



# 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 : L40108TZ2012PLC018332, PAN : AAECN0204G

Ref: KKVAPL/NSE/017/2019-20

Date: 06.09.2019  
Coimbatore

The Manager,  
Listing Department (NSE Emerge)  
National Stock Exchange of India Limited,  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra - Kurla Complex, (Bandra East)  
Mumbai - 400 051

Symbol: **KKVAPOW**

Dear Sir/Madam,

**Sub: Intimation of 7<sup>th</sup> Annual General Meeting and Annual Report of the  
Company for the Financial Year 2018 - 19**

This is to intimate you that the 7<sup>th</sup> Annual General Meeting of Members of the Company is scheduled to be held on Friday, the 27<sup>th</sup> day of September, 2019 at 12:15 Noon at Hotel Landmark, 353/1, Bharatiar Road, Siddhapudur, Coimbatore - 641 044 to transact the business as set out in the notice convening the AGM which has been sent to the Members of the Company at their E-Mail or Addresses as registered with the Company.

Further, pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a copy of the Annual Report for the Financial Year 2018 - 19 sent to the Shareholders along with the Notice of the Annual General Meeting is enclosed herewith this intimation.

Copies of the Notice of 7<sup>th</sup> AGM and Annual Report for FY 2018 - 19 are also available in the website of the Company.

Kindly acknowledge the receipt and take the same in your records.

**For KKV Agro Powers Limited**

*G. Vivek*  
G. Vivek  
Company Secretary and Compliance Officer  
M. No. A55386



Encl: As above



# **KKV AGRO POWERS LIMITED**

**(CIN: L40108TZ2012PLC018332)**

**7<sup>th</sup> ANNUAL REPORT  
2018-2019**





CONTENTS

|  |   |    |
|--|---|----|
| Board of Directors and Other Information | : | 1  |
| Directors' Report                        | : | 14 |
| Management Discussion & Analysis Report  | : | 21 |
| Corporate Governance Report              | : | 23 |
| Secretarial Audit Report                 | : | 46 |
| Independent Auditors' Report             | : | 52 |
| Financial Statements                     | : | 61 |

**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 subject to certain future events and uncertainties, which could cause actual results to differ materially from those indicated by such statements.



**BOARD OF DIRECTORS**

**Shri. T. K. CHANDIRAN**  
Chairman & Managing Director - (DIN: 00031091)

**Mrs. C. SELVI**  
Whole-Time Director - (DIN: 00032962)

**Mr. A. C. VINEETHKUMAR**  
Director - (DIN: 06756745)

**Mr. B. MOHAN**  
Independent Director - (DIN: 05255699)

**Dr. V. CHANDRASEKARAN**  
Independent Director - (DIN: 07276704)

**COMPANY SECRETARY & CFO**

**Mr. G.VIVEK**  
Company Secretary & Compliance Officer  
ACS M.No. A55386

**Mr. C. ARUN KUMAR** – Chief Financial Officer

**REGISTERED OFFICE**

**Vivagaa Building**  
**#637, Oppanakara Street,**  
**Coimbatore – 641 001**  
**E-Mail:** cs@kkvagropowers.com  
**Tel. No.:** +91 422-2303880  
**Fax No.:** +91 422-2303881

**STATUTORY AUDITORS**

**M/s. VKS Aiyer & Co.**  
Chartered Accountants,  
Coimbatore – 641 011

**SECRETARIAL AUDITORS**

**M/s. G.V and Associates**  
Company Secretaries,  
Coimbatore - 641 038

**INTERNAL AUDITORS**

**M/s. Suri & Co.**  
Chartered Accountants,  
Coimbatore – 641 043

**SHARES LISTED WITH**

**NSE EMERGE** – SME Platform  
Mumbai

**REGISTRAR & SHARE TRANSFER AGENT**

**S.K.D.C. Consultants Limited**  
Coimbatore - 641 006

**BANKERS**

**Indian Bank**  
**AXIS Bank**



**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: L40108TZ2012PLC018332

**NOTICE TO SHAREHOLDERS**

**Notice** is hereby given that the 7<sup>th</sup> Annual General Meeting of the Members of M/s. KKV Agro Powers Limited (CIN: L40108TZ2012PLC018332) will be held on Friday, the 27<sup>th</sup> day of September, 2019 at 12:15 Noon at Hotel Landmark, 353/1, Bharathiar Road, Siddhapudur, New Siddhapudur, Coimbatore, Tamil Nadu 641 044 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements as at 31<sup>st</sup> March 2019 together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend for the year ended 31<sup>st</sup> March, 2019.
3. To appoint a Director in the place of Mr. A.C. Vineethkumar (DIN: 06756745), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

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

**"RESOLVED THAT** Mr. Bhagavan Mohan (DIN: 05255699), who was appointed as an Additional Director of the Company from 22.04.2019 under Sections 149, 152, 161 and applicable Articles of Association of the Company and any other applicable provisions of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, who hold office upto the date of this Annual General Meeting, be and is hereby appointed as Non-Executive Independent Director of the Company for a term of five consecutive years from the date of his original appointment as Additional Director i.e. 22.04.2019 and whose office shall not, henceforth, be liable to retire by rotation."

**5. To consider and if thought 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 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modifications or enactment thereof for the time being in force), and also pursuant to the consent



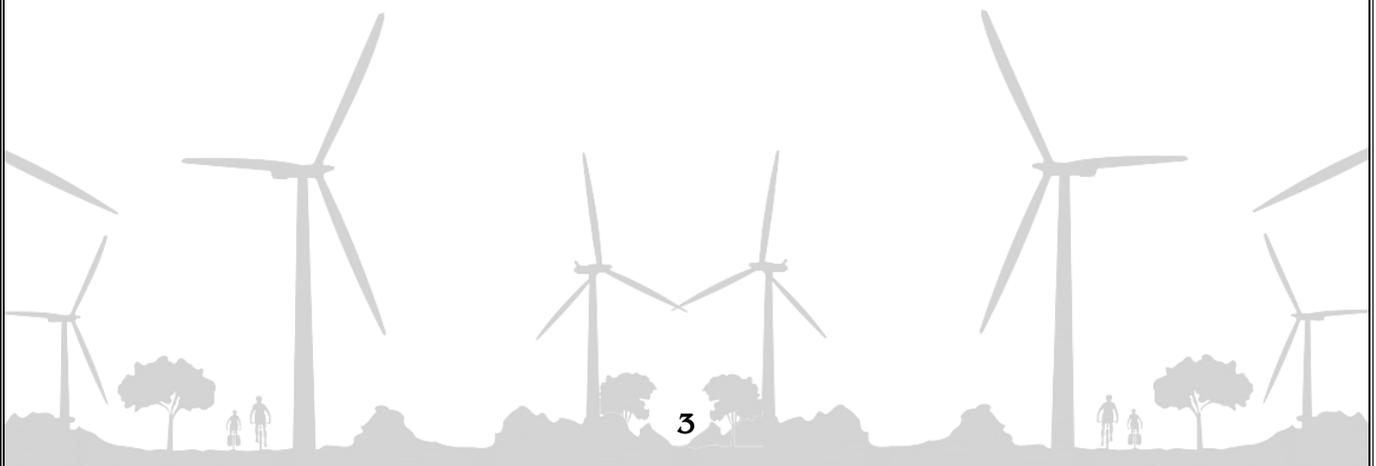
of Audit Committee and the Board of Directors, approval of the members be and is hereby accorded to the Company for entering into Related Party Transactions during the Financial Year 2019-20 which are in the ordinary course of business and at arm's length basis and up to the maximum amounts as per the details as set out under the Explanatory Statement annexed to this AGM notice."

**"FURTHER RESOLVED 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**  
**02.09.2019**

**sd/-**  
**G. Vivek**  
**Company Secretary**  
**M.No. A55386**





**NOTES:**

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business as 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 (Proxy Form for the meeting is enclosed with this Notice).
4. A person can act as proxy on behalf of members not exceeding Fifty and holding in 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 and the same must be surrendered at the counter before 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 behalf at the Meeting.
7. The Registrar and Share transfer agent of the Company is 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 updation of Bank Account details to their respective Depository Participants.
11. Any member who needs any clarification on accounts or operations of the Company shall write to the Company Secretary, so as to reach him at least 7 days before the meeting, so that the information required can be made available at the meeting.



12. The Notice of the AGM along with the Annual Report 2018-2019, Attendance Slip and Proxy Form are 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. The duly filled in attendance slip must be surrendered at the counter before attending the Meeting.
13. 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).
14. The Company has fixed 19.09.2019 as the Record date for determining the entitlement of the members whose names appear in the Register of Members to the final dividend and voting at the Annual General Meeting for the Financial Year ending on March 31, 2019.
15. The payment of final dividend, if any, upon declaration by the Members at the forthcoming Annual General Meeting, will be made within a period of 30 days of declaration.
16. To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be available to the Company by National Securities Depository Limited (“NSDL”) and Central Depository Services Limited (“CDSL”) as at the end of the day fixed for the purpose.
17. The particulars recorded with the DPs will be considered for making the payment of Dividend.
18. 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.
19. 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.
20. Members are requested to note that the venue of the Seventh Annual General Meeting is at Hotel Landmark, 353/1, Bharathiyar Road, Siddhapudur, New Siddhapudur, Coimbatore, Tamil Nadu 641 044.
21. Mr. G Vasudevan, Practicing Company Secretary (Membership No. 6699) has been appointed as the Scrutinizer to scrutinize the voting process at the AGM in a fair and transparent manner.
22. 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.

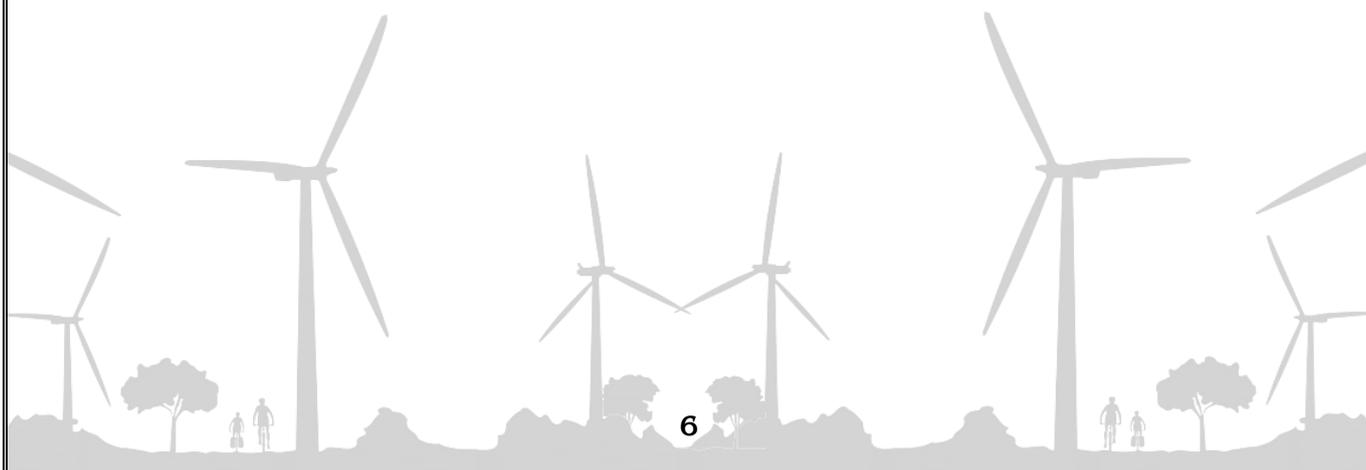


23. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  
24. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company – [www.kkvagropowers.com](http://www.kkvagropowers.com), immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the NSE, Mumbai.

**By order of the Board**

**Coimbatore**  
**02.09.2019**

**sd/-**  
**G. Vivek**  
**Company Secretary**  
**M.No. A55386**





**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No: 4**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 149, 152, 161 of the Companies Act, 2013 (“the Act”), and the applicable Articles of Association of the Company, Mr. Bhagavan Mohan (DIN: 05255699), as an Additional Director, to hold office as an Non-Executive Independent Director of the Company for a term of 5 (five) consecutive years with effect from April 22, 2019. In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members. Further, Mr. Bhagavan Mohan (DIN: 05255699), is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director of the Company. The Company has also received declaration from Mr. Bhagavan Mohan (DIN: 05255699), that he meets the criteria of Independence as prescribed both under Section 149 (6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). In the opinion of the Board, Mr. Bhagavan Mohan (DIN: 05255699), fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Bhagavan Mohan is independent of the management and possesses appropriate skills, experience and knowledge. Details of Mr. Bhagavan Mohan are provided in the “Annexure” to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS2”), issued by the Institute of Company Secretaries of India. He shall not be paid remuneration except by way of sitting fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Companies Act, 2013. Copy of the letter of appointment of Mr. Bhagavan Mohan setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company. Mr. Bhagavan Mohan is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

A brief profile of Mr. Bhagavan Mohan along with the details as required under SS-2 (Secretarial Standard on General Meetings) is given as Annexure to this Notice.



**Item No: 5**

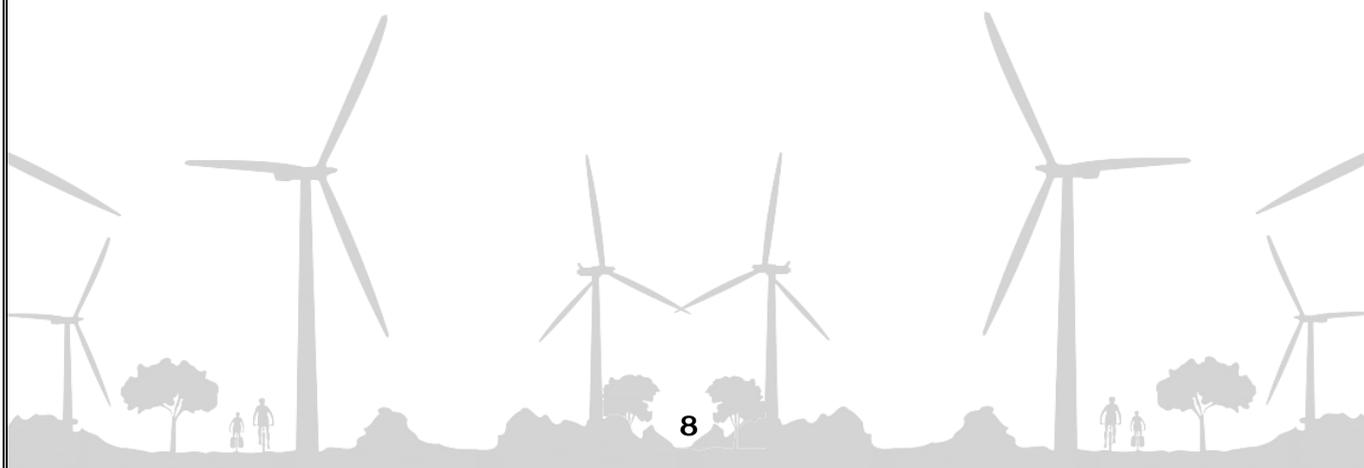
As per the provisions of Section 188 (1) of the Companies Act, 2013 read with Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, "Related Party Transactions" entered into by the Company requires prior consent of the Audit Committee, Board of Directors and approval of the shareholders where transactions proposed to be entered into by the Company exceeds the limits prescribed under the said section. As per the said provision, the approval of the shareholders in the General Meeting is sought 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/proposed transactions entered/to be entered into by the Company with the related parties during the Financial Year 2019-20 detailed in the Agenda No.5 were/are in the ordinary course of business and 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.

Details pursuant to Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014:





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

| Name of the Related Party                       | Transaction defined u/s 188(1) of the Companies Act, 2013  |   |                                       |                                       |
|---|--|---|---------------------------------------|---------------------------------------|
|   | Name of the Director or KMP who is related and Nature of relationship  | 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                  | Mr. T.K Chandiran<br>(Managing Director)<br>Mr. A.C. Vineethkumar<br>(Director),<br>Mrs. Selvi (Whole-Time Director) and<br>Mr. VN Chandrasekeran (Independent Director)<br>are also the directors of the related party. |   | ₹ 25 Crores                           |                                       |
| M/s. Space Textiles Private Limited             | Director of the Related Party is the relative of Mr. T.K. Chandiran (Managing Director)  |   | ₹ 25 Crores                           |                                       |
| M/s. KKV Chakra Limited                         | Mr. T.K Chandiran<br>(Managing Director)<br>Mr. A.C. Vineethkumar<br>(Director) and<br>Mrs. Selvi (Whole-Time Director)<br>are also the directors of the related party.  |   | ₹ 25 Crores                           |                                       |
| M/s. SCM Global Brands Private Limited          | Mr. T.K Chandiran<br>(Managing Director)<br>Mrs. Selvi<br>(Whole-Time Director)<br>are also the directors of the related party   |   | ₹ 25 Crores                           |                                       |
| M/s. Shivam Traders                             | Partners of the Firm are relatives of the Promoter Directors of the Company  |   | ₹ 50 Crores                           |                                       |
| M/s. Gajaananda Jewellery Maart Private Limited | Mr. T.K Chandiran<br>(Managing Director)<br>is the director of the related party   |   | ₹ 2 Crores                            |                                       |

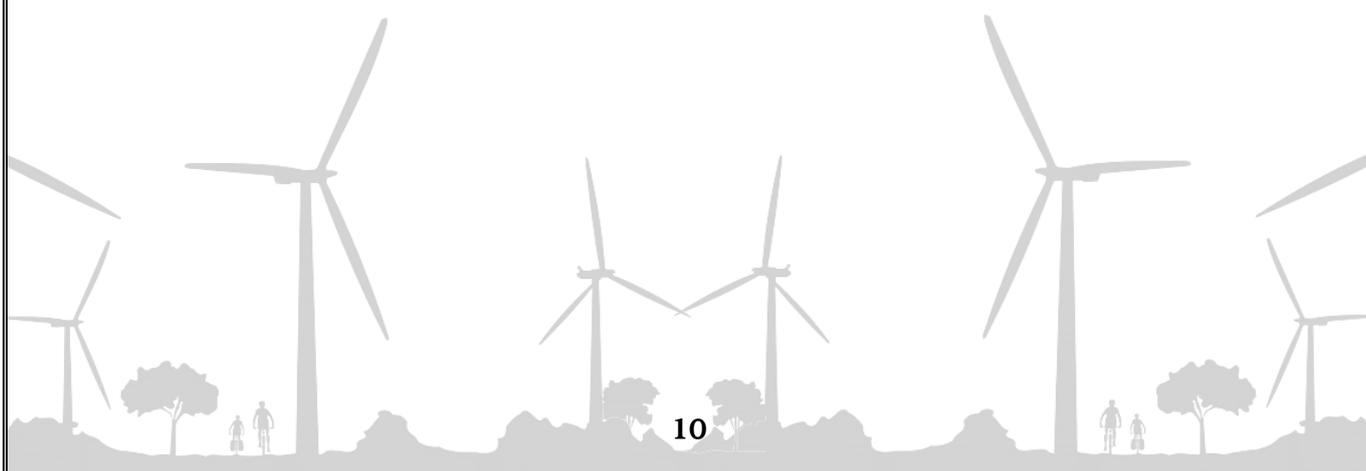


**Particulars of Proposed Transactions for the purpose of approval u/s 188 of the Companies Act, 2013 and Maximum value of contract / transaction (per annum)**

| Name of the Related Party                             | Transaction defined u/s 188(1) of the Companies Act, 2013  |   |                                       |                                       |
|---|--|---|---------------------------------------|---------------------------------------|
|   | Name of the Director or KMP who is related and Nature of relationship                            | Sale, purchase or supply of any goods / materials | Selling, disposing or buying property | Availing or rendering of any services |
| M/s. Gajaananda Jewellery India Maart Private Limited | Director of the Related Party is the relative of Mr. T.K. Chandiran ( <i>Managing Director</i> ) |   |                                       | ₹ 25 Crores                           |
| M/s. The Chennai Silks Firm                           | Partners of the Firm are relatives of the Promoter Directors of the Company                      |   |                                       | ₹ 25 Crores                           |
| M/s. SCM Garments Private Limited                     | Mr. T.K Chandiran ( <i>Managing Director</i> ) is the director of the related party              |   |                                       | ₹ 25 Crores                           |
| M/s. The Madras Silks India Private Limited           | Mr. T.K Chandiran ( <i>Managing Director</i> ) is the director of the related party              |   |                                       | ₹ 25 Crores                           |

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.

