

BOARD OF DIRECTORS

Mr. A Issac George	- Chairman
Mr. Syed Ali Naqui	- Director
Mr. P Audishesha Reddy	- Director
Dr. P Krishnam Raju	- Independent Director
Mr. Murali Varadarajan	- Executive Director
Mr. Y Rama Murty	- Independent Director

Auditors	- Brahmayya & Co., 4th Floor, Golden Green Apartment Erramanzil Colony, Somajiguda Hyderabad – 500 082
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Registered Office	IDA, Phase - II, Patancheru, Medak District (AP) - 502 319.
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Share Transfer Registrars (for both Physical & Electronic)	XL Softech Systems Limited No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500034, Ph : 040-23545913/15, Fax : 040-23545914 Email : xlfield@gmail.com
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IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circular stating that service of notice/documents etc., can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far are requested to register their e-mail addresses, in respect of electronic holdings with Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Company’s Share Transfer Agent, M/s XL Softech Systems Limited, No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034.

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NOTICE OF THE 30TH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirtieth Annual General Meeting of the Shareholders of **NOVOPAN INDUSTRIES LIMITED** will be held at "Paigah House", 156-159, Sardar Patel Road, Secunderabad – 500003 on Wednesday, the 30th September, 2015 at 4.30 pm to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2015 and the Balance Sheet as on that date together with the Reports of Directors' and Auditor's for the year ended 31st March, 2015.
2. To appoint a Director in the place of Mr. A Issac George, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Brahmayya & Co., Chartered Accountants, Hyderabad (ICAI Registration No.000513S) as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and authorize the Audit Committee and the Board to fix their remuneration.

Special Business

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.
"RESOLVED THAT pursuant to the provisions of section 160 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, **Mr. Murali Varadarajan (DIN:03602462)** be and is hereby appointed as a Director of the Company, who shall not be liable to retire by rotation".
5. To consider and if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution**.
"**RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and any other provisions of the Companies Act, 2013 and the rules made there under (including any

statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, and subject to such approvals as may be required and approvals of the members be and is hereby accorded to the appointment of **Mr. Murali Varadarajan (DIN:03602462)** as an **Executive Director** of the company for a period of 2 (two) years w.e.f. 30th March, 2015 without any remuneration".

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 **Mr. P Audishesha Reddy (DIN:05300542)** be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) years i.e., 29th September, 2020" who shall not be liable to retire by rotation".

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of section 160 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, **Mr. Syed Ali Naqui (DIN:01513430)** be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."

By order of the Board
For Novopan Industries Limited

Place : Hyderabad **A Issac George**
Date : 20th August, 2015 Director (DIN: 00005456)

Regd. off : IDA, Phase II, Patancheru,
Medak Dist., Telangana - 502 319.
CIN : L55101TG1984PLC004941
Ph. No. 040-27902663 / 64.
E-mail : investor@novopan.in

Notes:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
- b) The instrument appointing the proxy in order to be valid and effective shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- c) Members / Proxies should bring their duly filled in attendance slips sent herewith for attending the meeting.
- d) Members who hold shares in dematerialized form are requested to bring their client ID and DP ID number to facilitate the identification of their attendance at the meeting.
- e) Members whose shareholding is in electronic mode are requested to intimate any change of address and updation of Bank Account details immediately to their respective Depository Participants and whose shareholding is in physical form to intimate such changes to M/s XL Softech Systems Limited – Share Transfer Registrar of the company.
- f) Shareholders seeking any clarification / information on the Annual Accounts are requested to forward his/her queries to the company at least 7 days prior to the meeting so that the required information can be made available at the meeting.
- g) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'E-communication Registration Form' to M/s XL Softech Systems Limited or Investor Service Department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
- h) The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.

i) Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.

The instructions for e-voting are as follows:

- B. Members whose email addresses are registered with the Company / Depository Participant(s) will receive an email from NSDL informing them of their User ID and password. Once the Member receives the email, he or she will need to go through the following steps to complete the e-voting process:
 - a. Open email and open the PDF file titled using your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that this password is an initial password.
 - b. Launch your internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - c. Click on Shareholder – Login.
 - d. Enter the user ID and password (the initial password noted in step (a) above). Click Login.
 - e. The Password change menu will appear. Change the password to a password of your choice. The new password should have a minimum of 8 (eight) digits / characters or combination thereof. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
 - f. The homepage of e-voting will open. Click on 'e-voting: Active Voting Cycles'.
 - g. Select 'EVEN' (E-Voting Event Number) of Novopan Industries Limited.
 - h. Now you are ready for e-voting as the 'Cast Vote' page opens.
 - i. Cast your vote by selecting the option of your choice and clicking on 'Submit', and also remember to 'Confirm' when prompted.

- j. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- k. Once you have voted on a resolution, you will not be allowed to modify your vote.
- l. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant Board resolution / authorization letter etc., together with attested specimen signature of the authorized signatory / signatories who are authorized to vote, to the Scrutinizer via e-mail to investor@novopan.in with a copy marked to evoting@nsdl.co.in.
- C. For Members whose email IDs are not registered with the Company / depository participant(s) and who receive the physical postal ballot forms, the following instructions may be noted:
- a. The initial password is provided at the bottom of the Attendance Slip for the AGM.
EVEN (E-Voting Event Number) USER ID PASSWORD/PIN.
- b. Please follow all the steps from a. to l. mentioned above, to cast your vote successfully.
- D. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and e voting user manual for Members available in the 'Downloads' section of www.evoting.nsdl.com or contact NSDL by email at evoting@nsdl.co.in.
- E. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- F. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
- G. The members, whose names appear in the Register of members / list of beneficial owners as on 23rd September, 2015, are entitled to vote on the resolutions set forth in this notice.
- a. The e-voting period commences on 27th September, 2015 (Saturday) (9:00 Hours (IST)) and ends on 29th September, 2015 (Monday)(18:00 Hours (IST)). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the relevant date, i.e. 23rd September, 2015 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he or she will not be allowed to change it subsequently.
- b. The voting rights of shareholders shall be in proportion to their shares of the paid up equity shares capital of the company as on the cut-off date of 23rd September, 2015.
- c. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- d. Ms. K Malleshwari, Practicing Company Secretary (Membership No. 37210 & Certificate of Practice No.14686) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair & transparent manner.
- e. The Scrutinizer shall, immediately after the conclusion of voting at General Meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company. Scrutinizer shall within 3 days of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.
- f. The results along with the Scrutinizers Report shall be placed on the website of the company and on the website of NSDL.
- H. Shareholders are requested to send all communications/clarifications/queries etc., at M/s XL Softtech Systems Limited, No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034 the RTA of our Company.

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

The following Explanatory Statement sets out the materials facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 4 & 5

Mr. Murali Varadarajan was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 30th March, 2015, and shall hold office up to the date of Annual General Meeting. The Company has received a notice under section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Murali Varadarajan for the office of Director together with requisite deposit.

Brief Profile of Mr. Murali Varadarajan (DIN:03602462)

Mr. Murali Varadarajan aged about 37 years completed his Master's Degree in Building Technology and Construction Management in IIT, Chennai and also MBA from IIM, Bangalore and has gained about 11 years of rich experience in the field of strategy and

Airport planning and Development and in the areas of power and urban infrastructure. Mr. Murali Varadarajan brings a unique combination of skills, blending sound management strategy, planning and architecture. He is a keen sports enthusiast and widely travelled.

The Board of Director of your Company at its meeting held on 30th March, 2015 had appointed Mr. Murali Varadarajan as an Executive Director of the Company for a period of 2 years w.e.f., 30th March, 2015 subject to the approval of members. The Board of Directors recommends appointment of Mr. Murali Varadarajan as Director & Executive Director of the Company for your approval.

No other Director, Key Managerial Personnel or their relatives, except Mr. Murali Varadarajan, to whom the resolution relates is interested or concerned in the resolutions.

