



KKV AGRO POWERS LIMITED
(Formerly Known as Nachas Wind Energy Private Limited)
5th

ANNUAL REPORT

2016-2017

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(Formerly Known as Nachas Wind Energy Private Limited)
ANNUAL REPORT
2016-2017

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Cautionary Statement:

Certain Expectations and projections regarding the future performance of the company referenced in the Annual Report constitute forward-looking statements. These expectations and projections are based on currently available, financial and economic data, along with the Company's operating plans and are subjects to certain future events and uncertainties, which could cause actual results to differ materially from those indicated by such statements.

KKV AGRO POWERS LIMITED
(Formerly Known as Nachas Wind Energy Private Limited)
Annual Report 2016-2017

BOARD OF DIRECTORS

Mr. T. K. CHANDIRAN – Chairman & Managing Director
(DIN : 00031091)
Mrs. C. SELVI – Whole – Time Director
(DIN : 00032962)
Mr. A. C. VINEETH KUMAR – Director
(DIN : 06756745)
Mr.A.VELAYUTHAM – Independent Director
(DIN : 07173627)
Mr. T.GNANASEKAR - Independent Director
(DIN : 00904018)
Dr.V.CHANDRASEKARAN - Independent Director
(DIN : 07276704)

COMPANY SECRETARY & CFO

Mrs.C.Renuka
ACS M.No.26355

REGISTERED OFFICE

VIVAAGA BUILDING,
637, OPPANAKARA STREET,
[E-Mail: cs@kkvagropowers.com](mailto:cs@kkvagropowers.com)
Tel. No.: +91 422-2303880
Fax No. +91 422 2303881

STATUTORY AUDITORS

M/s. HARIBHAKTI & Co. LLP
Chartered Accountants,
Coimbatore – 641 012.

SECRETARIAL AUDITORS

G.V AND ASSOCIATES
Company Secretaries
Coimbatore - 641 038.

SHARES LISTED WITH

National Stock Exchange of India Limited,
Mumbai

REGISTRAR & SHARE TRANSFER AGENTS

S.K.D.C. Consultants Limited
Kanapathy Towers,3rd Floor,
1391/A1, Sathy Road,Ganapathy,
Coimbatore - 641 006.

BANKERS

INDIAN BANK
HDFC BANK LIMITED
STATE BANK OF INDIA

KKV AGRO POWERS LIMITED
(Formerly Known as Nachas Wind Energy Private Limited)

Registered Office : Vivaaga Building,

637, Oppanakara Street, Coimbatore-641 001.

E-Mail: cs@kkvagropowers.com, Website : www.kkvagropowers.com

Tel. No.: +91 422-2303880, Fax No. +91 422 2303881

CIN: L40108TZ2012PLC018332

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 5th Annual General Meeting of the Members of KKV Agro Powers Limited (CIN: L40108TZ2012PLC018332) will be held on Tuesday, 05th September 2017, at 12.00 p.m. at The Rathna Residency , 355, Variety Hall Road, Coimbatore - 641001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements as at 31st March, 2017 together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2017.
3. To appoint a Director in the place of Mr. T.K.Chandiran (DIN: 00031091), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To ratify the appointment of statutory auditors for the financial year 2017-2018.

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, as amended from time to time and Ordinary Resolution passed by the members at their 3rd Annual General Meeting held on 7th September 2015, appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants (ICAI Firm Registration Number: 103523W/W100048, Coimbatore as the Statutory Auditors for the financial year 2017-2018 be and is ratified on such remuneration as may be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

5. To consider and if thought to fit to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014, in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (including any statutory modifications or enactment thereof for the time being in force), and also pursuant to the consent of Audit Committee and the board of director vide resolutions passed in the meeting, approval of the members be and is hereby accorded for entering into related party transactions which were in the ordinary course of business and at arm's length basis and up to the maximum amounts per annum as appended below:

Particulars of Proposed Transactions for the purpose of approval u/s 188 of the Companies Act, 2013
Maximum value of contract / transaction (per annum)

Name of the Related Parties	Transaction defined u/s 188(1) of the Companies Act, 2013			
	Registered Office of the Related Parties	Sale, purchase or supply of any goods / materials	Selling, disposing or buying property	Availing or rendering of any services
M/s. The KTM Jewellery Limited	Vivaaga Building, #636, Oppanakara Street, Coimbatore – 641 001.	₹25 Crores	₹25 Crores	₹25 Crores
M/s. Space Textiles Private Limited	Sreevignesh Kiruba, 738D White Field, New Damunagar Pulliyakulam Road Pappanayakkampalayam Coimbatore – 641 037.	₹25 Crores	₹25 Crores	₹25 Crores
M/s. KKV Chakra Limited (Formerly known as KKV Gold N Retail Limited)	Vivaaga Building, #636, Oppanakara Street, Coimbatore – 641001.	₹25 Crores	₹25 Crores	₹25 Crores
M/s. SCM Global Brands Private Limited	#166, Praga Compound, Avinashi Road, Peelamedu Coimbatore – 641 004.	₹25 Crores	₹25 Crores	₹25 Crores
M/s. Shivam Traders	#74, New Market Street Tirupur - 641 604.	₹50 Crores	₹50 Crores	₹50 Crores
M/s. Gajaananda Jewellery Maart Private Limited	#133 New Market Street Tirupur - 641604	₹2 Crores	₹2 Crores	₹2 Crores
M/s. Gajaananda Jewellery India Maart Private Limited	#896/2, Suriya Nagar ABT Road Extension Karuvampalayam, Tirupur - 641 604.	₹25 Crores	₹25 Crores	₹25 Crores
M/s. The Chennai Silks Firm	#74, New Market Street Tirupur - 641 604.	₹25 Crores	₹25 Crores	₹25 Crores
M/s. SCM Garments Private Limited	#57 VOC Nagar (South) Valayankadu, Tirupur - 641 603.	₹25 Crores	₹25 Crores	₹25 Crores
M/s. The Madras Silks India Private Limited	#68 A College Road, Tirupur – 641 602.	₹25 Crores	₹25 Crores	₹25 Crores

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, any one of the Director or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient, and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.

Coimbatore
11-08-2017

By order of the Board

C.Renuka
Company Secretary
ACS M.No.26355

NOTES:

1. The Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the notice is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy need not be a member of the company.
3. The instrument appointing a proxy duly completed must be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting a proxy form for the meeting is enclosed.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
5. Member / proxy should bring the attendance slip sent herewith, duly filled in, for attending the meeting.
6. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their representative to attend and vote on their behalf at the Meeting.
7. Company's share transfer work and dematerialisation of shares, is done by M/s. S.K.D.C. Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006.
8. It is reiterated that the request for Dematerialisation and Rematerialisation are to be made only to the DP with whom you have opened an account and not to the Company or its depository / transfer agent.

9. International Securities Identification Number given to your company is INE239T01016.
10. Members holding shares in Demat form are requested to intimate change of address notifications and updates of bank account details to their respective Depository Participants.
11. Any member who needs any clarification on accounts or operations of the Company shall write to the Company Secretary, so as to reach him at least 7 days before the meeting, so that the information required can be made available at the meeting.
12. Members are requested to bring their Annual Report to the Annual General Meeting. The duly filled in attendance slip must be surrendered at the counter before attending the Meeting.
13. The Notice of the AGM along with the Annual Report 2016-2017 along with the Attendance Slip and Proxy Form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode separately.
14. The Notice of the Annual General Meeting and this communication are also available on the website of the Company – www.kkvagropowers.com.
15. The Register of Members and Share Transfer Books of the Company will remain closed from August 30, 2017 to September 05, 2017 (both day inclusive) and Record date is 29.08.2017 for determining the entitlement of the members whose names appear in the Register of Members to the final dividend for the year ending on March 31, 2017.
16. The payment of final dividend, if any, upon declaration by the Members at the forthcoming Annual General Meeting, will be made within a period of 30 days of declaration as under:

To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be available to the Company by National Securities Depository Limited (“NSDL”) and Central Depository Services Limited (“CDSL”) as at the end of the day fixed for the purpose.

The particulars recorded with the DPs will be considered for making the payment of Dividend.
17. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
18. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days of the Company during business hours upto the date of Annual General Meeting.
19. Members are requested to note that the venue of the Fifth Annual General Meeting is at The Rathna Residency , 355, Variety Hall Road, Coimbatore - 641001.

20. Mr. G Vasudevan, Practicing Company Secretary (Membership No. 6699) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting process in a fair and transparent manner.
21. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM.
22. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
23. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company – www.kkvagropowers.com, immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the NSE, Mumbai.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No.5

As per the provisions of Section 188 (1) of the Companies Act, 2013 “Related Party Transactions” requires obtaining prior consent of the Board where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limits prescribed under Rule 15 of Companies (Meeting of Board and its Power) Rules, 2015. As per the provision the approval of the shareholders in the General Meeting is required by way of passing ordinary resolution. Provisions of Section 188 further provides that nothing contained in sub-section (1) of Section 188 applies where transactions are entered into by the company in the ordinary course of business other than transactions which are not on an arm’s length basis.

All transactions entered into by the Company with M/s. The KTM Jewellery Limited, M/s. Space Textiles Private Limited, M/s. KKV Chakra Limited (Formerly Known as KKV Gold N Retail Limited) M/s. SCM Global Brands Private Limited, M/s Shivam Traders, M/s Gajaananda Jewellery Maart Private Limited, M/s Gajaananda Jewellery Maart India Private Limited, M/s The Chennai Silks – Firm, M/s SCM Garments Private Limited, M/s The Madras Silks India Private Limited are in the ordinary course of business and are at arm’s length basis.

In terms of Regulation 23 of LODR Regulation, all material related party transactions shall require approval of the shareholders through ordinary resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not, notwithstanding such transactions have been done at arm's length basis and normal course of business.

A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent (10%) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Accordingly, the Board of Directors of the company requires the member's approval by way of passing the Ordinary Resolution as set out in this Notice.

Mr. T.K. Chandiran, Managing Director, Mrs. C. Selvi, Whole-time Director and Mr. A.C. Vineeth Kumar or their relatives or related entities, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution as set out in this Notice.

By order of the Board

**Coimbatore
11-08-2017**

**C.Renuka
Company Secretary
ACS M.No.26355**

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their 5th Annual Report together with the Audited Financial Statement of the company for the Financial Year ended 31st March, 2017.

1. FINANCIAL RESULTS:

(In ₹)

Particulars	Current Year 2016-2017	Previous Year 2015-2016
Income from Operations	6,18,57,595	4,92,73,867
Gross Receipts (including other Income)	6,23,37,839	4,92,76,456
Total Expenditure before Interest and Depreciation	3,13,32,884	2,83,20,391
Less: Interest and Financial Charges	16,21,484	52,89,340
Less: Depreciation and Amortization	77,57,089	78,02,402
Profit/(Loss) before taxation for the year	2,16,26,382	78,64,323
Less: Current tax Expenses	44,50,000	15,10,000
Less: MAT Credit	(44,50,000)	(15,10,000)
Less: Deferred Tax Liability/Asset	72,43,059	26,18,801
Less : Earlier years	(5,717)	(50,601)
Profit/(Loss) after taxation for the year	1,43,89,040	52,96,123
<u>Appropriations:</u>		
Transfer to Reserves	1,43,89,040	52,96,123
Proposed Dividend (Including Tax)	-	-
Transferred to Balance Sheet	1,43,89,040	52,96,123

2. PERFORMANCE OF THE COMPANY:

During the year under review, the Company has earned sales income of ₹6,18,57,595/- (Previous year ₹4,92,73,867/-) and other income ₹4,80,244 /- (Previous year ₹2,589/-). After providing depreciation, finance charges and tax the Company has earned Net profit of ₹ 1,43,89,040/- (Previous year company earned Net profit ₹52,96,123/-).

3. DIVIDEND :

- (i) Based on Company performance, The Board of Directors are pleased to recommended for the approval of the members a dividend of ₹2 Per Equity Shares (20%) for the financial year 2016-2017.
- (ii) The dividend on equity and Preference Share would involve a cash outflow of ₹15,35,600/- plus Dividend Distribution tax.