None of the Director other than Mr. T.K. Chandiran, Managing Director, Mrs. C.Selvi, Whole-Time Director and Mr. A.C. Vineethkumar, Director is concerned or interested in the resolution as set out in this Notice.





## Annexure to the Notice

### Details of Directors retiring by rotation / seeking appointment / re-appointed at the Meeting

#### 1. Mr. A.C.Vineethkumar

|  |   |   |
|--|---|---|
| Age  | : | 24 Years  |
| Qualifications   | : | B.Sc Fashion Technology<br>Masters in International Business Management<br>Psychology |
| Experience (including expertise in specific functional area) / Brief Resume  | : | 4 Years in Retail Sale of Jewellery and Textiles                                      |
| Terms and Conditions of Re appointment                                       | : | Non-Executive Director liable to retire by rotation                                   |
| Remuneration last drawn (including sitting fees, if any)                     | : | NA  |
| Remuneration proposed to be paid   | : | NA  |
| Date of first appointment on the Board                                       | : | 14/12/2013  |
| Shareholding in the Company as on March 31, 2019                             | : | 12 Equity Shares  |
| Relationship with other Directors / Key Managerial Personnel                 | : | Son of the Mr. T.K.Chandiran, Managing Director and Mrs.C.Selvi, Whole-Time Director  |
| Number of meetings of the Board attended during the financial year (2018-19) | : | 8   |
| Directorships of other Boards as on March 31, 2019                           | : | 3   |
| Membership / Chairmanship of Committees of other Boards as on March 31, 2019 | : | 1   |



## **2. Mr. Bhagavan Mohan**

|  |   |  |
|--|---|--|
| Age  | : | 55 Years   |
| Qualifications   | : | B.Com, MA (SW) CCA, PGDMM, MBA<br>(Finance), CAIB, B.L, CFP  |
| Experience (including expertise in specific functional area) / Brief Resume  | : | He was the Vice President of UTI and Qualified Chartered Associate of Indian Institute of Banker and a Certified Financial Planner |
| Terms and Conditions of Re appointment                                       | : | As contained in the Letter of Appointment  |
| Remuneration last drawn (including sitting fees, if any)                     | : | NA   |
| Remuneration proposed to be paid   | : | As per the terms of appointment  |
| Date of first appointment on the Board                                       | : | 22/04/2019   |
| Shareholding in the Company as on March 31, 2019                             | : | NIL  |
| Relationship with other Directors / Key Managerial Personnel                 | : | NIL  |
| Number of meetings of the Board attended during the financial year (2018-19) | : | NIL  |
| Directorships of other Boards as on March 31, 2019                           | : | NIL  |
| Membership / Chairmanship of Committees of other Boards as on March 31, 2019 | : | NIL  |

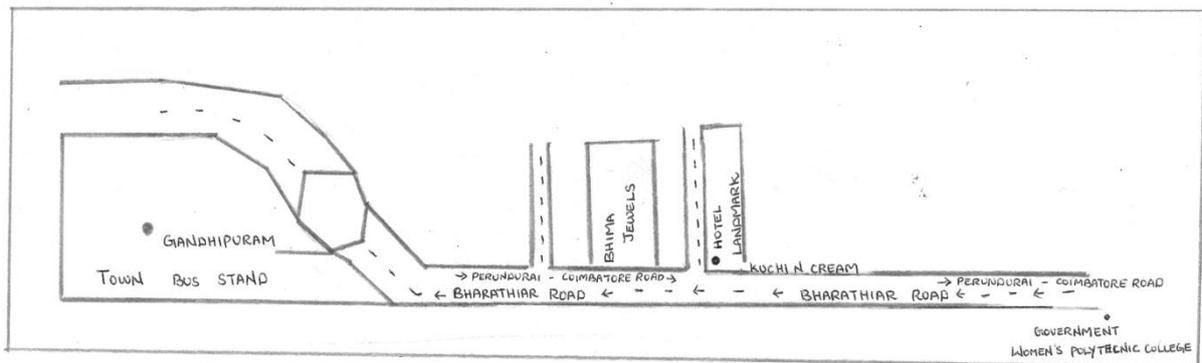
**Coimbatore**  
**02.09.2019**

**By order of the Board**

sd/-  
**G. Vivek**  
**Company Secretary**  
**M.No. A55386**



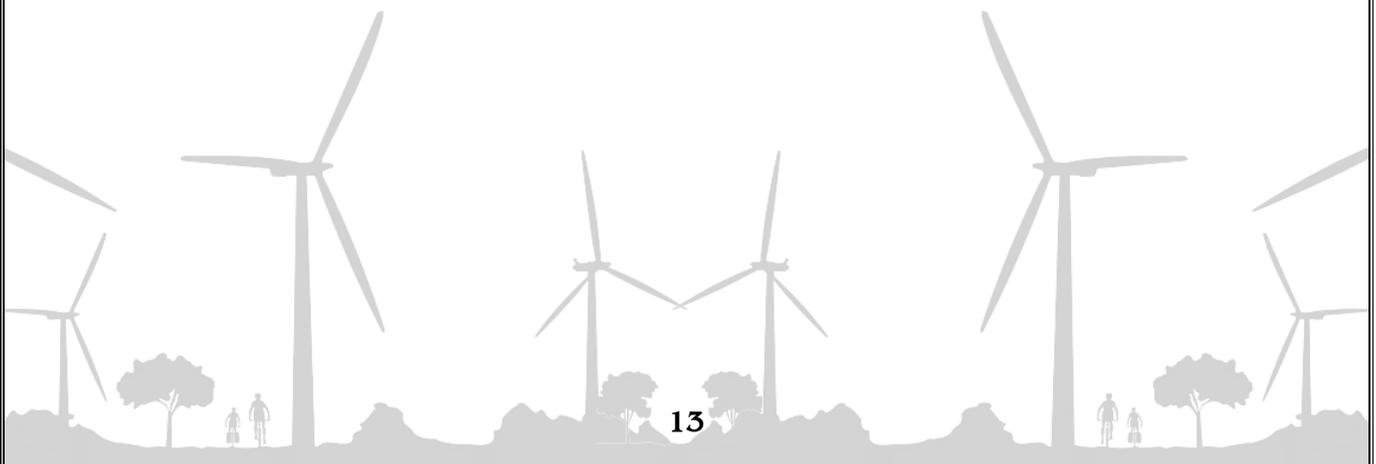
**ROUTE MAP:**



<https://goo.gl/maps/1acFoaRd8hVT24cTA>

**VENUE:**

Hotel Landmark, 353, Bharathiyar Road, Siddhapudur,  
New Siddhapudur, Coimbatore, Tamil Nadu 641 044





## DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure and privilege in presenting the 7<sup>th</sup> Annual Report together with the Audited Financial Statements of the M/s. KKV Agro Powers Limited ("the Company") for the Financial Year ended 31<sup>st</sup> March, 2019.

### 1. FINANCIAL SUMMARY AND HIGHLIGHTS:

(In ₹)

| Particulars  | Current Year<br>2018-2019 | Previous Year<br>2017-2018 |
|--|---------------------------|----------------------------|
| Income from Operations                             | 8,73,89,460               | 7,52,39,632                |
| Gross Receipts (including other Income)            | 8,73,89,460               | 7,54,42,236                |
| Total Expenditure before Interest and Depreciation | 3,87,98,173               | 3,28,53,454                |
| Less: Interest and Financial Charges               | 17,58,680                 | 22,66,546                  |
| Less: Depreciation and Amortization                | 1,20,74,267               | 1,20,69,871                |
| Profit/(Loss) before taxation for the year         | 3,47,58,340               | 2,82,52,364                |
| Less: Current tax Expenses                         | 70,00,000                 | 58,00,000                  |
| Less: MAT Credit                                   | -                         | -                          |
| Less: Deferred Tax Liability/Asset                 | 76,02,957                 | 71,26,241                  |
| Less : Earlier years                               | -                         | -                          |
| Profit/(Loss) after taxation for the year          | 2,01,55,383               | 1,53,26,123                |

| Particulars                              | Current Year<br>2018-2019 | Previous Year<br>2017-2018 |
|--|---------------------------|----------------------------|
| Transfer to Debenture Redemption Reserve | -                         | -                          |
| Less: Transfer to Reserves               | -                         | -                          |
| Less: Dividend paid on Equity Shares     | 3,62,800                  | 7,25,600                   |
| Less: Dividend paid on Preference Shares | 2,70,000                  | 8,10,000                   |
| Less: Dividend Distribution Tax          | 1,30,074                  | 3,12,612                   |
| Balance carried forward                  | 1,93,92,509               | 1,34,77,911                |

### STATE OF AFFAIRS OF THE COMPANY:

Our Company is an Independent Power Producer (IPP) and Renewable Power Generation Company having an installation capacity of 9.6 MW that includes an installation of **7.6 MW** Wind Energy and **2 MW** Solar Energy. The plants are located in the states of Tamil Nadu, which is amongst the top four Indian states with the highest wind and solar potential and offers very favorable incentives for renewable energy companies and in the state of Andhra Pradesh. Your Company is also Trading REC generated from our plants in IEX and PXIL through TATA Power Trading Company Limited.

### THE HIGHLIGHTS OF THE COMPANY'S PERFORMANCE FOR THE YEAR ENDED MARCH 31, 2019 ARE AS UNDER:

Revenue from Operations increased by 16.15 % to ₹ 8,73,89,460 from ₹ 7,52,39,632; PBIT increased



by 23.03 % to ₹ 3,47,58,340 from ₹ 2,82,52,364; Net Profits increased by 31.51 % to ₹ 2,01,55,383 from ₹ 1,53,26,123;

The Company is making efforts to improve the business and your Directors are optimistic of better performance during the upcoming years.

## **2. TRANSFER TO RESERVES:**

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

## **3. DIVIDEND:**

Based on the Company's performance, the Board of Directors are pleased to recommend a Dividend of ₹ 5.00/- per Equity Share (i.e. 50%) (Previous year 10%) for the Financial Year 2018-2019 subject to the approval of the Shareholders of the Company at the 7<sup>th</sup> AGM. The Board of Directors has also approved a Dividend of 3% on the Redeemable Cumulative Preference Shares.

The Dividend on Equity and Preference Shares would involve a cash outflow of ₹ 25,37,500/- plus Dividend Distribution tax of ₹ 5,16,635.

## **4. AMOUNT LYING IN THE UNPAID DIVIDEND ACCOUNT AND TRANSFER TO IEPF:**

There is no amount lying in the Unpaid Dividend Account of the Company in respect of the Dividend declared and paid during the previous years. Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there was no fund which was required to be transferred to Investor Education and Protection Fund (IEPF).

## **5. SHARE CAPITAL:**

During the year under review, the Company has issued and allotted 90,700 Fully Paid Bonus Equity Shares of ₹ 10 /- each on 21<sup>st</sup> July 2018 in the ratio of 1:4 by capitalization of Securities Premium Account. The Bonus Shares issued by the Company during the year under review shall rank Parri Passu with existing Equity Shares of the Company.

The Authorized and Paid up Share Capital of the Company after the Issue and Allotment of the Bonus Equity Shares is as below:

The Authorized Share Capital of the Company as on March 31,2019 is ₹ 12,00,00,000 divided into 1,10,00,000 Equity Shares of ₹ 10 each aggregating to ₹ 11,00,00,000 and 1,00,000 Preference Shares of ₹ 100 each aggregating to ₹ 1,00,00,000.

The Paid up Equity Share Capital of the Company as on March 31,2019 is ₹ 1,35,35,000 divided into 4,53,500 Equity Shares of ₹ 10 each aggregating to Rs.45,35,000 and 90,000 Preference Shares of ₹ 100 each aggregating to ₹ 90,00,000.

## **6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Your Company has an optimum combination of Executive and Non-Executive Directors. Your Company is led by an experienced team of Directors alongside a talented management which has vast experience, knowledge, and expertise in this field. Each member in our group contributes to the Company's growth.

### **Details of changes happened in the composition of Board of Directors during the period under review:**

Mr. T.K. Chandiran (DIN: 00031091) was re-appointed as Managing Director of the Company with effect from 02<sup>nd</sup> April, 2018 for further period of three years and Mrs. C. Selvi (DIN: 00032962) was re-appointed as Whole-Time Director of the Company with effect from 02<sup>nd</sup> April, 2018 for further period of three years.

Mr. Gnanasekar Thiagarajan (DIN: 00904018), Non-Executive Independent Director, has resigned from the Directorship of the Company with effect from 31<sup>st</sup> March 2019.

### **Details of changes that took place in the composition of the Board of Directors and Key Managerial Personnel from the end of the financial year i.e. 31<sup>st</sup> March 2019 and till the date of this report:**

Mrs. C. Renuka (Membership No. 9460) resigned from the office of Company Secretary, Compliance Officer and Chief Financial Officer of the Company with



effect from 22.04.2019 and thereafter Mr. C. Arun Kumar (PAN: AUEPA4777G) was appointed as the Chief Financial Officer and Mr. G. Vivek (Membership No. A55386) was appointed as Company Secretary and Compliance Officer of the Company with effect from the same date.

Mr. Bhagavan Mohan (DIN: 05255699) was proposed to be appointed as Non-Executive Independent Director of the Company for a period of 5 years with effect from 22<sup>nd</sup> April 2019. He was appointed as an Additional Director upto the date of the ensuing AGM. The regularisation of appointment is subject to the approval of the members of the company at the ensuing AGM.

Mr. A. Velayutham, Director of the Company, resigned from the Board with effect from 07.06.2019.

**Details of the Appointment / Re-appointment proposed to be made at the AGM:**

Mr. A.C.Vineethkumar, (DIN: 06756745) Non-Executive Director of the Company is liable to retire by rotation at the AGM. The Director being eligible to be re-appointed has given his consent for his reappointment.

**7. 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 have been communicated to the Chairman of the Company/Board of Directors.

**8. DECLARATION BY 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, the relevant rules made there under and the SEBI Regulations.

**9. POLICY ON DIRECTORS' 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. STATUTORY AUDITORS:**

M/s. VKS Aiyer & Co. (Firm Reg. No. 000066S), Chartered Accountants, Coimbatore were appointed as Independent Statutory Auditors of the Company for a period of five years from the conclusion of the 6<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> September 2018 till the conclusion of the 11<sup>th</sup> Annual General Meeting.

**12. MAINTENANCE OF COST RECORDS:**

The maintenance of Cost Records is not applicable as per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

**13. COST AUDIT:**

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

**14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The details of Management Discussion and Analysis Report are furnished in **Annexure - 1** to this Report.



### **15. CORPORATE GOVERNANCE:**

Your Company has been practicing the principles of good corporate governance. In terms of Schedule V of the SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015, a separate report on Corporate Governance is furnished as **Annexure - 2** to this report.

### **16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

### **17. CODE OF CONDUCT:**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct 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 with the Code of Conduct as on 31<sup>st</sup> March 2019.

### **18. DEPOSIT:**

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

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

An extract of the Annual Return as of 31<sup>st</sup> March, 2019 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 in Form MGT-9 is furnished as **Annexure - 3** to this report.

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

The Meetings of Board of Directors of the Company and its Committees are called and convened as per the applicable provisions of the Companies Act, 2013, the relevant Rules made there under, the SEBI Listing Regulations, the Secretarial Standards issued by the Institute of Company Secretaries of India and the Principles of Corporate Governance laid down by the Company.

During the year under review, **Nine (9)** Meetings of the Board of Directors, **Four (4)** Meetings of the Audit Committee, **Two (2)** Meetings of the Nomination and Remuneration Committee and **Four (4)** Meetings of the Stakeholders Relationship Committee were held. Further details of the same have been provided in the **Corporate Governance Report** annexed herewith.

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

During the year under review, the Company has not made any Investment or given any Loan, Guarantee or Security within the meaning of the provisions of Section 186 of the Companies Act, 2013.

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

#### **A) Conservation of energy:**

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

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

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



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

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

**B) Technology absorption:**

- (i) The efforts made towards technology absorption:

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

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Nil
- (iv) The expenditure incurred on Research and Development: Nil

**C) Foreign exchange earnings and Expenditure:**

Foreign exchange earnings : Nil  
Foreign exchange Expenditure: Nil

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

The Board has constituted an Independent 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 was no complaint received under this mechanism.

**24. INTERNAL AUDITORS:**

Pursuant to the Provisions of Section 138 of the Companies Act, 2013 and relevant rules made thereunder your Company has appointed M/s. Suri & Co., Chartered Accountants (FRN: 0042835) as Internal Auditors for the Financial Year 2018-19. The Audit Committee discusses and reviews with the Internal Auditors about the functions and activities of the company at periodic intervals. The Audit Committee then appraises the Board of Directors about the findings, if any.

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

All transactions with Related Parties are at arm's length and in the ordinary course of business duly approved by the Audit Committee of the Board. The details of material related party transactions at arm's length and in the ordinary course of business are detailed in Form AOC-2 and the same is furnished in **Annexure – 4** to this report.

The Board has formulated Policy on Related Party Transactions and the same is uploaded on the Company's website at <http://kkvagropowers.com/wp-content/uploads/2016/06/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf>.

**26. RISK MANAGEMENT POLICY:**

The Management has devised robust 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.

**27. SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of The Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shri. Vasudevan G, FCS, of M/s. G. V and Associates, Company Secretaries in Practice, Coimbatore to undertake the Secretarial Audit of the Company. The



report of the Secretarial Auditor is furnished as **Annexure - 5** to this report.

**28. CORPORATE SOCIAL RESPONSIBILITY:**

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

**29. PARTICULARS OF REMUNERATION PAID TO KEY MANAGERIAL PERSONNEL:**

The information required pursuant to the provisions of Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the remuneration of Directors, Key Managerial Personnel and employees are enclosed as **Annexure – 6** forming part of the report.

**30. INSIDER TRADING REGULATIONS:**

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

**31. DEPOSITORY SYSTEM:**

As the Members are aware, your Company's Equity Shares are tradable compulsorily in electronic form and your Company has established connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The **ISIN** allotted to the Company's Equity shares is **INE239T01016**.

**32. LISTING WITH STOCK EXCHANGES:**

At present the Equity Shares of the Company are listed on the EMERGE - the SME Growth Platform of National Stock Exchange at Mumbai. The Company confirmed that has no dues outstanding to the National Stock Exchange for the year 2018 - 2019.

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

As per the requirements specified in the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013," the Company has constituted an Internal Complaints Committee and is committed to provide a work environment that is free from sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There was no complaint received from any employee during the financial year 2018 - 19.

**34. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

During the year, there was no change in the nature of business of the company.

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

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

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

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



**37. EXPLANATIONS OR COMMENTS BY THE BOARD ON OBSERVATION MADE BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS**

The Observation made by the Statutory Auditors and Secretarial Auditor in their Report is self explanatory and hence the Board of Directors has not commented about the same.

