

REGISTERED OFFICE :

'Bommidala House'

# 5-87-15/A, Lakshmpuram Main Road

GUNTUR - 522 007, INDIA

Tel : +91 863 2355108

Fax : +91 863 2358453

e-mail : bkvind@bommidala.co.in

PAN : AACCB3364P

**BKV INDUSTRIES LIMITED**

"and reduced"

FORM - A

1.	Name of the Company	BKV Industries Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un- qualified
4.	Frequency of observation	N.A.
5.	To be signed by: Managing Director  Auditor of the Company  Audit Committee Chairman	Bommidala Rama Krishna,  Garlapati & Co., Chartered Accountants. Tunuguntla Rama Krishna Independent Director.

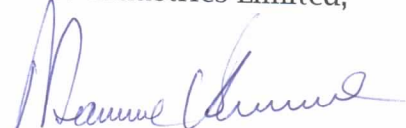
For Garlapati & Co.,  
Chartered Accountants,  
Firm Regn. No: 00892S



Satyanarayana Garlapati,  
Partner

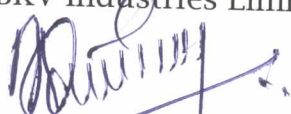
Membership no: 22101

For BKV Industries Limited,



Bommidala Rama Krishna  
Managing Director.

For BKV Industries Limited,



Tunuguntla Rama Krishna,  
Audit Committee Chairman

**BKV INDUSTRIES LIMITED** “and reduced”

CIN No: L05005AP1993PLC015304

“Bommidala House”,

D.No:5-87-15/A, Lakshmipuram Main Road, Guntur - 522007.

Email: [bkvind@bommidala.co.in](mailto:bkvind@bommidala.co.in)

Phone: 0863-2355108, Fax No: 0863-2358453

Folio No. /DIP ID/ Client ID :

Serial No:

Name :

Address :

Joint Holder(s) :

No. of Shares held :

Dear Shareholder(s) :

Please find enclosed the Notice convening the 21<sup>st</sup> Annual General Meeting of the BKV Industries Limited “ and reduced” (the Company) to be held on 13<sup>th</sup> September, 2014 at 03.30 PM at Bommidala Cold Complex, By- pass Road, Lalpuram, Guntur -522017.

The Company is offering e-voting facility to its Members enabling them to cast their votes electronically. The Company has appointed M/s. Karvy Computershare Private Limited (‘KCPL’ ‘Karvy’ or ‘Service Provider’) for facilitating e-voting to enable the Members to cast their vote electronically pursuant to section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014.

**In this regard, please turn over for detailed process and manner for e-voting:**

### Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rule 2014, the Company is pleased to inform that all the resolutions as stated in the notice can be transacted by electronic voting system and the company has provided members with facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means through e-voting services provided by Karvy:

The instructions for e-voting are as under:

- A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company/ Depository Participants (s)]:
- i. Launch internet browser by typing the URL: <http://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e. User ID and password mentioned below). Your Folio No. / DP ID- Client Id will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e., BKV Industries Limited "and reduced".
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Shareholders holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e mail [ksrao21@gmail.com](mailto:ksrao21@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "BKV Industries Limited "and reduced", 21<sup>st</sup> Annual General Meeting".
- B. I. In case a Member receives physical copy of the Notice of AGM [ for members whose email IDs are not registered with the Company/ Depository Participants (s) can request physical copy].
- i. User ID and initial Password as provided below.
  - ii. Please follow all steps from Sl. No. (i ) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries relating to e-voting please visit Help & FAQ section of <http://evoting.karvy.com> (Karvy Website).
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The e-voting period commences on 07.09.2014 (9.00 AM) and ends on 09.09.2014 (6.00PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 01.08.2014, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further the Members who have casted their vote electronically shall not vote by way of poll, if held at the meeting.
- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 01.08.2014.
- VI. The Board of Directors has appointed Mr. K. Srinivasa Rao, Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forth with to the Chairman of the Company.
- VIII. The Results shall be declared on or after the AGM of the Company and the resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- IX. The results declared along with the Scrutinizer's report shall be placed on the Company's Website: [www.bkvindustries.com](http://www.bkvindustries.com) and on the website of the service provider (<http://evoting.karvy.com>) within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the National Stock Exchange and BSE Limited.