4. TRANSFER TO RESERVES:

The company does not propose to transfer any amount out of the profit to reserves under review.

5. BUSINESS REVIEW:

The company is making efforts to improve the business and your Directors are optimistic of better performance during the year.

6. SHARE CAPITAL:

The Authorized share capital of the Company is ₹12,00,00,000 divided into 1,10,00,000 Equity Shares of ₹10 each aggregating to ₹11,00,00,000 and 1,00,000 Preference Shares of ₹ 100 each aggregating to ₹ 1,00,00,000.

Further, the Paid up Capital of the Company has been raised from ₹96,76,000/- divided into 67,600 Equity Shares of ₹10 each aggregating to ₹6,76,000 and 90,000 Preference Shares of ₹100 each aggregating to ₹ 90,00,000 to ₹1,26,28,000/- divided into 3,62,800 Equity Shares of ₹10 each aggregating to ₹36,28,000 and 90,000 Preference Shares of ₹100 each aggregating to ₹90,00,000 pursuant to allotment of 2,95,200 equity shares of ₹10/- each at a premium of ₹310/- per Equity Shares by way of Initial Public Offer. Apart from this, during the year your Company has not issued any Equity shares with differential voting rights.

7. DIRECTORS:

Mr. T.K.Chandiran (DIN: 00031091), Managing Director of the Company is liable to retire by rotation and being eligible offers himself for reappointment.

8. KEY MANAGERIAL PERSONNEL:

During the year under review, there was no appointment/resignation of Key Managerial Personnel.

9. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Company's policy on Director's appointment and remuneration and other matters provided in Section 178 of the Companies Act, 2013 has been disclosed in the Corporate Governance Report.

10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES :

The Company does not have any joint venture, subsidiary or associate company.

11. DECLARATION BY AN INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to act as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

12. BOARD EVALUATION:

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The performance evaluation was carried out on the basis of inputs received from all the Directors / Members of the Committees, as the case may be. The Independent Directors of the Company have also convened a separate meeting for this purpose. All the results of evaluation has been communicated to the Chairman of the Board of Directors.

13. STATUTORY AUDITORS:

In terms of Proviso to Section 139 (1) of the Companies Act 2013, M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm Registration Number: 103523W/W100048), Coimbatore has been appointed as a Statutory Auditors of the Company for a term of 3 years from 2015 -18, subject to ratification by the shareholders at the every general meeting in terms of ordinary resolution passed by the Members at their 3rd Annual General Meeting held on 7th September 2015.

In pursuance of above term, necessary resolution, ratifying appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, Coimbatore as the Statutory Auditor for the financial year 2017 - 2018 is being placed before members for their consideration in this Annual General Meeting.

14. COST AUDIT:

Not applicable to the Company as per the provisions of the Companies Act, 2013.

15. CORPORATE GOVERNANCE:

Your Company has been practicing the principles of good corporate governance. In terms of Schedule V of the SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015, a separate report on Corporate Governance is furnished as *Annexure 1* to this report.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed for identification of control deficiencies and formulation of time bound action plans to improve efficiency at all the levels. The Audit Committee of the Board constantly reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the Company and recommendations made for corrective action through the internal audit reports. The Committee reviews the statutory auditors' report, key issues, significant processes and accounting policies.

17. CODE OF CONDUCT:

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct. The code is applicable to the members of the Board, the executive officers and all the employees of the Company.

All the members of the Board, the executive officers and senior financial officers have affirmed compliance of the Code of Conduct as on 31st March 2017.

18. DEPOSIT:

During the year under review, the Company has not accepted any Deposits within the meaning of the provisions of Section 2 (31) of the Companies Act, 2013

19. EXTRACT OF THE ANNUAL RETURN:

An extract of the Annual Return as of 31st March, 2017 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 in Form MGT 9 is furnished as *Annexure 2* to this report.

20. BOARD MEETINGS AND ITS COMMITTEES CONDUCTED DURING THE PERIOD UNDER REVIEW:

During the year under review, 13 Meetings of the Board of Directors and 5 Meetings of the Audit Committee and 2 Meetings of the Nomination and Remuneration Committee Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

During the year under review, the Company has not given any loan or guarantee within the meaning of the provisions of Section 186 of the Companies Act, 2013.

The Company has made investment in LIC MF Liquid Fund for a sum of ₹ 60, 00,000/- during the year.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A) Conservation of energy:

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

Strict vigilance is maintained over usage of Energy by constant monitoring and educating the need to conserve energy.

- (ii) The steps taken by the company for utilising alternate sources of energy:

The Company generates energy for captive consumption using environmental friendly wind technology through its windmills and Solar Plant in the State of Tamil Nadu and Andhra Pradesh.

- (iii) The capital investment on energy conservation equipments: Nil

B) Technology absorption:

- (i) The efforts made towards technology absorption:

Technology absorption is a continuous process and the company has been deriving various benefits which cannot be attributed to any specific area. In all the company stands to gain on various fronts on account of continuous technology absorption.

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

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

(iv) The expenditure incurred on Research and Development: Nil

C) Foreign exchange earnings and Expenditure:

Foreign exchange earnings : Nil

Foreign exchange Expenditure : Nil

23. COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board has constituted an Audit Committee, details of which are enumerated in the Corporate Governance Report. The Company has devised a vigil mechanism in the form of a Whistle Blower Policy in pursuance of provisions of Section 177(10) of the Companies Act, 2013 and the policy is explained in corporate governance report and also posted on the website of company and can be accessed at the link www.kkvagropowers.com. During the year under review, there were no complaints received under this mechanism.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All The Particulars of the contract or arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 in Form No. AOC – 2 is furnished as *Annexure 3* to this report.

25. RISK MANAGEMENT POLICY:

The Management has devised Risk Management Policy considering the nature of industry and associated risks pertaining to the industry. The Management is overseeing the implementation of the Policy on regular basis.

26. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of The Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Vasudevan G, FCS, of M/s. G.V. and Associates, Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditor is annexed herewith as *Annexure 4*.

27. CORPORATE SOCIAL RESPONSIBILITY:

The Company does not meet the criteria as specified in section 135 of Companies Act, 2013 in relation to Corporate Social Responsibility.

28. PARTICULARS OF REMUNERATION PAID TO KEY MANAGERIAL PERSONNEL :

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the remuneration of Directors, Key Managerial Personnel and employees are enclosed as *Annexure – 5* forming part of the report.

29. INSIDER TRADING REGULATIONS :

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 read with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of conduct for prevention of insider trading and the Code for Corporate Disclosures ("Code"), as approved by the Board from time to time, are in force by the Company. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of KKV Agro Powers Limited at the time when there is unpublished price sensitive information.

30. DEPOSITORY SYSTEM :

As the Members are aware, your Company's shares are trade-able compulsorily in electronic form and your Company has established connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, the members are requested to avail the facility of Dematerialization of the Company's shares on NSDL & CDSL. The ISIN allotted to the Company's Equity shares is INE239T01016.

31. LISTING WITH STOCK EXCHANGES :

At present the equity shares of the Company are listed on the Emerge-the SME Growth Platform of National Stock Exchange of India Limited at Mumbai. The Company confirmed that has no dues to the National Stock Exchange of India Limited for the year 2016-17.

32. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND :

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

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

As per the requirements specified in the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013", the Company has constituted an Internal Complaints Committee and is committed to provide a work environment that is free from sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received from any employee during the financial year 2016 - 17.

34. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There is no material change or commitments after the closure of the financial year as on 31.03.2017 and till the date of this report.

35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

There were no significant and material orders passed by the regulators or courts or tribunal which would impact the going concern status and the Company's operations in future.

36. EXPLANATION AND COMMENTS ON INDEPENDENT AUDITORS REPORT:

The report of the Statutory Auditors (annexed elsewhere in the Annual Report) is self explanatory having no adverse comments.

37. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of profit of the company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis;
5. the directors had laid down internal financial controls are adequate and operating effectively and
6. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

38. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT :

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

39. ACKNOWLEDGEMENT:

Your Directors wish to place on record their deep gratitude and appreciation towards the Company's suppliers, customers, investors, bankers, Government of India, State Government and other regulatory authorities for their continued support during the year. Your Directors also acknowledge the commitment and the dedication of the employees at all levels who have contributed to the growth of the Company.

FOR AND ON BEHALF OF THE BOARD

**11-08-2017
Coimbatore**

**T.K Chandiran
(DIN: 00031091)
Managing Director**

**T.Gnanasekar
(DIN: 00904018)
Director**

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

In India the Renewable Power industry plays an important role in pushing up industrial activity in the country. Supervisory control and data acquisition (SCADA) Software implemented by the company is working smoothly providing MIS for operational and executive decision making.

As on date Our Company has installed Windmill with a capacity of 6MW and 1MW in Solar.

In the upcoming financial year 2017-2018 our company proposed to install Windmill with a capacity of 1.6 MW to increase the revenue.

II. A) OPPORTUNITIES AND THREATS

As on 31st July, 2017, Capacity of Renewable Power in India under the Wind 27,44.15 MW and Solar 8,062 MW respectively, Central and State government targeted 60,000 MW in Wind and 100,000 MW in Solar at 2022 and we are also part of it, to help the Nation in achieving the targets.

Being In Tamil Nadu, where more industries and Small scale business hubs can be accessed for the power sale and Your Company is studying various methods to implement Smart Grid for the small players.

B) UDAY SCHEM

Tamil Nadu Government has accepted and Joined, Central Government Scheme UDAY (Ujwal Discom Assurance Yojana) to reform and improve financial position of TANGEDCO which is a welcome measure which also envisages strengthening the transmission networks and increase in sub-station capacities.

Company sees many business opportunities in Refining Gold/Silver, Textiles, Jewellery retailings, Unpolished Dhal and Red variety rice, where the promoters of your Company having strong success story.

III. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Operations of the Company are under one broad segment.

IV. OUTLOOK

Renewable Power industry has a very complex structure with a large vertical and horizontal spread. The New Renewable Power Policy to be announced by the Government need to look into various irritants which hamper growth and development. Power sector need to be developed as a niche sector and this could not be achieved by enforcing Electricity Act.

V. RISKS AND CONCERNS

Power industry is always subject to facing crisis in a cyclical way. There is a need to insulate it against such environment.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate Internal Control System commensurate with its size and operations. Management has overall responsibility for the Company's Internal Control System to safeguard the assets and to ensure reliability of financial records. Audit Committee reviews all financial statements and ensures adequacy of internal control systems.

VII. DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Income from Operations during the year was ₹6,18,57,595- and your Company could make Net Profit of ₹ 1,43,89,040 after tax.

VIII. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NO. OF EMPLOYEES

You company operates with a small number of employees structure. The employee strength of the company is 9. The company has already put in place adequate processes, facilities, infrastructure and environment enabling the employees to function in an appropriate manner. The company has adequate compensation structure at each level of employee resulting in appropriate relationship. There are no significant developments in this regard during last financial year except a few resignations and appointments which are routine in nature.

PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process and it is imperative that our Company affairs are managed in a fair and transparent manner.