**38. 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.

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

There was no instance of fraud identified or reported by the Statutory Auditors during the course of their Audit pursuant to Section 143(12) of the Companies Act, 2013.

**40. COMPLIANCE ON SECRETARIAL STANDARDS:**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**41. 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 Governments 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**

sd/-

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

sd/-

**A.C.Vineethkumar**  
(DIN: 06756745)  
Director

**Coimbatore**  
**02.09.2019**



## MANAGEMENT DISCUSSION AND ANALYSIS

## ANNEXURE - 1

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Management has learnt that the Indian Renewable Energy Sector is the fourth most attractive renewable energy market in the world as per the Renewable Energy Attractiveness Index 2018. The installed renewable power generation capacity has increased at a fast pace over the past few years, posting a CAGR of 19.78 per cent between FY 14-18. Power generation from renewable energy sources in India reached 101.84 billion units in FY 2018 and 116.79 billion units during April 2018 - February 2019. As of October 2018, India ranked 5<sup>th</sup> in installed renewable energy capacity. India ranked second among the emerging economies to lead to transition to clean energy in 2018.

As of April 2019, total renewable power installed capacity (excluding large hydro) in the country stood at 79.03 GW. Overall, India added 8.62 GW of grid interactive renewable energy capacity in FY19.

Solar capacity has increased by eight times between FY 2014-18. India added record 11,788 MW of renewable energy capacity in 2017-18.

As on date Our Company has installed Windmill with a capacity of 7.6 MW and 2MW in Solar.

### II. OPPORTUNITIES AND THREATS

We can see that Renewable Energy is fast gaining focus for its potential to meet India's growing energy needs. The ambitious target for renewable energy by the Government to achieve 175 GW by 2022, with further plans to expand the capacity and energy generation has spurred the market to drive for renewable in all the available sources. The introduction of enabling policies and implementation plans for wind and solar, both at the national level and across various states, is a welcome development for the developers and socialists who see that as radical change in reducing the pollution.

Wind energy has immense potential in India and can be a significant clean energy source. The Government's initial policies and constant changes had already made India as the fifth-largest wind energy producer in the world with an installed capacity of 29 GW. Yet, there is tremendous opportunity for improvement, particularly in the light of India's target to achieve 60 GW of wind capacity by 2022.

The Government of India has also set a target of increasing the national solar generation capacity to 100 GW by 2022. There is immense opportunity to harness solar energy given the country's abundant solar potential and availability of solar source throughout the year.

India is on the path to greatly expanding its renewable energy capacity. As renewable energy sector grows, more cost-competitive and increasingly contribute power to electric grids, the challenges of integrating variable generation like wind and solar are becoming more prominent. Strengthening grid integration strategies and grid operations will help to manage these challenges.

Your Company is constantly evaluating the possible measures to harness the potential opportunities and identified many other good businesses like Agricultural products, Jewellery retailing and manufacturing. The management will take all necessary action to increase the profitability of the Company by adopting the best strategies.

The Renewable Energy Sector has in the recent past saw a setback in the state of Andhra Pradesh with the State Government has ordered through the Discoms directing developers, who entered into Power Purchase Agreements ("PPAs") with them to revise the power tariff. This has triggered a panic amongst the developers who has invested money on the basis of those PPAs. The Wind Power Association, the Ministry for New and Renewable Energy has advised the State Government to consider revising the plan of reducing the tariff or cancelling the PPAs. The matter has reached the High Court and the developers are expecting an order in their favor.



### **III. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company operates under two broad segments viz Power Generation and Purification of Precious Metals. The Company has reported the details and performance under Segment Reporting in the Notes to Financial Statements (Note No. 2.33).

### **IV. OUTLOOK**

India's power sector is undergoing a noteworthy change, and this has redefined the industry outlook. Demand for electricity is seeing a steady growth with a pick-up in the economy, especially manufacturing activity, as well as favorable government policy. The government has implemented various progressive measures to maximize power generation capacity and improve distribution.

India's rapid growth over the past decade has increased power demand, which is still largely unmet. With the robust outlook of the sector, it is expected that India will see foreign participation in the development and financing of generation and transmission assets, engineering services, equipment supply and technology partnership in nuclear and clean coal technologies going forward.

### **V. RISKS AND CONCERNS**

The Renewable Energy Sector has often been marred by several risks associated with the payments from the distribution companies and slowdown in the economy. The Company's Management with the vast experience and backed by skilled operation is hopeful of producing the results and achieving a steady growth amidst all the risks and concerns that is prevalent in the sector and the economy.

### **VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has 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**

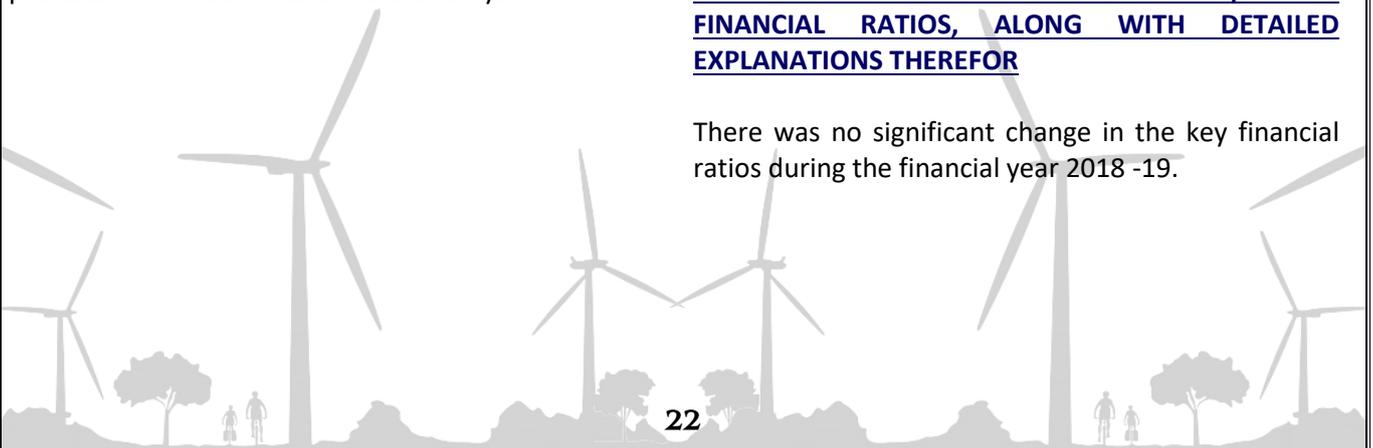
Income from Operations of the Company during the Financial Year 2018-19 saw a jump of 1.16% which amounts to ₹ 8,73,89,460/- (previous year ₹ 7,54,42,236) and the Net Profits for the same period increased to 1.36% at ₹ 2,01,55,383/- (previous year ₹ 1,53,26,123) after tax.

### **VIII. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

You company operates with a small number of employees structure. The employee strength of the company is 15. 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.

### **IX. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR**

There was no significant change in the key financial ratios during the financial year 2018 -19.





**CORPORATE GOVERNANCE REPORT**

**ANNEXURE - 2**

**1. PHILOSOPHY ON CODE OF GOVERNANCE:**

In India, Corporate Governance is a set on internal controls, policy and procedures which form the framework of a Company’s operations and its dealings with various stakeholders such as Customers, Management, Employees, Government and Industry Bodies. The framework of such policies by the Company should be such as to uphold the principles of transparency, integrity, ethics and honesty. Corporate Governance is the soul of an organisation and must be adhered to by the Company’s Management and its Personnel while indulging in any business practices.

Recently, the Government has made a slew of for all listed entities to ensure their readiness in terms of implementation and compliance of Corporate Governance of highest standards prevalent and followed by the Corporates around the Globe.

The adherence to corporate Governance ideals by Companies, in letter as well as spirit, has been a frequent topic of consternation. The factors, including the socio-cultural and political landscape in which Indian corporations have evolved, and on which the Amendments are unlikely to place any fetters.

We, KKV Agro Powers Limited, ensure that we adopt and follow the Corporate Governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

**2. BOARD OF DIRECTORS:**

Composition of Board of Directors as at the close of 31<sup>st</sup> March 2019:

| Category of Directors               | No. of Directors |
|-------------------------------------|------------------|
| Executive Directors                 | 2                |
| Non-Executive Independent Directors | 3                |
| Other Non-Executive Directors       | 1                |
| <b>Total</b>                        | <b>6</b>         |

During the Financial Year under review 9 Board Meetings were held on dates mentioned herein below:

| Sl. No. | Date of Board Meeting | Sl. No. | Date of Board Meeting | Sl. No. | Date of Board Meeting |
|---------|-----------------------|---------|-----------------------|---------|-----------------------|
| 1.      | 02.04.2018            | 4.      | 07.07.2018            | 7.      | 20.08.2018            |
| 2.      | 25.05.2018            | 5.      | 21.07.2018            | 8.      | 12.11.2018            |
| 3.      | 18.06.2018            | 6.      | 10.08.2018            | 9.      | 01.03.2019            |



Particulars of Directors, their attendance at the Annual General Meeting and the Board Meeting detailed above held during the Financial Year 2018-19 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, 2019 are as under:

| Name of the Director                       | Attendance at Meetings during FY 2018 - 19 |     | No. of Directorship in other public companies as on 31.03.2019 | No. of Committee positions held in other public companies as on 31.03.2019 |        |
|--|--|-----|--|--|--------|
|  | Board Meeting (Total 9 Meetings)           | AGM |  | Chairman   | Member |
| <b>Executive Director - Promoter:</b>      |  |     |  |  |        |
| Mr. T. K. Chandiran<br>(DIN:00031091)      | 9  | Yes | 2  | 1  | 1      |
| Mrs. C. Selvi<br>(DIN:00032962)            | 9  | Yes | 2  | -  | 1      |
| <b>Non-Executive Director - Promoter:</b>  |  |     |  |  |        |
| Mr.A.C. Vineethkumar<br>(DIN:06756745)     | 8  | Yes | 2  | NIL  | 1      |
| <b>Non-Executive Independent Director:</b> |  |     |  |  |        |
| Mr. A. Velayutham*<br>(DIN: 07173627)      | 9  | Yes | NIL  | NIL  | NIL    |
| Mr. T. Gnanasekar*<br>(DIN:00904018)       | -  | Yes | NIL  | NIL  | NIL    |
| Mr. V. Chandrasekaran<br>(DIN:07276704)    | 9  | Yes | NIL  | NIL  | NIL    |

\* Mr. T. Gnanasekar and Mr. A. Velayutham have resigned from the Office of Directorship of the Company on 31<sup>st</sup> March, 2019 and 07<sup>th</sup> June, 2019 respectively.

**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 Vineethkumar  |
| 2     | Mrs. C. Selvi          | Whole-Time Director | Wife of Mr. T.K Chandiran and Mother of Mr. A.C. Vineethkumar |
| 3     | Mr. A. C. Vineethkumar | Director            | Son of Mr. T.K Chandiran and Mrs. C. Selvi                    |



**PARTICULARS OF SHARES HELD BY NON-EXECUTIVE DIRECTOR:**

Mr. A.C. Vineethkumar holds 12 Equity 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.

**3. 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;
- C. Stakeholders Grievance Committee;

**A. AUDIT COMMITTEE**

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

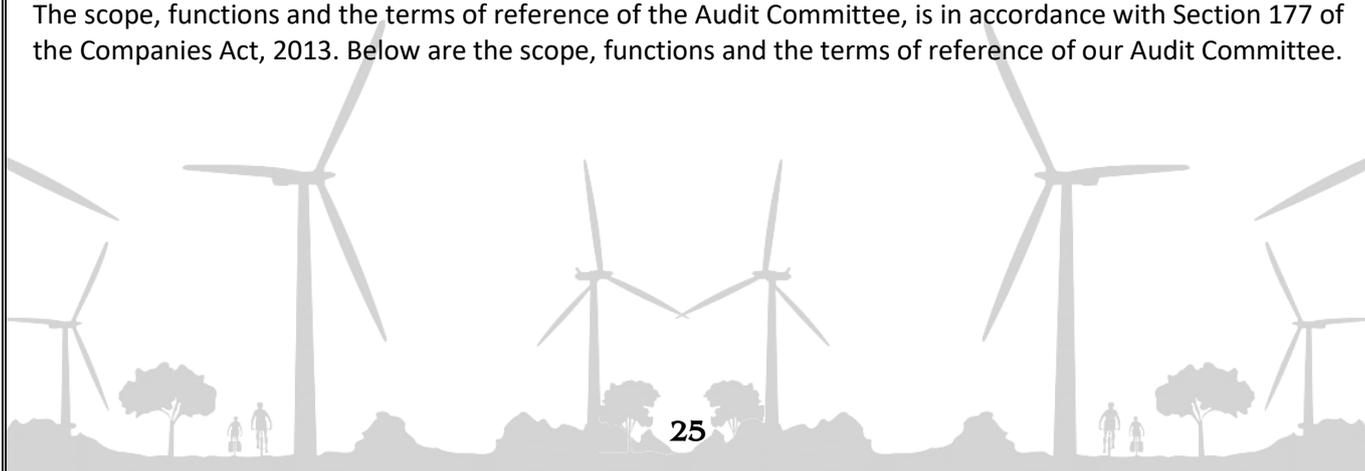
Particulars of Meetings of Audit Committee held during the year along with details of Members' attendance of audit Committee Meetings are detailed herein:

**Attendance of the Audit Committee meeting dated**

| Name of the Member   | Category                           | Attendance at the Audit Committee Meeting held on |            |            |            |
|----------------------|------------------------------------|---|------------|------------|------------|
|                      |                                    | 25.05.2018  | 18.08.2018 | 10.11.2018 | 01.03.2019 |
| Mr. A.Velayutham     | Non-Executive-Independent Director | ✓   | ✓          | ✓          | ✓          |
| Mr. V.Chandrasekaran |                                    | ✓   | ✓          | ✓          | ✓          |
| Mr. T.K. Chandiran   | Managing Director                  | ✓   | ✓          | ✓          | ✓          |

**Terms of reference:**

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





The Role of Audit Committee shall include the following:

1. Providing recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
2. Reviewing and monitoring the Auditors' Independence and Performance, and effectiveness of Audit process;
3. Examining the Financial Statements and the Auditors' Report thereon;
4. Scrutinizing of Inter-Corporate Loans and Investments;
5. Evaluating Internal Financial Controls & Risk Management Systems;
6. Monitoring the end use of funds raised through public offers and related matters;
7. Valuation of undertakings or Assets of the Company, wherever it is necessary;
8. Approval or any subsequent modification of transactions of the Company with Related Parties;
9. Any other responsibilities as may be assigned by the Board from time to time.

**B. NOMINATION AND REMUNERATION COMMITTEE:**

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

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

| Name of the Member    | Category                           | Attendance of the NR Committee meeting dated |            |
|-----------------------|------------------------------------|--|------------|
|                       |                                    | 02/04/2018                                   | 01/03/2019 |
| Mr. A. Velayutham     | Non-Executive-Independent Director | ✓  | ✓          |
| Mr. V. Chandrasekaran |                                    | ✓  | ✓          |
| Mr. T.K.Chandiran     | Managing Director                  | ✓  | ✓          |

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

**Terms of reference:**

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013.

Set forth below are the terms of reference, powers and role of our Nomination and Remuneration Committee:



To recommend to the Board, the remuneration packages of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole-Time / Executive Directors, Key Managerial Personnel and other employees 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 of Directors 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, 2019 is as under:

| Name of the Director & Designation      | Salary    | Perquisites | Others | Total (Amount in ₹) |
|---|-----------|-------------|--------|---------------------|
| Mr. T.K. Chandiran<br>Managing Director | 30,00,000 | -           | -      | 30,00,000           |
| Mrs. C. Selvi<br>Whole-Time Director    | 9,00,000  | -           | -      | 9,00,000            |

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

The details of sitting fees paid to Non-Executive Directors of the Company during the year ended March 31, 2019 is as under:

| Name of the Director & Designation | Sitting fees | Commission | Total (Amount in ₹) |
|------------------------------------|--------------|------------|---------------------|
| Mr. A. Velayutham                  | 20,000       | -          | 20,000              |
| Mr. V. Chandrasekaran              | 15,000       | -          | 15,000              |



**C. STAKEHOLDERS GRIEVANCE COMMITTEE:**

Stakeholders Grievance Committee comprises of Mr. V. Chandrasekaran, Independent Director as Chairman of the Committee, Mr. A.C. Vineethkumar, Non-Executive Director and Mr. A. Velayutham, Independent Director of the Company as a members of the committee.

| Name of the Members    | Category                           | Attendance of the Audit Committee meeting dated |            |            |            |
|------------------------|------------------------------------|---|------------|------------|------------|
|                        |                                    | 25.05.2018                                      | 07.07.2018 | 10.11.2018 | 01.03.2019 |
| Mr. V. Chandrasekaran  | Non-Executive-Independent Director | ✓   | ✓          | ✓          | ✓          |
| Mr. A. Velayutham      |                                    | ✓   | ✓          | ✓          | ✓          |
| Mr. A. C. Vineethkumar | Non-Executive Director             | ✓   | ✓          | ✓          | ✓          |

- a. Name and Designation of Compliance Officer** : Mr. G. Vivek, Company Secretary
- b. E-mail ID of Grievance Redressal Service Department** : [smeipo@kkvagropowers.com](mailto:smeipo@kkvagropowers.com),  
[cs@kkvagropowers.com](mailto:cs@kkvagropowers.com)
- c. Number of Shareholders' Complaints received so far** : Nil
- d. Number not solved to the satisfaction of Shareholders** : Nil
- e. Number of pending complaints** : Nil

**Terms of reference:**

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

The terms of reference, powers and scope of the Stakeholders 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 years are detailed herein:

| <b>Year</b>     | <b>Date and Time</b>     | <b>Venue</b>  | <b>Special Resolution(s)</b>  |
|-----------------|--------------------------|---|---|
| <b>2015-16</b>  | 30.09.2016<br>12.15 pm   | The Rathna Residency, 355,<br>Variety Hall Road,<br>Coimbatore – 641001 | NIL   |
| <b>2016-17</b>  | 05.09.2017<br>12.00 Noon | The Rathna Residency, 355,<br>Variety Hall Road,<br>Coimbatore – 641001 | NIL   |
| <b>2017- 18</b> | 14.09.2018<br>12.00 Noon | The Rathna Residency, 355,<br>Variety Hall Road,<br>Coimbatore – 641001 | <b>1.</b> Reappoint Mr. T. K. Chandiran (DIN: 00031091) as Managing Director for a further period of three years;<br><b>2.</b> Reappoint Mrs. C. Selvi (DIN: 00032962) as Whole-Time Director of the Company for a further period of three years; |

**POSTAL BALLOT:**

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

**MEANS OF COMMUNICATION:**

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

The Company has displayed the policies, financial results and other items in the website of the Company "[www.kkvagropowers.com](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, 27.09.2019**  
 Time : 12:15 Noon  
 Venue : Hotel Landmark, 353/1, Bharathiar Road, Siddhapudur,  
 New Siddhapudur, Coimbatore, Tamil Nadu 641 044

**FINANCIAL CALENDAR**

Financial year : 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019  
 Announcement of Annual Results 2018 – 19 : 28.05.2019  
 Posting of Annual Reports 2018-19 : On or before 05.09.2019  
 Last date of receipt of Proxy Forms : 24.09.2019



**ANNOUNCEMENT OF FINANCIAL RESULTS:**

**Half yearly Results:** The Half-Yearly Financial Results are generally published within Forty Five days from the end of each half year.

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

**Website:** The Half Yearly and Annual Financial Statements are posted on the Company's website viz. <https://kkvagropowers.com/>.