Your Directors recommends the resolutions set forth in item No.4 & 5 for your approval.

ITEM NO. 6

The Board of Directors has appointed Sri P Audishesha Reddy as an Additional Director w.e.f. 16th February, 2015.

In terms of Section 161(1) of the Companies Act, 2013, the aforesaid Additional Director holds office of Director only up to the date of the forthcoming Annual General Meeting.

The company has received a notice pursuant to section 160 of the Companies Act, 2013 along with the amount of requisite deposits from the members signifying his intention of propose the appointment of Mr. P Audishesha Reddy (DIN:05300542) for the office of the Independent Director of the Company. The Company has received confirmation in terms of Section 164 of the Companies Act, 2013 Mr. P Audishesha Reddy (DIN:05300542) is not disqualified from being appointed as an Independent Director of the Company.

The Company has received a declaration from Mr. P Audishesha Reddy (DIN:05300542) that he meets with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013. Mr. P Audishesha Reddy (DIN:05300542) possess appropriate skills, experience and knowledge. A copy of the draft letter of appointment for Independent Director, setting out terms and conditions of appointment of Independent Director is available for inspection at the Registered Office of the Company during business hours on any working day.

In the opinion of the Board, Mr. P Audishesha Reddy (DIN:05300542) fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and he is independent of the management.

Brief Profile of Mr. P Audishesha Reddy (DIN: 05300542)

Mr. Audishesha Reddy is a Graduate and has over 15 years of experience in business and construction of projects. He has over 10 years of experience in the fields of hospitality and general administration. He has been associated with various educational, sports academics.

The Board is of the opinion that his vast knowledge and varied experience will be a great value to the company and hence recommends the Resolutions at item no 6 of this notice for your approval.

None of the Directors, Key Managerial Personnel except P Audishesha Reddy is concerned or interested in the Resolution at 6 of the notice.

ITEM NO. 7

The Board of Directors has appointed Mr. Syed Ali Naqui as Additional Director w.e.f. 16th February, 2015.

In terms of Section 161(1) of the Companies Act, 2013, the aforesaid additional director holds office of Director only upto the date of the forthcoming Annual General Meeting.

The company has received a notice pursuant to section 160 of the Companies Act, 2013 along with the amount of requisite deposits from the members signifying his intention of propose the appointment of Mr. Syed Ali Naqui as Director on the Board of the Company.

Brief Profile of Mr Syed Ali Naqui (DIN:01513430)

Mr. Syed Ali Naqui is a post graduate in Chemical Engineering from IIT, Kanpur and has over 43 years of experience in Research and Development, production and marketing in the field of Polymers, Plain and Pre-laminated particle boards and its applications in various fields. Mr. Syed Ali Naqui is expert in Expansion and modernization and developed several grades of particle boards like special water resistance board, low formaldehyde E1 and E0 boards etc., and also worked with Bureau of Indian Standards.

The Board is of the option that their vast knowledge and varied experience will be a great value to the company and hence recommends the Resolutions at item no 7 of this notice for your approval.

Notices received under section 160 of the Companies Act, 2013 are available for inspection by the members at the Registered Office of the company during the business hours on any working day up to the date of Annual General Meeting.

None of the Directors, Key Managerial Personnel except Mr. Syed Ali Naqui is concerned or interested in the Resolution at 7 of the notice.

Place : Hyderabad

Date : 20th August, 2015

Regd. off : IDA, Phase II, Patancheru, Medak Dist., Telangana - 502 319.

CIN : L55101TG1984PLC004941

Ph. No. 040-27902663 / 64. E-mail : investor@novopan.in

By order of the Board
For Novopan Industries Limited

A Issac George
Director (DIN : 00005456)

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 30th Annual Report and Audited Accounts of your Company, together with the Schedules and Notes thereon, for the Financial Year ended 31st March, 2015.

FINANCIAL RESULTS

Particulars	₹ in Crores	
	2014-15	2013-14
Net Turnover	0	0
Gross Operating Profit (Loss)	(15.87)	(6.41)
Less: Interest	0	0
Profit (Loss) Before Dep. & Tax	(15.87)	(6.41)
Less: Depreciation	0.28	0.23
Profit/(Loss) Before Tax	(16.15)	(6.63)
Profit (Loss) After Tax	(16.15)	(6.63)

PERFORMANCE:

As the entire operations of the company has been stopped at all its manufacturing units, there was no revenue during the financial year ended 31st March, 2015. Net loss for the year is Rs. 16.15 Crores, as compared to net loss of Rs.6.63Crores incurred during the previous year.

OPERATIONS

In line with the Committee's recommendations and decision of the company for the disposal of Plant & Machineries, the Company has obtained the approval from its members and has already disposed of its machineries at all three plants, two plants located at Patancheru and one plant at Shadnagar.

DE-LISTING OF EQUITY SHARES OF THE COMPANY

As the members of the company are aware GVK Projects & Technical Services Limited, promoter of the company (The Acquirer) had made an offer to the public shareholders of the Company for the acquisition and voluntary delisting of fully paid-up equity shares of Rs.10/-

each ("Shares") of the Company in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and in accordance with SEBI Delisting Regulations, the Acquirer fixed the exit price at Rs.40/- per Share ("Final Price") calculated by the reverse book building process using the electronic facility of the BSE.

Accordingly, acquirer had paid final price fixed to the shareholders those who have opted for exit offer process thereby the promoter group's holding in the company increased to 92.05% of equity share capital of the company post delisting offer. Further, w.e.f. 10th November, 2014 the shares are discontinued for trading from the both the listed Stock Exchanges i.e., BSE Ltd and National Stock Exchange of India Ltd.

In accordance with Regulation 21 of the SEBI Delisting Regulations, the Acquirer has provided an exit opportunity (Exit Offer) to the public shareholders who continue to hold shares in the company (Residual Shareholders). The Residual Shareholders of the company can tender their shares to the Acquirer at the Final Price of Rs.40/- per share at any time from November 10, 2014 to till November 9, 2015 (Exit Period), as per the terms and conditions set out in the exit offer letter for the exit offer sent to the Residual Shareholders by the Acquirer.

ALLOTMENT OF EQUITY SHARES ON CONVERSION OF 2,50,00,000 – 10% NON-CUMULATIVE REDEEMABLE PREFERENCE SHARES INTO EQUITY SHARES AND CONVERSION OF LOAN INTO EQUITY SHARES:

Your Company had issued 2,50,00,000 10% Non-Cumulative Redeemable Preference shares of Rs. 10/- each (hereinafter referred to as 'the preference shares') on 11th June, 2011 to GVK Projects & Technical Services Limited (GVKPTSL).

According to the terms of the issue and subsequent to the extension of the original date of redemption, the said shares were due for redemption on 8th June, 2015. However, due to the losses incurred and closure of operations, the company would have not been able to redeem the said shares on due date.

As per the provisions of the companies Act, 2013 the said shares may be redeemed only out of either distributable profits or proceeds of fresh issue of shares. As the Company had neither profit nor expected to undertake any business in near future to issue further shares, the company had requested preference shareholder to give its consent for changing the terms of preference shares by altering the nature of preference shares from redeemable to convertible preference shares under the provisions of section 48 of the Companies Act, 2013.

In this regard, the company has approached the members through Postal Ballot procedure for their approval for conversion of Rs.25,00,00,000 - 10% Non-Cumulative Redeemable preference share capital to equity share capital and also for conversion of Loan Rs.29,00,00,000 into Equity Share capital as per the provisions of section 110 of the Companies act, 2013 read with the The Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

Accordingly, upon receipt of the approval from the members through postal ballot which was approved on 30th March, 2015, the company had allotted 1,25,00,000 Equity shares of Rs.10/- each at a premium of Rs.10/- per share against 2,50,00,000 – 10% Non-cumulative Redeemable Preference Shares and also allotted 1,45,00,000 equity shares of Rs.10/- each at a premium of Rs.10/- per shares against conversion of Loan of Rs.29,00,00,000 on 30th March, 2015, thereby the promoter group's holding in the company increased to 97.76% of equity share capital of the company post above conversions.