We, KKV Agro Powers Limited, (Formerly known as Nachas Wind Energy Private Limited) ensure that we adopt and follow the corporate governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

BOARD OF DIRECTORS:**Composition of Board of Director as at the close of 31st March 2017:**

Category of Directors	No. of Directors
Executive Directors	2
Non-Executive Independent Directors	3
Other Non-Executive Directors	1
Total	6

During the Financial Year under review 13 Board Meeting were held on dates mentioned herein below:

Sl.No.	Date of Board Meeting	Sl.No.	Date of Board Meeting
1.	01/04/2016	8.	13/07/2016
2.	15/04/2016	9.	09/08/2016
3.	21/04/2016	10.	24/08/2016
4.	18/05/2016	11.	02/09/2016
5.	02/06/2016	12.	12/11/2016
6.	09/06/2016	13.	20/02/2017
7.	22/06/2016		

Particulars of Directors, their attendance at the Annual General Meeting and the Board Meeting detailed above held during the Financial Year 2016-17 and also their other Directorship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as at 31st March 2017 are as under:

Name of the Director	Attendance Particulars		No of Directorship in other public companies	No of Committee positions held in other public companies as	
	Board Meeting (Total 13 Meetings)	AGM held on 30.09.2016		Chairman	Member
Executive Director:					
Mr. T. K. Chandiran (DIN: 00031091)	13	Yes	3	3	-
Mrs. C. Selvi (DIN: 00032962)	13	Yes	3	-	3
Non-Executive Director:					
Mr. A.C. Vineeth Kumar (DIN:06756745)	13	Yes	1	NIL	NIL
Non-Executive Independent Director:					
Mr.A.Velayutham (DIN: 07173627)	13	Yes	NIL	NIL	NIL
Mr. T.Gnanasekar (DIN: 00904018)	13	Yes	NIL	NIL	NIL
Mr.V.Chandrasekaran (DIN: 07276704)	13	Yes	NIL	NIL	NIL

INTER-SE RELATIONSHIPS BETWEEN DIRECTORS OF THE COMPANY:

S.No	Name of the Director	Designation	Inter-se Relationships
1	Mr. T.K Chandiran	Managing Director	Husband of Mrs. C. Selvi and Father of Mr. A. C Vineeth Kumar.
2	Mrs. C. Selvi	Whole-time Director	Wife of Mr. T.K Chandiran and Mother of Mr. A.C. Vineeth Kumar
3	Mr. A. C. Vineeth Kumar	Director	Son of Mr. T.K Chandiran and Mrs. C. Selvi

PARTICULARS OF SHARES HELD BY NON-EXECUTIVE DIRECTOR:

The non-Executive Directors has not hold any shares in the company except Mr. A.C. Vineeth Kumar*.

*Mr. A.C. Vineeth Kumar is holding 10 shares in the Company.

There has been no materially significant transaction or relationship between the Company and its Non-Executive Independent Directors during the year.

COMMITTEE OF DIRECTORS:

The Board has constituted the following Committees of Directors to deal with matters referred to it for timely decisions:

A. Audit Committee, B. Nomination and Remuneration Committee and C. Stakeholders Grievance Committee.

A. AUDIT COMMITTEE

Audit Committee comprises of Mr. T.Gnanasekar, Chairman of the Committee, Mr. A.Velayutham, Independent Director, Mr. V.Chandrasekaran, Independent Director and Mr. T.K. Chandiran, Managing Director of the Company as a members of the committee.

Particulars of Meetings of Audit Committee held during the year along with details of member's attendance of audit Committee Meetings are detailed herein:

Attendance of the Audit Committee meeting dated

Name of the members	Category	Attendance of the Audit Committee meeting dated				
		05.04.2016	04.07.2016	24.08.2016	03.01.2017	22.03.2017
Mr. T.Gnanasekar	Non-Executive-Independent Director	✓	✓	✓	✓	✓
Mr. A.Velayutham	Non-Executive-Independent Director	✓	✓	✓	✓	✓
Mr. V. Chandrasekaran	Non-Executive-Independent Director	✓	✓	✓	✓	✓
Mr. T.K. Chandiran	Managing Director	✓	✓	✓	✓	✓

Terms of reference:

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013. Below are the scope, functions and the terms of reference of our Audit Committee.

The Role of Audit Committee shall include the following:

1. Providing recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

3. Examining the financial statement and the auditor's report thereon;
4. Scrutinizing of inter-corporate loans and investments;
5. Evaluating internal financial controls & risk management systems;
6. Monitoring the end use of funds raised through public offers and related matters;
7. Valuation of undertakings or assets of the company, wherever it is necessary;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Any other responsibilities as may be assigned by the Board from time to time

B. NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Committee comprises of Mr. A.Velayutham, Chairman of the Committee, Mr. V.Chandrasekaran, Independent Director and Mr. T.Gnanasekar, Independent Director of the Company as a members of the committee.

Particulars of Meetings of Nomination and Remuneration (NR) Committee held during the year along with details of member's attendance of NR Committee Meetings are detailed herein:

Name of the members	Category	Attendance of the NR Committee meeting dated	
		04/07/2016	23/02/2017
Mr. A. Velayutham	Non-Executive-Independent Director	✓	✓
Mr. V.Chandrasekaran	Non-Executive-Independent Director	✓	✓
Mr. T.Gnanasekar	Non-Executive-Independent Director	✓	✓

The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

Terms of reference:

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 set forth below are the terms of reference, powers and role of our Nomination and Remuneration Committee:

To recommend to the Board, the remuneration packages of the Company's managing/ Joint Managing/ Deputy Managing/ Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation of the Independent Directors are based on the Companies Act, 2013, SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 and as per the policy adopted by the Company. The Committee carried out the evaluation of performance of every Director, KMP and Senior Management Personnel and continued efforts on evaluation at regular intervals is embarked by the Company.

Remuneration:

The Managing Director and Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and in accordance with the provisions of the Companies Act, 2013. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

Remuneration payable to Executive Directors:

The details of the remuneration paid to Executive Directors of the Company during the year ended March 31, 2017 is as under:

Name of the Director & Designation	Salary (amt in ₹)	Perquisites	Others	Total (amt in ₹)
Mr. T.K. Chandiran Managing Director	30,00,000	-	-	30,00,000
Mrs. C. Selvi Whole-time Director	9,00,000	-	-	9,00,000

Remuneration payable to Non-Executive Directors:

During financial year 2016-17 the Company has paid sitting fees for attending the Board and Committees meetings is as under:

Name of the Director & Designation	Sitting Fees (amt in ₹)	Others	Total (amt in ₹)
Mr. T.Gnanasekar Independent Director	35,000	-	35,000
Mr. A.Velayutham Independent Director	35,000	-	35,000
Mr. V.Chandrasekaran Independent Director	35,000	-	35,000

C. STAKEHOLDERS GRIEVANCE COMMITTEE:

Stakeholders Grievance Committee comprises of Mr. T.Gnanasekar, Chairman of the Committee, Mr. A.C. Vineeth Kumar, Director and Mr. V.Chandrasekaran, Independent Director of the Company as a members of the committee.

Since there was no grievance from any stakeholders, the stakeholders grievances committee was not held during the period under review.

a. Name and Designation of Compliance Officer: Mrs. C. Renuka, Company Secretary.

b. E-mail ID of Grievance Redressal Service Department : smeipo@kkgropowers.com
cs@kkgropowers.com

c. Number of shareholders' Complaints received so far : Nil

d. Number not solved to the satisfaction of Shareholders : Nil

e. Number of pending complaints : Nil

Terms of reference:

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013

The terms of reference, powers and scope of the Stakeholder's Relationship Committee of our Company include:

- 1) Power to approve share transfers;
- 2) Power to approve share transmission;
- 3) Power to issue duplicate shares certificates;
- 4) Power to approve and issue fresh share certificate by way of split or consolidation of the existing certificate or in any other manner.
- 5) To monitor the resolution of all types of shareholders /investors grievances and queries periodically
- 6) Power to allot shares, equity or preference, fully or partly convertible debentures, or other financial instruments convertible into equity shares at a later date in demat or physical mode, the issue of which has been approved by the Board of Directors of the company.

Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted meeting.

ANNUAL GENERAL MEETING:

The particulars of Annual General Meeting held during the last three year are detailed herein:

Year	Date	Time	Venue	Special Resolution
2013-14	24.09.2014	10.00 a.m.	Vivaaga Building, #637, Oppanakara Street, Coimbatore - 641 001.	<ol style="list-style-type: none">1. Approval for Increase in Limits Specified under section 180(1) (a) of the Companies Act, 2013.2. Approval for Increase in the limits specified under section 180(1) (c) of the Companies Act, 2013.
2014-15	07.09.2015	10.00 a.m.	Vivaaga Building, #637, Oppanakara Street, Coimbatore - 641 001.	<ol style="list-style-type: none">1. Altering the Capital Clause of Memorandum of Association of the Company.2. Deleting the Existing Clauses 19 and 20 of the Articles of Association of the Company and renumbering the remaining clauses.3. Issue of Equity Shares through Initial Public Offer by the Company.4. Approval for Increase in Limits Specified under section 180(1) (a) of the Companies Act, 2013.5. Approval for Increase in the limits specified under section 180(1) (c) of the Companies Act, 2013.6. Appointment of T. K. Chandiran as a Managing Director of the Company and fix his Remuneration.7. To Consider the Payment of Remuneration to Mrs. C.Selvi, Director of the Company.8. To Consider the Payment of Remuneration to Mr. A. C. Vineeth Kumar, Director of the Company.9. Altering The Rights Attached To The Preference Share Holders.
2015-16	30.09.2016	12.15 pm	The Rathna Residency, 355, Variety Hall Road, Coimbatore - 641001	NIL

POSTAL BALLOT

No Special Resolution was required to be put through postal ballot during in the last financial year.

MEANS OF COMMUNICATION:

The Company has entered into listing its shares on NSE – Emerge Platform on 15.07.2016.

The Company has displayed the policies, financial results and other items in the website of the Company “www.kkvagropowers.com”.

As per Listing Obligation and Disclosure Requirements Regulation 2015 under regulation 47 (4) is not applicable to our Company.

GENERAL SHAREHOLDERS INFORMATION:

ANNUAL GENERAL MEETING:

Day & Date : Tuesday, 05th September, 2017.

Time : 12:00 PM

Venue : The Rathna Residency ,
355, Variety Hall Road,
Coimbatore – 641 001.

FINANCIAL CALENDAR

Financial year : 1st April, 2016 to 31st March, 2017

Announcement of Annual Results 2016-17 : 25.05.2017

Posting of Annual Reports 2016-17 : On or before 14th August, 2017

Last date of receipt of Proxy Forms : 02.09.2017

Date of Book Closure : 30.08.2017 Friday to 05.09.2017 Thursday
(both days inclusive)

Announcement of Financial Results:

Half yearly Results: The half yearly financial results are generally published within forty five days from the end of each half.

Audited Results: The audited results are announced within sixty days from the end of the last half year as stipulated in SEBI (LODR) Regulations, 2015. The audited annual financial results form a part of the Annual Report and the same is being sent to the shareholders prior to the Annual General Meeting.

Website: The half yearly and annual financial statements are posted on the Company's website viz: www.kkvagropowers.com.

LISTING:

The equity shares of the Company are listed at : listed on the National Stock Exchange of India Limited on SME Platform.

The National Stock Exchange of India Limited, Symbol : KKVAPOW

ISIN No. : INE239T01016

Listing Fee : Annual listing fee to the Stock Exchange paid upto date.

REGISTRAR AND SHARE TRANSFER AGENT:

M/s S.K.D.C Consultants Limited,
Kanapathy Towers, 3rd Floor,
1391/A – 1, Sathy Road, Ganapathy,
Coimbatore - 641006.
Phone : 0422 -654995/2539835-36,
E-mail : info@skdc-consultants.com

DETAILS OF COMPLIANCE OFFICER :

Mrs.C.Renuka,

Company Secretary & CFO.
KKV Agro Powers Limited
Vivaaga Building, #637, Oppanakara Street,
Coimbatore - 641 001.
Phone: +91-422-2303880
Fax: +91-422-2303881
E-Mail: cs@kkvagropowers.com

SHAREHOLDING PATTERN AS ON 31.03.2017:

Category	No. of Shares held	Percentage of Share Holding
A) Promoter & Promoter Group	2,51,999	69.46%
B) Public	1,10,801	30.54%
C) Non Promoter-Non Public	-	-
C1) Shares underlying DRs	-	-
C2) Shares held by Employee Trust	-	-
Grand Total	3,62,800	100.00

DISTRIBUTION OF SHAREHOLDINGS

Distribution of Share Holders					
S.No	No.of Equity Share	No of Share holder	% of Share holder	Nos of Share	% of Share
1	1-500	126	85.14	49620	13.68
2	501-1000	4	2.70	3200	0.88
3	1001-2000	7	4.73	12800	3.53
4	2001-3000	1	0.68	2623	0.72
5	3001-4000	1	0.68	4000	1.10
6	4001-5000	1	0.68	4400	1.21
7	5001-6000	3	2.03	16400	4.52
8	Above 6000	5	3.38	269757	74.35
	Total	148	100.00	362800	100.00

HIGH AND LOW PRICES OF SHARES AND ITS COMPOSITION WITH NSE EMERGE

Month & Year	NSE Emerge (SME Platform) - KKV Agro Powers Limited		NSE	
	High	Low	High	Low
Jun-16	355	320	6990.50	6630.55
Jul-16	342	320	7357.45	7003.90
Aug-16	329	320	7520.45	7215.40
Sep-16	327	325	7634.50	7303.95
Oct-16	330	320	7605.96	7371.35
Nov-16	396	325	7539.10	6751.15
Dec-16	350	340	7112.25	6711.65
Jan-17	358	353	7483.90	6955.45
Feb-17	362	330	7746.15	7366.90
Mar-17	357	327	8005.75	7659.25

DEMAT INFORMATION:

The fully paid-up Equity shares of the Company are admitted in the demat mode by both the depositories of the country i.e. National Securities Depository Limited & Central Depository Service Limited.