**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.

**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:**

**Mr. G.Vivek**  
Company Secretary & Compliance Officer  
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)

**SHAREHOLDING PATTERN AS ON 31.03.2019:**

| Category                          | No. of Shares held | Percentage of Share Holding |
|-----------------------------------|--------------------|-----------------------------|
| A) Promoter & Promoter Group      | 3,14,997           | 69.46%                      |
| B) Public                         | 1,38,503           | 30.54%                      |
| C) Non Promoter-Non Public        | 0                  | 0.00                        |
| C1) Shares underlying DRs         | 0                  | 0.00                        |
| C2) Shares held by Employee Trust | 0                  | 0.00                        |
| <b>Grand Total</b>                | <b>4,53,500</b>    | <b>100.00</b>               |



**DISTRIBUTION OF SHAREHOLDINGS**

| Distribution of Shareholders |                     |                   |                  |                 |               |
|------------------------------|---------------------|-------------------|------------------|-----------------|---------------|
| S. No                        | No. of Equity Share | No of Shareholder | % of Shareholder | No. of Share    | % of Share    |
| 1                            | 1-500               | 95                | 69.34            | 44,902          | 9.90          |
| 2                            | 501-1000            | 8                 | 05.83            | 7,875           | 1.74          |
| 3                            | 1001-2000           | 15                | 10.94            | 26,347          | 5.81          |
| 4                            | 2001-3000           | 9                 | 06.59            | 23,125          | 5.10          |
| 5                            | 3001-4000           | 1                 | 00.73            | 3,278           | 0.72          |
| 6                            | 4001-5000           | 0                 | 0                | 0               | 0             |
| 7                            | 5001-6000           | 2                 | 01.46            | 11,500          | 2.54          |
| 8                            | Above 6000          | 7                 | 5.10             | 33,6473         | 74.19         |
|                              | <b>Total</b>        | <b>137</b>        | <b>100.00</b>    | <b>4,53,500</b> | <b>100.00</b> |

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

(In ₹)

| Month & Year    | NSE EMERGE (SME Platform) -<br>KKV Agro Powers Limited |        | NSE    |        |
|-----------------|--|--------|--------|--------|
|                 | High   | Low    | High   | Low    |
| April, 2018     | 541.50   | 472.70 | 10,594 | 10,111 |
| May, 2018       | 633.35   | 543.10 | 10,929 | 10,491 |
| June, 2018      | 551.00   | 523.45 | 10,893 | 10,551 |
| July, 2018      | 549.60   | 404.50 | 11,366 | 10,605 |
| August, 2018    | 549.60   | 404.50 | 11,760 | 11,235 |
| September, 2018 | 420.00   | 379.05 | 11,752 | 10,850 |
| October, 2018   | 397.05   | 397.05 | 11,036 | 10,005 |
| November, 2018  | 397.05   | 397.05 | 10,922 | 10,342 |
| December, 2018  | 377.20   | 377.20 | 10,985 | 10,334 |
| January, 2019   | 358.35   | 358.35 | 10,987 | 10,584 |
| February, 2019  | 340.45   | 320.00 | 11,118 | 10,586 |
| March, 2019     | 336.00   | 319.20 | 11,630 | 10,817 |



**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 31.03.2019, 100% of the total paid-up Equity Share Capital of the Company has been dematerialised. In view of the numerous advantages offered by the depository system, members have been requested to avail the facility of 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, S.F No. 16/2B, Periya Kalanthai Village, Pollachi (Tk), Coimbatore – 642 202          | 2. | WF.HT.SC No. 1221<br>S.F No. 914/3A OF Udayathoor Village, Radhapuram Taluk, Tirunelveli – 627 111  | 3. | WF.HT.SC No. 83 (Old No. 428), SF No. 49174, Varapatty Village, Suler (TK), Coimbatore – 641 669   |
| 4. | WF.HT.SC No. 84 (Old No. 429) SF No. 433(A), Vadampacherry Village, Suler, Coimbatore – 641 669         | 5. | WF.HT.SC No. 87 (Old No. 432) SF No. 432, Vadampacherry Village, Suler, Coimbatore - 641 667  | 6. | WF.HT.SC No. 407 SF No. 27(P) of Puliampatti, Palladam (Tk), Tirupur – 641 658   |
| 7. | WF.HT.SC No. 1222 SF. No. 902/1A1(P) of Udayathoor Village, Radhapuram (Tk), Tirunelveli (DT) – 627 111 | 8. | WTG No.N4,Survey No.378,Thurakala PATNAM Village,Roddam Mandal, Thurakala Patnam, Ananthapur (Dt), Andhra Pradesh, NA, AP340, Roddam, AP, Andhra Pradesh, India, 515 123. | 9. | WTG No.N5,Survey No.379,Thurakala Patnam Village, Roddam Mandal, Thurakala Patnam, Ananthapur(dt), Andhra Pradesh, NA, AP340, Roddam, AP,Andhra Pradesh, India, 515 123. |

**SOLAR SITE LOCATION**

1. S.F No. 73/A1, Uthampalayam Village, Olapalayam Post, Kangeyam Taluk, Tirupur – 638 701



**ADDRESS FOR CORRESPONDENCE**

**Correspondence Address** : The Managing Director/Company Secretary,  
**KKV Agro Powers Limited,**  
Vivagaa Building, #637, Oppanakara Street,  
Coimbatore - 641 001

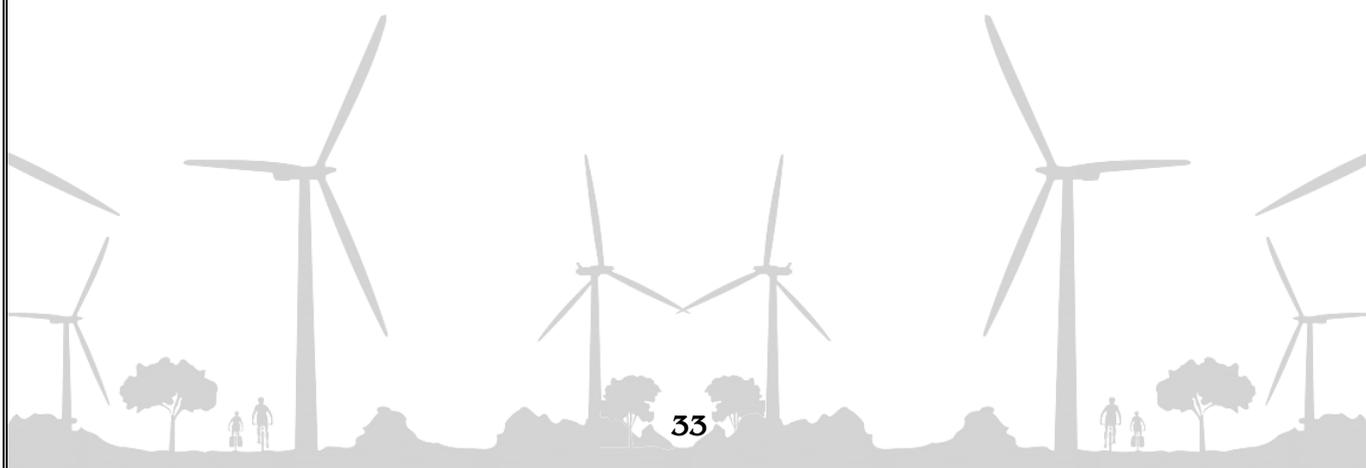
**CIN** : L40108TZ2012PLC018332

**Website** : [www.kkvagropowers.com](http://www.kkvagropowers.com)

**E-mail** : [cs@kkvagropowers.com](mailto:cs@kkvagropowers.com)

**Investors' grievances email id** : smeipo@kkvagropowers.com

**Phone** : 0422 – 2303880





**DISCLOSURES:**

**A) RELATED PARTY TRANSACTION(S):**

Details of all the Related Party Transactions are given AOC-2 annexed to this Report.

The Policy on Related Party Transaction as approved by the Board of Directors of the Company is available on the Company's website and can be accessed through the link [www.kkvagropowers.com](http://www.kkvagropowers.com).

**B) DETAILS OF PENALTIES OR STRICTURES FOR 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 2018-19 has been affirmed by the Chairman and Managing Director.

**Declaration:**

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

**FOR AND ON BEHALF OF THE BOARD**

**Place: Coimbatore**

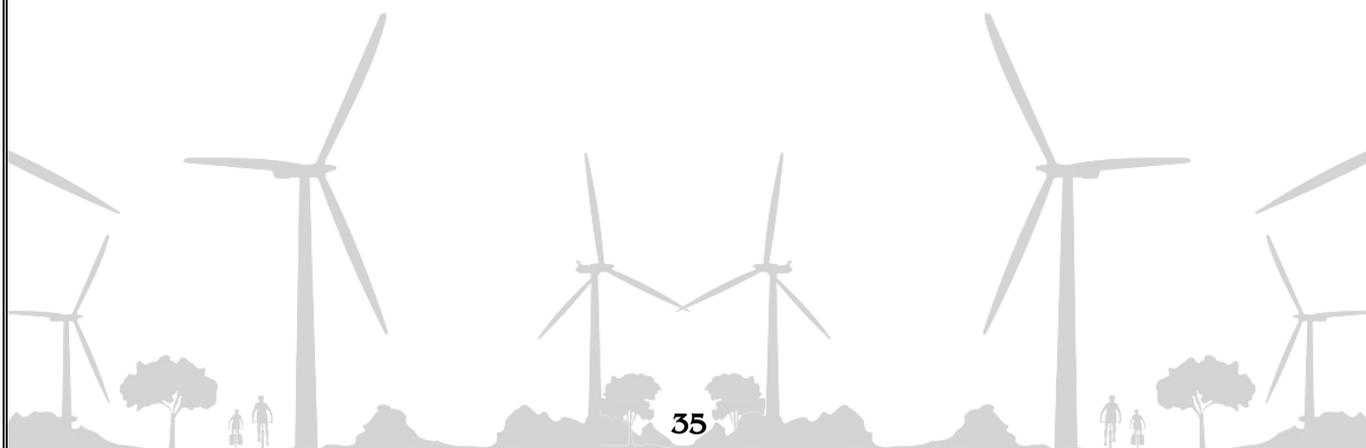
**Date: 02.09.2019**

**sd/-**

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

**sd/-**

**A.C.Vineethkumar**  
**(DIN: 06756745)**  
**Director**





Form No. MGT-9

ANNEXURE - 3

Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March, 2019

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

I. REGISTRATION AND OTHER DETAILS

|     |   |   |
|-----|---|---|
| i   | CIN   | L40108TZ2012PLC018332   |
| ii  | Registration Date   | 05/06/2012  |
| iii | Name of the Company   | KKV Agro Powers Limited   |
| iv  | Category / Sub Category of the Company                                    | Company limited by Shares<br>Non-Government company   |
| v   | Address of the registered office and contact details                      | Vivagaa Building, # 637, Oppanakara Street,<br>Coimbatore - 641 001<br>Email id: <a href="mailto:cs@kkvagropowers.com">cs@kkvagropowers.com</a>   |
| 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,<br>Kanapathy Towers, 3 <sup>rd</sup> Floor,<br>1391/A – 1, Sathy Road, Ganapathy,<br>Coimbatore - 641006.<br>Phone:0422-654995, 2539835-36<br>Fax No.0422-2539837<br>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(2008)of the product/service | % to total turnover of the company |
|-------|---|--------------------------------------|------------------------------------|
| 1     | Electric Power generation using Solar Energy    | 35105                                | 90.70%                             |

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     |                                |                  |                    |



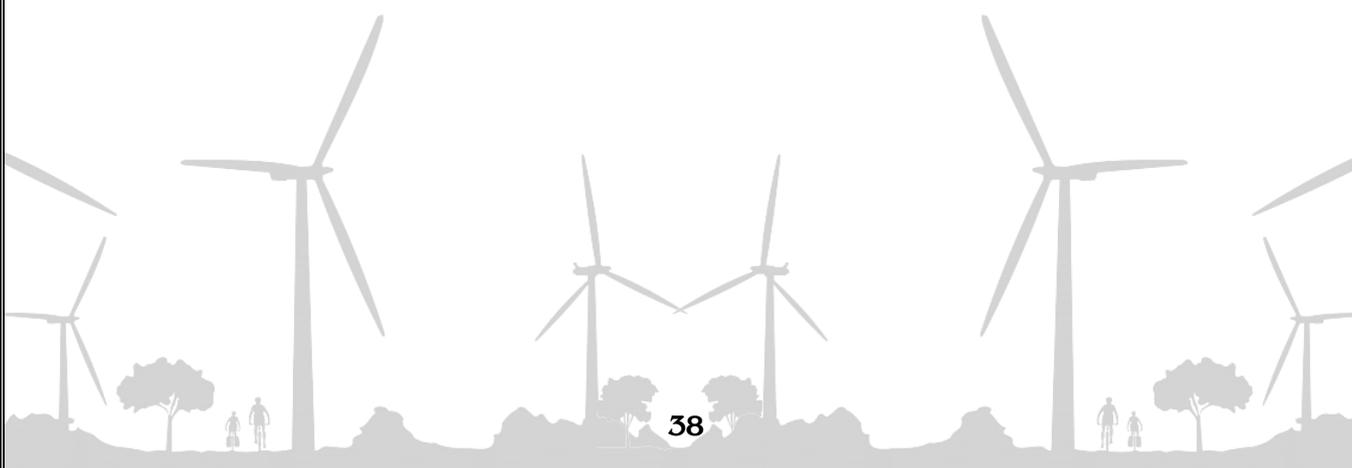
**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**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  | 1,56,680  | -        | 1,56,680        | 43.19             | 1,95,849                                  | -        | 1,95,849        | 43.19             | -                           |
| (b)        | Central/State Govt.   | -   | -        | -               | -                 | -   | -        | -               | -                 | -                           |
| (c)        | Bodies corporate  | 95,319  | -        | 95,319          | 26.27             | 1,19,148                                  | -        | 1,19,148        | 26.27             | -                           |
| (d)        | FI/ Banks   | -   | -        | -               | -                 | -   | -        | -               | -                 | -                           |
| (e)        | Any other   | -   | -        | -               | -                 | -   | -        | -               | -                 | -                           |
|            | <b>Sub-total (A) (1)</b>                                      | <b>2,51,999</b>                                 | <b>-</b> | <b>2,51,999</b> | <b>69.46</b>      | <b>3,14,997</b>                           | <b>-</b> | <b>3,14,997</b> | <b>69.46</b>      | <b>-</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>-</b>  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>                                  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>                    |
|            | <b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b> | <b>2,51,999</b>                                 | <b>-</b> | <b>2,51,999</b> | <b>69.46</b>      | <b>3,14,997</b>                           | <b>-</b> | <b>3,14,997</b> | <b>69.46</b>      | <b>-</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)        | FIs   | -   | -        | -               | -                 | -   | -        | -               | -                 | -                           |
| (g)        | Foreign Venture Capital Funds                                 | -   | -        | -               | -                 | -   | -        | -               | -                 | -                           |
| (h)        | Others (specify)  | -   | -        | -               | -                 | -   | -        | -               | -                 | -                           |
|            | <b>Sub-Total (B) (1)</b>                                      | <b>-</b>  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>                                  | <b>-</b> | <b>-</b>        | <b>-</b>          | <b>-</b>                    |
| <b>(2)</b> | <b>Non-institutions</b>                                       |   |          |                 |                   |   |          |                 |                   |                             |



| 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>Bodies Corporate</b>                                  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                           |
| (i)        | Indian   | 12,800  | -        | 12,800   | 3.53              | 16,000                                    | -        | 16,000   | 3.53              | -                           |
| (ii)       | Overseas   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                           |
| <b>(b)</b> | <b>Individual</b>  |   |          |          |                   |   |          |          |                   |                             |
| (i)        | Holding nominal share capital of ₹ 1 Lakh                | 93,201  | -        | 93,201   | 25.69             | 1,13,253                                  | -        | 1,13,253 | 24.97             | -0.717                      |
| (ii)       | Holding nominal share capital in excess of ₹ 1 Lakh      | -   | -        | -        | -                 | -   | -        | -        | -                 | -                           |
| <b>(c)</b> | <b>Others</b>  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                           |
|            | Non Resident Indian                                      | -   | -        | -        | -                 | -   | -        | -        | -                 | -                           |
|            | Clearing Members   | 2,000   | -        | 2,000    | 0.551             | 7,000                                     | -        | 7,000    | 1.544             | 0.993                       |
|            | HUF  | 2,800   | -        | 2,800    | 0.772             | 2,250                                     | -        | 2,250    | 0.496             | -0.276                      |
|            | <b>Sub-total (B)(2)</b>                                  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                           |
|            | <b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b> | 1,10,801  | -        | 1,10,801 | 30.54             | 1,38,503                                  | -        | 1,38,503 | 30.54             | 0.00                        |
| <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   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                           |
|            | Bodies corporate   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                           |
|            | <b>Sub-total (D)</b>                                     | -   | -        | -        | -                 | -   | -        | -        | -                 | -                           |
|            | <b>Grand Total (A) + (B) + (C) + (D)</b>                 | 3,62,800  | -        | 3,62,800 | 100               | 4,53,500                                  | -        | 4,53,500 | 100               | -                           |





**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 share holding during the year |
|-------|-------------------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|--|---|
|       |                                     | No. of shares                             | % of total shares of the company | % of shares pledged/encumbered to total share | No. of Shares                       | % of total shares of the company | % of shares Pledged/encumbered to total shares |   |
| 1     | Mr. T.K Chandiran                   | 1,40,732                                  | 38.79%                           | -   | 1,75,915                            | 38.79%                           | -  | -   |
| 2     | Mrs. C. Selvi                       | 15,928                                    | 4.39%                            | -   | 19,910                              | 4.39%                            | -  | -   |
| 3     | Ms. Kumudam Dhandapani              | 10  | 0.003%                           | -   | 12                                  | 0.03%                            | -  | -   |
| 4     | Mr. A C Vineethkumar                | 10  | 0.003%                           | -   | 12                                  | 0.03%                            | -  | -   |
| 5     | M/s. The KTM Jewellery Limited      | 29,584                                    | 8.15%                            | -   | 19,910                              | 8.15%                            | -  | -   |
| 6     | M/s. Space Textiles Private Limited | 65,735                                    | 18.12%                           | -   | 82,168                              | 18.12%                           | -  | -   |

**iii) Change in Promoters' Shareholding**

| Name of the Promoter             | 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 |
| <b>1. Mr. T.K CHANDIRAN</b>      |   |                                  |   |                                  |
| At the beginning of the year     | 1,40,732                                  | 38.79%                           | 1,40,732                                | 38.79%                           |
| Increase during the year         | 35,183                                    | 0                                | 1,75,915                                | 38.79%                           |
| At the end of the year           | -   | -                                | 1,75,915                                | 38.79%                           |
| <b>2. Mrs. C. SELVI</b>          |   |                                  |   |                                  |
| At the beginning of the year     | 15,928                                    | 4.39%                            | 15,928                                  | 4.39%                            |
| Increase during the year         | 3,982                                     | -                                | 19,910                                  | 4.39%                            |
| At the end of the year           | -   | -                                | 19,910                                  | 4.39%                            |
| <b>3. Mr. A C VINEETHKUMAR</b>   |   |                                  |   |                                  |
| At the beginning of the year     | 10  | 0.003%                           | 10                                      | 0.003%                           |
| Increase during the year         | 2   | 0.0001%                          | 12                                      | 0.003%                           |
| At the end of the year           | -   | -                                | 12                                      | 0.003%                           |
| <b>4. Ms. KUMUDAM DHANDAPANI</b> |   |                                  |   |                                  |
| At the beginning of the year     | 10  | 0.003%                           | 10                                      | 0.003%                           |
| Increase during the year         | 2   | 0.0001%                          | 12                                      | 0.003%                           |
| At the end of the year           | -   | -                                | 12                                      | 0.003%                           |



| Name of the Promoter                          | 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 |
| <b>5. M/s. THE KTM JEWELLERY LIMITED</b>      |   |                                  |   |                                  |
| At the beginning of the year                  | 29,584                                    | 8.15%                            | 29,584                                  | 8.15%                            |
| Increase during the year                      | 7,396                                     | -                                | 36,980                                  | 8.15%                            |
| At the end of the year                        | -   | -                                | 36,980                                  | 8.15%                            |
| <b>6. M/s. SPACE TEXTILES PRIVATE LIMITED</b> |   |                                  |   |                                  |
| At the beginning of the year                  | 65,735                                    | 18.12%                           | 65,735                                  | 18.12%                           |
| Increase during the year                      | 16,433                                    | -                                | 82,168                                  | 18.12%                           |
| At the end of the year                        | -   | -                                | 82,168                                  | 18.12%                           |