BOARD / COMMITTEE & GENERAL MEETINGS:

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year, the Board of Directors of the Company met eight times on 29-05-2014, 14-07-2014, 08-08-2014, 04-11-2014, 14-11-2014, 24-12-2014, 16-02-2015 and 30-03-2015. The intervening gap between the two consecutive Meetings was within the time gap of 120 days as prescribed under section 173(1) of the Companies Act, 2013.

Attendance of the Board of Directors:

Name of the Director	Category	Attendance particulars	
		Board Meeting	Last AGM
Dr G V Krishna Reddy*	Promoter; Non-executive	5	Yes
G Indira Krishna Reddy*	Promoter, Non-executive	5	No
Issac George Anicattu	Director	6	Yes
M P Murti **	Director	5	No
Y Rama Murty	Independent Director	3	Yes
Dr. P Krishnam Raju #	Independent Director	3	Yes
P Audishesha Reddy @	Director	2	No
Syed Ali Naqui @	Director	5	Yes
Murali Varadarajan &	Executive Director	1	No

*resigned w e f 09-12-2014

** Sad demise on 15-07-2015

Appointed w.e.f.08-12-2014

@ Appointed w.e.f.16-02-2015

& Appointed w.e.f. 30.03.2015

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Appointments:

During the year under review, the members approved the appointment of Dr P Krishnam Raju and Mr. Y. Rama Murty in the category of Independent Directors for a term of 2 years with effect from 8th December, 2014 to 7th December, 2016.

*Mr. Murali Varadarajan has been co-opted as an Additional Director on 30th March, 2015 and also appointed him as Executive Director subject to approval of members. The Board recommends the appointment of **Mr. Murali Varadarajan as an Executive Director** of the company to hold office for two w.e.f. 30th March, 2015.*

Mr. P Audishesha Reddy has been co-opted as an Additional Director on 16th February, 2015 and

shall hold the office up to this Annual General Meeting. Your company is in receipt of notice under section 160, 161(1) of the Companies Act, 2013 for his appointment as an Independent Director of the company. The Board recommends the appointment of **Mr. P Audishesha Reddy as an Independent Director** of the company to hold office for 5 (five) consecutive years i.e., upto 29th September, 2020 who period of office shall not be not be liable to retire by rotation.

Mr. Syed Ali Naqui has been co-opted as an Additional Directors on 16th February, 2015 and shall hold the office up to this Annual General Meeting. Your company is in receipt of notice under section 160, 161(1) of the Companies Act, 2013 for his appointment as Director liable to retire by rotation under the category Non-executive Non-Independent Director of the Company. The Board recommends Mr. Syed Ali Naqui appointment as Director liable to retire by rotation.

Resignations:

Mrs G Indira Krishna Reddy (DIN 00005230) & Dr. GVK Reddy (DIN 00005212) have resigned from the office of the Director w.e.f. 9th December, 2014. The Board places on record its appreciation for the valuable services rendered by Mrs G Indira K Reddy & Dr. GVK Reddy.

Cessation:

Mr. M P Murti, Director of the company (since 1986) has passed away on 15th July, 2015. The Board acknowledges the immense contribution of Mr. M P Murti and deeply regrets his sad demise.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirm that:

- a) the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 the profit or loss of the Company for the financial year ended 31st March, 2015;

- c) the Directors took proper and sufficient care to maintain 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;
- d) the Directors prepared the annual accounts for the financial year ended 31st March, 2015, on a going concern basis.

Evaluation of Board's Performance:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee.

The performance evaluation of the Board was carried out during the year under review. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committee, Board culture execution and performance of specific duties, obligations and governance.

Remuneration Policy:

The Board has on recommendation of the Nomination & Remuneration Committee framed a policy at group level for selection and appointment of Directors, Senior Management and their remuneration.

The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the company, if any introduced by the Company in future.

Board Committees:**Audit Committee**

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting process, reviewing the

Company's established system and processes for internal financial controls, governance and reviewing the Company's Statutory and internal audit activities.

Nomination & Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as "Nomination & Remuneration Committee".

The Chairman of the Board of Directors informed that some of the Directors had already relinquished the right of drawing sitting fees as the company has closed its operations during 2010. Considering the financial health of the company the Nomination and Remuneration Committee has recommended that no sitting fees will be paid to Directors and its sub-committee members of the Board and the same is agreed unanimously by the Board of Directors.

NOMINATION AND REMUNERATION POLICY

The objectives of the Policy

- 1) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- 2) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies.
- 3) To carry our evaluation of the performance of Directors,
- 4) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB SECTION 6 OF SECTION 149

The Independent Directors have submitted the declaration of independence, as required pursuant to section 149(6) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub section 6.

Nomination and Remuneration Committee consists of the following directors namely Dr. P Krishnam Raju, Chairman, Mr. P Audishesha Reddy & Y Rama Murty, Members of the Committee.

Brief description of terms of reference:

- Identifying persons who are qualified to become directors and
- Identifying persons who may be appointed as Key Managerial Person, senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
- Carry on the evaluation of every director's performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Any other matter as the Board may decide from time to time.

The Brief Policy for Selection of Directors and determining Directors' independence is annexed to this report.

RELATED PARTY TRANSACTIONS:

All related party transaction entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, Directors, Key Managerial Personnel or other

designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also Board for approval. Prior omnibus approval of the Members/Board/Audit Committee is obtained on regular /need basis for the transactions which are of a foreseen and repetitive nature.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the period under review there were no Loans, Guarantees / Investments covered under the provisions of Section 186 of the Companies Act, 2013.

DIVIDEND:

In view of closure of operations and losses incurred during the financial year 2014-15, no dividend is recommended by the Board of Directors.

FIXED DEPOSITS:

During the year under review, your company has neither invited nor accepted any deposits from the public.

STATUTORY AUDITORS:

M/s Brahmayya & Co., Chartered Accountants, Hyderabad, Statutory Auditors of the company retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. Your Directors propose the re-appointment of M/s. Brahmayya & Co., as Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the company.

INTERNAL CONTROL SYSTEM

Your company has reviewed internal controls and its effectiveness through Audit Committee of the Board and internal audit process.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the period under review, there are no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the company and its future operations.

SUBSIDIARY / ASSOCIATE COMPANIES:

During the year under review, no company has become/ceased as subsidiary/associate to the company.

PARTICULARS OF EMPLOYEES:

During the period under review, there were no such employees whose particulars are required to be given under the provisions of the Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

The information relating to Conversion of Energy, Technology Absorption, Foreign Exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is as per Annexure – A and forms part of this report. It may be noted that there was not expenditure on account of technology absorption during the year 2014-15.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "**Annexure - B**".

ACKNOWLEDGEMENTS:

Your Directors would also like to take this opportunity to express their sincere appreciation for the valuable support of the Customers, Dealers and Traders and the trust and confidence reposed by the valued shareholders in the Company.

By order and on behalf of the Board
For Novopan Industries Limited

A Issac George
Chairman (DIN : 00005456)

Place : Hyderabad

Date : 20th August, 2015

Annexure - A

Particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to Conversation of Energy, Technology absorption, Foreign Exchange earnings and outgo.