EVEN (E Voting Event Number)	User ID	Password

# **BKV INDUSTRIES LIMITED**

'and reduced'

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**TWENTY FIRST ANNUAL REPORT**

**2013-14**

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## **BOARD OF DIRECTORS**

Sri Bommidala Rama Krishna	Managing Director
Sri Bommidala Kasiviswanadham	Director
Smt. Bommidala Saroja Devi	Director
Smt. Bommidala Anitha	Director
Sri Nellore Dolendra Prasad	Independent Director
Sri Kanteti Sridhar	Independent Director
Sri Tunuguntla Ramakrishna	Independent Director
Sri Yedlapalli Srinivasa Rao	Independent Director

## **STOCK EXCHANGES**

### **Madras Stock Exchange Ltd.**

Post Box No. 183,  
New No:30, 2nd Line Beach,  
CHENNAI - 600 001.

### **Bombay Stock Exchange Ltd.,**

Rotunda Building, P.J. Towers,  
Dalal Street, Fort,  
MUMBAI - 400 001.

### **The Calcutta Stock Exchange Ltd.**

7, Lyons Range,  
KOLKATA - 700 001

### **Delhi Stock Exchange Ltd.**

D.S.E. House, 3/1, Asaf Ali Road,  
NEW DELHI - 110 002.

## **AUDITORS :**

M/s. Garlapati & Co.  
Chartered Accountants,  
D.No. 6-03-11, 3/4 Arundelpet,  
Guntur - 522 002

## **BANKERS :**

Andhra Bank Main Branch,  
Near Gowri Shankar Theatre,  
Kothapet, GUNTUR.

## **REGISTRARS & SHARE**

### **TRANSFER AGENTS :**

### **Karvy Computershare (P) Limited**

# 17-24, Vittalrao Nagar,  
Madhapur, HYDERABAD - 500 081  
Tel : 040 - 23420815 - 28

## **REGISTERED OFFICE :**

Bommidala House  
5-87-15/A, Lakshmipuram,  
Main Road, GUNTUR - 522 007

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty First Annual General Meeting of the members of BKV Industries Limited. ' and reduced' will be held on Saturday the 13<sup>th</sup> September, 2014 at 03.30 P.M at Bommidala Cold Complex, By-pass Road, Lalpuram, Guntur - 522 017 to transact the following business:

#### **Ordinary Business**

1. To receive, consider and adopt the Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2014 and the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors there on.
2. To appoint a Director in place of Smt. Bommidala Anitha (DIN 00112766) who retires by rotation and being eligible, offers herself for re-appointment.
3. To re-appoint M/s Garlapati & Co, Chartered Accountants (Firm Regn.No:000892S) as auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and to fix remuneration and out of pocket expenses.