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

| Name of the Shareholder                              | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|--|---|----------------------------------|---|----------------------------------|
|  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>1. Mr. KAPIL CHOPRA</b>                           |   |                                  |   |                                  |
| At the beginning of the year                         | 6,800                                     | 1.87%                            | 6,800                                   | 1.87%                            |
| Increase during the year                             | 1,700                                     | -                                | 8,500                                   | 1.87%                            |
| At the end of the year                               | -   | -                                | 8,500                                   | 1.87%                            |
| <b>2. M/s. PRACHUR MERCHANTS PRIVATE LIMITED</b>     |   |                                  |   |                                  |
| At the beginning of the year                         | 5,200                                     | 1.43%                            | 5,200                                   | 1.43%                            |
| Increase/Decrease during the year                    | 1,300                                     | -                                | 6,500                                   | 1.43%                            |
| At the end of the year                               | -   | -                                | 6,500                                   | 1.43%                            |
| <b>3. M/s. CHOICE EQUITY BROKING PRIVATE LIMITED</b> |   |                                  |   |                                  |
| At the beginning of the year                         | 2,000                                     | 0.55%                            | 2,000                                   | 0.55%                            |
| Increase/Decrease during the year                    | 4,500                                     | -                                | 6,500                                   | 1.43%                            |
| At the end of the year                               | -   | -                                | 6,500                                   | 1.43%                            |
| <b>4. Mr. GANESH RAMANATHAN</b>                      |   |                                  |   |                                  |
| At the beginning of the year                         | 4800                                      | 1.32%                            | 4800                                    | 1.32%                            |
| Increase during the year                             | 1200                                      | -                                | 6000                                    | 1.323                            |
| At the end of the year                               | -   | -                                | 6000                                    | 1.323                            |
| <b>5. M/s. GROW WEALTH CONSULTANTS PVT LTD</b>       |   |                                  |   |                                  |
| At the beginning of the year                         | 4400                                      | 1.21%                            | 4400                                    | 1.21%                            |
| Increase during the year                             | 1100                                      | -                                | 5500                                    | 1.21%                            |
| At the end of the year                               | -   | -                                | 5500                                    | 1.21%                            |
| <b>6. Mr. K CHANDRASEKHAR</b>                        |   |                                  |   |                                  |
| At the beginning of the year                         | 2,623                                     | 0.72%                            | 2,623                                   | 0.72%                            |



| Name of the Shareholder           | Shareholding at the beginning of the year |                                  | Cumulative shareholding during the year |                                  |
|-----------------------------------|---|----------------------------------|---|----------------------------------|
|                                   | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| Increase/Decrease during the year | 655                                       | -                                | 3278                                    | 0.723                            |
| At the end of the year            | -   | -                                | 3278                                    | 0.723                            |
| <b>7. Mr. KARTHIKEYAN C S</b>     |   |                                  |   |                                  |
| At the beginning of the year      | 2400                                      | 0.66%                            | 2400                                    | 0.66%                            |
| Increase during the year          | 600                                       | -                                | 3000                                    | 0.66                             |
| At the end of the year            | -   | -                                | 3000                                    | 0.66                             |
| <b>8. Mr. SUGUMARAN R</b>         |   |                                  |   |                                  |
| At the beginning of the year      | 2300                                      | 0.634                            | 2300                                    | 0.634                            |
| Increase during the year          | 575                                       | -                                | 2875                                    | 0.634                            |
| At the end of the year            | -   | -                                | 2875                                    | 0.634                            |
| <b>9. Mr. R VARADA RAJAN</b>      |   |                                  |   |                                  |
| At the beginning of the year      | 2,000                                     | 0.55%                            | 2,000                                   | 0.55%                            |
| Increase/Decrease during the year | 500                                       | -                                | 2500                                    | 0.551                            |
| At the end of the year            | -   | -                                | 2500                                    | 0.551                            |
| <b>10. Ms. DEVIKA VARADARAJAN</b> |   |                                  |   |                                  |
| At the beginning of the year      | 2,000                                     | 0.55%                            | 2,000                                   | 0.55%                            |
| Increase/Decrease during the year | 500                                       | -                                | 2500                                    | 0.551                            |
| At the end of the year            | -   | -                                | 2500                                    | 0.551                            |

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

| Name of the Director/KMP       | 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 |
| <b>1. Mr. T.K CHANDIRAN</b>    |   |                                  |   |                                  |
| At the beginning of the year   | 1,40,732                                  | 38.79%                           | 1,40,732                                | 38.79%                           |
| Increase during the year       | 35,183                                    | 0                                | 1,75,915                                | 38.79%                           |
| At the end of the year         | -   | -                                | 1,75,915                                | 38.79%                           |
| <b>2. Mrs. C. SELVI</b>        |   |                                  |   |                                  |
| At the beginning of the year   | 15,928                                    | 4.39%                            | 15,928                                  | 4.39%                            |
| Increase during the year       | 3,982                                     | -                                | 19,910                                  | 4.39%                            |
| At the end of the year         | -   | -                                | 19,910                                  | 4.39%                            |
| <b>3. Mr. A C VINEETHKUMAR</b> |   |                                  |   |                                  |
| At the beginning of the year   | 10  | 0.003%                           | 10                                      | 0.003%                           |
| Increase during the year       | 2   | 0.0001%                          | 12                                      | 0.003%                           |
| At the end of the year         | -   | -                                | 12                                      | 0.003%                           |



## V. INDEBTEDNESS

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

(in ₹)

| Particulars  | Secured Loans excluding Deposits | Unsecured Loans | Deposit | Total Indebtedness |
|--|----------------------------------|-----------------|---------|--------------------|
| <b>Indebtedness at the beginning of the Financial Year</b> |                                  |                 |         |                    |
| i) Principal Amount  | 2,65,05,009                      | -               | -       | 2,65,05,009        |
| ii) Interest due but not paid                              | -                                | -               | -       | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -       | -                  |
| <b>Total ( i + ii + iii )</b>                              | <b>2,65,05,009</b>               | -               | -       | <b>2,65,05,009</b> |
| <b>Change in Indebtedness during the Financial Year</b>    |                                  |                 |         |                    |
| • Addition   | -                                | -               | -       | -                  |
| • Reduction  | 1,95,63,650                      | -               | -       | 1,95,63,650        |
| <b>Net Change</b>  |                                  |                 |         |                    |
| <b>Indebtedness at the end of the Financial Year</b>       |                                  |                 |         |                    |
| i) Principal Amount  | 69,41,359                        | -               | -       | 69,41,359          |
| ii) Interest due but not paid                              | -                                | -               | -       | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -       | -                  |
| <b>Total ( i + ii + iii )</b>                              | <b>69,41,359</b>                 | -               | -       | <b>69,41,359</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   | MANAGING DIRECTOR | WHOLE-TIME DIRECTOR | Total Amount (in ₹) |
|-------|---|-------------------|---------------------|---------------------|
|       |   | Mr. T.K CHANDIRAN | Mrs. C.SELVI        |                     |
| 1.    | Gross salary:   |                   |                     |                     |
|       | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 30,00,000         | 9,00,000            | 39,00,000           |
|       | (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              |                   |                     |                     |
| 2.    | Stock Option  | -                 | -                   | -                   |
| 3.    | Sweat Equity  | -                 | -                   | -                   |
| 4.    | Commission  |                   |                     |                     |
|       | - as % of profit  | -                 | -                   | -                   |
|       | - Others, specify   |                   |                     |                     |
| 5.    | Others, (specify)   | -                 | -                   | -                   |
|       | <b>Total (A)</b>  | <b>30,00,000</b>  | <b>9,00,000</b>     | <b>39,00,000</b>    |
|       | Ceiling as per the Act  |                   | -                   |                     |



**B. Remuneration to other Directors:**

| Particulars of Remuneration                            | Mr. A.VELAYUTHAM | Mr. V.CHANDRASEKARAN | Total Amount (₹) |
|--|------------------|----------------------|------------------|
| <b>1.Independent Directors</b>                         |                  |                      |                  |
| Fee for attending board/ committee meetings Commission | 20,000           | 15,000               | 35,000           |
| • Others, please specify                               |                  |                      |                  |
| <b>Total (1)</b>                                       | <b>20,000</b>    | <b>15,000</b>        | <b>35,000</b>    |
| <b>2. Other Non-Executive Directors</b>                |                  |                      |                  |
| • Fee for attending board/ committee meetings          | -                | -                    | -                |
| • Commission   |                  |                      |                  |
| • Others, please specify                               |                  |                      |                  |
| <b>Total (2)</b>                                       | <b>-</b>         | <b>-</b>             | <b>-</b>         |
| <b>Total (B) + (1 + 2)</b>                             | <b>20,000</b>    | <b>15,000</b>        | <b>35,000</b>    |
| Total Managerial Remuneration                          | <b>20,000</b>    | <b>15,000</b>        | <b>35,000</b>    |
| Overall Ceiling as per the Act                         | NA               |                      |                  |

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

| S. No | Particulars of Remuneration   | Key Managerial Personnel                      | Total Amount (₹) |
|-------|---|---|------------------|
|       |   | Mrs. C.Renuka<br>Company Secretary and<br>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                             | 9,61,000                                      | 9,61,000         |
|       | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |   |                  |
| 2.    | Stock Option  | -   | -                |
| 3.    | Sweat Equity  | -   | -                |
| 4.    | Commission  |   |                  |
|       | - as 0.10 % of profit   | 26,148  | 26,148           |
|       | - Others, specify   |   |                  |
|       | <b>Total</b>  | <b>9,87,148</b>                               | <b>9,87,148</b>  |



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

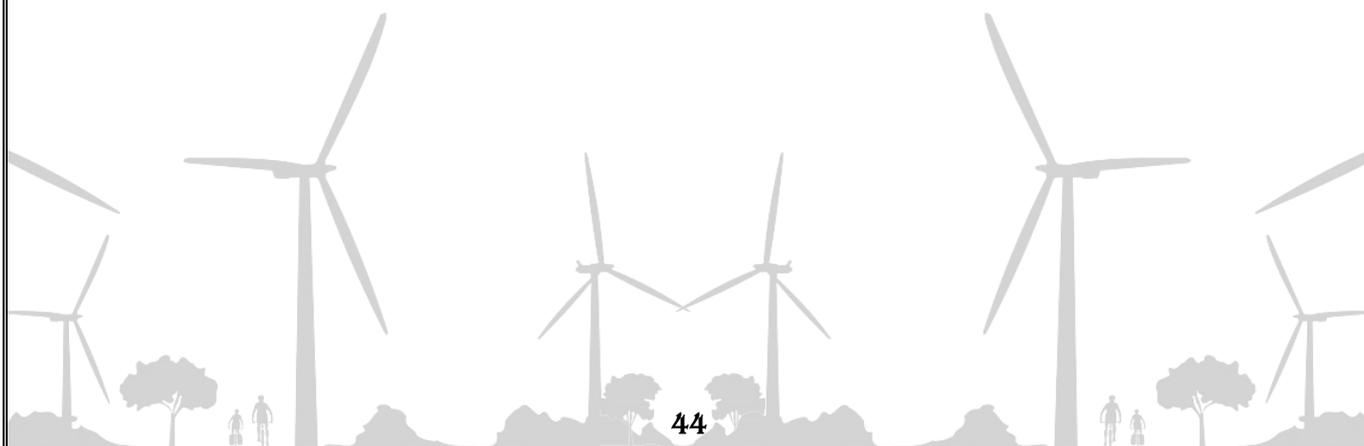
| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|--------------------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

**FOR AND ON BEHALF OF THE BOARD**

Place: Coimbatore  
Date: 02.09.2019

sd/-  
T.K Chandiran  
(DIN: 00031091)  
Managing Director

sd/-  
A.C.Vineethkumar  
(DIN: 06756745)  
Director





FORM AOC - 2

ANNEXURE - 4

Form No.AOC-2

(Pursuant to clause(h) of sub section(3) of section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

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

Duration of transactions : 2018-2019  
Date(s) of approval by the Board : 20.08.2018  
Amount paid as advance : Nil

| S. No | Name of the Related Party         | Nature of Transactions        | Value of Transaction (in ₹) |
|-------|-----------------------------------|-------------------------------|-----------------------------|
| 1     | The KTM Jewellery Limited         | Sale of Electricity           | 1,73,02,814                 |
| 2     | Space Textiles Private Limited    | Sale of Electricity           | 3,35,77,119                 |
| 3     | The KTM Jewellery Limited         | Processing of Precious Metals | 53,61,815                   |
| 4     | Shivam Traders                    | Processing of Precious Metals | 25,74,578                   |
| 5     | Space Textiles Private Limited    | Processing of Precious Metals | 1,56,568                    |
| 6     | SCM Global Brands Private Limited | Royalty Fees paid             | 4,50,119                    |
| 7     | SCM Garments Private Limited      | Sale of Agricultural Products | 96,950                      |

2. Details of contracts or arrangement or transaction not at arm's length basis: **Not Applicable**

FOR AND ON BEHALF OF THE BOARD

Place: Coimbatore  
Date: 02.09.2019

sd/-  
T.K Chandiran  
(DIN: 00031091)  
Managing Director

sd/-  
A.C.Vineethkumar  
(DIN: 06756745)  
Director



**SECRETARIAL AUDIT REPORT**

**ANNEXURE - 5**

To

The Members,  
KKV Agro Powers Limited,  
Vivagaa Building, No. 637,  
Oppanakara Street,  
Coimbatore -641001.

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

**Disclaimer**

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For G.V and Associates**

**Place: Coimbatore**

**Date: 02.09.2019**

**Sd/-**

**G. Vasudevan**

**FCS No.: 6699**

**C P No.: 6522**



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
For The Financial Year Ended **31<sup>st</sup> March, 2019**

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

To

The Members,  
KKV Agro Powers Limited,  
Vivagaa Building, No. 637,  
Oppanakara Street, 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: L40108TZ2012PLC018332), a listed entity, listed in NSE Emerge (SME Platform) having its registered office at Vivagaa Building, No. 637, Oppanakara Street, Coimbatore – 641001, (herein after called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place (with respect to statutory provisions listed hereunder) to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not Applicable**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

Other Securities and Exchange Board of India Regulations are not applicable to the Company.



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

- (i) Secretarial Standards 1, 2 & 3 issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. **Mr. Gnanasekaran Thiyagarajan, one of the three Independent Directors was disqualified under section 164(2) of the companies Act 2013 and subsequently he has resigned from the Board with effect from 31<sup>st</sup> March, 2019.** However, this does not have an effect on constitution of the Board, since; the Company already had requisite number of Independent Directors on the Board.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that during the audit period 2018-19, the Company has hosted the contents required under LODR Regulations in its website ([www.kkvagropowers.com/investors/](http://www.kkvagropowers.com/investors/)) and reportedly, the same has been updated from time to time and the requisite information were made available to the public as required under the law.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with laws, rules, regulations and guidelines mentioned herein above.

I further report that during the audit period 2018-19 the company has issued 90700 Bonus shares to its shareholders on 21<sup>st</sup> July 2018 after complying with the applicable provisions of the Companies Act and SEBI Regulations.

**For G.V and Associates**

**Place: Coimbatore**

**Date: 02.09.2019**

**Sd/-**  
**G. Vasudevan**  
**FCS No.: 6699**  
**C P No.: 6522**



**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To

The Shareholders  
KKV Agro Power Limited,  
Vivagaa Building,  
No. 637, Oppanakara Street,  
Coimbatore - 641001.

1. **M/s.KKV Agro Power Limited**, a Company Listed under SME Platform, as per the Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provision as stipulated in regulations 17 to 27, clauses (b) to (i) of the Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') are not applicable to the company.
2. Though not applicable, the company has voluntarily followed the conditions stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, which are not mandatory for the Company.
4. We state that no investor's grievances are pending for a period exceeding one month, as on 31<sup>st</sup> March 2019 against the company as per the records maintained by the company.
5. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

In terms of our report attached

**For G.V and Associates**

**Place: Coimbatore**

**Date: 02.09.2019**

**Sd/-**

**G. Vasudevan**

**FCS No.: 6699**

**C P No.: 6522**



**CERTIFICATE**

**[Under Schedule V(C) (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To

KKV Agro Powers Limited,  
Vivagaa Building,  
NO. 637, Oppanakara Street,  
Coimbatore-641001.

I have examined the disclosure submitted by the Board of Directors of M/s. KKV Agro Powers Limited pursuant to the provisions of the Companies Act, 2013 and based on the records available in the Ministry of Corporate Affairs Portal, information provided by the Company and its officers and self-declaration provided by the respective Directors, I hereby certify that the following Directors of the Company have not been debarred or disqualified from continuing as Director of the Company by the Board/Ministry of Corporate Affairs or such other authorities as on the date of this report:

| Sl. No. | DIN      | Name of the Director             | Designation         |
|---------|----------|----------------------------------|---------------------|
| 1       | 00031091 | Tirupur Kulandaivel Chandiran    | Managing Director   |
| 2       | 00032962 | Selvi                            | Whole-Time Director |
| 3       | 06756745 | Ammasi Chandiran Vineethkumar    | Director            |
| 4       | 07276704 | Varadharaja Nadar Chandrasekaran | Director            |
| 5       | 05255699 | Bhagavan Mohan                   | Additional Director |

However, the following Directors have resigned from the board of the company during the year and after the financial year ended 31st March, 2019.

| Sl. No. | DIN      | Name of the Director   | Designation | Date of Cessation |
|---------|----------|------------------------|-------------|-------------------|
| 1       | 00904018 | Gnanasekar Thiagarajan | Director    | 31.03.2019        |
| 2       | 07173627 | Arumugam Velayutham    | Director    | 07.06.2019        |

**For G.V and Associates**

**Place: Coimbatore**  
**Date: 02.09.2019**

**Sd/-**  
**G. Vasudevan**  
**FCS No.: 6699**  
**C P No.: 6522**



**PARTICULARS OF REMUNERATION**

**ANNEXURE - 6**

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

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;

| Sl. No. | Name of the Director | Ratio  |
|---------|----------------------|--|
| 1.      | Mr. T. K. Chandiran  | 68.30:1  |
| 2.      | Mrs. C. Selvi        | 20.49:1  |
| 3.      | Mr. A.C.Vineethkumar | No Remuneration was paid for the Financial Year 2018-19;                     |
| 4.      | Mr. A.Velayutham     | No Remuneration was paid for the Financial Year 2018-19 except Sitting Fees; |
| 5.      | Mr. V.Chandrasekaran | No Remuneration was paid for the Financial Year 2018-19 except Sitting Fees; |

- The median remuneration of employees of the Company was ₹ 0.43 Lakhs.
- For this purpose sitting fees paid to the Directors have not been considered as remuneration.
- During the year, the Non-Executive Directors received only the sitting fees as remuneration.