Particulars	Current Year	Previous Year
A. Disclosure of Particulars with respect to Conservation of Energy, Power and Fuel Consumption:		
1 ELECTRICITY		
a) Purchased Units (in Lacs)	1.56	1.71
Total Amount (Rs. in Lacs) (including demand charges) Rate / Unit (₹)	14.16 9.07	40.01 23.40
b) Own Generation		
i) Through Diesel Generator		
No of Units in lacs	-	-
Units / Litre of Diesel	-	-
Cost / Unit (₹)	-	-
ii) Through Steam Turbine	NIL	NIL
2 COAL		
Quantity (MT)	NIL	NIL
Total Cost (₹ in lacs)	NIL	NIL
Average Rate	NIL	NIL
3 OTHERS		
Consumption per unit of Production Electricity (Unit / Sq. Mtr.)	-	-
Coal (Kgs./ Sq. Mtr.)	NIL	NIL
B. Disclosure of particulars to foreign exchange earnings and outgo: (Rs.in lacs)		
Foreign Exchange outgo during the current accounting period	NIL	NIL
Foreign Exchange Earnings	NIL	NIL

Annexure - B
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31-03-2014

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

FORM MGT-9
I. REGISTRATION AND OTHER DETAILS:

CIN	:	L55101TG1984PLC004941
Registration Date	:	31st. August 1984
Name of the Company	:	Novopan Industries Limited
Category/Sub category of the Company	:	Company having share capital
Address of the Registered Office and	:	IDA, Phase II, Patancheru, Medak District - 502319 Tel No 040-27902663
Whether Listed company	:	No
Name address and contact details of Registrar and Transfer Agent, if any	:	XL Softech Systems Ltd No 3, Sagar Society, Road No.2 Banjara Hills, Hyderabad - 500034 Phone No 040-23542914/15

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the Business Activities of the Company

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

Name and Description of main product /service	NIC Code of the product /service	% of total turnover of the company
Manufacturing of Particle Boards	16212	NIL

III. PARTICULARS OF HOLDING COMPANY:

Name and Address of the Company	CIN	Holding/ Subsidiary / Associate	% of Shares held	Applicable Section
GVK Projects & Technical Services Ltd, 156-159, Paigah House, Sardar Patel Road, Secunderabad – 500003	U45206TG2006PLC063563	Holding Company	97.76%	2 (46)

IV. SHAREHOLDING PATTERN (Equity share capital Breakup as percentage of Total Equity):

i. Category - wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the beginning of the year				% of Change During the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	900	0	900	0.01	900	0	900	0.00	0.00
b) Bodies Corp	8906555	0	8906555	74.78	11008762	27000000	38008762	97.68	22.90
Sub-total(A) :-	8907455	0	8907455	74.79	11009662	27000000	38009662	97.68	22.89
A. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	170	170	0	0	170	170	0	0
b) Banks/ FI	374934	340	375274	0	0	340	340	0	0
Sub-total (B)(1)	374934	510	375444	3.15	0	510	510	0	-3.15
2. Non Institutions									
a) Bodies Corp.(i) Indian	1105759	7680	1113439	9.34	73643	10735	84378	0.22	-9.12
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	716696	142775	859471	7.22	518321	135554	644827	1.66	-5.56
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	431355	185141	616496	5.18	128778	0	128778	0.26	-4.92
c) Others (NRI)	8233	29415	37648	0.32	7275	28896	36237	0.09	-0.23
Sub-total(B)(2)	2262043	364064	2627054	22.06					
Total Public Shareholding									
(B) = (B)(1)+ (B)(2)	2262043	365011	3002498	25.21	692229	175695	867924	2.33	-22.88
GrandTotal(A+B+C)	11544432	365521	11909953	100	38734258	175695	38909953	100	0

ii) Shareholding of Promoters

Sl. No.	Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the beginning of the year			% change in share holding
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	G V Krishna Reddy	100	0	0	100	0	0	0
2.	G Indira K Reddy	100	0	0	100	0	0	0
3.	G V Sanjay Reddy	100	0	0	100	0	0	0
4.	G Aparna Reddy	100	0	0	100	0	0	0
5.	Krishna Ram Bhupal	100	0	0	100	0	0	0
6.	Shalini Bhupal	100	0	0	100	0	0	0
7.	Shriya Bhupal	100	0	0	100	0	0	0
8.	G V Keshav Reddy	100	0	0	100	0	0	0
9.	G Mallika Reddy	100	0	0	100	0	0	0
10.	GVK Projects & Technical Services Limited	8906555	74.78	0	38008762	97.68	0	22.90
	Total	8907455	74.79	0	38009662	97.68	0	22.89

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year GVK Projects & Technical Services Limited	8906555	74.79	8906555	74.79
	Date wise Increase in Promoters Share holding during the year specifying the reasons for increase				
	Date Reason				
	15.12.2014 Delisting offer	150509	1.26	9057064	76.05
	23.12.2014 Delisting offer	1905029	15.99	10962093	92.04
	03.02.2015 Delisting offer	46669	0.40	11008762	92.44
	30.03.2015 Conversion of Preference Shares & Loan Amount	27000000		38008762	97.68
	At the End of the year 31 st March, 2015			38008762	97.68

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and / or Manager

Sl. No.	Particulars of Remuneration	Name of WTD Mr. Syed Ali Naqui	Total Amount in Rs.
1.	Grosssalary (a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961		80,000
	(b) Value of per quisites u/s17 (2) Income-tax Act, 1961		0
	(c) Profits in lieu of salary under section17(3) Income- tax Act, 1961		0
2.	Stock Option		0
3.	Sweat Equity		0
4.	Commission - as% of profit - others, specify...		0
5.	Others, please specify		0
6.	Total(A)		80,000
	CeilingaspertheAct		42,00,000

B. Remuneration to other directors : Nil
C. Remuneration to Key Managerial Personnel Other Than MD/Manager / WTD :Nil
VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : Nil

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **Novopan Industries Limited (Telangana)**

1. Report on the Financial Statements

We have audited the accompanying financial statements of **Novopan Industries Limited ted, Hyderabad (Telangana)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

1. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Loss and its cash flows for the year ended on that date.

2. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2015 ("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 the annexure a statement on the matters specified in paragraphs 3 and 4 of the said order.
- ii) As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Brahmayya & Co.**
Firm's Registration Number: 000513S
Chartered Accountants

(S.Satyanarayana Murthy)

Partner

Membership Number: 023651

Place : Hyderabad
Date : 24th June, 2015

Re: Novopan Industries Limited, Hyderabad
ANNEXURE REFERRED TO IN PARAGRAPH 8 OF OUR REPORT OF EVEN DATE

- 1.1 The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2 As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
- 2.1 The company has physically verified its inventories during the year. In our opinion, the frequency of such verification is reasonable.
- 2.2. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3. The company is maintaining proper records of inventory and the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- 3.1. According to the information furnished to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered by the register maintained under Section 189 of the Companies Act 2013. Accordingly the provisions of clauses 3(iii) (a) and (d) of the Companies (Auditor's Report) Order 2015, are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further during the course of our audit, we have not come across any instances of major weaknesses in internal control that in our opinion, require correction but have so continued without correction.
5. The company has not accepted deposits from public. Hence the provisions of Section Therefore compliance of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, and the rules framed there under doesn't arise.
6. Since the company stopped manufacturing activity and is in the process of disposing off its fixed assets, maintenance of cost records under Section 148(1) of the Companies Act 2013 are not applicable.
- 7.1 According to the records of the company, and information and explanations given to us, the company is regular in depositing with appropriate authorities, the undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other material statutory dues applicable to it. Since there were no employees, Provident Fund, Employees' State Insurance are not applicable to the company for the year under report
- 7.2 According to the information furnished to us, there were no undisputed statutory dues payable in respect of Income Tax, Wealth Tax, Service tax, Duty of Customs, Duty of Excise, Value added Tax, and Cess which were in arrears, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
- 7.3 According to the records of the company and the information and explanations given to us, the following are disputed demands:

Nature of the Dues	Amount Rs. (in Lakhs)	Period to which the amount relates	Forum in which the dispute is pending
Income-Tax	20.37	Asst.Year 2003-2004	Income tax Appellate Tribunal, Hyderabad
	180.23	Asst.Year 2007-2008	Do
The Central Excise Act, 1944	36.27	2006-2007	High Court of Andhra Pradesh
	18.90	2003 to 2009	CESTAT, Bangalore
The Customs Act, 1962	66.08	2004-2005	CESTAT, Bangalore
Service tax	6.40	2010-2011	CESTAT, Bangalore
	18.07	2008 to 2011	Do
	25.22	2006 to 2010	Commissioner of Customs, Central Excise and Service Tax, Hyderabad-1
	32.38	2005 to 2010	Additional Commissioner of Customs, Central Excise and Service Tax
The Employees Provident Funds and Miscellaneous provisions (Amendment) Act Tribunal, New Delhi	7.62	2006-2009	Employees Provident Fund Appellate
Forest department of Andhrapradesh-Royalty	33.19	1980-1984	Forest department of Andhrapradesh

- 7.4 There are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act,1956(1 of 1956) and rules made thereunder.
8. The company has been incorporated for a period exceeding five years. The company accumulated losses at the end of the financial year are not more than fifty percent of its net worth. The company has incurred cash losses during the financial year and also in the immediately preceding financial year.
9. During the year the company has not obtained any loans from financial institutions and banks. Hence default in repayment does not arise.
10. According to the records of the company and according to the information furnished to us, the company has not given any guarantees for loans taken by others from any banks or financial institutions.
11. According to the information and explanations given to us, no term loans were obtained by the company during the year.
12. According to the information and explanations given to us, and based on the audit procedures generally adopted by us, we report that, during the year, no fraud on or by the company has been noticed or reported that is either significant or could have caused a material misstatement in the financial statements.

For **BRAHMAYYA & CO.,**
Firm Regn.No:000513S
Chartered Accountants.
(S.Satyanarayana Murthy)
Partner
Membership No:023651

Place : Hyderabad
Date : 24th June,2015

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31 st March, 2015		As at 31 st MARCH, 2014	
		Amount ₹	Amount ₹	Amount ₹	Amount ₹
Equity and Liabilities					
Shareholders' funds					
Share capital	3	38,90,99,530		36,90,99,530	
Reserves and surplus	4	(3,20,86,944)		(10,79,35,052)	
			35,70,12,586		26,11,64,478
Current liabilities					
Trade payables	5	4,74,40,630		77,38,586	
Other current liabilities	6	85,77,795		41,60,05,107	
Short-term provisions	7	-		2,25,132	
			5,60,18,425		42,39,68,825
Total			41,30,31,011		68,51,33,303
Assets					
I Non-current assets					
Tangible Fixed assets	8	27,60,76,545		40,28,93,405	
Non-current investments	9	4,77,900		4,77,900	
Other non-current assets	10	37,66,221		52,59,213	
			28,03,20,666		40,86,30,518
II Current assets					
Current Investments	11	25,00,000		-	
Inventories	12	10,10,30,382		12,23,01,337	
Trade receivables	13	43,401		41,20,009	
Cash and cash equivalents	14	26,92,914		30,89,433	
Short-term loans and advances	15	2,16,69,265		2,59,51,409	
Other current assets	16	47,74,383		12,10,40,597	
			13,27,10,345		27,65,02,785
Total			41,30,31,011		68,51,33,303
Summary of Significant Accounting Policies	2				

The accompanying Notes form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of Directors

for BRAHMAYYA & CO.

Firm Regn No. : 000513S

Chartered Accountants

(S.SATYANARAYANA MURTHY)

Partner

Membership No:023651

MURALI VARADARAJAN

Executive Director

S A NAQUI

Director

Place : Hyderabad

Date : 24th June, 2015

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2015

Particulars	Note No.	Current Year ₹	Previous Year ₹
Revenue from operations	17	4,88,67,867	-
Other income	18	1,16,60,276	3,821,436
Total Revenue		<u>6,05,28,143</u>	<u>3,821,436</u>
Expenses			
Employee benefits	19	3,77,673	7,23,942
Finance costs	20	5,876	2,359
Depreciation and amortization expense	8	28,21,235	22,07,996
Other expenses	21	21,88,07,366	6,72,20,817
Total expenses		<u>22,20,12,150</u>	<u>7,01,55,114</u>
Loss before tax		(16,14,84,007)	(6,63,33,678)
Current tax			
Earlier Years		20,196	—
Loss for the year		<u>(16,15,04,203)</u>	<u>(6,63,33,678)</u>
Earnings per equity share			
Basic and Diluted	23	(4.15)	(5.57)
Summary of Significant Accounting Policies	2		

The accompanying notes to Accounts form an integral part of the statement of Profit and Loss.

As per our report of even date
for BRAHMAYYA & CO.
 Firm Regn No. : 000513S
 Chartered Accountants

For and on behalf of the Board of Directors

(S.SATYANARAYANA MURTHY)
 Partner
 Membership No:023651

MURALI VARADARAJAN
 Executive Director

S A NAQUI
 Director

Place : Hyderabad
 Date : 24th June, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Current Year (₹)	Previous Year (₹)
A. Cash flow from operating activities		
Net Loss before tax	(16,14,84,007)	(6,63,33,678)
Adjustments for:		
Depreciation	28,21,235	22,07,996
Interest earned	(28,99,413)	(5,44,835)
Credit Balance and Excess Provision credited back	(48,56,498)	(20,68,339)
IT Refund received	(31,99,901)	-
Interest paid	5,876	2,359
Bad debts Written off	22,40,433	-
Advances, Debit balances, Deposits and Investments written off	12,49,238	9,54,306
Loss / (Profit) on sale of Fixed Assets	6,54,92,936	-
Loss on assets held for disposal (Refer Note No 27)	8,04,35,743	-
Loss / (Profit) on sale of Raw Materials	92,766	(1,02,966)
Loss / (Profit) on stores	-	4,81,582
Provision for obsolete stores	2,45,57,337	5,33,06,521
Operating Profit before working capital changes	44,55,745	(1,20,97,054)
Adjustments for:		
Increase / (Decrease) in Trade payables	4,15,56,732	(17,98,040)
Increase / (Decrease) in Other current liabilities	(11,69,76,697)	(10,73,321)
Increase / (Decrease) in Short term provisions	(1,80,326)	(23,66,959)
(Increase) / Decrease in Trade receivables	38,63,368	4,11,601
(Increase) / Decrease in Short term loans & advances	28,88,723	7,38,588
(Increase) / Decrease in Inventories	(38,38,300)	-
Proceeds from sale of Inventory	5,13,887	15,42,805
(Increase) / Decrease in Other Current Assets and Other non-current assets	14,44,507	25,79,456
Cash generation from Operations	(6,62,72,361)	(1,20,62,924)
Less: Income Tax Paid (net of refund)	51,63,292	(52,840)
	(6,11,09,069)	(1,21,15,764)
B. Cash flow from Investing activities		
Interest received	33,75,045	4,76,230
Purchase of investments	(25,00,000)	-
Proceeds from sale of investments	-	50,59,600
Proceeds from Sale of Assets	6,02,93,996	75,00,000
	6,11,69,041	1,30,35,830
C. Cash flow from financing activities		
Interest paid	(5,876)	(2,359)
Dividends paid	(4,50,615)	(4,63,008)
	(4,56,491)	(4,65,367)
Net increase / (decrease) in cash & cash equivalents	(3,96,519)	4,54,699
Cash & cash equivalents at the beginning of the year	30,89,433	26,34,734
Cash & cash equivalents at the end of the year.	26,92,914	30,89,433

As per our report of even date

For and on behalf of the Board of Directors

for BRAHMAYYA & CO.

Firm Regn No. : 000513S

Chartered Accountants

(S.SATYANARAYANA MURTHY)

Partner

Membership No:023651

Place : Hyderabad

Date : 24th June, 2015

MURALI VARADARAJAN

Executive Director

S A NAQUI

Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**1. General Information**

Novopan Industries Limited ("the company") is in the business of production and sale of Plain & Melamine Faced Particle Boards and undertaking contracts. The company's production activities are located at their Plant in IDA, Phase -II, Patancheru for Particle Boards and IDA, Phase - IV, Patancheru for resins production.