As on 31.03.2017, 100% of the total paid-up Equity Share capital of the Company has been dematerialised. In view of the numerous advantages offered by the depository system, members have been requested to avail the facility of dematerialisation of the Company's shares.

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS AND THEIR LIKELY IMPACT ON EQUITY

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

NOMINATION FACILITY

The Companies Act, 2013 has provided the facility of nomination for the shares of the Company. The nomination form (Form SH-13) along with instructions is provided to the members on request.

PLANT LOCATIONS:

WIND MILL LOCATIONS:

1.	WF.HT.SC No. 195 No. P-882, S.F No. 16/2B, PERIYA KALANTHAI VILLAGE, POLLACHI (TK), COIMBATORE(DT).	2.	WF.HT.SC No. 1221 S.F No. 914/3A OF UDAYATHUR VILLAGE, RADHAPURAM TALUK, TIRUNELVELI (DT)	3.	WF.HT.SC No. 83 (OLD No. 428) VARAPATTY VILLAGE, PALLADAM (TK), TIRUPUR (DT).
4.	WF.HT.SC No. 84 (OLD No. 429) VARAPATTY VILLAGE, PALLADAM (TK), TIRUPUR (DT).	5.	WF.HT.SC No. 87 (OLD No. 432) VARAPATTY VILLAGE, PALLADAM (TK), TIRUPUR (DT).	6.	WF.HT.SC No. 407 SF No. 27(P) OF PULIAMPATTY, PALLADAM (TK), TIRUPUR (DT).
7.	WF.HT.SC No. 1222 SF. NO. 902/1A1(P) OF UDAYATHUR VILLAGE, RADHAPURAM TALUK, TIRUNELVELI (DT).				

SOLAR SITE LOCATION:

S.F No. 73/A1, A2A, A4A, A5, UTHAMPALAYAM VILLAGE, KENGEYAM TALUK, TIRUPUR (DT)
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ADDRESS FOR CORRESPONDENCE

Correspondence Address	The Managing Director/Company Secretary, KKV Agro Powers Limited , CIN: L40108TZ2012PLC018332 Vivaaga Building, #637,Oppanakara Street, Coimbatore - 641 001.
CIN	L40108TZ2012PLC018332
Website	www.kkvagropowers.com
E-mail	cs@kkvagropowers.com
Investors' grievances email id	smeipo@kkvagropowers.com
Phone	0422 – 2303880, +91 77082 58888

DISCLOSURES:

A. RELATED PARTY TRANSACTION:

Details of all related party transactions are given elsewhere in the Annual Report.

The Policy on Related Party Transaction as approved by the Board of Directors of the Company has been uploaded on the company website and may be accessed through the link www.kkvagropowers.com .

B. DETAILS OF NON-COMPLIANCE IMPOSED BY STOCK EXCHANGE OR THE STATUTORY AUTHORITY:

No penalties, strictures was imposed on the Company by Stock Exchange or SEBI or any Statutory Authorities, on any matter relating to Capital Markets.

C. WHISTLE BLOWER POLICY AND AFFIRMATION THAT NO PERSONNEL HAVE BEEN DENIED ACCESS TO THE AUDIT COMMITTEE.

A Whistle Blower Policy is adopted by the Company. The whistle blower mechanism is in operation and no personnel has been denied access to the Audit Committee.

D) DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS.

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has taken cognizance of the non-mandatory requirements and shall consider adopting the same as and when necessary.

E) DISCLOSURE ON "MATERIAL" SUBSIDIARIES.

The Company has no material subsidiary.

F) WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS IS DISCLOSED.

The Company has framed Related Party Transaction Policy and the same is placed on the Company's website and the web link for the same is <http://kkvagropowers.com/investors/policies/>

G) DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES.

The Company is not undertaking any commodity hedging activities; hence there is no risk of commodity hedging to the Company.

H) DISCLOSURE ON ACCOUNTING TREATMENT.

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

I) DISCLOSURE ON RISK MANAGEMENT.

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

J) CODE FOR PREVENTION OF INSIDER TRADING.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

K) CODE OF CONDUCT.

The Code of Conduct for the Directors and Senior Management Personnel of the Company has been laid down and posted on the Website of the Company and the web link for the same is <http://kkvagropowers.com/investors/policies/>.

The compliance of the said Code of Conduct by the Directors and Senior Management Personnel for the year 2016-17 has been affirmed by the Chairman and Managing Director.

Declaration:

As provided under the Listing Regulation with the Stock Exchanges, the Board Members and the members of Senior Management have confirmed compliance with the Code of Conduct.

**Place: Coimbatore
Date : 11-08-2017**

By order of the Board

**T.K Chandiran
Managing Director
(DIN : 00031091)**

Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31st March 2017

[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	L40108TZ2012PLC018332
ii	Registration Date	05/06/2012
iii	Name of the Company	KKV Agro Powers Limited
iv	Category / Sub Category of the Company	
	Category	Company limited by Shares
	Sub-Category	Non-govt company
v	Address of the registered office and contact details	Vivaaga Building, # 637, Oppanakara Street, Coimbatore - 641 001. Email id: cs@kkvagropowers.com
vi	Whether listed company	Yes
vii	Name, address and contact details of registrar and transfer agent, if any	M/s S.K.D.C Consultants Limited, Kanapathy Towers, 3 rd Floor, 1391/A – 1, Sathy Road, Ganapathy, Coimbatore - 641006. Phone:0422-654995, 2539835-36 Fax No.0422-2539837 Email id : info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S.No	Name and description of main products/ services	NIC code of the product/service	% to total turnover of the company
1	The business to generate, harness, develop, accumulate and supply electricity by setting up power plants by use of wind, Hydel, biomass, woody waste, solar, steam, fossil fuels, coal or tidal energy for the purpose of light, heat, motive power and for which electric energy can be employed and to transmit, distribute, and supply such power either for captive use or to sell, supply, transmit to State/Central Electricity Boards, to industries and to other consumers of electricity.	351	99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

S.No	Name and address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Nil					

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

i) Category-wise Shareholding

S. No	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals/ HUF	42,476	0	42,476	62.83	1,56,680	-	1,56,680	43.19	19.65
(b)	Central/State Govt.	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	8,750	150	8,900	13.16	95,319	-	95,319	26.27	13.11
(d)	FI/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1)	51,226	150	51,376	75.99	2,51,999	-	2,51,999	69.46	32.76
(2)	Foreign									
(a)	NRIs -Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-	-	-
(d)	Banks /Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A) = (A)(1) + (A)(2)	51,226	150	51,376	75.99	2,51,999	-	2,51,999	69.46	32.76
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual funds	-	-	-	-	-	-	-	-	-
(b)	FI/Banks	-	-	-	-	-	-	-	-	-
(c)	Central/ State Govt.	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FIs	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

(h)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
(2)	Non-institutions									
(a)	Bodies corporate	-	-	-	-	-	-	-	-	-
(i)	Indian	-	-	-	-	-	-	-	-	-
(ii)	Overseas	-	-	-	-	-	-	-	-	-
S. No	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(b)	Individual									
(i)	Holding nominal share capital of Rs. 1 Lakh	-	-	-	-	67,423	-	67,423	18.59	18.59
(ii)	Holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
	Bodies Corporate	16,224	-	16,224	24	35,378	-	35,378	9.75	14.25
	Non Resident Indians – Repatriable	-	-	-	-	400	-	400	0.11	0.11
	Clearing Members	-	-	-	-	5,600	-	5,600	1.54	1.54
	HUF	-	-	-	-	2,000	-	2,000	0.55	0.55
	Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B) = (B)(1)+ (B)(2)	16,224	-	16,224	24	1,10,801	-	1,10,801	30.54	35.04
(C)	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Sub-total (C)	-	-	-	-	-	-	-	-	-
(D)	Other than promoters (Not public)	-	-	-	-	-	-	-	-	-
	Individual	-	-	-	-	-	-	-	-	-
	Bodies corporate	-	-	-	-	-	-	-	-	-
	Sub-total (D)	-	-	-	-	-	-	-	-	-
	Grand Total (A)+(B)+(C)+(D)	67,450	150	67,600	100	3,62,800	-	3,62,800	100	67.8

ii) **Shareholding of Promoters**

S. 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 compan	% of shares pledged/ encumbered to total share	No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	
1	T.K Chandiran	32,456	48.01%	-	1,40,732	38.79%	-	9.219%
2	C. Selvi	10,000	14.79%	-	15,928	4.39%	-	10.40%
3	Kumudam Dhandapani	10	0.015%	-	10	0.003%	-	0.012%
4	A C Vineethkumar	10	0.015%	-	10	0.003%	-	0.012%
5	THE KTM JEWELLERY LIMITED	2,750	4.07%	-	29,584	8.15%	-	4.084%
6	SPACE TEXTILES PRIVATE LIMITED	6,150	9.1%	-	65,735	18.11%	-	9.019%

iii) **Change in Promoters' Shareholding**

1. Name of the Promoter : T.K CHANDIRAN				
Particulars	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
At the beginning of the year	32,456	48.01%	32,456	8.95%
Increase - 08.04.2016 – Purchase	16,223	-	48,679	13.42%
Decrease – 17.05.2016 – Sale	4,500	-	44,179	12.18%
Increase – 18.05.2016 – Preferential Allotment.	1,12,638	-	1,56,817	43.22%
Decrease – 23.12.2016 – Sale	16,085	-	1,40,732	38.79%
At the end of the year	-	-	1,40,732	38.79%

2. Name of the Promoter : C. SELVI				
Particulars	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
At the beginning of the year	10,000	14.79%	10,000	2.76%
Increase – 18.05.2016 – Preferential Allotment.	5,928	-	15,928	4.39%
At the end of the year	-	-	15,928	4.39%

3. Name of the Promoter : A C Vineethkumar				
Particulars	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
At the beginning of the year	10	0.003%	10	0.002%
Increase / Decrease during the year	-			
At the end of the year	-	-	10	0.002%

4. Name of the Promoter : Kumudam Dhandapani				
Particulars	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
At the beginning of the year	10	0.003%	10	0.002%
Increase / Decrease during the year	-			
At the end of the year	-	-	10	0.002%

5. Name of the Promoter : THE KTM JEWELLERY LIMITED				
Particulars	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
At the beginning of the year	2,750	4.07%	2,750	0.76%
Increase – 17.05.2016 – Purchase	4,500	-	7,250	2.00%
Increase – 18.05.2016 – Preferential Allotment.	21,134	-	28,384	7.82%
Increase – 22.02.2017 – Purchase	1,200	-	29,584	8.15%
At the end of the year	-	-	29,584	8.15%

6. Name of the Promoter : SPACE TEXTILES PRIVATE LIMITED				
Particulars	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
At the beginning of the year	6,150	9.1%	6,150	1.70%
Increase – 18.05.2016 – Preferential Allotment.	43,500	-	49,650	13.69%
Increase – 23.12.2016 – Purchase.	16,085	-	65,735	18.12%
At the end of the year	-	-	65,735	18.12%

iv) **Shareholding Pattern of top ten shareholders (other than directors, promoters, and holders of GDRs and ADRs):**

1. KAPIL CHOPRA	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
At the beginning of the year	-	-	-	-
Increase /(Decrease) during the year specifying the reasons for change	6,000	1.65%	6,000	1.65%
At the end of the year	-	-	6,000	1.65%

