

# **KKV AGRO POWERS LIMITED**

**Regd. Office : Vivaaga Building, # 637, Oppanakara Street, Coimbatore - 641 001.**  
**Phone : 0422 - 2303880, Fax : 0422 - 2303881, Mobile : +91 77087 12888**  
**E-mail : cs@kkvagropowers.com, Website : www.kkvagropowers.com**  
**CIN : U40108TZ2012PLC018332, PAN : AAECN0204G**

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Ref:19/10/2016-2017

19.10.2016  
Coimbatore

To:  
The Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E), Mumbai - 400 051

Ref:- KKVAPOW

Dear Sir,

**Sub: - Annual Report of the Company for the financial year 2015-2016.**

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the attached herewith an Annual Report of KKV Agro Powers Limited for the financial year 2015-2016 dully approved and adopted in the 4<sup>th</sup> Annual General Meeting of the Company held on Friday, 30<sup>th</sup> September, 2016 at 12:15 P.M at the Rathna Residency, 355, Variety Hall Road, Coimbatore - 641001.

We request you to take this on Record.

Thanking you

Yours faithfully  
For KKV Agro Powers Limited





C.Renuka  
Company Secretary &  
Compliance Officer



**KKV Agro Powers Limited**  
(Formerly Known as Nachas Wind Energy Private Limited)  
**4<sup>th</sup>**

**ANNUAL REPORT**  
**2015-2016**

**KKV AGRO POWERS LIMITED**  
**(Formerly Known as Nachas Wind Energy Private Limited)**  
**Annual Report 2015-2016**

**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

**AUDITORS**

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

**BANKERS**

INDIAN BANK  
HDFC BANK LIMITED  
STATE BANK OF INDIA

**REGISTERED OFFICE**

VIVAGAA BUILDING  
# 637, Oppanakara Street,  
Coimbatore-641 001.  
[E-Mail: cs@kkvagropowers.com](mailto:cs@kkvagropowers.com)  
Website : [www.kkvagropowers.com](http://www.kkvagropowers.com)  
**Tel. No.:** +91 422-2303880  
**Fax No.** +91 422 2303881  
**CIN:** U40108TZ2012PLC018332

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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

Registered Office :Vivagaa Building

# 637, Oppanakara Street, Coimbatore-641 001.

E-Mail: [cs@kkvagropowers.com](mailto:cs@kkvagropowers.com), Website : [www.kkvagropowers.com](http://www.kkvagropowers.com)

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

CIN: U40108TZ2012PLC018332

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Fourth Annual General Meeting of the Members of KKV Agro Powers Limited (CIN: U40108TZ2012PLC018332) will be held on Friday, 30<sup>th</sup> September 2016, at 12.15 p.m. at the Rathna Residency , 355, Variety Hall Road, Coimbatore - 641001, to transact the following business:

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## ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements as at 31<sup>st</sup> March 2016 together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in the place of Mr. A.C. Vineeth Kumar (DIN: 06756745), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To ratify the appointment of statutory auditors for the financial year 2016-2017.

**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 3<sup>rd</sup> Annual General Meeting held on 7<sup>th</sup> September 2015, appointment of M/s. Haribhakthi & Co. LLP, Chartered Accountants (Firm Registration Number: 103523W), Coimbatore as the Statutory Auditors for the financial year 2016-17 be and is ratified on such remuneration as may be fixed by the Board of Directors of the Company.

## SPECIAL BUSINESS:

4. 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		
	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	Rs.25 Crores	Rs.25 Crores	Rs.25 Crores
M/s. Space Textiles Private Limited	Rs.25 Crores	Rs.25 Crores	Rs.25 Crores
M/s. KKV Gold N Retail Limited	Rs.5 Crores	Rs.5 Crores	Rs.5 Crores
M/s. SCM Global Brands Private Limited	Rs.25 Crores	Rs.25 Crores	Rs.25 Crores
M/s.SHIVAM TRADERS	Rs.50 Crores	Rs.50 Crores	Rs.50 Crores
M/s. Gajaananda Jewellery Maart Private Limited	Rs.25 Crores	Rs.25 Crores	Rs.25 Crores
M/s. Gajaananda Jewellery India Maart Private Limited	Rs.2 Crores	Rs.2 Crores	Rs.2 Crores
M/s.The Chennai Silks Firm	Rs.25 Crores	Rs.25 Crores	Rs.25 Crores
M/s.SCM Garments Private Limited	Rs.25 Crores	Rs.25 Crores	Rs.25 Crores
M/s.The Madras Silks India Private Limited	Rs.25 Crores	Rs.25 Crores	Rs.25 Crores
M/s.AKVN Solar Private Limited (Under Incorporation)	Rs.7 Crores	Rs.7 Crores	Rs.7 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.

**By order of the Board**

Coimbatore  
02-09-2016

**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 her 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 2015-16 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](http://www.kkvagropowers.com).
15. 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.
16. 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.
17. Members are requested to note that the venue of the Fourth Annual General Meeting is at Rathna Residency, 355, Variety Hall Road, Coimbatore- 641 001.

### **Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 27<sup>th</sup> September, 2016 (10:00 AM) and ends on 29<sup>th</sup> September, 2016 (05:00 PM). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "KKV Agro Powers Limited".



(viii) Now you are ready for remote e-voting as Cast Vote page opens.

- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [vasudevanacs@gmail.com](mailto:vasudevanacs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<u><b>EVEN (Remote e-voting Event Number)</b></u>	<u><b>USER ID</b></u>	<u><b>PASSWORD/PIN</b></u>
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- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> September, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [info@skdc-consultants.com](mailto:info@skdc-consultants.com).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. 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 and remote e-voting process in a fair and transparent manner.
- XIV. 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 but have not cast their votes by availing the remote e-voting facility.



- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated 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.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company – [www.kkvagropowers.com](http://www.kkvagropowers.com) and on the website of NSDL 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.4**

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 the transactions entered and proposed to enter by the Company with M/s. The KTM Jewellery Limited, M/s. Space Textiles Private Limited, M/s. 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 and M/s. AKVN Solar 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 are, in any way, concerned or interested in the resolution as set out in this Notice.

**By order of the Board**

**Coimbatore  
02-09-2016**

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

## **DIRECTORS' REPORT**

To

The Members,

Your Directors have pleasure in presenting their Fourth Annual Report together with the Audited Financial Statement of the company for the Financial Year ended 31<sup>st</sup> March, 2016.

### **1. FINANCIAL RESULTS:**

(In Rs.)		
Particulars	Current Year 2015-2016	Previous Year 2014-2015
Income from Operations	4,92,73,867	3,57,57,384
Gross Receipts (including other Income)	4,92,76,456	3,57,75,363
Total Expenditure before Interest and Depreciation	2,83,20,391	1,66,47,696
Less: Interest and Financial Charges	52,89,340	71,43,268
Less: Depreciation and Amortization	78,02,402	47,07,166
Profit/(Loss) before taxation for the year	78,64,323	72,77,233
Less: Current tax Expenses	15,10,000	14,02,196
Less: MAT Credit	(15,10,000)	(14,02,196)
Less: Deferred Tax Liability/Asset	25,68,200	22,94,826
Profit/(Loss) after taxation for the year	52,96,123	49,82,407
<b><u>Appropriations:</u></b>		
Transfer to Reserves	52,96,123	49,82,407
Proposed Dividend (Including Tax)	-	-
Transferred to Balance Sheet	52,96,123	49,82,407

### **2. PERFORMANCE OF THE COMPANY:**

During the year under review, the Company has earned sales income of Rs.4,92,73,867/- (Previous year Rs. 3,57,57,384/-) and other income Rs. 2,589/- (Previous year Rs. 17,979/-). After providing depreciation, finance charges and tax the Company has earned Net profit of Rs.52,96,123/- (Previous year company earned Net profit Rs. 49,82,407/-).