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

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

iii) The percentage increase in the median remuneration of employees in the financial year : -0.49%

iv) The number of permanent employees on the rolls of Company : 15

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

The comparison of remuneration of the each of the Key Managerial Personnel against the Company PAT and Revenue for the FY 2018-19 is as follows

| Name of the Key Managerial Person | % of Revenue | % of PAT |
|-----------------------------------|--------------|----------|
| C.Renuka                          | 1.13 %       | 4.90 %   |

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

vii) The Key parameters for any variable component of remuneration availed by the Directors:

The Directors are not eligible for any variable compensation other than Commission as per the provision of the Act.



## **INDEPENDENT AUDITOR'S REPORT**

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

Report on the Audit of Financial Statements

### **Opinion**

We have audited the accompanying financial statements of KKV Agro Powers Limited ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "the Financial Statements").

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 Companies Act 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounting) Rules, 2014, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, for example, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of our audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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

When we read the other information, as stated above, which is expected to be received after the date of our audit report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of 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. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### **Other matter**

The comparative figures and financial information of the company for the year ended 31<sup>st</sup> March 2018 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended 31<sup>st</sup> March 2018 dated 25<sup>th</sup> May 2018 expressed an unmodified opinion.

Our Opinion is not modified in respect of this matter.



## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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. With respect to reporting of disqualification of appointment as director, we state that:

One of the Independent Directors of the Company, Mr. Gnanasekaran Thiyagarajan (DIN - 00904018 ) and who has since resigned from the Board w.e.f. 31.03.2019, is disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.

As far as the others directors are concerned, on the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, we report that none of the other directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 M/s. VKS Aiyer & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration No. 000066S**

**Sd/-**  
**V.S.Srinivasan**  
**Partner**  
**Membership No.013729**

**Place: Coimbatore**  
**Date: 28.05.2019**



**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 March 31, 2019]

- (i)
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of the fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, during the year, fixed assets have not been physically verified by the management as per the programme of verification.
  - c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any products of the Company under sub-section (1) of Section 148 of the Act and the rules framed thereunder.
- (vii)
- a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, customs duty, cess and any other material statutory dues applicable to it except in the case of depositing of GST dues where there were delays ranging upto 403 days.

AND

- b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income tax, goods and service tax, customs duty, cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

| Name of the statute       | Nature of The Dues | Amount       | Period to which The amount relates | Due Date                               | Date of Payment |
|---------------------------|--------------------|--------------|------------------------------------|--|-----------------|
| Goods and Service Tax Act | GST                | ₹ 7,92,400/- | April' 18 - Aug '18                | 20 <sup>th</sup> of Subsequent Months. | 28.05.2019      |



- c) 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, goods and service 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) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the order is not applicable to the company.
- (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 nor reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has 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.

**For VKS Aiyer & Co. Chartered Accountants**

**Firm Regn.No. 000066S**

**Sd/-**

**V.S.Srinivasan**

**Partner**

**Membership No.013729**

**Place: Coimbatore**

**Date: 28.05.2019**



## **ANNEXURE 2 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 March 31, 2019]

### **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, 2019 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ( " the Act " )

#### **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") issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanation given to us, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For VKS Aiyer & Co. Chartered Accountants**  
**Firm Regn.No. 000066S**

**Sd/-**  
**V.S.Srinivasan**  
**Partner**  
**Membership No.013729**

**Place: Coimbatore**  
**Date: 28.05.2019**



**Balance Sheet as on 31<sup>st</sup> March, 2019**

(In ₹)

| Particulars                        | Note No | As on 31 <sup>st</sup> March<br>2019 | As on 31 <sup>st</sup> March<br>2018 |
|------------------------------------|---------|--------------------------------------|--------------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |         |                                      |                                      |
| <b>(1) Shareholders' Funds</b>     |         |                                      |                                      |
| a) Share Capital                   | 2.01    | 13,535,000                           | 12,628,000                           |
| b) Reserves and Surplus            | 2.02    | 155,894,312                          | 137,408,803                          |
|                                    |         | <u>169,429,312</u>                   | <u>150,036,803</u>                   |
| <b>(2) Non-Current Liabilities</b> |         |                                      |                                      |
| a) Long Term Borrowings            | 2.03    | -                                    | 16,505,013                           |
| b) Deferred Tax Liabilities (Net)  | 2.04    | 30,422,005                           | 22,819,048                           |
| c) Long Term Provisions            | 2.05    | 288,394                              | 202,114                              |
| <b>(3) Current Liabilities</b>     |         |                                      |                                      |
| a) Other Current Liabilities       | 2.06    | 30,710,399                           | 39,526,175                           |
|                                    |         | <u>22,139,997</u>                    | <u>40,198,424</u>                    |
|                                    |         | <u>22,139,997</u>                    | <u>40,198,424</u>                    |
|                                    |         | <b><u>222,279,708</u></b>            | <b><u>229,761,402</u></b>            |
| <b>II. ASSETS</b>                  |         |                                      |                                      |
| <b>(1) Non-Current Assets</b>      |         |                                      |                                      |
| a) Fixed Assets                    | 2.07    |                                      |                                      |
| - Property, Plant & Equipment      |         | 186,369,040                          | 198,377,306                          |
| b) Long Term loans and advances    | 2.08    | 9,635,459                            | 10,327,466                           |
| <b>(2) Current Assets</b>          |         |                                      |                                      |
|                                    |         | <u>196,004,499</u>                   | <u>208,704,772</u>                   |
| a) Inventories                     | 2.09    | 1,705,116                            | 1,050,619                            |
| b) Trade Receivables               | 2.10    | 21,390,161                           | 11,192,837                           |
| c) Cash and Bank Balance           | 2.11    | 725,448                              | 901,873                              |
| d) Short Term Loans and Advances   | 2.12    | 1,890,589                            | 371,807                              |
| e) Other Current Assets            | 2.13    | 563,895                              | 7,539,494                            |
|                                    |         | <u>26,275,209</u>                    | <u>21,056,630</u>                    |
|                                    |         | <b><u>222,279,708</u></b>            | <b><u>229,761,402</u></b>            |

Significant Accounting Policies & Notes form an integral part of the Financial Statements.

As per our report of even date

**For VKS Aiyer & Co**

Chartered Accountants

ICAI Firm Registration No. 0000665

**For and on behalf of the Board of Directors**

Sd/-  
V S Srinivasan  
Partner  
Membership No. 013729

Sd/-  
T.K.Chandiran  
Managing Director  
DIN: 00031091

Sd/-  
C.Selvi  
Whole-Time Director  
DIN: 00032962

Sd/-  
G.Vivek  
Company Secretary  
ACS - A55386

Place: Coimbatore  
Date: 28/05/2019

Sd/-  
C. Arun Kumar  
Chief Financial Officer



**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2019**

(In ₹)

| Particulars                                      | Note No | 2018-19           | 2017-2018         |
|--|---------|-------------------|-------------------|
| <b>Income</b>                                    |         |                   |                   |
| I. Revenue from Operations                       | 2.14    | 87,389,460        | 75,239,632        |
| II. Other Income                                 | 2.15    | -                 | 202,603           |
| <b>III. Total Revenue (I+II)</b>                 |         | <b>87,389,460</b> | <b>75,442,235</b> |
| <b>IV. Expenses</b>                              |         |                   |                   |
| a) Power Generation Expenses                     | 2.16    | 10,153,709        | 8,403,337         |
| b) Change in Inventories                         | 2.17    | 36,461            | (5,303)           |
| c) Employee Benefits Expense                     | 2.18    | 7,770,288         | 6,243,971         |
| d) Finance Costs                                 | 2.19    | 1,758,680         | 2,266,546         |
| e) Depreciation and Amortization Expense         | 2.07    | 12,074,267        | 12,069,871        |
| f) Other Expenses                                | 2.20    | 20,837,715        | 18,211,449        |
| <b>Total Expenses</b>                            |         | <b>52,631,120</b> | <b>47,189,871</b> |
| <b>V. Profit Before Tax (III-IV)</b>             |         | <b>34,758,340</b> | <b>28,252,364</b> |
| <b>VI. Less:</b>                                 |         |                   |                   |
| Current tax                                      |         | 7,000,000         | 5,800,000         |
| Deferred tax                                     |         | 7,602,957         | 7,126,241         |
| <b>VII. Profit for the year (V-VI)</b>           |         | <b>20,155,383</b> | <b>15,326,123</b> |
| <b>VIII. Earnings per equity share</b>           |         |                   |                   |
| Basic and Diluted (in ₹) face value of ₹ 10 each | 2.21    | 43.73             | 33.08             |

Significant Accounting Policies & Notes form an integral part of the Financial Statements.

As per our report of even date

**For VKS Aiyer & Co**

Chartered Accountants

ICAI Firm Registration No. 000066S

**For and on behalf of the Board of Directors**

Sd/-  
V S Srinivasan  
Partner  
Membership No. 013729

Sd/-  
T.K.Chandiran  
Managing Director  
DIN: 00031091

Sd/-  
C.Selvi  
Whole-Time Director  
DIN: 00032962

Sd/-  
G.Vivek  
Company Secretary  
ACS - A55386

Place: Coimbatore  
Date: 28/05/2019

Sd/-  
C. Arun Kumar  
Chief Financial Officer



**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019**

| Particulars  | 2018-19      |                     | 2017-2018    |                     |
|--|--------------|---------------------|--------------|---------------------|
|  | ₹            | ₹                   | ₹            | ₹                   |
| <b>A. Cash Flows from Operating Activities</b>                                     |              |                     |              |                     |
| Net profit before taxation and extraordinary items                                 |              | 34,758,340          |              | 28,252,364          |
| <b>Adjustments for</b>   |              |                     |              |                     |
| Depreciation   | 12,074,267   |                     | 12,069,871   |                     |
| Profit on Sale of Investments  | -            |                     | (70,049)     |                     |
| Interest income  | -            |                     | (1,706)      |                     |
| Interest expenses  | 1,758,680    | 13,832,947          | 2,266,546    | 14,264,662          |
| <b>Operating Profit before working capital changes</b>                             |              | <b>48,591,287</b>   |              | <b>42,517,026</b>   |
| - (Increase)/decrease in inventories   | (654,497)    |                     | (1,014,905)  |                     |
| - (Increase)/decrease in trade receivables   | (10,197,324) |                     | 4,646,439    |                     |
| - (Increase)/decrease in loans and advances  | (1,518,782)  |                     | 54,879,593   |                     |
| - (Increase)/decrease in Other Current assets                                      | 6,975,599    |                     | (2,177,339)  |                     |
| - (Decrease)/increase in liabilities and provisions                                | (14,913,510) | (20,308,514)        | (18,991,723) | 37,342,065          |
| <b>Cash generated from Operations</b>  |              | <b>28,282,773</b>   |              | <b>79,859,091</b>   |
| Income taxes refund/(paid)   |              | (6,307,993)         |              | (8,355,886)         |
| <b>Net cash from / (used) Operating Activities - (A)</b>                           |              | <b>21,974,780</b>   |              | <b>71,503,205</b>   |
| <b>B. Cash Flows from Investing Activities</b>                                     |              |                     |              |                     |
| Purchase of Property, Plant & Equipment  |              | (66,000)            |              | (99,897,988)        |
| Sale of Investments  |              | -                   |              | 6,070,049           |
| Interest received  |              | -                   |              | 1,706               |
| <b>Net Cash used in Investing Activities - (B)</b>                                 |              | <b>(66,000)</b>     |              | <b>(93,826,233)</b> |
| <b>C. Cash Flows from Financing Activities</b>                                     |              |                     |              |                     |
| Proceeds of long term borrowings   |              | -                   |              | 50,000,000          |
| Repayment of long term borrowings  |              | (19,563,650)        |              | (23,612,847)        |
| Dividend Paid including Tax on Dividend  |              | (762,874)           |              | (1,848,212)         |
| Interest paid  |              | (1,758,680)         |              | (2,266,546)         |
| <b>Net cash from/(used) in Financing Activities - (C)</b>                          |              | <b>(22,085,204)</b> |              | <b>22,272,395</b>   |
| <b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>                |              | (176,424)           |              | (50,633)            |
| <b>Cash and Cash Equivalents at beginning of period</b>                            |              | 901,872             |              | 952,505             |
| <b>Less: Bank Balance not considering as Cash and Cash Equivalents as per AS-3</b> |              | -                   |              | -                   |
| <b>Cash and Cash Equivalents at end of period</b>                                  |              | <b>725,448</b>      |              | <b>901,872</b>      |

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 - Cash Flow Statement.

Significant Accounting Policies & Notes form an integral part of the Financial Statements.

As per our report of even date

**For VKS Aiyer & Co**

Chartered Accountants

ICAI Firm Registration No. 000066S

Sd/-  
V S Srinivasan  
Partner  
Membership No. 013729

Sd/-  
T.K.Chandiran  
Managing Director  
DIN: 00031091

Sd/-  
C.Selvi  
Whole-Time Director  
DIN: 00032962

Sd/-  
G.Vivek  
Company Secretary  
ACS - A55386

Place: Coimbatore  
Date: 28/05/2019

Sd/-  
C. Arun Kumar  
Chief Financial Officer



**Note no.1**

**A About the Company**

KKV Agro Powers Limited (Formerly Known as Nachas Wind Energy Private Limited) ("The Company") is a Private company domiciled in India and was incorporated under the provisions of the Companies Act, 1956. The registered office of the company is located at Coimbatore.

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 during the financial year 2015-16, in accordance with the provisions of Section 13 and other applicable provisions of the Companies Act, 2013, the company has received a fresh Certificate of Incorporation consequent to change upon its name from the Registrar of companies on 18-05-2015 and further the company has been listed on the SME platform of the National Stock Exchange of India Ltd (NSE Emerge) from financial year 2016-17.

**Nature of operations:**

KKV Agro Powers Limited is an Independent power producer engaged in the generation, transmission, distribution of power. It has an installed capacity of 9.6 MW that includes 7.6 MW wind power and 2 MW Solar power. Now the company has brought two new divisions under its roof, i.e Purification of precious metals and Agriculture.

**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 recognized prospectively in the year in which the events are recognized.

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

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



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

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

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

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

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

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 recognized when the carrying amount of an asset exceeds its recoverable amount.

**iii) Investments:**

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

**iv) Inventories:**

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

**v) Foreign Currency Transaction :**

- a) Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction.
- b) Exchange differences arising on settlement on transactions of monetary items are recognized as income / expense in the Statement of Profit & Loss in the period in which it arises.



- c) Foreign Currency assets and liabilities at the year end are realigned at the exchange rate prevailing at the year end and the difference on realignment is recognized in the Statement of profit & Loss.
- d) Premium / Discount 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.
- c) Insurance claims are accounted, as and when settled or received.
- d) Interest income is recognized 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 recognized.
- 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 recognized 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 recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered service. The expense is recognized 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 recognized 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 :**

**1 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 :**

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.



## 2.01 Share Capital

| Particulars  | As on 31st<br>March 2019 | As on 31st<br>March 2019 | As on 31st March<br>2018 | As on 31st<br>March 2018 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | Nos                      | ₹                        | Nos                      | ₹                        |
| <b>Authorised</b>  |                          |                          |                          |                          |
| Equity Shares of ₹ 10/- each                               | 11,000,000               | 110,000,000              | 11,000,000               | 110,000,000              |
| 3% Redeemable Cumulative Preference Shares of ₹ 100/- each | 100,000                  | 10,000,000               | 100,000                  | 10,000,000               |
|  | <b>11,100,000</b>        | <b>120,000,000</b>       | <b>11,100,000</b>        | <b>120,000,000</b>       |
| <b>Issued, Subscribed &amp; fully Paid up</b>              |                          |                          |                          |                          |
| Equity Shares of ₹ 10/- each                               | 453,500                  | 4,535,000                | 362,800                  | 3,628,000                |
| 3% Redeemable Cumulative Preference Shares of ₹ 100/- each | 90,000                   | 9,000,000                | 90,000                   | 9,000,000                |
|  | <b>543,500</b>           | <b>13,535,000</b>        | <b>452,800</b>           | <b>12,628,000</b>        |

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

#### Equity Shares

| Particulars                                     | As on 31st March 2019 |                  | As on 31st March 2018 |                  |
|---|-----------------------|------------------|-----------------------|------------------|
|   | Number                | ₹                | Number                | ₹                |
| Shares outstanding at the beginning of the year | 362,800               | 3,628,000        | 362,800               | 3,628,000        |
| Add: Issued during the year                     | 90,700                | 907,000          | -                     | -                |
| Less: Bought back during the year               | -                     | -                | -                     | -                |
| Shares outstanding at the end of the year       | <b>453,500</b>        | <b>4,535,000</b> | <b>362,800</b>        | <b>3,628,000</b> |

#### 3% Redeemable Cumulative Preference Shares:

| Particulars   | As on 31st March 2019 |           | As on 31st March 2018 |           |
|---|-----------------------|-----------|-----------------------|-----------|
|   | Number                | ₹         | Number                | ₹         |
| Shares outstanding at the beginning/end of the year | 90,000                | 9,000,000 | 90,000                | 9,000,000 |

### b. Terms/rights attached to equity shares :

#### Voting:

- The company has only one class of Equity Share having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share.

#### Dividend:

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.



**Liquidation:**

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Terms/rights attached to Preference Shares**

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

**d. Details of Shareholders holding more than 5% of Equity Shares:**

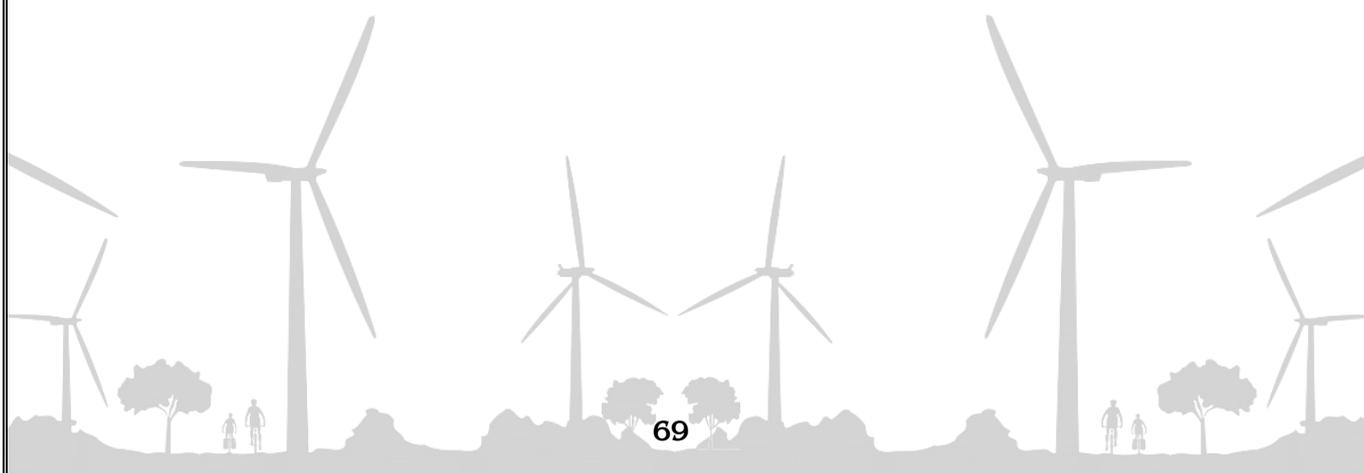
| Name of Shareholder            | Equity Shares         |              |                       |              |
|--------------------------------|-----------------------|--------------|-----------------------|--------------|
|                                | As on 31st March 2019 |              | As on 31st March 2018 |              |
|                                | No. of Shares held    | % of Holding | No. of Shares held    | % of Holding |
| Mr.T.K.Chandiran               | 175,915               | 38.79%       | 140,732               | 38.79%       |
| The KTM Jewellery Limited      | 36,980                | 8.15%        | 29,584                | 8.15%        |
| Space Textiles Private Limited | 82,169                | 18.12%       | 65,735                | 18.12%       |

**e. Details of Shareholders holding more than 5% of Preference Shares:**

| Particulars      | 3% Redeemable Cumulative Preference Shares: |              |                       |              |
|------------------|---|--------------|-----------------------|--------------|
|                  | As on 31st March 2019                       |              | As on 31st March 2018 |              |
|                  | No. of Shares held                          | % of Holding | No. of Shares held    | % of Holding |
| Mr.T.K.Chandiran | 90,000                                      | 100%         | 90,000                | 100%         |

f) During the year 2018-19, The Company has issued Bonus Shares in the ratio of 1:4 by capitalisation of Securities Premium. The total number of shares issued is 90,700 having face value of ₹ 10 each.

g) There are no shares which are held by the Holding Company/ Ultimate Holding Company.