The Company is a subsidiary of GVK Projects & Technical Services Limited.

2. Summary of Significant Accounting Policies**a. Basis of preparation of Financial Statements:**

The financial statements have been prepared to comply in all material respects with accounting principles generally accepted in India ("Indian GAAP") and the applicable Accounting Standards notified under Section 211(3C) [the Companies (Accounting Standards) Rules, 2006 (as amended)], (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014). The financial statements have been prepared under the historical cost convention on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the Sale of goods or Service rendered and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

c. Exceptional and Extraordinary Items

(i) **Exceptional Items:** Items of income and expense from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the year, the nature and amount of such items are disclosed separately as exceptional items.

(ii) **Extraordinary Items:** Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and which are not expected to recur frequently or regularly.

d. Revenue Recognition:

(i) The income from sale of goods is recognised as and when sales are made. Sales are inclusive of all Taxes, Duties and other charges and net of Trade Discounts and Rebates. Contract income is recognised based on work executed.

(ii) Insurance claims are accounted for on admission by the authorities or on settlement.

e. Fixed Assets:

Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss. Cost of acquisition of fixed assets is inclusive of freight, net of duty/tax credits availed, if any, incidental expenses relating thereto and the cost of installation/erection. Financing costs relating to acquisition of fixed assets which takes substantial period of time to make them ready for intended use are also included to the extent they relate to the period upto such assets are ready for their intended use.

f. Depreciation:

Depreciation on tangible fixed assets is provided under written down value method for Patancheru unit and on straight line method for Resin unit as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013 except for the assets individually costing Rs 5,000/- or less, which are fully depreciated in the year of acquisition.

g. Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the

recoverable amount subject to a maximum of depreciated historical cost.

h. Inventories:

- (i) Finished goods are stated at cost or realizable value whichever is less.
- (ii) Work-in- process is stated at Cost.
- (iii) Raw materials, Packing Material and Stores and Spares are stated at cost on Weighted Average method less provision for obsolescence if any.

i. Foreign Exchange Fluctuation:

- (i) **Initial recognition:** Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction.
- (ii) **Translation:** At the year end all monetary assets and liabilities in foreign currency are restated at the rate prevailing at the year end.
- (iii) **Exchange Differences:** Any gain or loss on translation or settlement of transaction is recognised in the statement of profit and loss.

j. Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Long term Investments are stated at cost. Provision is made for diminution in value of investments only if such decline is other than temporary. Current Investments are carried at lower of cost and fair value determined on an Individual Investment basis.

k. Borrowing Costs:

- (i) Borrowing costs directly attributable to the acquisition, construction / erection of qualifying assets, construction / erection of an asset that necessarily takes a substantial period of time to make them ready for its intended use are capitalized as part of the cost of the respective asset.
- (ii) All other borrowing costs are charged to revenue as and when incurred.

l. Earnings per share

- (i) **Basic earnings per share:** Basic earnings per share is calculated by dividing the net profit or loss for the year after tax attributable to equity share holders by weighted average number of equity shares outstanding during the year.
- (ii) **Diluted earnings per share:** Diluted earnings per share is calculated by dividing the net profit or loss for the year after tax attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature.

m. Taxes on Income

Tax expense comprising of current and deferred tax, are considered in the determination of the net profit or loss for the year.

- (i) **Current tax:** Provision for current tax, estimated to arise on the profit for the year is made at the current rate of tax in accordance with the Income-tax Act, 1961.
- (ii) **Deferred Tax:** In accordance with the Accounting Standard - 22, Accounting for taxes on income, the company recognises deferred tax liability in the accounts. Deferred tax reflects the impact of timing differences between taxable income and accounting income. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax asset is recognised only to the extent there is virtual certainty that sufficient taxable income will be available in future against which such deferred tax asset can be realised.

n. Provisions and Contingencies

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a probable obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, and such liability that may arise is termed as a contingent liability.

o. Cash Flow Statement :

Cash Flow Statement has been prepared under indirect method as set out in the "Accounting Standard (AS) 3: Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
NOTE NO. 3
SHARE CAPITAL

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares	₹	Number of shares	₹
Authorised:				
Equity Shares of ₹ 10/- each.	5,00,00,000	50,00,00,000	2,00,00,000	20,00,00,000
10 % Redeemable Non-Cumulative Preference Shares of ₹10/- each.		—	3,00,00,000	30,00,00,000
Total	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Issued, subscribed and paid up:				
Equity Shares of ₹10/- each fully paid up	3,89,09,953	38,90,99,530	1,19,09,953	11,90,99,530
	3,89,09,953	38,90,99,530	1,19,09,953	11,90,99,530
Issued, subscribed and paid up:				
10 % Redeemable Non-Cumulative Preference Shares of ₹10/- each.	—	—	2,50,00,000	25,00,00,000
Total	3,89,09,953	38,90,99,530	3,69,09,953	36,90,99,530

i) Out of the above 3,80,08,762 (31.03.2014: 89,06,555) Equity shares are held by its holding company, i.e., GVK Projects & Technical Services Limited.

ii) **Details of share holders holding more than 5% of total number of shares**

Name of the Share Holder	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares	%	Number of shares	%
GVK Projects & Technical Services Limited	3,80,08,762	97.68	89,06,555	74.78
Equity Shares	—	—	2,50,00,000	100.00
Preference Shares				

iii) **Reconciliation of Number of Shares Outstanding:**

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares	₹	Number of shares	₹
Equity Shares				
Balance at the beginning of the year	1,19,09,953	11,90,99,530	1,19,09,953	11,90,99,530
Add: (Refer Note 29)				
Conversion of 10% Redeemable Non-Cumulative Preference shares of ₹ 10/-each	1,25,00,000	12,50,00,000	—	—
Conversion of loan during the year	1,45,00,000	14,50,00,000	—	—
Balance at the end of the year	3,89,09,953	38,90,99,530	1,19,09,953	11,90,99,530
Preference Shares				
Balance at the beginning of the year	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Less: Converted to Equity shares of Rs 10/- each (Refer Note 29)	2,50,00,000	25,00,00,000	-	-
Balance at the end of the year	-	-	2,50,00,000	25,00,00,000
Total	3,89,09,953	38,90,99,530	3,69,09,953	36,90,99,530

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
iv) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential creditors, in proportion to their shareholding.

NOTE NO. 4
RESERVES AND SURPLUS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Capital Reserves		
Balance at the beginning of the year	<u>27,480</u>	<u>27,480</u>
Balance at the end of the year	<u>27,480</u>	<u>27,480</u>
Securities Premium Reserve		
Balance at the beginning of the year	-	-
Add : Conversion of Preferences share and advance received against sale of fixed assets (Refer Note 29)	27,00,00,000	-
Balance at the end of the year	<u>27,00,00,000</u>	-
Revaluation Reserve		
Balance at the beginning of the year	28,73,28,873	28,73,28,873
Withdrawal on account of sale revalued land	<u>2,67,99,770</u>	<u>-</u>
Balance at the end of the year	<u>26,05,29,103</u>	<u>28,73,28,873</u>
General Reserve:		
Balance at the beginning of the year	5,01,92,187	5,01,92,187
Less : Additional depreciation (Refer Note No. 33)	<u>58,47,919</u>	<u>-</u>
Balance at the end of the year	<u>4,43,44,268</u>	<u>5,01,92,187</u>
Central and State Subsidies:		
Balance at the beginning of the year	15,00,000	15,00,000
Balance at the end of the year	<u>15,00,000</u>	<u>15,00,000</u>
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	(44,69,83,592)	(38,06,49,914)
Add: Loss for the year	<u>(16,15,04,203)</u>	<u>(6,63,33,678)</u>
Balance at the end of the year	<u>(60,84,87,795)</u>	<u>(44,69,83,592)</u>
Total	<u>(3,20,86,944)</u>	<u>(10,79,35,052)</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
NOTE NO. 5
TRADE PAYABLES