### **3. DIVIDEND**

In order to conserve the reserves for further expansion of business, the directors do not recommend any dividend.

### **4. TRANSFER TO RESERVES:**

The Company has not transferred any amount to reserves during the year 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 Company has increased its authorised share capital from Rs. 1,00,00,000 divided into 1,00,000 Equity Shares of Rs. 10 each aggregating to Rs. 10,00,000 and 90,000 Preference Shares of Rs. 100 each aggregating to Rs. 90,00,000 to Rs.12,00,00,000 divided into Rs.1,10,00,000 Equity Shares of Rs. 10 each aggregating to Rs. 11,00,00,000 and 1,00,000 Preference Shares of Rs. 100 each aggregating to Rs. 1,00,00,000 during the year under review.

**7. DIRECTORS:**

During the year under review, Mr. T.K. Chandiran (DIN: 00031091) was re-designated as Managing Director with effect from 1<sup>st</sup> April 2015 for a term of 3 years.

Mr. A. C. Vineeth Kumar (DIN: 06756745), Director of the Company is liable to retire by rotation and being eligible offers himself for reappointment.

Mr. A.Velayutham (DIN: 07173627), Mr. T.Gnanasekar (DIN:00904018) and Dr. V.Chandrasekaran (DIN: 07276704) were appointed as Independent Directors with effect from 7<sup>th</sup> September 2015 for a term of 5 years.

**8. KEY MANAGERIAL PERSONNEL:**

Mr. T.K. Chandiran (DIN: 00031091) was re-designated as Managing Director and Mrs. C. Selvi (DIN:00032962) was re-designated as a Whole – Time Director with effect from 1<sup>st</sup> April 2015 for a term of 3 years.

Mrs.C. Renuka holding Membership No. A26355 in the Institute of Company Secretaries of India was appointed as a Company Secretary of the Company with effect from 11<sup>th</sup> April 2015 and Chief Financial Officer with effect from 1<sup>st</sup> July 2015.

Mr. C. Arun Kumar, was appointed as Chief Operating Officer of the Company with effect from 1<sup>st</sup> May 2015.

**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. CHANGE OF NAME OF THE COMPANY:**

The Company has changed its name from “Nachas Wind Energy Private Limited” to “KKV Agro Powers Private Limited” with effect from 12th May 2015. The change of name was approved by the members in the Extra Ordinary General Meeting of the Company held on 30<sup>th</sup> April 2015. The Registrar of Companies, Coimbatore has, issued the new certificate of incorporation recording name change of the Company dated 12th May 2015

**14. CONVERSION OF THE COMPANY:**

The Management proposed to go to public through SME stock exchange, the Board decided to convert the Company into the Public Limited Company in order to carry out its affairs efficiently. Consequent to conversion of the company from private limited to public, the name of the company KKV Agro Powers Private Limited has been changed to KKV Agro Powers Limited with effect from 12th May 2015

**15. STATUTORY AUDITORS:**

In terms of Proviso to Section 139 (1) of the Companies Act 2013, M/s. Haribhakthi & Co. LLP, Chartered Accountants (Firm Registration Number: 103523W), 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 3<sup>rd</sup> Annual General Meeting held on 7<sup>th</sup> September 2015.

In pursuance of above term, necessary resolution, ratifying appointment of M/s. Haribhakthi & Co. LLP, Chartered Accountants, Coimbatore as the Statutory Auditor for the financial year 2016 - 2017 is being placed before members for their consideration in this Annual General Meeting.

**16. COST AUDITOR:**

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

**17. CORPORATE GOVERNANCE:**

Though the Company got listed from 15/07/2016 on Emerge Platform of NSE Limited, some of corporate governance provisions were voluntarily complied for the year ended 31/03/2016. A separate report on Corporate Governance is furnished as Annexure 1 to this report.

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.

**18. 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.

## **19. 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 31<sup>st</sup> March 2016.

## **20. 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

## **21. EXTRACT OF THE ANNUAL RETURN:**

An extract of the Annual Return as of 31<sup>st</sup> March, 2016 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.

## **22. BOARD MEETINGS AND ITS COMMITTEES CONDUCTED DURING THE PERIOD UNDER REVIEW:**

During the year under review, 25 Meetings of the Board of Directors, 3 Meetings of the Audit Committee and 2 Meetings of the Nomination and Remuneration Committee have been conducted. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

## **23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

During the year under review, the Company has not made any Loans, Guarantees or Investments within the meaning of the provisions of Section 186 of the Companies Act, 2013.

## **24. 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:

Company generated Green & Clean energy of 75,34,605 units from Windmills and Solar Energy Generators.

(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.

(iii) The capital investment on energy conservation equipments in Rs.3,50,00,000/-

### **B) Technology absorption:**

(i) The efforts made towards technology absorption:

Your Company use latest technology of SCADA for Solar energy generation Plant. 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 Outgo:**

Foreign exchange earnings : Nil

Foreign exchange outgo : Nil

**25. 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](http://www.kkvagropowers.com). During the year under review, there were no complaints received under this mechanism.

**26. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of 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.

**27. 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.

**28. SECRETARIAL AUDIT REPORT:**

As per the provisions of the Companies Act, 2013, Secretarial Audit is not applicable to the company. However, the Secretarial Audit for the financial year 2015 -16 has been carried out by Mr. G Vasudevan, Practicing Company Secretary and accordingly Form MR-3 is furnished as Annexure 4 to this report.

**29. CORPORATE SOCIAL RESPONSIBILITY:**

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

**30. LISTING ON EMERGE PLATFORM OF THE NSE of India LIMITED:**

Yours Directors are pleased to inform that your Company successfully listed its Securities on the Emerge Platform of the NSE of India Limited on 15.07.2016.

**31. 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 2015 - 16.

**32. 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 31.03.2016 and till the date of this report.

**33. 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.

**34. EXPLANATION AND COMMENTS ON AUDITOR'S REPORT:**

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

**35. 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.

**36. 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.

**37. PARTICULARS OF EMPLOYEES:**

There were no employees drawing remuneration in excess of limit specified under Rule 5 of (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



**38. 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****02-09-2016****Coimbatore**

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

**C. Selvi**  
**(DIN: 00032962)**  
**Whole-Time 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. As on date Our Company has installed Windmill with a capacity of 6MW and 1MW in Solar. In the upcoming financial year 2016-2017 our company proposed to install Windmill with a capacity of 0.8 MW to increase the revenue.

### II. OPPORTUNITIES AND THREATS.

As on 31<sup>st</sup> July, 2016, 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.

Company sees many business opportunities in 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 Rs.4,92,73,867- and your Company could make Net Profit of Rs.52,96,123 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, ensure that we adopt and follow the corporate governance guidelines and best practices. We consider it as our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company. Though the Company got listed from 15/07/2016 on Emerge Platform of The NSE India Limited, some of the corporate governance provisions were voluntarily complied for the year ended 31<sup>st</sup> March 2016.