## 2.02 Reserves and Surplus

| Particulars   | As on 31st March 2019 |                    | As on 31st March 2018 |                    |
|---|-----------------------|--------------------|-----------------------|--------------------|
|   | ₹                     | ₹                  | ₹                     | ₹                  |
| <b>Securities Premium</b>                             |                       |                    |                       |                    |
| Opening balance                                       | 89,577,394            |                    | 89,577,394            |                    |
| Add: Premium on issue of equity shares                | -                     |                    | -                     |                    |
| Less: Bonus Issue                                     | 907,000               |                    | -                     |                    |
| Closing balance                                       |                       | <b>88,670,394</b>  |                       | <b>89,577,394</b>  |
| <b>Surplus in the Statement of Profit &amp; Loss:</b> |                       |                    |                       |                    |
| Opening Balance                                       | 47,831,409            |                    | 34,353,498            |                    |
| Add : Profit for the year                             | 20,155,383            |                    | 15,326,123            |                    |
|   | 67,986,792            |                    | 49,679,621            |                    |
| Less: Appropriations                                  |                       |                    |                       |                    |
| Dividend on equity shares                             | 362,800               |                    | 725,600               |                    |
| Dividend on Preference Shares                         | 270,000               |                    | 810,000               |                    |
| Dividend distribution tax paid                        | 130,074               |                    | 312,612               |                    |
| Closing Balance                                       |                       | <b>67,223,918</b>  |                       | <b>47,831,409</b>  |
| <b>Total</b>  |                       | <b>155,894,312</b> |                       | <b>137,408,803</b> |

## 2.03 Long Term Borrowings

| Particulars          | Non Current Maturities |                       | Current Maturities    |                       |
|----------------------|------------------------|-----------------------|-----------------------|-----------------------|
|                      | As on 31st March 2019  | As on 31st March 2018 | As on 31st March 2019 | As on 31st March 2018 |
|                      | ₹                      | ₹                     | ₹                     | ₹                     |
| Secured              |                        |                       |                       |                       |
| Term loans from Bank |                        |                       |                       |                       |
| - Rupee Loan         | -                      | 16,505,013            | 6,941,359             | 9,999,996             |
|                      | -                      | <b>16,505,013</b>     | <b>6,941,359</b>      | <b>9,999,996</b>      |

### A. Security Particulars of Secured Loans :

Term loans availed from Axis Bank is primarily secured by:

- Pari-passu first charge on the 2 nos of Windworld Make Wind Energy Generators (WEG's) of Capacity 800 KW each Situated at Naalakonda, Anantapuram District, Andhrapradesh of Total Cost of ₹ 986 Lacs .
- Exclusive Second Charge on land measuring 6.70 acres and Hypothecation of 1 MW Photo- Voltaic (PV) Solar Plant Situated at S.F.No: 73/A1, Uthamapalayam Village, Vellakoil Sub-Registrar, Kangeyam Taluk, Tirupur District, Tamilnadu in the name of the Company.
- The interest is payable on monthly basis and the rate of interest is 9.25% per annum.

### B. Repayment Terms

- The above term loan is repayable in 32 Structured monthly installments of ₹ 8,33,333. The company had made adhoc payments to repay the term loan.



**2.04 Deferred Tax Liabilities/(Assets) (Net)**

| Particulars  | As on 31st<br>March 2019<br>₹            | Charged/(reversed)<br>during the year<br>₹ | As on 31st<br>March 2018<br>₹ |
|--|--|--|-------------------------------|
| <b>Deferred Tax Liabilities</b>  |  |  |                               |
| - On fixed assets  | 40,011,531                               | 3,861,020                                  | 36,150,511                    |
| A  | <u>40,011,531</u>                        | <u>3,861,020</u>                           | <u>36,150,511</u>             |
| <b>Deferred Tax Assets</b>   |  |  |                               |
| - On Business loss and unabsorbed depreciation<br>(Refer Note no.2.25) | 9,083,574                                | (4,380,610)                                | 13,464,184                    |
| - On other Differences   | 505,952                                  | 638,673                                    | (132,721)                     |
| B  | <u>9,589,526</u>                         | <u>(3,741,937)</u>                         | <u>13,331,463</u>             |
| <b>Net Deferred Tax Liability</b>                                      | <b>A - B</b><br><u><u>30,422,005</u></u> | <b>7,602,957</b>                           | <b>22,819,048</b>             |

**2.05 Long Term Provisions**

| Particulars                                       | As on 31st March<br>2019<br>₹ | As on 31st<br>March 2018<br>₹ |
|---|-------------------------------|-------------------------------|
| - Provision for Gratuity (Refer Note No 2.31 (a)) | 288,394                       | 202,114                       |
|   | <u><b>288,394</b></u>         | <u><b>202,114</b></u>         |

**2.06 Other Current Liabilities**

| Particulars   | As on 31st March<br>2019<br>₹ | As on 31st<br>March 2018<br>₹ |
|---|-------------------------------|-------------------------------|
| (a) Current maturities of long-term debt (Refer Note No 2.03) | 6,941,359                     | 9,999,996                     |
| (b) Dues to Related Parties ( Refer Note No.2.30)             | 7,123,879                     | 27,250,126                    |
| (c) Accrued salaries and benefits                             | 386,600                       | 424,976                       |
| (d) Statutory dues payable                                    | 1,703,923                     | 145,768                       |
| (e) Accrued Expenses Payable                                  | 5,984,236                     | 2,377,558                     |
|   | <u><b>22,139,997</b></u>      | <u><b>40,198,424</b></u>      |

**2.08 Long Term Loans and Advances**

| Particulars                                  | As on 31st March<br>2019<br>₹ | As on 31st<br>March 2018<br>₹ |
|--|-------------------------------|-------------------------------|
| Unsecured, considered good                   |                               |                               |
| - Security Deposits                          | 219,000                       | 219,000                       |
| - MAT Credit Entitlement                     | 9,146,480                     | 9,146,480                     |
| - Advance for Income tax (Net of provisions) | 269,979                       | 961,986                       |
|  | <u><b>9,635,459</b></u>       | <u><b>10,327,466</b></u>      |



## 2.07 Fixed Assets

| Particulars                            | As on 1st April 2018 | Gross Block   |           | As on 31st March 2019 | Upto 31st March 2018 | Depreciation      |            | Upto 31st March 2019 | (in ₹)                          |
|--|----------------------|---------------|-----------|-----------------------|----------------------|-------------------|------------|----------------------|---------------------------------|
|  |                      | Additions     | Deletions |                       |                      | For the Year      | With drawn |                      | Net Block As on 31st March 2019 |
| <b>Property, Plant &amp; Equipment</b> |                      |               |           |                       |                      |                   |            |                      |                                 |
| Land                                   | 2,877,423            | -             | -         | 2,877,423             | -                    | -                 | -          | -                    | 2,877,423                       |
| Building                               | 713,132              | -             | -         | 713,132               | 508,570              | 135,495           | -          | 644,065              | 69,067                          |
| Plant and Machinery                    | 223,040,240          | -             | -         | 223,040,240           | 30,492,333           | 11,385,411        | -          | 41,877,744           | 181,162,496                     |
| Furniture & Fittings                   | 57,850               | -             | -         | 57,850                | 30,730               | 6,580             | -          | 37,310               | 20,540                          |
| Motor Vehicles                         | 3,777,149            | -             | -         | 3,777,149             | 1,638,768            | 448,725           | -          | 2,087,493            | 1,689,656                       |
| Office Equipments                      | 138,438              | -             | -         | 138,438               | 53,974               | 23,000            | -          | 76,974               | 61,464                          |
| Computers                              | 477,488              | -             | -         | 477,488               | 390,838              | 17,060            | -          | 407,898              | 69,590                          |
| Intangible                             | -                    | 18,000        | -         | 18,000                | -                    | 2,140             | -          | 2,140                | 15,860                          |
| Electrical Fittings                    | 560,086              | 48,000        | -         | 608,086               | 149,287              | 55,856            | -          | 205,143              | 402,943                         |
| <b>Total</b>                           | <b>231,641,806</b>   | <b>66,000</b> | <b>-</b>  | <b>231,707,806</b>    | <b>33,264,500</b>    | <b>12,074,267</b> | <b>-</b>   | <b>45,338,767</b>    | <b>186,369,040</b>              |

## Previous year

| Particulars                            | As on 1st April 2017 | Gross Block       |           | As on 31st March 2018 | Upto 31st March 2017 | Depreciation      |            | Upto 31st March 2018 | (in ₹)                          |
|--|----------------------|-------------------|-----------|-----------------------|----------------------|-------------------|------------|----------------------|---------------------------------|
|  |                      | Additions         | Deletions |                       |                      | For the year      | With drawn |                      | Net Block As on 31st March 2018 |
| <b>Property, Plant &amp; Equipment</b> |                      |                   |           |                       |                      |                   |            |                      |                                 |
| Land                                   | 2,877,423            | -                 | -         | 2,877,423             | -                    | -                 | -          | -                    | 2,877,423                       |
| Building                               | 713,132              | -                 | -         | 713,132               | 373,075              | 135,495           | -          | 508,570              | 204,562                         |
| Plant and Machinery                    | 123,159,442          | 99,880,798        | -         | 223,040,240           | 19,129,900           | 11,362,433        | -          | 30,492,333           | 192,547,907                     |
| Furniture & Fittings                   | 57,850               | -                 | -         | 57,850                | 24,150               | 6,580             | -          | 30,730               | 27,120                          |
| Motor Vehicles                         | 3,777,149            | -                 | -         | 3,777,149             | 1,190,043            | 448,725           | -          | 1,638,768            | 2,138,381                       |
| Office Equipments                      | 121,248              | 17,190            | -         | 138,438               | 32,898               | 21,076            | -          | 53,974               | 84,464                          |
| Computers                              | 477,488              | -                 | -         | 477,488               | 351,132              | 39,706            | -          | 390,838              | 86,650                          |
| Electrical Fittings                    | 560,086              | -                 | -         | 560,086               | 93,431               | 55,856            | -          | 149,287              | 410,799                         |
| <b>Total</b>                           | <b>131,743,818</b>   | <b>99,897,988</b> | <b>-</b>  | <b>231,641,806</b>    | <b>21,194,629</b>    | <b>12,069,871</b> | <b>-</b>   | <b>33,264,500</b>    | <b>198,377,306</b>              |



**2.09 Inventories**

| Particulars                    | As on 31st March<br>2019<br>₹ | As on 31st<br>March 2018<br>₹ |
|--------------------------------|-------------------------------|-------------------------------|
| - Renewable Energy Certificate | 4,556                         | 41,017                        |
| - Precious Metals              | 1,700,560                     | 1,009,602                     |
|                                | <b>1,705,116</b>              | <b>1,050,619</b>              |

**2.10 Trade Receivables**

| Particulars                        | As on 31st March<br>2019<br>₹ | As on 31st<br>March 2018<br>₹ |
|------------------------------------|-------------------------------|-------------------------------|
| Unsecured, considered good         |                               |                               |
| - Over six months                  |                               |                               |
| Unsecured, Considered good         | 3,321,033                     | -                             |
| Unsecured, Considered doubtful     | 1,519,048                     | 3,539,530                     |
| Less: Provision for Doubtful debts | <u>1,519,048</u>              | 3,321,033                     |
| - Others                           | 18,069,128                    | 7,653,307                     |
|                                    | <b>21,390,161</b>             | <b>11,192,837</b>             |

**2.11 Cash and Bank Balance**

| Particulars            | As on 31st March<br>2019<br>₹ | As on 31st<br>March 2018<br>₹ |
|------------------------|-------------------------------|-------------------------------|
| a) Balances with banks |                               |                               |
| - In current accounts  | 681,039                       | 809,696                       |
| b) Cash on hand        | 44,409                        | 92,177                        |
|                        | <b>725,448</b>                | <b>901,873</b>                |

Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 - Cash Flow Statement is

**725,448**                      **901,873**

**2.12 Short Term Loans and Advances**

| Particulars                            | As on 31st March<br>2019<br>₹ | As on 31st<br>March 2018<br>₹ |
|--|-------------------------------|-------------------------------|
| Unsecured, considered good             |                               |                               |
| - Balances with Government Authorities | 1,823,589                     | 371,263                       |
| - Staff advance                        | 67,000                        | 544                           |
|  | <b>1,890,589</b>              | <b>371,807</b>                |



**2.13 Other Current Assets**

| Particulars                        | As on 31st March 2019 | As on 31st March 2018 |
|------------------------------------|-----------------------|-----------------------|
|                                    | ₹                     | ₹                     |
| Unsecured, considered good         |                       |                       |
| - Prepaid expenses                 | 455,208               | 2,467,567             |
| - Accrued Income/ Unbilled Revenue | -                     | 4,968,461             |
| - Advance for expenses             | 108,687               | 103,466               |
|                                    | <b>563,895</b>        | <b>7,539,494</b>      |

**2.14 Revenue from Operations**

| Particulars                           | 2018-2019         | 2017-2018         |
|---------------------------------------|-------------------|-------------------|
|                                       | ₹                 | ₹                 |
| <b>Revenue from Operations</b>        |                   |                   |
| Sale of Electricity                   | 66,919,862        | 67,078,542        |
| <b>Other operating revenue</b>        |                   |                   |
| Sale of Renewable Energy Certificates | 12,340,217        | 203,000           |
| Processing Charges - Precious Metals  | 6,720,175         | 7,297,343         |
| Sale of Agro Products                 | 1,409,206         | 660,747           |
|                                       | <b>87,389,460</b> | <b>75,239,632</b> |

**2.15 Other Income**

| Particulars                   | 2018-2019 | 2017-2018      |
|-------------------------------|-----------|----------------|
|                               | ₹         | ₹              |
| Interest on Fixed Deposit     | -         | 1,706          |
| Profit on Sale of Investments | -         | 70,049         |
| Excess Provision Written Back | -         | 130,848        |
|                               | -         | <b>202,603</b> |

**2.16 Power Generation Expenses**

| Particulars                               | 2018-2019         | 2017-2018        |
|---|-------------------|------------------|
|   | ₹                 | ₹                |
| Transmission & Wheeling Charges           | 5,244,634         | 4,345,992        |
| Operation & Maintenance Charges           | 1,749,487         | 1,591,883        |
| Self Generation Tax                       | 1,104,445         | 967,616          |
| System Operating Charges                  | 326,733           | 965,935          |
| Other Operating power generating expenses | 1,723,696         | 510,456          |
| REC Application & Trading Fees            | 4,714             | 21,455           |
|   | <b>10,153,709</b> | <b>8,403,337</b> |



## 2.17 Change in Inventories

### Details of changes in Inventory

#### Inventory at the end of the year

| Particulars                   | 2018-2019    | 2017-2018     |
|-------------------------------|--------------|---------------|
|                               | ₹            | ₹             |
| Renewable Energy Certificates | 4,556        | 41,017        |
|                               | <b>4,556</b> | <b>41,017</b> |

#### Inventory at the beginning of the year

| Particulars                   | 2018-2019     | 2017-2018     |
|-------------------------------|---------------|---------------|
|                               | ₹             | ₹             |
| Renewable Energy Certificates | 41,017        | 35,714        |
|                               | <b>41,017</b> | <b>35,714</b> |

#### (Increase)/Decrease in Inventories

|  |               |                |
|--|---------------|----------------|
|  | <b>36,461</b> | <b>(5,303)</b> |
|--|---------------|----------------|

## 2.18 Employee Benefits Expense

| Particulars             | 2018-2019        | 2017-2018        |
|-------------------------|------------------|------------------|
|                         | ₹                | ₹                |
| Salaries, Wages & Bonus | 3,488,776        | 2,096,291        |
| Directors' Remuneration | 3,900,000        | 3,900,000        |
| Provident & Other Funds | 173,069          | 153,095          |
| Gratuity Expenses       | 86,280           | 58,488           |
| Staff Welfare Expenses  | 122,163          | 36,097           |
|                         | <b>7,770,288</b> | <b>6,243,971</b> |

## 2.19 Finance Costs

| Particulars           | 2018-2019        | 2017-2018        |
|-----------------------|------------------|------------------|
|                       | ₹                | ₹                |
| Interest expense      | 1,642,680        | 2,119,546        |
| Other borrowing costs | 116,000          | 147,000          |
|                       | <b>1,758,680</b> | <b>2,266,546</b> |

## 2.20 Other Expenses

| Particulars                                    | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
|  | ₹         | ₹         |
| Purification Expenses & Stores and Consumables | 5,983,289 | 4,242,532 |
| Agriculture Expenses                           | 516,920   | 432,537   |
| Contract payments Charges                      | 344,814   | 337,298   |
| Repair & Maintenance                           |           |           |
| - Plant & Machinery                            | 213,893   | 315,085   |
| - Vehicles                                     | 48,017    | 180,966   |
| - Others                                       | 73,300    | 429,868   |
| Annual Maintenance Charges                     | 8,417,196 | 8,780,908 |
| Professional Charges                           | 913,761   | 1,092,525 |
| Insurance                                      | 422,192   | 415,358   |



|  |                   |                   |
|--|-------------------|-------------------|
| Rent   | 113,505           | 216,400           |
| Commission                                     | -                 | 114,350           |
| Royalty Expenses                               | 450,119           | 376,198           |
| Travelling Expenses                            | 223,535           | 158,564           |
| Donation                                       | 30,000            | 1,000             |
| Rates & taxes                                  | 45,288            | 87,270            |
| Rebate & Discounts                             | 88,702            | 150,681           |
| Auditor's Remuneration                         | 410,000           | 406,500           |
| Directors' Sitting Fees                        | 60,000            | 60,000            |
| Registration Expenses                          | 223,200           | -                 |
| Postage and Telephone expenses                 | 3,831             | 58,551            |
| Provision for Doubtful Debts                   | 1,519,048         | -                 |
| Other Administrative Expenses                  | 737,105           | 354,858           |
|  | <b>20,837,715</b> | <b>18,211,449</b> |
|  | <b>2018-2019</b>  | <b>2017-2018</b>  |
| <b>Payments to the Auditor (Excluding GST)</b> | <b>₹</b>          | <b>₹</b>          |
| (a) As Auditor                                 |                   |                   |
| - Statutory Audit                              | 325,000           | 325,000           |
| - Tax Audit                                    | 60,000            | 70,000            |
| (b) For Company Law Matters                    | 10,000            | -                 |
| (b) For reimbursement of expenses              | 15,000            | 11,500            |
|  | <b>410,000</b>    | <b>406,500</b>    |

**2.21 Earnings per share:**

| <b>Particulars</b>  | <b>2018-2019</b> | <b>2017-2018</b> |
|---|------------------|------------------|
|   | <b>₹</b>         | <b>₹</b>         |
| Profit After Tax  | 20,155,383       | 15,326,123       |
| <b>Less :</b>   |                  |                  |
| Dividend on Preference shares   | 270,000          | 270,000          |
| Dividend distribution tax   | 54,966           | 54,966           |
| Net profit for the period attributable to equity shareholders                       | 19,830,417       | 15,001,157       |
| Equity Shares of ₹ 10 each (Nos)  | 453,500          | 453,500          |
| Weighted Average No. of Shares Outstanding<br>( Restated Consequent to Bonus Issue) | 453,500          | 453,500          |
| <b>Earnings Per Share (Basic &amp; Diluted) (in ₹.)</b>                             | <b>43.73</b>     | <b>33.08</b>     |

2.22 Expenditure in Foreign Currency - NIL

2.23 Earnings in Foreign Currency - NIL

**2.24 Commitments and Contingent Liabilities:**

The Board of Directors has recommended a Preference Dividend amounting to ₹ 2,70,000 for the year ended 31st March, 2019 (3% on the face value of ₹ 90,00,000/-) together with the Dividend Distribution Tax, the total outflow on account of Preference Dividend will be ₹ 3,24,966 [₹ 3,24,966 in previous year].