2. PRACHUR MERCHANTS PRIVATE LIMITED	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
At the beginning of the year	-	-	-	-
Increase /(Decrease) during the year specifying the reasons for change	5,200	1.43%	5,200	1.43%
At the end of the year	-	-	5,200	1.43%

3. CHOICE EQUITY BROKING PRIVATE LIMITED	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
At the beginning of the year	-	-	-	-
Increase /(Decrease) during the year specifying the reasons for change	5,600	1.54%	5,600	1.54%
At the end of the year	-	-	5,600	1.54%

4. YOGRAJ BARTER PRIVATE LIMITED	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
At the beginning of the year	-	-	-	-
Increase /(Decrease) during the year specifying the reasons for change	4,400	1.21%	4,400	1.21%
At the end of the year	-	-	4400	1.21%

5. SENSITIVE AGENCY PRIVATE LIMITED	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
At the beginning of the year	-	-	-	-
Increase /(Decrease) during the year specifying the reasons for change	4,000	1.10 %	4,000	1.10 %
At the end of the year	-	-	4,000	1.10 %

6. K CHANDRASEKHAR	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
At the beginning of the year	-	-	-	-
Increase /(Decrease) during the year specifying the reasons for change	2,623	0.72%	2,623	0.72%
At the end of the year	-	-	2,623	0.72%

7. R VARADA RAJAN	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
At the beginning of the year	-	-	-	-
Increase /(Decrease) during the year specifying the reasons for change	2,000	0.55%	2,000	0.55%
At the end of the year	-	-	2,000	0.55%

8. DEVIKA VARADARAJAN	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
At the beginning of the year	-	-	-	-
Increase /(Decrease) during the year specifying the reasons for change	2,000	0.55%	2,000	0.55%
At the end of the year	-	-	2,000	0.55%

9. S SRIKANTH	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
At the beginning of the year	-	-	-	-
Increase /(Decrease) during the year specifying the reasons for change	2,000	0.55%	2,000	0.55%
At the end of the year	-	-	2,000	0.55%

10. MAYAPUR VINIMAY PRIVATE LIMITED	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
At the beginning of the year	-	-	-	-
Increase /(Decrease) during the year specifying the reasons for change	2,000	0.55%	2,000	0.55%
At the end of the year	-	-	2,000	0.55%

v) **Shareholding of Directors and Key Managerial Personnel**

1. Name of the Director : T.K CHANDIRAN (DIN: 00031091)				
Particulars	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
At the beginning of the year	32,456	48.01%	32,456	8.95%
Increase - 08.04.2016 – Purchase	16,223	-	48,679	13.42%
Decrease – 17.05.2016 – Sale	4,500	-	44,179	12.18%
Increase – 18.05.2016 – Preferential Allotment.	1,12,638	-	1,56,817	43.22%
Decrease – 23.12.2016 – Sale	16,085	-	1,40,732	38.79%
At the end of the year	-	-	1,40,732	38.79%

2. Name of the Director : C. SELVI (DIN: 00032962)				
Particulars	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
At the beginning of the year	10,000	14.79%	10,000	2.76%
Increase – 18.05.2016 – Preferential Allotment.	5,928	-	15,928	4.39%
At the end of the year	-	-	15,928	4.39%

3. Name of the Director : A.C.VINEETHKUMAR (DIN: 06756745)				
Particulars	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
At the beginning of the year	10	0.003%	10	0.002%
Increase/(Decrease) during the year	-			
At the end of the year	-	-	10	0.002%

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	₹82,41,278	₹4,77,26,044	-	₹5,59,67,322
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	₹82,41,278	₹4,77,26,044	-	₹5,59,67,322
Change in Indebtedness during the financial year				
• Addition	-	-	-	
• Reduction	₹81,23,422	₹1,23,998	-	₹82,47,420
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	₹1,17,856	₹4,76,02,047	-	₹4,77,19,903
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i + ii + iii)	₹1,17,856	₹4,76,02,047	-	₹4,77,19,903

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No	Particulars of Remuneration	T.K Chandiran (DIN: 00031091) Managing Director	C.Selvi (DIN:00032962) Whole time Director	Total Amount
1.	Gross salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	₹30,00,000	₹9,00,000	₹39,00,000
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others, specify	-	-	-
5.	Others, (specify)	-	-	-
	Total (A)	₹30,00,000	₹9,00,000	₹39,00,000
	Ceiling as per the Act	within the limit		

B. Remuneration to other directors:

Particulars of Remuneration	A.Velayutham (DIN: 07173627)	T. Gnanasekar (DIN: 00904018)	V.Chandrasekaran (DIN: 07276704)	Total Amount
1. Independent Directors				
• Fee for attending board/ • Commission • Others, please specify	₹35,000	₹35,000	₹35,000	₹1,05,000
Total (1)	₹35,000	₹35,000	₹35,000	₹1,05,000
2. Other Non-Executive Directors				
• Fee for attending board/ committee meetings • Commission • Others, please specify	Nil	Nil	Nil	
Total (2)				
Total (B) + (1 + 2)	₹35,000	₹35,000	₹35,000	₹1,05,000
Total Managerial Remuneration	₹35,000	₹35,000	₹35,000	₹1,05,000
Overall Ceiling as per the Act	within the limit			

C. Remuneration to key managerial personnel other than MD/Manager/WTD :

S.No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CEO	C.Renuka Company Secretary and CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	₹9,03,438	₹9,03,438
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as 0.10 % of profit - Others, specify		₹20,601	₹20,601
5.	Others, (specify)	-	-	-
	Total	-	₹9,24,039	₹9,24,039

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			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

For and on behalf of the Board

Date : 11-08-2017

Place: Coimbatore

T.K Chandiran
(DIN: 00031091)
Managing Director

T.Gnanasekar
(DIN: 00904018)
Director

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)

1 Details of material contracts or arrangement or transaction at arm's length basis

S.No	Name(s) of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any		Other Services (including Rent)	Office or Place of profit	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
					Sales	Purchases				
1	The KTM Jewellery Limited	Common Directorship	Advance given for Purchase of windmill and Sale of wind energy	2016-2017	7,186,843	-	-	-	01.04.2016	5,44,00,000
2	Space Textiles Private Limited	Common Directorship	Sale of wind energy	2016-2017	40,635,722	-	-	-	01.04.2016	-

2 Details of material contracts or arrangement or transaction not at arm's length basis: Nil

Place: Coimbatore

Date: 11-08-2017

(For and on behalf of the Board)

T.K Chandiran
Managing Director
(DIN:00031091)

T.Gnanasekar
Director
(DIN:00904018)

To :
The Members,
M/s.KKV Agro Powers Limited,
Vivaaga Building,
637, Oppanakara Street,
Coimbatore – 641 001.

My Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on my audit.
3. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

4. 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 G.V and Associates

G. Vasudevan

FCS No.:6699

C P No.:6522

11.08.2017
Coimbatore

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED **31ST MARCH, 2017**

[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,
M/s.KKV Agro Powers Limited,
Vivaaga Building,
#637, Oppanakara Street,
Coimbatore – 641 001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. KKV Agro Powers Limited** (CIN: L40108TZ2012PLC018332), a listed entity having its registered office at Vivaaga Building, #637, Oppanakara Street, Coimbatore – 641 001, (herein after called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place (with respect to statutory provisions listed hereunder) to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - *Not Applicable*;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

Not applicable as the Company has issued or allotted shares before listing during the financial year under review.

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

Not applicable as the Company has not issued or allotted shares to its employees during the financial year under review.

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

Not applicable as the Company has not issued Debt Securities during the financial year under review.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review.

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

Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Not applicable as the Company has not bought back any of its securities during the financial year under review.

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

- (i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015.

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

I further report that

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

I 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 laws, rules, regulations and guidelines mentioned herein above.

I further report that during the audit period 2016-17, the Company has

Allotted 1,83,200 equity shares under the Preferential Basis.

For G.V and Associates

Coimbatore
11.08.2017

G.Vasudevan
FCS No.: 6699
C P No.: 6522

Particulars of Remuneration of Directors and Employees pursuant to Section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration) Rules, 2014.

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Sl.No.	Name of the Director	Ratio
1.	Mr.T.K.Chandiran	25.77:1
2.	Mrs.C.Selvi	7.73:1

- The median remuneration of employees of the company was Rs.1.16 lakhs
- For this purpose sitting fees paid to the directors have not been considered as remuneration.
- During the year, the non-executive directors received only the sitting fees as remuneration.

- ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sl.No.	Name of the Director	% Increase / (Decrease) in remuneration
1.	Mr.T.K.Chandiran	1.55%
2.	Mrs.C.Selvi	-
3.	Mrs.C.Renuka	1.23%

- iii) The percentage increase in the median remuneration of employees in the financial year : 3.99%

- iv) The number of permanent employees on the rolls of company : 09

- v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

The remuneration of the Key Managerial Personnel was 1.49% of revenue and 6.42% of Profits.

- vi) 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 percentile increase granted to employees other than managerial personnel is 1.03%

The percentile increase granted to managerial personnel is 1.23%

- vii) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

The comparison of remuneration of the each of the Key Managerial personnel against the Company PAT and Revenue for the FY 2016-17 is as follows

Name of the Key Managerial Person	% of revenue	% of PAT
C.RENUKA	1.49	6.42

- viii) We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the Company.

To the Members of KKV Agro Powers Limited (Formerly Known as Nachas Wind Energy Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **KKV Agro Powers Limited (Formerly Known as Nachas Wind Energy Private Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 control 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and except for matter stated in paragraph (g) (iv) below obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (Refer Note No. 2.31 to the financial statements).

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

C.S. Sathyanarayanan

Partner

Membership No.028328

Coimbatore,

25-05-2017.

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **KKV Agro Powers Limited (Formerly Known as Nachas Wind Energy Private Limited)** on the financial statements for the year ended 31-03-2017]

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of the fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, during the year, fixed assets have not been physically verified by the management as per the programme of verification.
 - (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) The Company holds inventory in the nature of renewable energy certificates and hence reporting under this clause is not applicable.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii)
 - (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases / delays in deposit have not been serious.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).
- (ix) According to the information and explanations given to us, the Company has raised by way of initial public offer and term loan have been applied by the company except for

S.No	Purpose of funds raised through IPO	Details of default / delay	Amount as per prospectus (₹ in Lakhs)	Amount utilized (₹ in Lakhs)
1	Setting up of .8 MW wind energy project in Tamilnadu	Delay on account of setting up the project. Advance Amount paid to vendor for 1.6 MW of wind energy project in Andhra Pradesh instead of .8 MW wind energy project in Tamilnadu	475.00	544.00
2	Erection of 33 KV Electricity Transmission Line	Delay on account of setting up the project	50.00	Nil
3	Repayment of Term Loan	Pre-closure of Loan to reduce the interest cost.	320.00	338.61
4	General Corporate Purpose	Nil	42.61	5.00
5	IPO Expenses	Nil	28.43	28.43
		Total	916.04 *	916.04

*** Difference between amount as per prospectus and amount raised have been adjusted against IPO Expenses and general corporate purpose.**

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has made preferential allotment of shares during the year under review and in our opinion and according to the information and explanations given to us, the requirement of Section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

C.S. Sathyanarayanan
Partner
Membership No. 028328

Coimbatore,
25-05-2017.



KKV Agro Powers Limited (Formerly Known as Nachas Wind Energy Private Limited)
Balance Sheet as at 31st March 2017

in ₹

Particulars	Note No	As on 31st March 2017	As on 31st March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
a) Share Capital	2.01	12,628,000	9,676,000
b) Reserves and Surplus	2.02	123,930,892	19,964,458
		<u>136,558,892</u>	<u>29,640,458</u>
(2) Non-current liabilities			
a) Long Term Borrowings	2.03	117,856	8,241,278
b) Deferred tax liabilities (Net)	2.04	15,692,807	8,449,748
c) Long term provisions	2.05	143,626	71,717
		<u>15,954,289</u>	<u>16,762,743</u>
(3) Current Liabilities			
a) Short Term Borrowings	2.06	47,602,047	47,726,044
b) Other Current Liabilities	2.07	1,646,592	38,061,312
c) Short Term Provisions	2.08	1,593,900	-
		<u>50,842,539</u>	<u>85,787,356</u>
		<u>203,355,720</u>	<u>132,190,557</u>
II. ASSETS			
(1) Non-current Assets			
a) Fixed Assets	2.09		
- Property, Plant and Equipment		110,549,190	118,073,778
b) Long Term loans and advances	2.10	64,616,880	6,166,389
		<u>175,166,070</u>	<u>124,240,167</u>
(2) Current Assets			
a) Current investments	2.11	6,000,000	-
b) Inventories	2.12	35,714	20,816
c) Trade receivables	2.13	15,839,276	1,734,880
d) Cash and cash equivalent	2.14	952,505	2,878,801
e) Short term loans and advances	2.15	950,363	947,156
f) Other current assets	2.16	4,411,792	2,368,737
		<u>28,189,650</u>	<u>7,950,390</u>
		<u>203,355,720</u>	<u>132,190,557</u>

Summary of Significant Accounting Policies : 1
Notes form an integral part of the Financial Statements.