**BOARD OF DIRECTORS:****Composition of Board of Director as at the close of 31<sup>st</sup> March 2016:**

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 25 Board Meeting were held on dates mentioned herein below:

S.No.	Date of Board Meeting	S.No.	Date of Board Meeting	S.No.	Date of Board Meeting
1.	03/04/2015	9.	22/05/2015	17.	02/11/2015
2.	10/04/2015	10.	12/06/2015	18.	11/11/2015
3.	11/04/2015	11.	01/07/2015	19.	11/12/2015
4.	14/04/2015	12.	06/07/2015	20.	21/01/2016
5.	18/04/2015	13.	15/07/2015	21.	01/02/2016
6.	27/04/2015	14.	01/09/2015	22.	02/02/2016
7.	28/04/2015	15.	10/09/2015	23.	08/02/2016
8.	12/05/2015	16.	19/10/2015	24.	29/03/2016
				25.	31/03/2016

Particulars of Directors, their attendance at the Annual General Meeting and the Board Meeting detailed above held during the Financial Year 2015-16 and also their other Directorship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as at 31<sup>st</sup> March 2016 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 25 Meetings)	AGM held on 07.09.2015		Chairman	Member
<b>Executive Director:</b>					
Mr. T. K. Chandiran (DIN: 00031091)	25	Yes	3	3	-
Mrs. C. Selvi (DIN: 00032962)	25	Yes	3	-	3
<b>Non-Executive Director:</b>					
Mr. A.C. Vineeth Kumar (DIN:06756745)	25	Yes	1	NIL	NIL
<b>Non-Executive Independent Director:</b>					
Mr.A.Velayutham (DIN: 07173627)	11	Yes	NIL	NIL	NIL
Mr. T.Gnanasekar (DIN: 00904018)	11	Yes	NIL	NIL	NIL
Mr.V.Chandrasekaran (DIN: 07276704)	11	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.

#### **INDEPENDENT DIRECTORS**

##### **Directors' Induction and Familiarization**

The Company Secretary is responsible for ensuring that such induction and familiarization programmes are provided to the Directors. The management provides information such as specific project, activity or process of the Company at the meeting of the Board of Directors or otherwise.

The induction process is designed to:

- a. build an understanding of businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip the Directors to perform their role on the Board effectively; and
- d. develop understanding of Company's people and its key stakeholder relationships.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

In addition to the extensive familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings to discuss strategy.

The Independent Directors are well versed in the field of Energy Industry by virtue of their educational qualifications and work experience and are familiar with the operations of the Company. The details on the operations of the Company and regulatory changes from time to time are appraised to the Directors at the meetings. New Directors are oriented with the operations of the Company by Senior Managerial Personnel.

The familiarization program of the Independent Directors has been posted in the website [www.kkvagropowers.com](http://www.kkvagropowers.com)

#### **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 was constituted at the meeting of the Board of Directors held on 10<sup>th</sup> September 2015. 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:

Name of the members	Category	Attendance of the Audit Committee meeting dated		
		11/11/2015	02/02/2016	29/03/2016
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	✓	✓	✓

The Company Secretary was acting as the secretary of the Nomination and Remuneration Committee.

**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 and approved by our Board pursuant to its resolution dated 10th September, 2015. 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 was constituted at the meeting of the Board of Directors held on 10<sup>th</sup> September 2015.

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	
		23/11/2015	18/02/2016
Mr. A. Velayutham	Non-Executive-Independent Director	✓	✓
Mr. V.Chandrasekaran	Non-Executive-Independent	✓	✓

	Director		
Mr. T.Gnanasekar	Non-Executive-Independent Director	✓	✓

The Company Secretary was acting 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, 2016 is as under:

Name of the Director & Designation	Salary	Perquisites	Others	Total
Mr. T.K. Chandiran Managing Director	19,35,000	-	-	19,35,000
Mrs. C. Selvi Whole time Director	9,00,000	-	-	9,00,000



### **Remuneration payable to Non-Executive Directors:**

During financial year 2015-16 the Company has not paid sitting fees for attending the Board and Committees meetings.

### **C. STAKEHOLDERS GRIEVANCE COMMITTEE:**

Stakeholders Grievance Committee was constituted at the meeting of the Board of Directors held on 10<sup>th</sup> September 2015.

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 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@kkvagropowers.com](mailto:smeipo@kkvagropowers.com),  
cs@kkvagropowers.com

**c. Number of shareholders' Complaints received so far :** 0

**d. Number not solved to the satisfaction of Shareholders :** 0

**e. Number of pending complaints :** 0

### **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
2012-13	27.09.2013	10.00 a.m.	Vivagaa Building, #637, Oppanakara Street, Coimbatore - 641 001.	NIL
2013-14	24.09.2014	10.00 a.m.	Vivagaa Building, #637, Oppanakara Street, Coimbatore - 641 001.	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.	Vivagaa Building, # 637, Oppanakara Street, Coimbatore - 641 001	3. Altering the Capital Clause of Memorandum of Association of the Company. 4. Deleting the Existing Clauses 19 and 20 of the Articles of Association of the Company and renumbering the remaining clauses. 5. Issue of Equity Shares through Initial Public Offer by the Company. 6. Approval for Increase in Limits Specified under section 180(1) (a) of the Companies Act, 2013. 7. Approval for Increase in the limits specified under section 180(1) (c) of the Companies Act, 2013. 8. Appointment of T. K. Chandiran as a Managing Director of the Company and fix his Remuneration. 9. To Consider the Payment of Remuneration to Mrs. C.Selvi, Director of the Company. 10. To Consider the Payment of Remuneration to Mr. A. C. Vineeth Kumar, Director of the Company. 11. Altering The Rights Attached To The Preference Share Holders.

**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 The National Stock Exchange of India Limited – 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](http://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	: Friday, 30th September, 2016.
Time	: 12.15 P.M.,
Venue	: Rathna Residency, 355, Variety Hall Road, Coimbatore -641001.

### **FINANCIAL CALENDAR**

Financial year	:1st April, 2015 to 31st March, 2016
Announcement of Annual Results 2015-16	:02.09.2016
E-voting period	:27.09.2016 -10.00 AM to 29.09.2016 - 5.00 PM
Last date of receipt of Proxy Forms	:28.09.2016
Date of Book Closure	:09.09.2016 Friday to 15.09.2016 Thursday (both days inclusive)

Announcement of Half yearly Results 2016-17 : October 2016 & April 2017

### **LISTING:**

The equity shares of the Company are listed at	: 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.

## **MARKET PRICE DATA:**

No trade had taken place during the last financial year, since our Company's Shares were listed on July 15<sup>th</sup> 2016.