Further the Board of Directors has recommended a Equity Dividend of ₹ 5 per share, (50% on the face value of ₹ 10/-) aggregating to ₹ 22,67,500/- on the Equity Shares of the Company, for the financial year ended 31st March, 2019 [ ₹ 1/- per share (10%) in previous year], together with the Dividend Distribution Tax, the total outflow on account of Equity Dividend will be ₹ 27,29,163 [Previous year ₹ 4,36,658]; which is subject to the approval of the shareholders at the Annual General Meeting.

The Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, has amended Accounting Standard (AS)-4 "Contingencies and Events occurring after Balance sheet date". Consequently, the Company has not accounted for proposed dividend as liability as at 31st March, 2019.

- 2.25 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.
- 2.26 Inventory includes Renewable Energy Certificates (REC) held for sale which is valued at Cost or Net realisable value whichever is lower.
- 2.27 The company does not meet any of the criteria as specified in section 135 of the companies act, 2013 in relation to Corporate Social Responsibility (CSR).
- 2.28 **Disclosure as required under section 186(4) of the Companies Act, 2013**
- Loans given and Guarantees furnished by the Company: Nil (Previous year: Nil).
- 2.29 Disclosure requirements under regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Nil (Previous Year - Nil).
- 2.30 **(i) List of Related Parties with whom transactions have taken place during the year FY 2018 - 19 and FY 2017 - 18 and their relationship with the Company (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: (Relatives & Enterprise over which Key Management Personnel are able to exercise significant influence).

- |                                     |                                       |
|-------------------------------------|---------------------------------------|
| - The KTM Jewellery Limited         | - Gajaanandha Jewellery Maart Limited |
| - Space Textiles Private Limited    | - KKV Chakra Limited                  |
| - SCM Global Brands Private Limited | - SCM garments private Limited        |
| - Mr.K.Vinayagam                    | - Shivam Traders                      |



**(ii) Related Party Transactions:**

(In ₹)

| Nature of Transactions                  | 2018-2019                |                           | 2017-2018                |                           |
|---|--------------------------|---------------------------|--------------------------|---------------------------|
|   | Key Management Personnel | Relatives of KMP & Others | Key Management Personnel | Relatives of KMP & Others |
| Sale of Power                           | -                        | 58,649,856                | -                        | 67,078,542                |
| Processing of Precious Metals           | -                        | 6,720,175                 | -                        | 7,297,343                 |
| Sale of Agro Products                   | -                        | 61,350                    | -                        | 35,600                    |
| Purchases of Silver                     | -                        | 1,632,843                 | -                        | 1,062,739                 |
| Purchases of Fixed Assets               | -                        | -                         | -                        | 99,816,818                |
| Directors' Remuneration                 | 3,900,000                | -                         | 3,900,000                | -                         |
| Preference Dividend                     | 270,000                  | -                         | 810,000                  | -                         |
| Equity Dividend                         | 140,732                  | 190,638                   | 313,340                  | 190,638                   |
| Reimbursement of expenses by/for (Net)  | 47,084                   | 7,398,754                 | 23,821                   | 7,230,848                 |
| Royalty payment                         | -                        | 450,119                   | -                        | 376,198                   |
| Rent Paid                               | -                        | 128,152                   | -                        | 103,152                   |
| Machine Hire Charges                    | -                        | -                         | -                        | 60,000                    |
| <b>Dues from / (to) Related Parties</b> |                          |                           |                          |                           |
| Opening balance                         | -                        | (21,201,974)              | (47,602,407)             | 65,326,127                |
| <b>Closing balance -</b>                | -                        | -                         | -                        | -                         |
| <b>Dues from Related Parties</b>        | -                        | <b>18,069,128</b>         |                          | <b>6,048,152</b>          |
| <b>Dues to Related Parties</b>          | -                        | <b>(7,123,879)</b>        |                          | <b>(27,250,126)</b>       |

**2.31 Disclosure under Accounting Standard 15:**

(a) 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.

(In ₹)

| Particulars  | 2018-2019                               | 2017-2018 |
|--|---|-----------|
| <b>Principal actuarial assumptions used on Balance Sheet date:</b> |   |           |
| Discount Rate  | 7.75%                                   | 7.59%     |
| Salary escalation rate   | 6.00%                                   | 6.00%     |
| Attrition Rate   | 5.00%                                   | 5.00%     |
| Expected rate of return on plan Assets                             | 0.00%                                   | 0.00%     |
| Mortality  | Indian Assured Lives Mortality(2006-08) |           |
| <b>Changes in the present value of the obligation:</b>             |   |           |
| Present Value of Obligations as at the beginning of the period     | 202,114                                 | 143,626   |
| Interest cost  | 15,340                                  | 10,499    |
| Current service cost   | 64,976                                  | 55,428    |
| Benefits paid  | -                                       | -         |
| Actuarial (Gains) / Loss on obligation                             | 5,964                                   | (7,439)   |



|  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| Present Value of Obligations as at the end of the period                                   |                  |                  |                  | 288,394          | 202,114          |
| <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  |                  |                  |                  | 288,394          | 202,114          |
| Fair value of plan assets  |                  |                  |                  | -                | -                |
| (Asset)/Liability  |                  |                  |                  | 288,394          | 202,114          |
| Net (Asset)/Liability recognised in the Balance Sheet                                      |                  |                  |                  | 288,394          | 202,114          |
| <b>Expense recognised in the Statement of Profit and Loss :</b>                            |                  |                  |                  |                  |                  |
| Current service cost   |                  |                  |                  | 64,976           | 55,428           |
| Interest cost  |                  |                  |                  | 15,340           | 10,499           |
| Expected return on plan assets   |                  |                  |                  | -                | -                |
| Net actuarial (gain)/ loss recognised in the year  |                  |                  |                  | 5,964            | (7,439)          |
| Past service cost-vested benefits  |                  |                  |                  |                  |                  |
| Expenses recognised in the Statement of Profit and Loss                                    |                  |                  |                  | 86,280           | 58,488           |
| <b>Disclosure requirement pursuant to Para 120(n) of AS-15 (to the extent applicable):</b> |                  |                  |                  |                  |                  |
|  | <b>2018-2019</b> | <b>2017-2018</b> | <b>2016-2017</b> | <b>2015-2016</b> | <b>2014-2015</b> |
| Present value of the obligation  | 288,394          | 202,114          | 143,626          | 71,717           | 40,943           |
| Plan assets  | -                | -                | -                | -                | -                |
| Surplus/(Deficit) in plan assets   | (288,394)        | (202,114)        | (143,626)        | (71,717)         | (40,943)         |
| The experience adjustments on plan liabilities   | 8,809            | (776)            | (11,624)         | (31,356)         | (27,709)         |
| The experience adjustments on plan assets  | -                | -                | -                | -                | -                |

(b) Contribution of ₹ 1,73,069 (Previous year - ₹ 1,53,095 ) made to defined contribution plans were charged to Statement of Profit & Loss.



**2.32 Operating Leases:**

**Future Lease payments:**

|   | (In ₹)                               |                                      |
|---|--------------------------------------|--------------------------------------|
| Minimum Lease payments upto the end of Lease      | As on 31 <sup>st</sup><br>March 2019 | As on 31 <sup>st</sup><br>March 2018 |
| Not later than one year                           | 198,305                              | 312,305                              |
| Later than one year and not later than five years | 488,420                              | 520,820                              |
| Later than five years                             | 545,868                              | 651,773                              |

**2.33 Segment Information:**

The company operates under two segments viz. Business of Generation & Sale of Electricity, Purification of Precious Metals.

|  | (In ₹)                               |                                      |
|--|--------------------------------------|--------------------------------------|
| Particulars                                    | As on 31 <sup>st</sup><br>March 2019 | As on 31 <sup>st</sup><br>March 2018 |
| <b>1 Segment revenue</b>                       |                                      |                                      |
| Power Generation                               | 79,260,079                           | 67,484,146                           |
| Purification                                   | 6,720,175                            | 7,297,343                            |
| <b>Net Sales/income from operation</b>         | <b>85,980,254</b>                    | <b>74,781,489</b>                    |
| <b>2 Segment Expenditure</b>                   |                                      |                                      |
| Power Generation                               | 43,410,595                           | 39,527,408                           |
| Purification                                   | 6,674,246                            | 4,301,294                            |
| <b>Total Expenditure</b>                       | <b>50,084,842</b>                    | <b>43,828,702</b>                    |
| <b>3 Segment Results</b>                       |                                      |                                      |
| Power Generation                               | 35,849,484                           | 27,956,738                           |
| Purification                                   | 45,929                               | 2,996,049                            |
| <b>Total Segment Profit before Tax</b>         | <b>35,895,412</b>                    | <b>30,952,787</b>                    |
| Other Unallocated Expenditure ( Net of Income) | 1,137,072                            | 2,928,396                            |
| Profit Before Tax                              | 34,758,340                           | 28,024,391                           |
| Less: i) Current Tax                           | 7,000,000                            | (5,800,000)                          |
| ii) Deferred Tax                               | 7,602,957                            | 7,126,241                            |
| <b>Profit after Tax</b>                        | <b>20,155,383</b>                    | <b>26,698,150</b>                    |
| <b>4 Segment Assets</b>                        |                                      |                                      |
| Power Generation                               | 213,072,814                          | 216,892,865                          |
| Purification                                   | 3,261,563                            | 1,345,098                            |
| Unallocated                                    | 17,591,605                           | 11,379,645                           |
| <b>Total Assets</b>                            | <b>233,925,982</b>                   | <b>229,617,607</b>                   |
| <b>5 Segment Liabilities</b>                   |                                      |                                      |
| Power Generation                               | 35,597,000                           | 54,379,886                           |
| Purification                                   | 2,270,159                            | 2,248,983                            |
| Unallocated                                    | 45,888,674                           | 22,819,048                           |
| <b>Total Liabilities</b>                       | <b>83,755,833</b>                    | <b>79,447,917</b>                    |
| <b>6 Capital expenditure</b>                   |                                      |                                      |
| Power Generation                               | 66,000                               | 99,744,868                           |
| Purification                                   | -                                    | 77,690                               |
|  | <b>66,000</b>                        | <b>99,822,558</b>                    |



- 2.34 Income Tax Assessment has been provisionally completed upto the AY 2016-17.
- 2.35 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.
- 2.36 Balances in parties' accounts are subject to confirmation and reconciliation, if any. Appropriate adjustments will be made as and when the balances are reconciled.
- 2.37 Previous year's figures have been regrouped, reclassified and rearranged wherever necessary to conform to the current year's classification.
- 2.38 All Figures have been rounded off to the nearest rupee.

As per our report of even date  
**For VKS Aiyer & Co**  
Chartered Accountants

ICAI Firm Registration No. 000066S

Sd/-  
V S Srinivasan  
Partner  
Membership No. 013729

Sd/-  
T.K.Chandiran  
Managing Director  
DIN: 00031091

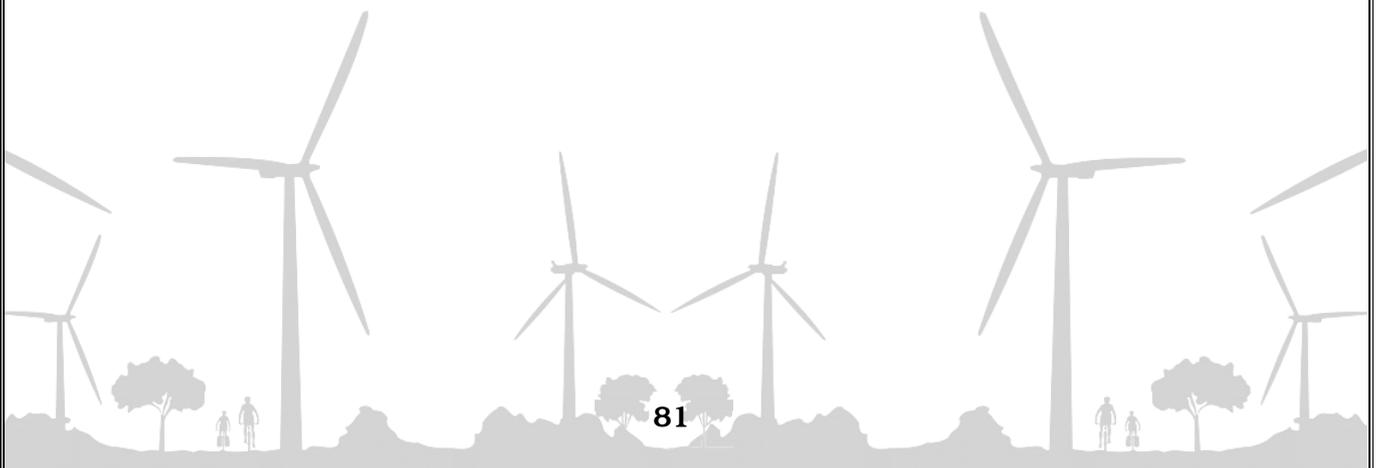
**For and on behalf of the Board of Directors**

Sd/-  
C.Selvi  
Whole-Time Director  
DIN: 00032962

Sd/-  
G.Vivek  
Company Secretary  
ACS - A55386

Place: Coimbatore  
Date: 28/05/2019

Sd/-  
C. Arun Kumar  
Chief Financial Officer



**KV AGRO POWERS LIMITED**  
CIN: L40108TZ2012PLC018332  
Regd. Office: Vivagaa Building No. 637, Oppanakara Street,  
Coimbatore- 641 001

**Form No. MGT-11**  
**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :  
Registered Address :  
E-mail ID :  
Folio No. / Client ID :  
DP ID :

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

| S. No | Name of the proxy | Address of the proxy | E-Mail ID of the proxy | Signature of the proxy | Mode           |
|-------|-------------------|----------------------|------------------------|------------------------|----------------|
| 1     |                   |                      |                        |                        | Or failing him |
| 2     |                   |                      |                        |                        |                |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 27<sup>th</sup> day of September, 2019 at 12:15 Noon at Hotel Landmark, 353/1, Bharathiyar Road, Siddhapudur, New Siddhapudur, Coimbatore, Tamil Nadu 641 044 and at any adjournment thereof in respect of such resolutions as are indicated below:-

| S.No | Resolution  |
|------|---|
| 1.   | To receive, consider and adopt the Audited Financial Statements as at 31 <sup>st</sup> March 2019 together with the Directors' Report and Auditors' Report thereon. |
| 2.   | To declare Dividend for the year ended 31 <sup>st</sup> March, 2019.  |
| 3.   | To appoint a Director in the place of Mr. A.C. Vineethkumar (DIN: 06756745), who retires by rotation and being eligible, offers himself for re-appointment.         |
| 4.   | To regularize the appointment of Mr. Bhagavan Mohan (DIN: 05255699) as Non-Executive Independent Director of the Company.   |
| 5.   | To consider and approve the Related Party Transactions for the Financial Year 2019-20.  |

Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of the shareholder

**Notes:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



**KKV AGRO POWERS LIMITED**

CIN: L40108TZ2012PLC018332

Regd. Office: Vivagaa Building No. 637, Oppanakara Street,  
Coimbatore- 641 001

**ATTENDANCE SLIP**

**(Particulars to be completed by Member / Proxy)**

Name of the Member :  
(IN BLOCK LETTERS)

Member Folio Number/ Client ID :

Name of Proxy :

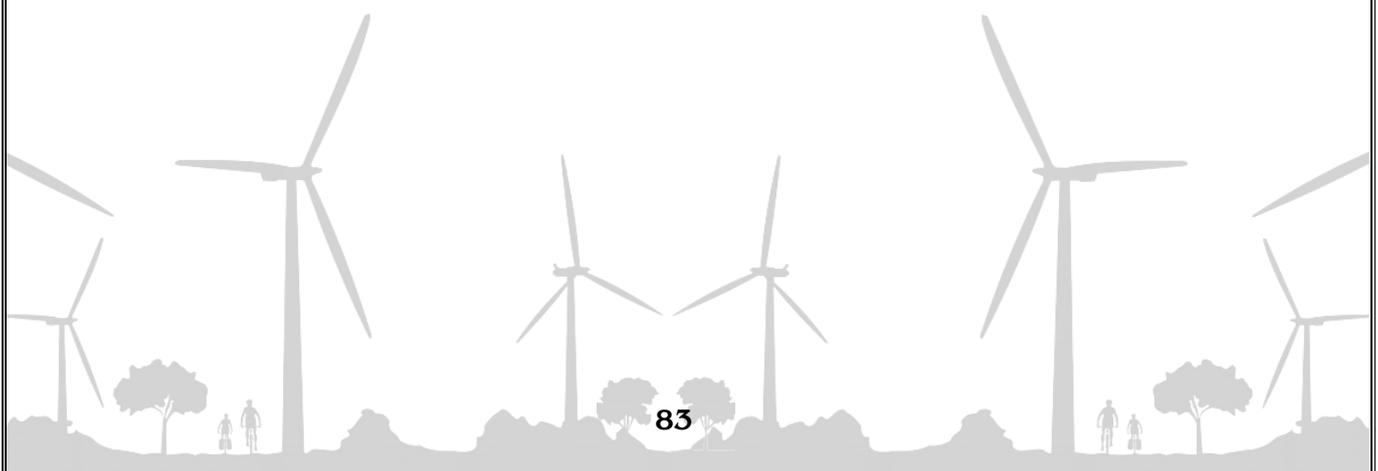
No. of Shares held :

I hereby record my presence at the 7<sup>th</sup> Annual General Meeting of the Company on Friday, the 27<sup>th</sup> day of September, 2019 at 12:15 Noon at Hotel Landmark, 353/1, Bharathiyar Road, Siddhapudur, New Siddhapudur, Coimbatore, Tamil Nadu 641 044.

**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.







## **KKV AGRO POWERS LIMITED**

**Registered Office: Vivagaa Building,  
No. 637, Oppanakara Street,  
Coimbatore - 641 001**

**Website: [www.kkvagropowers.com](http://www.kkvagropowers.com)**

**Email: [cs@kkvagropowers.com](mailto:cs@kkvagropowers.com)**

**Investor Grievance Email: [smeipo@kkvagropowers.com](mailto:smeipo@kkvagropowers.com)**

**Telephone: 0422 – 2303880**