As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

For and on behalf of the Board of Directors

C.S.Sathyannarayanan
Partner
Membership No.028328

T.K.Chandiran
Managing Director
DIN:00031091

C.Selvi
Director
DIN:00032962

C.Renuka
Company Secretary & CFO
ACS - 26355

Place : Coimbatore
Date: 25/05/2017

**KKV Agro Powers Limited (Formerly Known as Nachas Wind Energy Private Limited)****Statement of Profit and Loss for the year ended 31st March 2017**

in ₹

Particulars	Note No	2016-2017	2015-2016
Revenue From Operations	2.17	61,857,595	49,273,867
Other Income	2.18	480,244	2,589
Total Income		62,337,839	49,276,456
Expenses			
Power Generation Expenses	2.19	9,353,796	8,569,793
Increase in inventories	2.20	(14,898)	(20,816)
Employee benefits expense	2.21	6,932,762	5,868,428
Depreciation	2.09	7,757,089	7,802,402
Finance costs	2.22	1,621,484	5,289,340
Other expenses	2.23	15,061,224	13,902,985
Total Expenses		40,711,457	41,412,133
Profit before tax		21,626,382	7,864,323
Tax expense:			
Current tax		4,450,000	1,510,000
MAT Credit		(4,450,000)	(1,510,000)
Deferred tax		7,243,059	2,618,801
For Earlier years		(5,717)	(50,601)
Profit for the year		14,389,040	5,296,123
Earnings per equity share of face value of ₹ 10 /- each Basic and Diluted (in ₹)	2.26	50.32	73.54

Summary of Significant Accounting Policies : 1

Notes form an integral part of the Financial Statements.

As per our report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

For and on behalf of the Board of Directors

C.S.Sathyanarayanan

Partner

Membership No.028328

T.K.Chandiran

Managing Director

DIN:00031091

C.Selvi

Director

DIN:00032962

C.RenukaCompany Secretary
& CFO

ACS - 26355

Place : Coimbatore

Date: 25/05/2017



KKV Agro Powers Limited (Formerly Known as Nachas Wind Energy Private Limited)
Cash Flow Statement for the year ended 31st March 2017

Particulars	2016-2017		2015-2016	
	in ₹	in ₹	in ₹	in ₹
A.Cash flows from operating activities				
Net profit before taxation		21,626,382		7,864,323
Adjustments for:				
Depreciation	7,757,089		7,802,402	
Interest income	(473,197)		(2,589)	
Interest expenses	1,621,484	8,905,376	5,289,340	13,089,153
Operating profit before working capital changes		30,531,758		20,953,476
- (Increase)/decrease in inventories	(14,898)		(20,816)	
- (Increase)/decrease in trade receivables	(14,104,396)		1,324,610	
- (Increase)/decrease in loans and advances	(58,604,608)		1,313,328	
- (Increase)/decrease in Other Current assets	(2,043,056)		(1,394,077)	
- (Decrease)/increase in liabilities and provisions	(7,541,734)	(82,308,691)	11,419,369	12,642,415
Cash generated from / (used in) operations		(51,776,932)		33,595,891
Income taxes refund/(paid)		(1,437,274)		(230,328)
Net cash from / (used in) operating activities - (A)		(53,214,206)		33,365,563
B.Cash flows from investing activities				
Purchase of Fixed Assets		(232,500)		(35,309,262)
Purchase of Investments		(6,000,000)		
Interest received		473,197		2,589
Net cash used in investing activities - (B)		(5,759,303)		(35,306,673)
C.Cash flows from financing activities				
Proceeds from Issue of Shares		92,529,394		
Repayment of long term borrowings		(33,860,697)		(16,909,215)
Interest paid		(1,621,484)		(5,289,340)
Net cash from / (used in) financing activities - (C)		57,047,213		(22,198,555)
Net (decrease) in cash and cash equivalents (A+B+C)		(1,926,296)		(24,139,666)
Cash and cash equivalents at beginning of period		2,878,801		27,018,467
Cash and cash equivalents at end of period		952,505		2,878,801

Summary of Significant Accounting Policies : 1
Notes form an integral part of the Financial Statements.

As per our report of even date

For Haribhakti & Co.LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

For and on behalf of the Board of Directors

C.S.Sathyanarayanan
Partner
Membership No.028328

T.K.Chandiran
Managing Director
DIN:00031091

C.Selvi
Director
DIN:00032962

C.Renuka
Company Secretary & CFO
ACS - 26355

Place: Coimbatore

Date: 25/05/2017

Note no.1

A Nature of operations:

KKV Agro Powers Limited is an Independent Power Producer (IPP) and Renewable Power Generation company located in Coimbatore. It has an installation capacity of 7 MW that includes an installation of 6 MW wind energy and 1 MW Solar Energy.

The company has converted from a Private limited company to a Public limited company along with change of name of the company from Nachas Wind Energy Private Limited to KKV Agro Powers Limited vide fresh Certificate of Incorporation given by the Ministry of Corporate Affairs on 18-05-2015.

The company had made a public issue of 1,12,000 Equity shares of face value of ₹ 10 each at a premium of ₹ 310 per equity share during the year. The initial public offer was fully subscribed and has been listed on the SME platform of the National Stock Exchange of India Ltd (NSE Emerge) on 15-07-2016.

B SIGNIFICANT ACCOUNTING POLICIES:

i) a) Basis of Preparation:

The Financial Statements of the company have been prepared in accordance with generally accepted accounting principle in India (IGAAP) and comply in all material respects with the accounting standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the companies (Accounts), Rules, 2014 and (Accounting Standards) Rules, 2014 and the relevant provisions of the companies Act, 2013. The Financial Statements have been prepared under the historical cost convention on an accrual basis. This accounting policy has been consistently applied by the company with those used in the previous year except for change in accounting policy explained below.

b) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make judgements estimates and assumptions that affect the reported amounts of assets, liabilities, disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognised prospectively in the year in which the events are materialised.

ii) Property, plant & equipment, Depreciation/Amortisation and Impairment:

a) Property, plant and equipment being Fixed assets are tangible items held for use or for administrative purposes and are measured at cost less accumulated depreciation and any accumulated impairment. Cost comprises of the purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Financing costs relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use.

b) Items such as spare parts, stand-by equipment and servicing equipment are recognised if they meet the definition of property, plant and equipment.

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain/ loss arising from derecognition of an item of PPE is included in the statement of Profit & Loss. The gain or loss arising from the derecognition of an item of PPE would be the difference between the net disposal proceeds, if any, and the carrying amount of the item.

c) Depreciation on Property, plant and equipment are provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013. Where the cost of a part of the PPE is significant to the total cost of the PPE and if that part of the PPE has a different useful life than the main PPE, the useful life of that part is determined separately for depreciation. The depreciation method applied to an asset is reviewed at each financial year-end and if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged to reflect the changed pattern.

d) The Useful Life prescribed in Schedule II to the Companies Act, 2013,

S.No	Class of Assets	Useful life
1	Buildings	5 Years
2	Plant and Machinery	
	- Wind Power generation plant	22 years
	- Other than continuous process plant	15 years
3	Furniture & Fittings	10 years
4	Motor Vehicles	8 years
5	Office Equipments	5 years
6	Computers	3 years
7	Electrical fittings	10 years

e) As at each Balance sheet date, the carrying amount of assets is tested for impairment so as to determine

- i) The provision for impairment loss, if any, required or
- ii) The reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

iii) Investments:

- a) Long Term Investments are stated at cost.
- b) Current Investments are carried at lower of cost and fair value as on the Balance Sheet date.
- c) Provision for diminution in value of long-term investments is made, if the diminution is other than temporary.

iv) Inventories:

- a) Inventories are valued at lower of cost and estimated net realizable value.
- REC License valued at : FIFO Basis
- b) Stores and spares which do not meet definition of PPE are accounted as inventories.

v) Foreign Currency Transaction :

- a) Foreign Currency Transactions are recorded at exchange rates between the reporting currency and foreign currency prevailing on the date of such transaction.
- b) Exchange differences arising on settlement on transactions of monetary items are recognised as income / expense in the Statement of Profit & Loss in the period in which it arises.
- c) Foreign Currency assets and liabilities at the year end are realigned at the exchange rate prevailing at the year end and the difference on realignment is recognized in the Statement of profit & Loss.
- d) Premium / Discount arising at the inception in respect of Forward contract are amortized as expense / income over the period of contract. Exchange difference arising on forward contracts except the contracts which are long term foreign currency monetary items, between the exchange rate on the date of the transaction and the exchange rate prevailing at the year end is recognized in the Statement of Profit & Loss.

vi) Revenue Recognition:

- a) Revenue is generally recognized and expenditure is accounted for on their accrual except those with significant uncertainties.
- b) Revenue from Sale of goods is recognized when the significant risk and rewards of ownership are passed on to the customers.
- c) Insurance claims are accounted, as and when settled or received.
- d) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- e) Dividend Income is recognised when the right to receive the dividend is unconditional at the Balance Sheet date.

vii) Taxes on Income:

- a) Tax expenses comprises of current tax and deferred tax. Current Tax on income is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax act 1961, and based on the expected outcome of assessments/appeals.

- b) Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on business loss and unabsorbed depreciation are recognized and carried forward to the extent that there is virtual certainty that sufficient taxable income will be available against which such deferred tax asset can be realised.
 - c) 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 Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.
- viii) Employee Benefits:
- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
 - b) Payments to defined contribution schemes are charged as expense as and when incurred.
 - c) Post employment and other long term, benefits, which are defined benefit plans, are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered service. The expense is recognised based on the present value of the obligation determined in accordance with Accounting Standard 15 on "Employee Benefits". Actuarial gains & losses are charged to the Statement of Profit and Loss.
 - d) Termination benefits are recognised as an expense, as and when incurred.
- ix) Borrowing Cost:
- a) Interest and other related costs, including amortized costs of borrowings related to the project or acquisition construction or production of qualifying assets are capitalized as part of the respective assets. All the other borrowing costs are charged to revenue.
 - b) A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
- x) Earnings per Share:
- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period.
 - b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.
- xi) Provisions and Contingencies:
- a) A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. these estimates are reviewed and adjusted at each reporting date.
 - b) A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. The company does not recognise contingent liability but discloses its estimates in the Financials.
- xii) Leases :
- a) *Where the company is the lessee*
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

b) *Where the company is the lessor*

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Asset subject to operating leases are included in Property, plant and equipment. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Indirect costs, including depreciation, are recognised as an expense in the statement of profit and loss.

xiii) Cash And Cash Equivalents :

- a) Cash flow is reported using indirect method, whereby net profit before tax is adjusted for the effects of transaction of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow comprises regular revenue generating, investing and financing activities of the company. Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

EQUITY AND LIABILITIES

2.01 Share Capital

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
Authorised		
1,10,00,000 Equity Shares of ₹ 10/- each (Previous Year - 1,10,00,000 Shares)	110,000,000	110,000,000
1,00,000 3% Redeemable Cumulative preference shares of ₹ 100/- each (Previous Year - 1,00,000 Shares)	10,000,000	10,000,000
	120,000,000	120,000,000
Issued, Subscribed & fully Paid up		
3,62,800 Equity Shares of ₹ 10/- each (31st March 2016 : 67,600 Equity Shares of ₹10/- each)	3,628,000	676,000
90,000 3% Redeemable Cumulative preference shares of ₹ 100/- each (31st March 2016 : 90,000 3% Redeemable Cumulative preference shares of ₹ 100/- each)	9,000,000	9,000,000
	12,628,000	9,676,000