**REGISTRAR AND SHARE TRANSFER AGENT:**

M/s S.K.D.C Consultants Limited,  
Kanapathy Towers, 3<sup>rd</sup> Floor,  
1391/A – 1, Sathy Road, Ganapathy,  
Coimbatore – 641 006.  
Phone : 0422 -654995/2539835-36,  
E-mail : [info@skdc-consultants.com](mailto:info@skdc-consultants.com)

**DETAILS OF COMPLIANCE OFFICER**

Mrs.C.Renuka,  
Company Secretary & CFO.  
KKV Agro Powers Limited  
Vivagaa Building, 637, Oppanakara Street,  
Coimbatore - 641 001.  
Phone: +91-422-2303880  
Fax: +91-422-2303881  
E-Mail: [cs@kkvagropowers.com](mailto:cs@kkvagropowers.com)

**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2016:**

Category	No. of Shares held	Percentage of Share Holding
A) Promoter & Promoter Group	42,456	62.80%
B) Public	-	-
C) Non Promoter-Non Public	25,144	37.20%
C1) Shares underlying DRs	0	0.00
C2) Shares held by Employee Trust	0	0.00
<b>Grand Total</b>	<b>67,600</b>	<b>100.00</b>

**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 31.03.2016, 67,450 Shares constituting 99.78% of the total paid-up capital of the Company have been dematerialized. In view of the numerous advantages offered by the depository system, members have been requested to avail the facility of dematerialization 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, <b>KKV Agro Powers Limited,</b> CIN: U40108TZ2012PLC018332 Vivagaa Building, #637,Oppanakara Street, Coimbatore - 641 001
CIN	U18101TZ2011PLC017586
Website	<a href="http://www.kkvagropowers.com">www.kkvagropowers.com</a>
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](http://www.kkvagropowers.com).

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

No penalties, strictures were 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 have 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/polices/>.

The compliance of the said Code of Conduct by the Directors and Senior Management Personnel for the year 2015-16 has been affirmed by the Chairman and Managing Director.

#### **Declaration:**

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

**By order of the Board**

**Coimbatore  
02-09-2016**

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



## Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March 2016

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

## I. REGISTRATION AND OTHER DETAILS

i	CIN	U40108TZ2012PLC018332
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	Vivagaa 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 <sup>rd</sup> Floor, 1391/A – 1, Sathy Road, Ganapathy, Coimbatore - 641006. Phone:0422-654995, 2539835-36 Fax No.0422-2539837 Mail : 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	100

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	
<b>(A)</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/ HUF		47,273	4,72,730	69.93 %	42,456	-	4,24,760	62.80%	7.1
(b)	Central/State Govt.	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-	-	-
(d)	FI/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(1)</b>		<b>47,273</b>	<b>4,72,730</b>	<b>69.93 %</b>	<b>42,476</b>	<b>-</b>	<b>4,24,760</b>	<b>62.80%</b>	<b>7.1</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	NRIs -Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-	-	-
(d)	Banks /Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>		<b>47,273</b>	<b>4,72,730</b>	<b>69.93 %</b>	<b>42,476</b>	<b>-</b>	<b>4,24,760</b>	<b>62.80%</b>	<b>7.1</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual funds	-	-	-	-	-	-	-	-	-
(b)	FI/Banks	-	-	-	-	-	-	-	-	-
(c)	Central/ State Govt.	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FIIIs	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(h)	Others (specify)	-	-	-	-	-	-	-	-	-

	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2)</b>	<b>Non-institutions</b>									
<b>(a)</b>	<b>Bodies corporate</b>	-	-	-	-	-	-	-	-	-
(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>(b)</b>	<b>Individual</b>									
(i)	Holding nominal share capital of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
(ii)	Holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>(C)</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Sub-total (C)</b>	-	-	-	-	-	-	-	-	-
<b>(D)</b>	<b>Other than promoters (Not public )</b>	-	-	-	-	-	-	-	-	-
	Individual	-	-	-	-	20		200	0.03%	Nil
	Bodies corporate		20,327	2,03,270	30.07 %	24974	150	251240	37.17 %	7.1
	<b>Sub-total (D)</b>		<b>20,327</b>	<b>2,03,270</b>	<b>30.07 %</b>	<b>24974</b>	<b>25124</b>	<b>251240</b>	<b>37.17 %</b>	<b>7.1</b>
	<b>Grand Total (A)+(B)+(C)+(D)</b>		<b>67600</b>	<b>6,76,000</b>	<b>100%</b>	<b>24994</b>	<b>67600</b>	<b>676000</b>	<b>100%</b>	<b>Nil</b>

**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/ encumbere d to total share	No. of Shares	% of total shares of the company	% of shares Pledged/ encumbere d to total shares	
1	T.K Chandiran	37273	55.14%	-	32456	48.01%	-	(7.12%)
2	C. Selvi	10,000	14.79%	-	10,000	14.79%	-	-

**iii) Change in Promoters' Shareholding**

<b>1. Name of the Promoter : T.K CHANDIRAN</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	37273	55.14%	37273	55.14%
Decrease during the year			4817	7.12%
At the end of the year			32456	48.01%

<b>2. Name of the Promoter : C. SELVI</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	10000	14.79%	10000	14.79%
Increase / Decrease during the year	Nil			
At the end of the year			10000	14.79%

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

<b>For each of the top 10 shareholders name, date &amp; reason of change</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year				
Increase / Decrease during the year the year specifying the reasons for change	Nil			
At the end of the year				

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

<b>1. Name of the Director : T.K CHANDIRAN (DIN: 00031091 )</b>				
<b>Particulars</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
At the beginning of the year	37273	55.14%	37273	55.14%
Decrease during the year			4817	7.12%
At the end of the year			32456	48.01%

**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	10000	14.79%	10000	14.79%
Increase / Decrease during the year	Nil			
At the end of the year			10000	14.79%

**4. 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				
Increase during the year			10	0.01%
At the end of the year			10	0.01%

**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,88,87,767	4,80,31,955	-	8,69,19,722
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>3,88,87,767</b>	<b>4,80,31,955</b>	<b>-</b>	<b>8,69,19,722</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	
• Reduction	<b>3,06,46,489</b>	3,05,911	-	<b>3,09,52,400</b>
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	4,77,26,044	-	5,59,67,322
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
<b>Total (i + ii + iii)</b>	<b>82,41,278</b>	<b>4,77,26,044</b>	<b>-</b>	<b>5,59,67,322</b>

## 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	Rs. 19,35,000	Rs. 9,00,000	Rs. 28,35,000
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others, specify	-	-	-
5.	Others, (specify)	-	-	-
	Total (A)	Rs. 19,35,000	Rs. 9,00,000	Rs. 28,35,000
	Ceiling as per the Act	within the limit		

### B. Remuneration to other directors:

Particulars of Remuneration	Name of the Director & DIN	Name of the Director & DIN	Name of the Director & DIN	Total Amount
<b>1. Independent Directors</b> • Fee for attending board/ • Commission • Others, please specify	Nil	Nil	Nil	
<b>Total (1)</b>				
<b>2. Other Non-Executive Directors</b> • Fee for attending board/ committee meetings • Commission • Others, please specify	Nil	Nil	Nil	
<b>Total (2)</b>				
<b>Total (B) + (1 + 2)</b>				
Total Managerial Remuneration				
Overall Ceiling as per the Act				

**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	-	Rs.7,41,021	Rs.7,41,021
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as 0.10 % of profit - Others, specify		7855	7855
5.	Others, (specify)	-	-	-
	<b>Total</b>	-	<b>Rs. 7,48,876-</b>	<b>Rs. 7,48,876-</b>

**VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
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

02-09-2016  
Coimbatore

T.K Chandiran  
(DIN: 00031091)  
Managing Director

C. Selvi  
(DIN: 00032962)  
Whole – Time 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

AMOUNT IN INR

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	Purchase of windmill and Sale of wind energy	2015-2016	5,161,684	35,000,000		—	15.12.2014	—
2	Space Textiles Private Limited	Common Directorship	Sale of wind energy	2015-2016	7,894,577	—		—	15.12.2014	—

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

Place : Coimbatore  
Date : 02-09-2016

(For and on behalf of the Board)

T.K Chandiran  
Managing Director  
(DIN:00031091)

C. Selvi  
Whole time Director  
(DIN:00032962)

**SECRETARIAL AUDIT REPORT FY 2015-16**

To  
The Members,  
M/s. KKV AGRO POWERS LIMITED,  
Coimbatore - 641001.