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Dues to: Small and Micro Enterprises *	-	-
: Others than Small and Micro Enterprises	4,74,40,630	77,38,586
Total	4,74,40,630	77,38,586

* Based on the information available with the company, Refer Note : 26

NOTE NO. 6
OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Liabilities for: expenses	32,23,745	46,19,128
: Other finance	10,19,453	1,12,645
Deposits refundable	1,50,000	82,38,750
(Includes ₹ Nil (2014 : ₹ 80,88,750/-)		
refundable to GVK Jaipur Expressway Pvt Ltd)		
Advances received from customers	2,77,072	12,97,124
Advances received against sale of fixed assets	39,07,525	40,07,31,668
(Includes ₹ Nil (2014: ₹ 38,46,36,000/-)		
received from GVK Projects & Technical Services Limited)		
Due to Staff	-	5,55,177
Unpaid dividends	-	4,50,615
Total	85,77,795	41,60,05,107

NOTE NO. 7
SHORT-TERM PROVISIONS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Provision for Fuel Surcharge Adjustment Charges	-	2,25,132
Total	-	2,25,132

NOTE NO. 8 TANGIBLE FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2014	Additions during the year	Deductions during the year	As at 31.03.2015	Up to 31.03.2014	for the year (Refer Note 33)	On deductions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land	35,96,66,340	-	8,92,90,679	27,03,75,661	-	-	-	27,03,75,661	35,96,66,340	
	(35,96,66,340)	-	-	(35,96,66,340)	-	-	-	(35,96,66,340)	(35,96,66,340)	
Buildings	9,42,31,737	-	4,32,48,192	5,09,83,545	5,10,04,672	86,69,154	1,43,91,165	57,00,884	4,32,27,065	
	(9,42,31,737)	-	-	(9,42,31,737)	(4,87,96,676)	(22,07,996)	-	(4,32,27,065)	(4,32,27,065)	
Total	45,38,98,077	-	13,25,38,871	32,13,59,206	5,10,04,672	86,69,154	1,43,91,165	27,60,76,545	40,28,93,405	
Previous Year	(45,38,98,077)	-	-	(45,38,98,077)	(4,87,96,676)	(22,07,996)	-	(40,28,93,405)	(40,51,01,401)	

Note : Depreciation charged to statement of Profit & Loss is Net after Rs. 58,47,919/- transferred to General Reserve being the additional depreciation consequent to the adoption of the schedule - II to the Companies Act 2013.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
NOTE NO. 9
NON-CURRENT INVESTMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Non Trade, Unquoted		
46,498 (2014: 46,498) Equity Shares of ₹ 10/- each fully paid in Patancheru Envirotech Limited	4,77,900	4,77,900
Total	4,77,900	4,77,900
Aggregate amount of unquoted investments	4,77,900	4,77,900

NOTE NO. 10
OTHER NON-CURRENT ASSETS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Unsecured, Considered Good		
Deposits recoverable	37,66,221	52,54,714
Prepaid expenses	-	4,499
Total	37,66,221	52,59,213

NOTE NO. 11
CURRENT INVESTMENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Non Trade, Unquoted		
Investments in Mutual funds		
1,45,651 (2014: NIL) units of ₹10/- each in DWS Cash Opportunities Fund Growth (NAV ₹18.69 per unit)	25,00,000	-
Total	25,00,000	-
Aggregate amount of unquoted investments	25,00,000	-

NOTE NO. 12
INVENTORY

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
(at Cost, as valued and certified by the management)		
Raw materials	13,73,46,180	13,79,52,832
Less: Provision for Obsolete Inventory	5,54,15,832	3,44,79,008
Total (a)	8,19,30,348	10,34,73,824
Stores and spares	3,76,55,026	3,76,55,026
Less: Provision for Obsolete Inventory	2,23,93,292	1,88,27,513
Total (b)	1,52,61,734	1,88,27,513
Work-in-progress (c)	38,38,300	-
Total (a+b+c)	10,10,30,382	12,23,01,337

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
NOTE NO. 13
TRADE RECEIVABLES

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Outstanding for a period exceeding six months from due date		
Unsecured, Considered Good	43,401	41,20,009
Doubtful	<u>15,22,938</u>	<u>38,33,371</u>
	15,66,339	79,53,380
Less: Provision for bad and doubtful debts	<u>15,22,938</u>	<u>38,33,371</u>
Total	<u><u>43,401</u></u>	<u><u>41,20,009</u></u>

NOTE NO. 14
CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Cash Equivalents		
Balances with banks		
a. Earmarked balances with banks (towards unpaid dividend)	-	4,50,615
b. in current accounts	25,52,221	25,09,776
c. In fixed deposits (maturity within 12 months)	1,40,693	1,29,042
Total	<u><u>26,92,914</u></u>	<u><u>30,89,433</u></u>

NOTE NO. 15
SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Unsecured, Considered Good		
Advances to suppliers and others	-	27,89,153
Advance tax and Tax deducted at Source (net of Provisions)	1,98,88,114	2,24,93,663
Tax deducted at Source	14,54,917	2,42,789
Balances with Government Authorities	26,234	25,804
Deposits recoverable	<u>3,00,000</u>	<u>4,00,000</u>
Total	<u><u>2,16,69,265</u></u>	<u><u>2,59,51,409</u></u>

NOTE NO. 16
OTHER CURRENT ASSETS

Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Prepaid expenses	-	2,019
Interest accrued	3,235	4,78,867
Cenvat and VAT receivable	63,636	9,77,460
Assets held for disposal at realisable value (Refer Note No 27)	<u>47,07,512</u>	<u>11,95,82,251</u>
Total	<u><u>47,74,383</u></u>	<u><u>12,10,40,597</u></u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
NOTE NO. 17
REVENUE FROM OPERATIONS

Particulars	Current Year ₹	Previous Year ₹
Contract Income	4,88,67,867	-
Total	4,88,67,867	-

NOTE NO. 18
OTHER INCOME

Particulars	Current Year ₹	Previous Year ₹
Interest Income	28,99,413	5,44,835
Excess provisions and credit balances written back	48,56,498	20,68,339
Prior Period Income	1,29,667	-
Profit on sale of Raw Material (Net)	-	1,02,966
Income Tax Refunds received	31,99,901	-
Miscellaneous Income	5,74,797	6,23,895
Income from Mutual Funds	-	4,81,401
Total	1,16,60,276	38,21,436

NOTE NO. 19
EMPLOYEE BENEFITS

Particulars	Current Year ₹	Previous Year ₹
Salaries and Wages	3,56,705	6,51,741
Contribution to provident and other funds	-	22,748
Staff welfare expenses	20,968	49,453
Total	3,77,673	7,23,942

NOTE NO. 20
FINANCE COSTS

Particulars	Current Year ₹	Previous Year ₹
Interest expense	5,876	2,359
Total	5,876	2,359

NOTE NO. 21
OTHER EXPENSES

Particulars	Current Year ₹	Previous Year ₹
Power and fuel	14,16,921	40,01,379
Contract Expenses	3,88,74,194	-
Repairs to : machinery	-	200
: others	15,194	5,902
Insurance	-	1,23,293
Printing and Stationery	88,492	91,090
Communication costs	1,92,119	1,23,174
Rates and taxes	7,33,061	34,91,689
Advertisement	57,327	60,962
Directors remuneration	80,000	4,80,000
Directors sitting fee	35,956	71,911
Payments to Auditor : Statutory audit	1,00,000	1,00,000
Loss on sale of : fixed assets	6,54,92,936	-
: assets held for disposal (Refer Note No 27)	8,04,35,743	-
Travelling and Conveyance	92,893	1,56,503
Legal and Professional Charges	5,58,055	8,77,098
Miscellaneous expenses	17,88,764	21,74,909
Loss on sale of : Raw Materials (net)	-	-
: Stores and Spares	92,766	4,81,582
Provision for Obsolete Inventory	2,45,57,337	5,33,06,521
Bad Debts written off	22,40,433	7,11,388
Advances, Debit balances and Deposits written off	12,49,238	8,94,706
Investments written off	-	59,600
Bank charges	4,764	8,910
Prior period expenses	7,01,173	-
Total	21,88,07,366	6,72,20,817

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
22. Deferred Tax:

Deferred tax asset, arising on account of carry forward losses is not recognised due to lack of virtual certainty of reversal.