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

Equity Shares

Particulars	As on 31st March 2017		As on 31st March 2016	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	67,600	676,000	67,600	676,000
Add: Issued during the year	295,200	2,952,000	-	-
Less: Bought back during the year	-	-	-	-
Shares outstanding at the end of the year	362,800	3,628,000	67,600	676,000

3% Redeemable Cumulative preference shares:

Particulars	As on 31st March 2017		As on 31st March 2016	
	Number	₹	Number	₹
Shares outstanding at the beginning/end of the year	90,000	9,000,000	90,000	9,000,000

b. Terms/rights attached to equity shares :

- The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, 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 the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms/rights attached to preference shares :

- The preference shares are redeemable at par at any time after the expiry of 3 years from the date of issue i.e., 31-03-2014.
- The preference shareholders have voting rights only in respect of matters directly affecting the rights of Preference Shareholders.
- The preference shareholders have preference on the distribution of the dividend.

d. Details of Shareholder's holding more than 5% of Equity Shares:

Name of Shareholder	Equity Shares			
	As on 31st March 2017		As on 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. T. K. Chandiran	140,732	38.79%	32,456	48.01%
The KTM Jewellery Limited	29,584	8.15%	10,000	14.79%
Space Textiles Private Limited	65,735	18.12%	6,150	9.10%

e.Details of Shareholder's holding more than 5% of Preference Shares:

Name of Shareholder	3% Redeemable Cumulative preference shares:			
	As on 31st March 2017		As on 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr.T.K.Chandiran	90,000	100%	90,000	100%

f) There are no shares which have been allotted for consideration other than cash, bonus shares and shares bought back in the preceding 5 years.

g) There are no shares which are held by the holding company/ ultimate holding company.

2.02 Reserves and Surplus

Particulars	As on 31st March 2017		As on 31st March 2016	
	₹	₹	₹	₹
Securities Premium Reserve				
Opening balance	-		-	
Add: Premium on issue of equity shares	91,512,000		-	
Less: Adjustment of share issue expenses (Net of tax)	1,934,606		-	
Closing balance		89,577,394		-
Surplus in the Statement of Profit & Loss:				
Opening Balance	19,964,458		14,669,185	
Add : Profit for the year	14,389,040		5,296,123	
Closing Balance		34,353,498		19,964,458
Total		123,930,892		19,964,458

NON CURRENT LIABILITIES

2.03 Long Term Borrowings

Particulars	Non Current Maturities		Current Maturities	
	As on 31st March 2017	As on 31st March 2016	As on 31st March 2017	As on 31st March 2016
	₹	₹	₹	₹
Secured				
Term loans from Bank				
- Rupee Loan	117,856	8,241,278	-	25,737,275
	117,856	8,241,278	-	25,737,275

- Term Loan from Indian Bank is secured by (a) Hypothecation of specific Plant & Machinery purchased out of the term loan which is located at Uthamapalayam Village, Tirupur District and (b) Equitable Mortgage of land measuring 6.70 acres at Uthamapalayam Village, Tirupur District, Tamilnadu by deposit of title deed.

- The loan amount is partially repaid during the year and the balance amount of ₹ 1,17,856 is repayable in April 2018.

- The interest is payable on monthly basis and the rate of interest is in the range of 12.45% to 12.65% per annum.

- The interest amounting to ₹ 6,901 is overdue for 3 months and remains unpaid as on the balance sheet date.

2.04 Deferred Tax Liabilities (Net)

Particulars	As on 31st March 2017	Charged/(reversed) during the year	As on 31st March 2016
	₹	₹	₹
Deferred Tax Liabilities			
- On fixed assets	32,652,587	2,464,561	30,188,026
	A	32,652,587	30,188,026
Deferred Tax Assets			
- On Business loss and unabsorbed depreciation (Refer Note no.2.33)	17,494,317	(4,213,061)	21,707,378
- On other disallowances	47,941	17,041	30,900
- On Share issue Expenses	(582,478)	(582,478)	-
	B	16,959,780	21,738,278
Net Deferred Tax Liability	A - B	15,692,807	8,449,748

2.05 Long Term Provisions

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
Provision for Employee Benefits (Refer Note no.2.29)	143,626	71,717
	<u>143,626</u>	<u>71,717</u>

2.06 Short Term Borrowings

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
Unsecured		
- Loan from Director (Refer Note no.2.28)	47,602,047	47,726,044
	<u>47,602,047</u>	<u>47,726,044</u>

- The loan from Director is interest free and repayable on demand.

2.07 Other Current Liabilities

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
(a) Current maturities of long-term debt (Refer Note No.2.03)	-	25,737,275
(b) Interest accrued and due on borrowings	6,901	365,060
(c) Dues to related parties (Refer Note No. 2.28)	302,000	9,814,278
(d) Accrued salaries and benefits	150,000	312,766
(e) Statutory dues payable	172,135	92,319
(f) Accrued Expenses Payable	1,015,556	1,739,614
	<u>1,646,592</u>	<u>38,061,312</u>

2.08 Short Term Provisions

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
Provision for tax (Net)	1,593,900	-
	<u>1,593,900</u>	<u>-</u>

2.10 Long Term Loans and Advances

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
Unsecured, considered good		
- Security Deposits	463,400	105,000
- Capital Advances	54,400,000	-
- MAT Credit Entitlement	9,146,480	4,696,480
- Prepaid Expenses	607,000	1,214,000
- Advance for Income tax (Net of provisions)	-	150,909
	<u>64,616,880</u>	<u>6,166,389</u>

2.11 Current Investments

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
Investments in Mutual Funds - Others		
Quoted Fully paid Up		
LIC MF Liquid Fund -Direct Growth Plan	6,000,000	-
	<u>6,000,000</u>	<u>-</u>
Market Value of Quoted Investments	6,058,156	-

2.12 Inventories

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
- Renewable Energy Certificate	35,714	20,816
	<u>35,714</u>	<u>20,816</u>

2.13 Trade Receivables

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
Unsecured, considered good		
- Outstanding for a period exceeding six months from the date they are due for payment	-	-
- Others	15,839,276	1,734,880
	<u>15,839,276</u>	<u>1,734,880</u>

2.14 Cash and cash equivalent

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
a) Balances with banks		
In Deposit accounts	500,000	-
In current accounts	332,862	1,880,879
b) Cash on hand	119,643	997,922
	<u>952,505</u>	<u>2,878,801</u>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 cash flow statement is	952,505	2,878,801

2.15 Short term loans and advances

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
Unsecured, considered good		
- Prepaid expenses	950,363	947,156
	<u>950,363</u>	<u>947,156</u>

2.16 Other Current Assets

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
Unsecured, considered good		
- Energy Charges receivable	4,311,342	2,365,337
- Interest Accrued on Fixed Deposit	1,232	-
- Recoverable Advances	99,218	3,400
	<u>4,411,792</u>	<u>2,368,737</u>

KKV Agro Powers Limited (Formerly Known as Nachas Wind Energy Private Limited)
Notes to Financial Statements for the year ended 31st March 2017

2.09 Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	Net Block
	<i>As on 1st April 2016</i>	<i>Additions</i>	<i>Deletions</i>	<i>As on 31st March 2017</i>	<i>Upto 1st April 2016</i>	<i>For the Year</i>	<i>Withdrawn</i>	<i>Upto 31st March 2017</i>	<i>As on 31st March 2017</i>	<i>As on 31st March 2016</i>
	in ₹									
Property, Plant and Equipment										
Land	2,877,423	-	-	2,877,423	-	-	-	-	2,877,423	2,877,423
Building	713,132	-	-	713,132	237,580	135,495	-	373,075	340,057	475,552
Plant and Machinery	123,159,442	-	-	123,159,442	12,084,849	7,045,051	-	19,129,900	104,029,542	111,074,593
Furniture & Fittings	57,850	-	-	57,850	17,570	6,580	-	24,150	33,700	40,280
Motor Vehicles	3,777,149	-	-	3,777,149	741,318	448,725	-	1,190,043	2,587,106	3,035,831
Office Equipments	92,448	28,800	-	121,248	13,688	19,210	-	32,898	88,350	78,760
Computers	477,488	-	-	477,488	298,491	52,641	-	351,132	126,356	178,997
Electrical Fittings	356,386	203,700	-	560,086	44,044	49,387	-	93,431	466,655	312,342
Total	131,511,318	232,500	-	131,743,818	13,437,540	7,757,089	-	21,194,629	110,549,190	118,073,778
Previous Year										
Particulars	Gross Block				Depreciation				Net Block	Net Block
	<i>As on 1st April 2015</i>	<i>Additions</i>	<i>Deletions</i>	<i>As on 31st March 2016</i>	<i>Upto 1st April 2015</i>	<i>For the year</i>	<i>Withdrawn</i>	<i>Upto 31st March 2016</i>	<i>As on 31st March 2016</i>	<i>As on 31st March 2015</i>
	in ₹									
Property, Plant and Equipment										
Land	2,877,423	-	-	2,877,423	-	-	-	-	2,877,423	2,877,423
Building	713,132	-	-	713,132	102,085	135,495	-	237,580	475,552	611,047
Plant and Machinery	88,009,442	35,150,000	-	123,159,442	5,039,798	7,045,051	-	12,084,849	111,074,593	82,969,644
Furniture & Fittings	57,850	-	-	57,850	10,990	6,580	-	17,570	40,280	46,860
Motor Vehicles	3,777,149	-	-	3,777,149	292,593	448,725	-	741,318	3,035,831	3,484,556
Office Equipments	21,050	71,398	-	92,448	4,011	9,677	-	13,688	78,760	17,038
Computers	470,088	7,400	-	477,488	174,076	124,415	-	298,491	178,997	296,012
Electrical Fittings	275,922	80,464	-	356,386	11,585	32,459	-	44,044	312,342	264,337
Total	96,202,056	35,309,262	-	131,511,318	5,635,138	7,802,402	-	13,437,540	118,073,778	90,566,917

2.17 Revenue from Operations

Particulars	2016-2017	2015-2016
	₹	₹
Revenue from operations		
Sale of Electricity	58,579,869	44,874,367
Other operating revenue		
Sale of Renewable Energy Certificates	3,277,726	4,399,500
	61,857,595	49,273,867

2.18 Other Income

Particulars	2016-2017	2015-2016
	₹	₹
Interest on fixed deposit	473,197	2,589
Interest on income tax refund	7,047	-
	480,244	2,589

2.19 Power Generation Expenses

Particulars	2016-2017	2015-2016
	₹	₹
Banking Charges	39,979	331,737
Transmission & Wheeling Charges	4,600,668	4,371,394
Other Operating power generating expenses	4,664,677	3,802,086
REC Application & Trading Fees	48,472	64,576
	9,353,796	8,569,793

2.20 Change in inventories

Details of changes in Inventory

Inventory at the end of the year

Particulars	2016-2017	2015-2016
	₹	₹
Renewable Energy Certificates	35,714	20,816
	35,714	20,816

Inventory at the beginning of the year

Particulars	2016-2017	2015-2016
	₹	₹
Renewable Energy Certificates	20,816	-
	20,816	-

(Increase) in Inventories

	(14,898)	(20,816)
--	-----------------	-----------------

2.21 Employee benefits expense

Particulars	2016-2017	2015-2016
	₹	₹
Salaries, Wages & Bonus	2,695,740	2,695,047
Director's Remuneration	3,900,000	2,835,000
Provident & Other Funds	218,940	260,772
Gratuity Expenses	71,909	30,774
Staff welfare expenses	46,173	46,835
	6,932,762	5,868,428

2.22 Finance Cost

Particulars	2016-2017	2015-2016
	₹	₹
Interest expense	1,519,253	5,259,246
Other borrowing costs	102,231	30,094
	1,621,484	5,289,340

2.23 Other Expenses

Particulars	2016-2017	2015-2016
	₹	₹
Repair & Maintenance		
- Plant & Machinery	371,978	2,431,890
- Vehicles	238,489	255,898
- Others	708,613	54,210
Annual Maintenance Charges	7,767,311	6,886,674
Professional Charges	1,896,322	820,755
Insurance	366,851	423,837
Rent	229,000	274,000
Commission	270,132	501,367
Royalty Expenses	309,288	246,985
Travelling Expenses	155,606	216,646
Donation	119,122	17,777
Rates & taxes	1,592,000	1,125,962
Auditor's Remuneration *	604,726	363,941
Directors' Sitting Fee	105,000	-
Postage and Telephone expenses	61,547	88,575
Miscellaneous Expenses	265,239	194,469
	15,061,224	13,902,985

Payments to the auditor as *

	2016-2017	2015-2016
	₹	₹
(a) As Auditor		
- Statutory Audit	350,000	253,000
- Tax Audit	60,000	60,000
(b) For taxation matters	110,000	-
(c) For reimbursement of expenses	18,500	10,000
(d) Service Tax	66,226	40,941
	604,726	363,941

* Note:

Remuneration paid to auditors towards fees for IPO related services included in share issue expenses and adjusted against premium on issue of shares - ₹ 4,00,000 (Previous year - Nil).