Our 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. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we 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.

G Vasudevan  
Membership No: 6699  
C P No: 6522

02-09-2016  
Coimbatore

**FORM NO.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

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

To,

The Members,  
M/s. KKV AGRO POWERS LIMITED,  
Coimbatore - 641001.

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:U40108TZ2012PLC018332), a \*listed entity having its registered office at Vivagaa Building, #637, Oppanakara Street, Coimbatore - 641001 (hereinafter called the Company).

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. KKV Agro Powers Limited for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

***\*The Company has listed its shares in the National Stock Exchange of India Limited (Emerge Platform) on 15.07.2016.***

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) \*The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

Not Applicable as there is no inward and outward remittance of Foreign Currency during the financial year under review.

- (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;

*\*Since the Company is unlisted public company as on 31<sup>st</sup> March 2016, the above said regulations are not applicable to the Company during the year under review.*

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

Not Applicable as the company has not issued any share under Employee Stock Option Scheme and Employee Stock Purchase Scheme during the financial 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 any 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 an 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;

Not Applicable as the Company has not delisted its equity shares in any stock exchanges 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 examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

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**

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Women 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.

- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.
- iii. A system exists for directors to seek and obtain further information and clarifications in the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting member's views on any matters during the year that required to be captured and recorded as part of the minutes.
- iv. I further submit that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines mentioned herein above.

I further report that, the Company has

- a. Listed its shares in the National Stock Exchange of India Limited (Emerge Platform) on 15.07.2016.

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

02-09-2016  
Coimbatore

## **INDEPENDENT AUDITOR'S REPORT**

**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, 2016, 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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, 2016, 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 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, 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.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

C.S. Sathyanarayanan

Partner

Membership No.028328

Coimbatore,

September 02, 2016



## **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<sup>st</sup> March 2016.]

- (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.
- (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.

(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.

**AND**

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) In our opinion and according to the information and explanations given to us, the Company has utilized the term loans during the year for the purposes for which they were raised. The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments).
- (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 / provided 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (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.
- (xvii) In our opinion and according to the information and explanation given to us, the reporting requirement in respect of paragraph 3(ii) & 3(vi) of the Order are not applicable to the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

C.S.Sathyanarayanan

Partner

Membership No.028328

Coimbatore,

September 02,2016.

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2 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<sup>st</sup> March, 2016.]

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **KKV Agro Powers Limited (formerly known as Nachas Wind Energy Private Limited)** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the essential components of internal control stated in the Guidance Note issued by ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No103523W / W100048

C.S.Sathyanarayanan

Partner

Membership No.028328

Coimbatore,

September 02, 2016.

**KKV Agro Powers Limited (Formerly Known as Nachas Wind Energy Private Limited)**

**Balance Sheet as at 31st March 2016**

			in ₹
Particulars	Note No	As at 31st March 2016	As at 31st March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
a) Share Capital	2.01	96,76,000	96,76,000
b) Reserves and Surplus	2.02	1,99,64,458	1,46,68,335
		<u>2,96,40,458</u>	<u>2,43,44,335</u>
<b>(2) Non-current liabilities</b>			
a) Long Term Borrowings	2.03	82,41,278	3,88,87,767
b) Deferred tax liabilities (Net)	2.04	84,49,748	58,30,947
c) Long term provisions	2.05	71,717	40,943
		<u>1,67,62,743</u>	<u>4,47,59,657</u>
<b>(3) Current Liabilities</b>			
a) Short Term Borrowings	2.06	4,77,26,044	4,80,31,955
b) Other Current Liabilities	2.07	3,80,61,312	1,26,29,531
c) Short Term Provisions	2.08	-	4,31,838
		<u>8,57,87,356</u>	<u>6,10,93,324</u>
		<u><b>13,21,90,557</b></u>	<u><b>13,01,97,316</b></u>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
a) Fixed Assets	2.09		
- Tangible Assets		11,80,73,778	9,05,66,917
b) Long Term loans and advances	2.10	61,66,389	75,68,730
		<u>12,42,40,167</u>	<u>9,81,35,647</u>
<b>(2) Current Assets</b>			
a) Inventories		20,816	-
b) Trade receivables	2.11	17,34,880	30,59,490
c) Cash and Cash equivalents	2.12	28,78,801	2,70,18,467
d) Short Term loans and advances	2.13	9,47,156	10,09,052
e) Other current assets	2.14	23,68,737	9,74,660
		<u>79,50,390</u>	<u>3,20,61,669</u>
		<u><b>13,21,90,557</b></u>	<u><b>13,01,97,316</b></u>

Significant Accounting Policies

1

Notes to Financial Statements

2.01 to 2.34

The accompanying notes are an integral part of the financial statements

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

Place : Coimbatore

Date :02/09/2016

**C.Renuka**  
Company Secretary and  
Chief Financial Officer

**KKV Agro Powers Limited (Formerly Known as Nachas Wind Energy Private Limited)**  
**Statement of Profit and Loss for the year ended 31st March 2016**

		in ₹	
Particulars	Note No	2015-16	2014-2015
Revenue From Operations	2.15	4,92,73,867	3,57,57,384
Other Income	2.16	2,589	17,979
<b>Total Revenue</b>		<b>4,92,76,456</b>	<b>3,57,75,363</b>
<b>Expenses</b>			
Power Generation Expenses	2.17	85,69,793	57,79,074
Change in inventories		(20,816)	-
Employee benefits expense	2.18	58,68,428	38,32,537
Finance costs	2.19	52,89,340	71,43,268
Depreciation and amortization expense	2.09	78,02,402	47,07,166
Other expenses	2.20	1,39,02,986	70,36,085
<b>Total Expenses</b>		<b>4,14,12,133</b>	<b>2,84,98,130</b>
<b>Profit before tax</b>		<b>78,64,323</b>	<b>72,77,233</b>
Tax expense:			
Current tax		15,10,000	14,02,196
MAT Credit		(15,10,000)	(14,02,196)
Deferred tax		26,18,801	22,94,826
For Earlier years		(50,601)	-
<b>Profit for the period</b>		<b>52,96,123</b>	<b>49,82,407</b>
Earnings per equity share of face value of ₹ 10 /- each			
Basic and Diluted (in ₹)	2.22	78.35	73.70

Summary of Significant Accounting Policies

1

Notes to Financial Statements

2.01 to 2.34

The accompanying notes are an integral part of the financial statements

As per our report of date attached

For and on behalf of the Board of Directors

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

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

**C.Selvi**  
Director  
DIN:00032962

**C.S.Sathyanarayanan**

Partner

Membership No.028328

**C.Renuka**  
Company  
Secretary and  
Chief Financial  
Officer

Place : Coimbatore

Date :02/09/2016



**KKV Agro Powers Limited**  
**(Formerly known as Nachas Wind Energy Private Limited)**  
**Cash Flow Statement for the year ended 31st March 2016**