23. Earnings per equity share:

Basic Earnings per equity share	Current Year	Previous Year
Loss for the year ₹	(16,14,84,007)	(6,63,33,678)
Weighted average number of equity shares of ₹ 10/- each fully paid up	3,89,09,953	1,19,09,953
Basic Earnings per equity share	(4.15)	(5.57)

Since, the Company does not have any dilutive securities, the basic and diluted earnings per share are the same.

24. Commitments and Contingent Liabilities not provided for:

Sl. No.	Particulars	As at 31st March, 2015 ₹	As at 31 st March, 2014 ₹
I	Towards Bank Guarantee	1,19,068	1,19,068
II	The Company received a demand from Assistant Provident Fund Commissioner (Compliance) for payment of Rs 761,604/- towards Provident Fund due on account of contract labour for the period March 2006 to March 2009 as principle employer. The Company contested the same before Employees Provident Fund Appellate Tribunal, New Delhi. As per the directions of Appellate Tribunal the Company has deposited ₹ 300,000/- which is included under "Other Non-current assets".	7,61,604	7,61,604
III	Demands of the Income-tax department, contested by the company	2,00,60,520	2,86,73,707
IV)	Central Excise Department :		
	a) The Excise Department filed an appeal before Hon'ble CESTAT, Bangalore against refund of Excise Duty of ₹ 36.26 lacs on account of abatement of Octroi claimed by the company which was decided in Company's favour. Consequently, Department filed further appeal in this regard before the Hon'ble High Court of Telangana & Andhra Pradesh.	36,26,892	36,26,892
	b) Commissioner of Customs, Central Excise & Service tax:		
	i) Reversal of Cenvat Credit on Transportation of Finished Goods for the period:		
	July 2004 to March 2009	18,90,488	18,90,488
	April 2008 to March 2011	24,47,176	24,47,176
	ii) Service tax on Corporate guarantee fee for 2006 to 2009	25,22,064	25,22,064
	iii) Service tax credit on out ward freight	32,38,317	32,38,317

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Sl. No.	Particulars	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
V	Differential customs duty for non compliance of conditions laid down under Project Import Regulations, 1986	66,07,799	66,07,799
VI	Claims against the Company not acknowledged as debts a) Royalty and Interest to Forest Department: There has been a claim by Forest Department, Government of eastwhile Andhra Pradesh for ₹ 50.83 lacs towards Royalty on account of wood supplied from 1980 to 1984 and for ₹ 13.02 lacs towards interest thereon out of which the Company had accepted the claim to the extent of ₹ 30.65 lacs towards Royalty, which is provided.	33,19,244	33,19,244
	b) Interest claimed by suppliers	—	1,022,195
VII	Even though the Company has installed an ETP Plant and not releasing any hazardous pollutants outside factory, a public interest litigation petition was filed before Supreme Court against various industries including our company in Patancheru area. Company has also obtained a certificate from AP Pollution Control Board certifying that the pollution caused by our company is within the tolerable limits of pollution control norms. Therefore the management is not envisaging any liability in this regard.		

25. The Company has not manufactured any goods or provided any services during the current year and there are no transactions in foreign currency. Hence, the additional information as required under Clause 5 of Part II of Schedule III to the Companies Act, 2013 is not furnished.

26. Disclosure under “Micro, Small and Medium Enterprises Development Act, 2006”:

As per the information available with the company, there are no dues to micro and small enterprises as on March 31, 2015.

27. Company passed an ordinary resolution during the earlier year to sell/lease/otherwise dispose off/transfer the part or substantially the whole of one or more undertaking(s) of the Company located at Patancheru and Shadnagar. Accordingly the Company obtained quotations for Plant and Machinery, and assessed the realisable value of office equipment, Computers, Vehicles and Furniture. Based on the above the ultimate realisable value of these assets less sold during the year were shown under "Other Current Assets" as "Assets held for disposal".

28. The company closed manufacturing activity of particle Board during 2011-12 financial year and is in the process of disposing the plant and machinery. In view of closure of the manufacturing activity, declaring voluntary retirement to its employees and inviting tenders for disposal of plant and machinery, the company lost its status of going concern.

29. During the year the Company has converted 2,50,00,000 - 10% Cumulative Redeemable Preference Shares of ₹ 10/- each into 1,25,00,000 equity shares of ₹ 10/- each at a premium of ₹ 10/- each and also converted the advance of ₹ 29,00,00,000/- received against sale of fixed assets to 1,45,00,000 equity shares of ₹ 10/- each at a premium of ₹ 10/- each.

30. Employee Benefits:

Since the company has no employees, provision for Gratuity or Leave encashment as required under As - 15 does not arise.

31. Segment Reporting:

The company has closed its manufacturing activity and is presently undertaking only contract business. Hence disclosure of segment information as prescribed by the Accounting Standard 17 "Segment Reporting" is not applicable.

32. Related Party Disclosure:

Disclosures as required by the accounting standard - 18 of the Institute of Chartered Accountants of India are given below:

Holding Company: GVK Projects & Technical services Private Limited

Key Management Personnel: Mr.S.A.Naqvi, Executive Director (upto 31-07-2014)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
Companies / Firms / Trust in which key management and their relatives are interested.

GVK Projects & Technical Services Limited

GVK Jaipur Expressway (P) Ltd

Taj GVK Hotels & Resorts Ltd

Details of transactions for the year ended 31st March, 2015 and amounts outstanding as on 31st March, 2015 are as under:

Name of the related party	Nature of relationship	Nature of transaction	₹
Mr.S.A.Naqui	Key Management Personnel	Remuneration	80,000 (4,80,000)
Taj GVK Hotels & Resorts Limited	Enterprises in which Directors / their relatives are interested	Hospitality Charges	— (77,905)
		Payable	— (3,280)
GVK Jaipur Expressway Pvt Ltd	Enterprises in which Directors / their relatives are interested	Contract receipts	4,88,67,867 —
		Deposits Refundable	— (80,88,750)
GVK Projects & Technical Services Limited	Enterprises in which Directors / their relatives are interested	Advance against sale of land	— (38,46,36,000)

- 33.** Pursuant to the companies Act, 2013 ("the act") being Effective from April 1, 2014, the company has revised the useful life of fixed assets as specified in part 'C' to Schedule II of the companies Act, 2013 (as amended) and manner of calculation of depreciation / amortisation of fixed assets as specified in the schedule. The change has resulted in an additional depreciation charge of ₹ 58,47,919/- which is adjusted against General Reserve.
- 34.** In the opinion of the Board of Directors of the company, the current assets, loans and advances are expected to realize in the ordinary course of business approximately the value at which they are stated in accounts.
- 35.** The balances in personal accounts are subject to confirmations and reconciliations.
- 36.** Figures of the previous year have been regrouped / rearranged to conform to those of the current year.

As per our report of even date

for BRAHMAYYA & CO.

Firm Regn No. : 000513S

Chartered Accountants

For and on behalf of the Board of Directors

(S.SATYANARAYANA MURTHY)

Partner

Membership No:023651

MURALI VARADARAJAN

Executive Director

S A NAQUI

Director

Place : Hyderabad

Date : 24th June, 2015