2.24 Expenditure in foreign currency - NIL

2.25 Earnings in foreign currency - NIL

2.26 Earnings per share:

Particulars	2016-2017	2015-2016
	₹	₹
Profit After Tax	14,389,040	5,296,123
Less :		
Dividend on Preference shares	270,000	270,000
Dividend on distribution tax	54,966	54,966
Net profit for the period attributable to equity shareholders	14,064,075	4,971,157
Equity Shares of ₹ 10 each (Nos)	362,800	67,600
Weighted Average No. of Shares Outstanding	279,497	67,600
Earnings Per Share (Basic & Diluted) (in ₹)	50.32	73.54

2.27 Commitments and Contingent Liabilities:

Particulars	As on 31st March 2017	As on 31st March 2016
	₹	₹
Dividend on Cumulative Preference Shares	810,000	540,000
Dividend Distribution tax on the above	164,897	108,950

2.28 (i) List of Related Parties with whom transactions have taken place during the year FY 2016 - 17 and FY 2015 - 16 and relationship. (As identified by the management and relied upon by Auditors).

(a) Holding Company:

NIL

(b) Key Management Personnel:

- Mr. T.K.Chandiran

- Ms. C.Selvi

- Mr. A.C.Vineeth Kumar

(c) Others: (Enterprise over which Key Management Personnel are able to exercise significant influence).

- The KTM Jewellery Limited

- Space Textiles Private Limited

- Gajaanandha Jewellery Maart Limited

- KKV Gold N Retail Limited

- SCM Global Brands Private Limited

(ii) Related Party Transactions:

Nature of Transactions	2016-2017		2015-2016	
	Key Management Personnel	Others	Key Management Personnel	Others
Purchases of Fixed Assets	-	-	-	35,000,000
Director's Remuneration	3,900,000	-	2,835,000	-
Sale of Power	-	-	-	13,056,261
Reimbursement of expenses	-	5,213,156	-	7,059,084
Royalty payment	-	309,288	-	246,985
Rent Paid	-	70,000	-	70,000
Advances given for purchase of fixed assets	-	54,400,000	-	-
Closing balance as on reporting date:				
- Loan from Director	47,602,047	-	47,726,044	-
- Dues to related party	-	559,832	200,952	9,814,278
- Dues from related party	-	65,885,959	-	44,584

* SKM Animal feeds & foods (India) Pvt Limited holds shares for the limited purpose of captive user of power generated by the company and hence it is not an associate within the meaning of AS -18 "Related parties."

2.29 Disclosure under Accounting Standard 15:

Description of the Company's defined benefit plan:

The company operates a defined benefit plan for payment of post employment benefits in the form of gratuity. Benefits under the plan are based on pay and years of service and vested on completion of five years of service, as provided in the Payment of Gratuity Act, 1972. The terms of benefits are common for all the employees of the company.

Particulars	2016-2017	2015-2016		
Principal actuarial assumptions used on balance sheet date:				
Discount Rate	7.31%	7.80%		
Salary escalation rate	6.00%	6.00%		
Attrition Rate	5.00%	5.00%		
Expected rate of return on plan Assets	0.00%	0.00%		
Changes in the present value of the obligation:				
Present Value of Obligations as at the beginning of the period	71,717	40,943		
Interest cost	5,594	3,161		
Current service cost	69,441	59,149		
Benefits paid	-	-		
Actuarial (Gains) / Loss on obligation	(3,126)	(31,536)		
Present Value of Obligations as at the end of the period	143,626	71,717		
Changes in the fair value of plan assets:				
Fair value of plan assets as at the beginning of the period	-	-		
Expected return on plan assets	-	-		
Contributions	-	-		
Benefits paid	-	-		
Actuarial Gain/ (Loss) on plan assets	-	-		
Fair value of plan assets as at the end of the period	-	-		
Amounts recognised in the balance sheet:				
Present value of the obligation	143,626	71,717		
Fair value of plan assets	-	-		
(Asset)/Liability	143,626	71,717		
Net (Asset)/Liability recognised in the balance sheet	143,626	71,717		
Expense recognised in the statement of profit and loss :				
Current service cost	69,441	59,149		
Interest cost	5,594	3,161		
Expected return on plan assets	-	-		
Net actuarial (gain)/ loss recognised in the year	(3,126)	(31,536)		
Past service cost-vested benefits	-	-		
Expenses recognised in the statement of profit and loss	71,909	30,774		
Disclosure requirement pursuant to Para 120(n) of AS-15 (to the extent applicable):				
	2016-2017	2015-2016	2014-15	2013-14
Present value of the obligation	143,626	71,717	40,943	25,723
Plan assets	-	-	-	-
Surplus/(Deficit) in plan assets	(143,626)	(71,717)	(40,943)	(25,723)
The experience adjustments on plan liabilities	(11,624)	(31,356)	(27,709)	(9,056)
The experience adjustments on plan assets	-	-	-	-

Contribution of ₹ 1,99,133 (Previous year - ₹ 2,38,220) made to defined contribution plans were charged to Statement of Profit & Loss.

2.30 Operating Leases:

Future lease payments:

Minimum lease payments upto the end of lease	As on 31st March 2017	As on 31st March 2016
	₹	₹
- Not later than one year	184,000	274,000
- Later than one year and not later than five years	40,000	40,000
- Later than five years	100,000	110,000

2.31 Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

Particulars	SBN's	Other Denomination	Total
Closing cash in hand as on 08/11/2016	15,000	140,993	155,993
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	15,000	7,500	22,500
Less: Amounts Deposited in Banks	-	-	-
Closing cash in hand as on 30/12/2016	-	133,493	133,493

2.32 **Segment Information:**

The company operates under only one segment viz. business of generation and sale of electricity. Hence there is only one reportable segment.

2.33 The Company has recognised deferred tax asset in line with the requirements of AS-22. Deferred tax asset has been recognised on unabsorbed depreciation and carry forward of business losses under tax laws to the extent that there is virtual certainty supported by power purchase agreement entered into by the Company for sale of wind and solar power.

2.34 Inventory represents Renewable Energy Certificates (REC) held for sale which is valued at Cost or Net realisable value whichever is lower.

2.35 The company does not meet any of the criteria as specified in section 135 of the companies act, 2013 in relation to Corporate social responsibility.

2.36 The Board of Directors of the company have proposed to pay preference dividend amounting to ₹ 8,10,000 (including the arrears of preference dividend amounting to ₹ 5,40,000).

Further Board of directors proposed a final dividend of ₹ 2 per share, (20% on the face value of ₹ 10/-) aggregating to ₹ 7,25,600/- on the equity shares of the company, for the year ended 31st March, 2017, which is subject to the approval of the shareholders at the Annual General Meeting.

The Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, has amended Accounting Standard (AS)-4 "Contingencies and Events occurring after Balance sheet date". Consequently, the Company has not accounted for proposed dividend as liability as at 31st March, 2017. However, the proposed dividend of the previous year amounting to ₹ NIL was accounted as liability as at 31st March, 2016 in accordance with the then existing Accounting Standard.

2.37 **Disclosure as required under section 186(4) of the Companies Act, 2013**

Loans given and Guarantees furnished by the company: Nil (Previous year: Nil).

2.38 Disclosure requirements under regulation 53(f) of SEBI (Listing Obligation Disclosure Requirement) regulation, 2015 - Nil (Previous Year - Nil).

2.39 Income tax assessment has been completed upto the AY 2014-15.

2.40 In the opinion of the management, the current assets and loans and advances as stated in the Balance Sheet will realize to the extent stated therein.

2.41 Balances in parties' accounts are subject to confirmation and reconciliation, if any. Appropriate adjustments will be made as and when the balances are reconciled.

2.42 Previous years figures have been regrouped, reclassified and rearranged wherever necessary to conform to the current years classification.

2.43 All Figures have been rounded off to the nearest rupee.

As per our report of date attached

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

For and on behalf of the Board of Directors

C.S.Sathyanarayanan

Partner

Membership No.028328

T.K.Chandiran

Managing Director

DIN:00031091

C.Selvi

Director

DIN:00032962

C.Renuka

Company Secretary & CFO

ACS - 26355

Place : Coimbatore

Date: 25/05/2017

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]

KKV AGRO POWERS LIMITED

Regd.Office : VIVAAGA BUILDING # 637, OPPANAKARA STREET,
COIMBATORE-641 001.

CIN : L40108TZ2012PLC018332

Name of the Member(s) :

Registered Address :

e-mail ID :

Folio No. / Client ID :

DP ID :

I/We being the Member(s) of _____ Shares of KKV Agro Powers Limited hereby appoint

:

1) of having e-mail id or jointly him/her

2) of having e-mail id or jointly him/her

3) of having e-mail id or jointly him/her

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 5th Annual General Meeting of the Company to be held on Tuesday, the 05th September 2017 at The Rathna Residency , 355, Variety Hall Road, Coimbatore – 641 001 and at any adjournment thereof in respect of such resolutions as are indicated below:-

** I wish my above proxy to vote in the matter as indicated in the box below :-

S.No.	Resolution	For	Against
1.	Adopting of Financial Statements for the Financial Year ended on 31s March 2017.		
2.	Declare Dividend for the year ended 31st March, 2017		
3.	Re-appointment of Mr.T.K.Chandiran (DIN: 00031091) who retires by rotation and being eligible offers herself for re-appointment		
4.	Ratification of Statutory Auditors		
5.	To approve the related party transaction		

Signed this ____ day of _____ 2017

Signature of Shareholder

Signature of first
Proxy Holder

Signature of second
Proxy holder

Signature of third
Proxy holder

Notes:

- 1) This form or 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 proxy need not be a member of the company.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total Share Capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) Appointing a proxy does not prevent a member from attending the meeting in person, if he so wishes.
- 5) In case of joint holders, the signature of any one holder will be sufficient but names of all the joint holders should be stated.
- 6) ** This is only optional. Please put a **Tick** in the appropriate column against the resolutions indicated in the Box. If you leave the "For" and "Against" column blank against any or all the resolutions, your proxy will be entitled to vote in the matter as he / she thinks appropriate.

KKV AGRO POWERS LIMITED

Regd.Office: VIVAGAA BUILDING # 637, OPPANAKARA STREET,
COIMBATORE- 641 001.
CIN: L40108TZ2012PLC018332

ATTENDANCE SLIP (Particulars to be completed by Member / Proxy)

Name of the Member :
(IN BLOCK LETTERS)

Member Folio Number / ID No. :

Name of Proxy :

No. of Shares held :

I hereby record my presence at the Fifth Annual General Meeting of the Company at The Rathna Residency , 355, Variety Hall Road, Coimbatore – 641 001 on Tuesday, the 05th September 2017 at 12.00 p.m.

Signature of the Member / Proxy

NOTE:

1. The meeting is for Members of the Company only. Members are requested not to bring non members or children.
2. The Company will accept only the attendance slip of person personally attending the meeting as a Member or a valid proxy duly registered with the company.

ROUTE MAP TO THE AGM VENUE

Venue : Rathna Residency, 355, Variety Hall Road, Coimbatore - 641 001.