Particulars	2015-16		2014-15	
	in ₹	in ₹	in ₹	in ₹
<b>A.Cash flows from operating activities</b>				
Net profit before taxation and extraordinary items		78,64,323		72,77,233
<b>Adjustments for:</b>				
Depreciation	78,02,402		47,07,166	
Interest income	(2,589)		(17,979)	
Interest expenses	52,89,340	1,30,89,153	71,43,268	1,18,32,455
<b>Operating profit before working capital changes</b>		2,09,53,476		1,91,09,688
- (Increase)/decrease in inventories	(20,816)			
- (Increase)/decrease in trade receivables	13,24,610		(19,91,154)	
- (Increase)/decrease in loans and advances	13,13,328		(26,53,498)	
- (Increase)/decrease in Other Current assets	(13,94,077)		(9,74,660)	
- (Decrease)/increase in liabilities and provisions	1,14,19,369	1,26,42,414	3,17,08,488	2,60,89,176
<b>Cash generated from operations</b>		3,35,95,890		4,51,98,864
Income taxes refund/(paid)		(2,30,328)		(7,04,309)
<b>Net cash from operating activities - (A)</b>		<b>3,33,65,562</b>		<b>4,44,94,555</b>
<b>B.Cash flows from investing activities</b>				
Purchase of Fixed Assets		(3,53,09,262)		(2,05,55,816)
Interest received		2,589		17,979
<b>Net cash used in investing activities - (B)</b>		<b>(3,53,06,673)</b>		<b>(2,05,37,837)</b>
<b>C.Cash flows from financing activities</b>				
Repayment of long term borrowings		(1,69,09,215)		(60,91,233)
Interest paid		(52,89,340)		(71,43,268)
<b>Net cash used in financing activities - (C)</b>		<b>(2,21,98,555)</b>		<b>(1,32,34,501)</b>
<b>(A+B+C)</b>		<b>(2,41,39,666)</b>		<b>1,07,22,218</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>2,70,18,467</b>		<b>1,62,96,249</b>
<b>Cash and cash equivalents at end of period</b>		<b>28,78,801</b>		<b>2,70,18,467</b>

Significant Accounting Policies

1

Notes to Financial Statements

2.01 to 2.34

The accompanying notes are an integral part of the financial statements

As per our report of date attached

For Haribhakti & Co.LLP

For and on behalf of the Board of Directors

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

**T.K.Chandiran**  
Managing Director

**C.Selvi**  
Director  
DIN:00032962

**C.S.Sathyanarayanan**  
Partner  
Membership No.028328

DIN:00031091

Place:Coimbatore  
Date :02/09/2016

**C.Renuka**  
Company Secretary and Chief Financial Officer

**Notes to Financial statements for the year ended 31st March 2016**

**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.

**B SIGNIFICANT ACCOUNTING POLICIES:**

**i) a) Basis of Preparation:**

The financial Statements have been prepared to comply in all material respects with the accounting standards specified under section 133 of the Companies Act read with rule 7 of the companies (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.

**b) Use of Estimates:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount 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) Fixed Assets, Impairment & Depreciation:**

- a) Fixed Assets are stated at original cost less accumulated depreciation and accumulated amortization. Costs include all expenses related to acquisition and installation of the concerned assets.
- b) 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.
- c) Depreciation is provided on straight line Method based on the useful life specified in Schedule II of the Companies Act, 2013
- d) Where the cost of part of the asset is significant to the total cost of the asset and if the part of the asset has a different useful life than the main asset, useful life of the part is determined separately for depreciation.

**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.

**v) Foreign Currency Transaction :**

- a) Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction.
- b) 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.
- c) Premium / Discount in respect of Forward contract are amortized as expense / income over the period of contract. Exchange difference arising on forward contracts 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 risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods.
- 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.

**vii) Taxes on Income:**

- a) 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 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.
- 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.

**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 fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. 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

### Note No. 2.01 Share Capital

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
<b>Authorised</b> 1,10,00,000 Equity Shares of ₹ 10/- each (Previous Year - 1,00,000 Shares) 1,00,000 3% Redeemable Cumulative preference shares of ₹ 100/- each (Previous Year - 90,000 Shares)	11,00,00,000 1,00,00,000	10,00,00,000 90,00,000
	<b>12,00,00,000</b>	<b>1,00,00,000</b>
<b>Issued</b> 67,600 Equity Shares of ₹ 10/- each (Previous year - 67,600 Equity Shares of ₹ 10/- each) 90,000 3% Redeemable Cumulative preference shares of ₹ 100/- each (Previous year - 90,000 3% Redeemable Cumulative preference shares of ₹ 100/- each )	6,76,000 90,00,000	6,76,000 90,00,000
<b>Subscribed &amp; fully Paid up</b> 67,600 Equity Shares of ₹ 10/- each (Previous year - 67,600 Equity Shares of ₹ 10/- each) 90,000 3% Redeemable Cumulative preference shares of ₹ 100/- each (Previous year - 90,000 3% Redeemable Cumulative preference shares of ₹ 100/- each )	6,76,000 90,00,000	6,76,000 90,00,000
	<b>96,76,000</b>	<b>96,76,000</b>

a) The reconciliation of the number of shares outstanding is set out below:

#### Equity Shares

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number	₹	Number	₹
Shares outstanding at the beginning/end of the year	67,600	6,76,000	67,600	6,76,000

#### 3% Redeemable Cumulative preference shares:

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number	₹	Number	₹
Shares outstanding at the beginning/end of the year	90,000	90,00,000	90,000	90,00,000

#### 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 final dividend declared, if any, is subject to the approval of the members in the Annual General Meeting.

#### 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 at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr.T.K.Chandiran	32,456	48.01%	37,273	55.14%
Mrs.C.Selvi	10,000	14.79%	10,000	14.79%
SKM Animal Feeds and Foods (India) Pvt Ltd	16,224	24.00%	17,427	25.78%
Space Textiles Private Limited	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 at 31st March 2016		As at 31st March 2015	
	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 immediately preceeding 5 years.

**g) Shares held by the holding company:** NIL

**Note No. 2.02 Reserves and Surplus**

Particulars	As at 31st March 2016		As at 31st March 2015	
	₹	₹	₹	₹
<b>Surplus in the Statement of Profit &amp; Loss:</b>				
Opening Balance	1,46,68,335		96,85,928	
Add : Profit for the year	52,96,123	1,99,64,458	49,82,407	1,46,68,335
Closing Balance		<b>1,99,64,458</b>		<b>1,46,68,335</b>

**NON CURRENT LIABILITIES**

**Note No. 2.03 Long Term Borrowings**

Particulars	Non Current Maturities		Current Maturities	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
	₹	₹	₹	₹
Secured				
Term loans from Bank				
- Rupee Loan	82,41,278	3,88,87,767	2,57,37,275	1,20,00,000
	<b>82,41,278</b>	<b>3,88,87,767</b>	<b>2,57,37,275</b>	<b>1,20,00,000</b>

- 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 is repayable in 38 monthly installments of ₹ 10,00,000/- each. Of the total outstanding as at the Balance Sheet date, ₹ 2,57,37,275/- has been since repaid and hence has been classified under current maturities of long term debt.

- The interest is payable on monthly basis and the rate of interest is in the range of 12.65% to 13.25% per annum.

