director his relatives **Total**	 22,26,000 2,43,68,528 **2,65,94,528**	 34,29,212 53,14,860 **87,44,072**	 65,172 2,20,000 **2,85,172**	 1,41,830 1,22,700 **2,64,530**
i	Last Remuneration drawn	₹ 6,98,90,953 (Total Remuneration [including Commission] drawn in FY 2017-18)	NIL	₹ 3,41,91,417 (Total Remuneration drawn in FY 2017-18)	₹ 2,82,62,988 (Total Remuneration drawn in FY 2017-18)
j	No. of Board Meetings attended during the year	**6**	**2**	**6**	**5**

NAVA BHARAT VENTURES LIMITED

CIN: L27101TG1972PLC001549

Regd.Office:6-3-1109/1, Nava Bharat Chambers', Raj Bhavan Road, Hyderabad – 500 082, Telangana, India

Tel : + 91 40 23403501/40345999; Fax : + 91 40 23403013; E-mail : 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 46th Annual General Meeting of the Company, to be held on Monday, August 6, 2018 at 10:30 a.m. at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad – 500 016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	[Ordinary Business]:
1.	Adoption of financial statements.
2.	Declaration of dividend on the equity shares.
3.	Re-appointment of director.
Resolution No.	**[Special Business]:**
4.	Appointment of Mr. D. Ashwin, Additional Director, as Director (Non-executive and non-independent)
5.	Re-appointment of and remuneration payable to Mr. GRK Prasad, Executive Director
6.	Re-appointment of and remuneration payable to Mr. CV Durga Prasad, Director (Business Development)
7.	Ratification of appointment and remuneration of cost auditors for the FY 2018-19.

Signed this .... day of ...., 2018

Signature of Shareholder(s) : .... Signature of Proxyholder(s) :..

Please affix Re. 1/- Revenue Stamp and Sign across.

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."

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 ; Fax : +91 40 23403013
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 46th annual general meeting of the Company on Monday, August 6, 2018 at 10:30 a.m. at Marigold Hotel, by and beside Green Park Hotel, 7-1-25, Greenlands, Begumpet, Hyderabad - 500 016.

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.
3. 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.

E-VOTING

Users who wish to opt for e-voting may use the following login credentials:

EVEN (E-VOTING EVENT NO.)	USER ID	PASSWORD / PIN

Note:

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**

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 – 500082, 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) ....

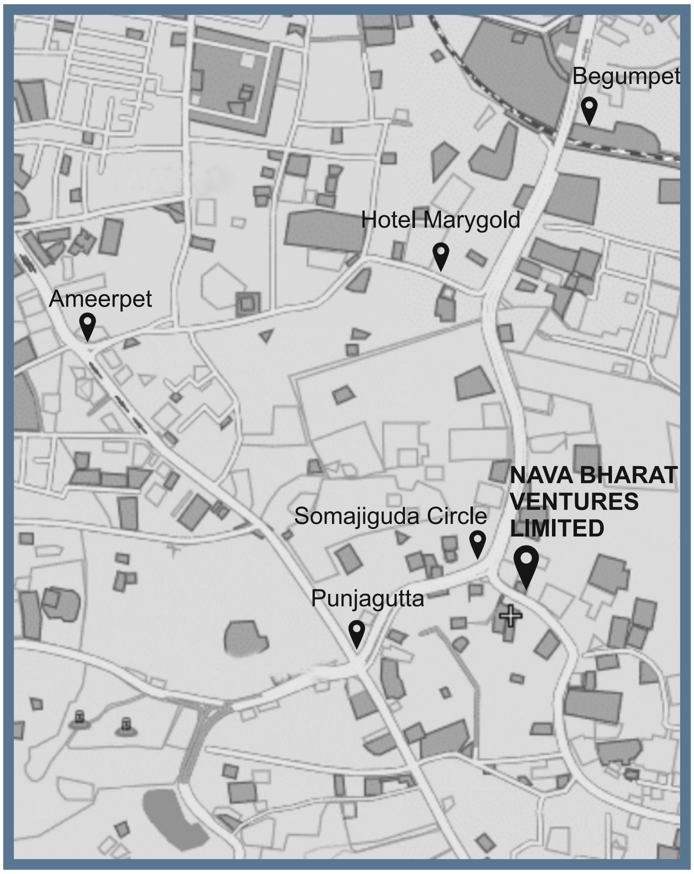
I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner:

Sl. No	Item	No. of Shares held by me	I assent to the Resolution	I dissent from the Resolution
Ordinary Business				
1	Adoption of financial statements			
2	Declaration of dividend on the equity shares			
3	Re-appointment of director			
Special Business				
4	Appointment of Mr. D. Ashwin, Additional Director, as Director (Non-executive and non-independent).			
5	Re-appointment of and remuneration payable to Mr. GRK Prasad, Executive Director			
6	Re-appointment of and remuneration payable to Mr. CV Durga Prasad, Director (Business Development)			
7	Ratification of appointment and remuneration of cost auditor			

Place:

Date:

(Signature of the Shareholder)



Route Map to reach the AGM Venue

Marigold Hotel by and beside Green Park Hotel 7-1-25, Greenlands, Begumpet, Hyderabad - 500016

Maamba Collieries Ltd. Power Plant, Zambia

NAVA BHARAT

www.nbventures.com