**Note No. 2.04 Deferred Tax Liabilities/(Assets) (Net)**

Particulars	As at 31st March 2016	Charged/(reversed) during the year	As at 31st March 2015
	₹	₹	₹
<b>Deferred Tax Liabilities</b>			
- On fixed assets	3,01,88,026	95,08,839	2,06,79,187
A	3,01,88,026	95,08,839	2,06,79,187
<b>Deferred Tax Assets</b>			
- On Business loss and unabsorbed depreciation (Refer Note no.2.28)	2,17,07,378	68,59,138	1,48,48,240
- On other disallowances	30,900	30,900	-
B	2,17,38,278	68,90,038	1,48,48,240
<b>Net Deferred Tax Liability/(Asset)</b>	<b>A - B</b>	<b>26,18,801</b>	<b>58,30,947</b>

**Note No. 2.05 Long Term Provisions**

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
Provision for gratuity (Refer Note no.2.25)	71,717	40,943
	<b>71,717</b>	<b>40,943</b>

**Note No. 2.06 Short Term Borrowings**

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
Unsecured		
- Loan from Director	4,77,26,044	4,80,31,955
	<b>4,77,26,044</b>	<b>4,80,31,955</b>

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

**Note No. 2.07 Other Current Liabilities**

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
(a) Current maturities of long-term debt ( Refer Note No.2.03)	2,57,37,275	1,20,00,000
(b) Interest accrued and due on borrowings	3,65,060	-
(c) Dues to related parties ( Refer Note No. 2.24)	98,14,278	1,61,206
(d) Accrued salaries and benefits	3,12,766	-
(e) Statutory dues payable	92,319	1,49,217
(f) Other payables *	17,39,614	3,19,108
	<b>3,80,61,312</b>	<b>1,26,29,531</b>

\* Other payables and accruals includes liability towards outstanding expenses.

**Note No. 2.08 Short Term Provisions**

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
Provision for tax (Net)	-	4,31,838
	<b>-</b>	<b>4,31,838</b>

**Note No. 2.10 Long Term Loans and Advances**

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
Unsecured, considered good		
- Security Deposits	1,05,000	1,05,000
- MAT Credit Entitlement	46,96,480	31,86,480
- Prepaid Expenses	12,14,000	18,21,000
- Tax payment Pending Adjustments	1,50,909	-
- Capital Advances	-	24,56,250
	<b>61,66,389</b>	<b>75,68,730</b>

**Note No. 2.11 Trade Receivables**

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
Unsecured, considered good		
- Over six months		4,87,327
- Others	17,34,880	25,72,163
	<b>17,34,880</b>	<b>30,59,490</b>

**Note No. 2.12 Cash and Cash equivalents**

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
a) Balances with banks		
In current accounts	18,80,879	2,59,10,971
b) Cash on hand	9,97,922	11,07,496
	<b>28,78,801</b>	<b>2,70,18,467</b>

Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 cash flow statement is

**28,78,801                      2,70,18,467**

**Note No. 2.13 Short term loans and advances**

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
Unsecured, considered good		
- Prepaid expenses	9,47,156	9,41,636
- Staff Advance/Advance for expenses	-	67,416
	<b>9,47,156</b>	<b>10,09,052</b>

**Note No. 2.14 Other Current Assets**

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
Unsecured, considered good		
- Accrued Income	23,65,337	9,74,660
- Other receivables	3,400	-
	<b>23,68,737</b>	<b>9,74,660</b>



## Note No. 2.09 Fixed Assets

in ₹

Particulars	Gross Block				Depreciation				Net Block
	As on 01-04-2015	Additions	Deletions	As on 31-03-2016	Upto 01-04-2015	For the year	Withdrawn	Upto 31-03-2016	As on 31-03-2016
<b><u>Tangible Assets</u></b>									
Land	28,77,423	-	-	28,77,423	-	-	-	-	28,77,423
Building	7,13,132	-	-	7,13,132	1,02,085	1,35,495	-	2,37,580	4,75,552
Plant and Machinery	8,80,09,442	3,51,50,000	-	12,31,59,442	50,39,798	70,45,051	-	1,20,84,849	11,10,74,593
Computers	4,70,088	7,400	-	4,77,488	1,74,076	1,24,415	-	2,98,491	1,78,997
Furniture & Fittings	57,850	-	-	57,850	10,990	6,580	-	17,570	40,280
Office Equipments	21,050	71,398	-	92,448	4,011	9,677	-	13,688	78,760
Electrical Fittings	2,75,922	80,464	-	3,56,386	11,585	32,459	-	44,044	3,12,342
Motor Vehicles	37,77,149	-	-	37,77,149	2,92,593	4,48,725	-	7,41,318	30,35,831
<b>Total</b>	<b>9,62,02,056</b>	<b>3,53,09,262</b>	<b>-</b>	<b>13,15,11,318</b>	<b>56,35,138</b>	<b>78,02,402</b>	<b>-</b>	<b>1,34,37,540</b>	<b>11,80,73,778</b>

Particulars	Gross Block				Depreciation				Net Block
	As on 01-04-2014	Additions	Deletions	As on 31-03-2015	Upto 01-04-2014	For the year	Withdrawn	Upto 31-03-2015	As on 31-03-2015
<b><u>Tangible Assets</u></b>									
Land	28,77,423	-	-	28,77,423	-	-	-	-	28,77,423
Building	-	7,13,132	-	7,13,132	-	1,02,085	-	1,02,085	6,11,047
Plant and Machinery	7,23,92,442	1,56,17,000	-	8,80,09,442	8,26,183	47,41,247	5,27,632	50,39,798	8,29,69,644
Computers	2,60,488	2,09,600	-	4,70,088	87,119	1,32,056	45,099	1,74,076	2,96,012
Furniture & Fittings	57,850	-	-	57,850	13,721	5,809	8,540	10,990	46,860
Office Equipments	16,550	4,500	-	21,050	430	3,864	283	4,011	17,039
Electrical Fittings	41,487	2,34,435	-	2,75,922	519	11,408	342	11,585	2,64,337
Motor Vehicles	-	37,77,149	-	37,77,149	-	2,92,593	-	2,92,593	34,84,556
<b>Total</b>	<b>7,56,46,240</b>	<b>2,05,55,816</b>	<b>-</b>	<b>9,62,02,056</b>	<b>9,27,972</b>	<b>52,89,062</b>	<b>5,81,896</b>	<b>56,35,138</b>	<b>9,05,66,917</b>

**Note No. 2.15 Revenue from Operations**

Particulars	2015-16	2014-2015
	₹	₹
<b>Revenue from operations</b>		
Sale of Electricity	4,48,74,367	3,53,96,984
<b>Other operating revenue</b>		
Sale of Renewable Energy Certificates	43,99,500	3,60,400
	<b>4,92,73,867</b>	<b>3,57,57,384</b>

**Note No. 2.16 Other Income**

Particulars	2015-16	2014-2015
	₹	₹
Interest on Fixed deposit	2,589	17,979
	<b>2,589</b>	<b>17,979</b>

**Note No. 2.17 Power Generation Expenses**

Particulars	2015-16	2014-2015
	₹	₹
Banking Charges	3,31,737	12,45,483
Transmission & Wheeling Charges	43,71,394	22,53,122
Other Operating power generating expenses	38,02,086	22,51,842
REC Application & Trading Fees	64,576	28,627
	<b>85,69,793</b>	<b>57,79,074</b>

**Note No. 2.18 Employee benefits expense**

Particulars	2015-16	2014-2015
	₹	₹
Salaries, Wages & Bonus	26,95,047	18,34,078
Director's Remuneration	28,35,000	17,70,000
Contributions to Funds	2,91,546	1,94,223
Staff welfare expenses	46,835	34,236
	<b>58,68,428</b>	<b>38,32,537</b>

**Note No. 2.19 Finance Cost**

Particulars	2015-16	2014-2015
	₹	₹
Interest expense	52,59,246	70,61,825
Other borrowing costs	30,094	81,443
	<b>52,89,340</b>	<b>71,43,268</b>

**Note No. 2.20 Other Expenses**

Particulars	2015-16	2014-2015
	₹	₹
Repair & Maintenance		
- Plant & Machinery	24,31,890	1,16,790
- Vehicles	2,55,898	1,79,483
- Others	54,210	92,192
Annual Maintenance Charges	68,86,674	42,56,012
Professional Charges	8,20,755	5,41,545
Insurance	4,23,837	80,178
Rent	2,74,000	2,75,667
Commission	5,01,367	5,83,999
Royalty Expenses	2,46,985	1,79,085
Travelling Expenses	2,16,646	87,849
Rates & taxes	11,25,962	83,778
Auditor's Remuneration	3,63,941	3,08,203
Telephone Charges	88,575	70,126
Other Administrative Expenses	2,12,246	1,81,178
	<b>1,39,02,986</b>	<b>70,36,085</b>

Payments to the auditor as	2015-16	2014-2015
	₹	₹
(a) For Statutory Audit	2,53,000	2,20,000
(b) For taxation matters	60,000	50,000
(c) For reimbursement of expenses	10,000	6,500
(d) Service Tax	40,941	31,703
	<b>3,63,941</b>	<b>3,08,203</b>

2.21 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.

**2.22 Earnings per share:**

Particulars	2015-16	2014-15
	₹	₹
Earnings available to Equity Shareholders	52,96,123	49,82,407
Equity Shares of ₹ 10 each (No.s)	67,600	67,600
Weighted Average No. of Shares	67,600	67,600
Earnings Per Share (Basic & Diluted) (in ₹)	78.35	73.70

**2.23 Commitments and Contingent Liabilities:**

Particulars	31st March 2016	31st March 2015
	₹	₹
Dividend on Cumulative Preference Shares	5,40,000	2,70,000
Dividend Distribution tax on the above	1,08,950	53,984

2.24 (i) List of Related Parties with whom transactions have taken place during the year 2015-16 and 2014-15 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
- KKV Gold N Retail Limited
- SCM Global Brands Private Limited

**(ii) Related Party Transactions:**

S.No	Nature of Transactions	2015-16		2014 -15	
		Key Management Personnel	Others	Key Management Personnel	Others
1	Purchases of Fixed Assets	-	3,50,00,000	-	1,50,00,000
2	Director's Remuneration	28,35,000	-	17,70,000	-
3	Sale of Wind energy	-	1,30,56,261	-	25,25,298
4	Reimbursement of expenses	-	70,59,084	-	1,44,02,122
5	Royalty payment	-	2,46,985	-	1,79,085
6	Advances given for purchase of fixed assets	-	-	-	23,06,250
7	Closing balance as on reporting date:				
	- Loan from Director	4,77,26,044	-	4,80,31,955	-
	- Dues to related party	2,00,952	98,14,278	-	1,61,206
	- Dues from related party	-	44,584	-	36,88,473

\* 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."

2.25 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		2015-16	2014-15
<b>Principal actuarial assumptions:</b>			
Discount Rate		7.80%	7.72%
Salary escalation rate		6.00%	6.00%
Attrition Rate		5.00%	5.00%
Expected rate of return on plan Assets		0.00%	0.00%
<b>Changes in the present value of the obligation:</b>			
Present Value of Obligations as at the beginning of the period		40,943	25,723
Interest cost		3,161	1,986
Current service cost		59,149	40,943
Benefits paid		-	-
Actuarial (Gains) / Loss on obligation		(31,536)	(27,709)
Present Value of Obligations as at the end of the period		71,717	40,943
<b>Changes in the fair value of plan assets:</b>			
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		-	-
<b>Amounts recognised in the balance sheet:</b>			
Present value of the obligation		71,717	40,943
Fair value of plan assets		-	-
(Asset)/Liability		71,717	40,943
Net (Asset)/Liability recognised in the balance sheet		71,717	40,943
<b>Expense recognised in the statement of profit and loss :</b>			
Current service cost		59,149	40,943
Interest cost		3,161	1,986
Expected return on plan assets		-	-
Net actuarial (gain)/ loss recognised in the year		(31,536)	(27,709)
Past service cost-vested benefits		-	-
Expenses recognised in the statement of profit and loss		30,774	15,220
<b>Disclosure requirement pursuant to para 120(n) of AS-15 (to the extent applicable):</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>
Present value of the obligation	71,717	40,943	25,723
Plan assets	-	-	-
Surplus/(Deficit) in plan assets	(71,717)	(40,943)	(25,723)
The experience adjustments on plan liabilities	(31,356)	(27,709)	(9,056)
The experience adjustments on plan assets	-	-	-

**2.26 Operating Leases:**

**Future lease payments:**

Minimum lease payments upto the end of lease	31st March 2016	31st March 2015
	₹	₹
- Not later than one year	2,74,000	2,74,000
- Later than one year and not later than five years	40,000	40,000
- Later than five years	1,10,000	1,20,000

**2.27 Segment Information:**

- The company operates under only one segment viz. business of generation and sale of electricity.

2.28 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.

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

2.30 Post the Balance sheet date, 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. 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.

2.31 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.

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

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

2.34 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

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

**C.Selvi**  
Director  
DIN:00032962

**C.S.Sathyanarayanan**  
Partner  
Membership No.028328

**C.Renuka**  
Company Secretary and  
Chief Financial Officer

Place : Coimbatore

Date :02/09/2016

**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 : VIVAGAA BUILDING # 637, OPPANAKARA STREET,  
COIMBATORE-641 001.  
CIN : U40108TZ2012PLC018332

Name of the Member(s) :

Registered Address :

e-mail ID :

Folio No. / Client ID :

DP ID :

I/We being the Member(s) 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 Fourth Annual General Meeting of the Company to be held on Friday, the 30th September 2016 at Rathna Residency, 355, Varity Hall Road, Coimbatore – 641001 and at any adjournment thereof in respect of such resolutions as are indicated below:-

\*\* I/we 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 31st March 2016.		
2.	Re-appointment of Mr.A.C.Vineethkumar (DIN: 06756745) who retires by rotation and being eligible offers himself for re-appointment		
3.	Ratification of Appointment of Statutory Auditors		
4.	To approve the related party transaction		

Signed this \_\_\_\_ day of \_\_\_\_\_ 2016

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 : U40108TZ2012PLC018332

**ATTENDANCE SLIP**

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE  
MEETING HALL**

( 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 Fourth Annual General Meeting of the Company Rathna Residency, 355, Varity Hall Road, Coimbatore - 641 037 on Friday, the 30th September 2016 at 12:15 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.
3. Please read carefully the instructions given in the Notice of Fourth Annual General Meeting under the heading "voting through electronic means".



## ROUTE MAP TO THE AGM VENUE

Venue : Rathna Residency , 355, Variety Hall Road, Coimbatore - 641001