#### **Special Business:**

4. To re-appoint, Sri Bommidala Ramakrishna (Din 00105030), as Managing Director and in this regard to consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**.  
"RESOLVED THAT pursuant to the provisions of Sec 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereof as amended upto date the consent of the Company be and is hereby accorded to the re-appointment of Sri Bommidala Rama Krishna (DIN 00105030) , as Managing Director of the company, for a period of five years with effect from 10<sup>th</sup> March, 2014 on the terms and conditions contained in an agreement, a draft copy of which is laid on the table and for the purpose of identification initialed by the Chairman hereof ."  
RESOLVED FURTHER that the Board be and is hereby authorized to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution".
5. To appoint Sri Nellore Dolendra Prasad (DIN 01816366), as an Independent Director and in this regard 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 Sec 149 , 152 and other applicable provisions, if any of the Companies Act,2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Sri Nellore Dolendra Prasad (DIN 01816366), a non executive Director of the company, who has submitted a declaration that he meets the criteria for independence as provided in section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an independent Director of the company to hold office for a peiod of three consequent years for a term up to the conclusion of the 24<sup>th</sup> Annual General Meeting of the company in the calendar year 2017".
6. To appoint Sri Tunuguntla Rama Krishna (DIN 02324865), as an Independent Director and in this regard 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 Sec 149 , 152 and other applicable provisions, if any of the Companies Act,2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Sri Tunuguntla Rama Krishna (DIN 02324865), a non executive Director of the company, who has submitted a declaration that he meets the criteria for independence as provided in section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an independent Director of the company to hold office for a peiod of three consequent years for a term up to the conclusion of the 24<sup>th</sup> Annual General Meeting of the company in the calendar year 2017".
7. To adopt new Memorandum of Association of the company containing regulations in conformity with the Companies Act, 2013 and in this regard 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 Sec 14 and all other applicable provisions of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 ( including any statutory modifications or the enactments there of, for the time being in force ), the Other Objects, needs to be deleted from the Memorandum of Association. However, the consent of the members by way of Special Resolution was accorded to the commencement of new business(s) in the earlier years on 29-9-1995, 29-9-1997 and 27-9-2002, by the company as given under the head "OTHER OBJECTS", which needs to be inserted under "Main Objects" as additional Clause(s) after the Clause No 7.

**Clause No 8:**

To carry on business in Real Estate, to purchase, take on lease or in change or in exchange or otherwise acquire ny lands, agriculture of non-agricultural houses, buildings and hereditaments and to acquire by purchase, exchange or otherwise whether immediate or reversionary and whether vested or contingent any other lands tenements and hereditaments of any term whether subject or not to any charges or encumbrances and to hold or to sell, let, alienate, mortgage, charge of otherwise deal with all or any of such lands, tenements or hereditaments.

**Clause No .9**

To carry on business of Hotel, Restaurant, Café, Yavern, Motel, Milk and Snack Bars, Proprietors, Holiday Camy, Tourist Cateres, Beer House, Refreshment Room and Lodging House, Proprietors and Keepers Victuallers, Wine, Beer and Spirit and Alcohol Merchants, Breweries, Distillers.

**Clause No 10:**

To purchase, cultivate, plant, tree to refine, purify, manipulate, subject to any process of manufacture or render marketable whether on account of the Company or otherwise Tobacco, Cotton or produce of all varieties of tobacco or cotton.

**Clause No 11:**

To survey, exploit and turn to account or otherwise deal in agricultural and garden produce, fruits, vegetables, forest resources, timber and generally to expand, improve and develop through preservation, canning or conversion of food, fruit and vegetable industry in the country and to manufacture in commercial scale all kinds of foods, fruits, vegetables.

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary proper or expedient to give effect to this resolution”.

8. To adopt new Articles of Association of the company containing regulations in conformity with the Companies Act, 2013 and in this regard 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 Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies ( Incorporation) Rules, 2014 ( including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulation in the existing Articles of Association of the Company:

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

9. Voluntary Delisting of the Company's Equity Shares from Stock Exchanges at Chennai, Kolkata & Delhi:

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

“RESOLVED THAT subject to the applicable provisions of the Companies Act, 1956, Securities Contracts (Regulation Act, 1956 and the rules framed there under, Listing Agreements, Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), consent is hereby accorded to the Board to delist the Company's Equity shares from the following stock exchanges viz. Madras Stock Exchange Ltd., at Chennai, The Calcutta Stock Exchange Ltd., at Kolkata and The Delhi Stock Exchange Ltd., at New Delhi.”

Place: Guntur

Date: 6<sup>th</sup> August, 2014

By order of the Board of Director  
for **BKV Industries Limited**,

**BOMMIDALA RAMAKRISHNA**  
Managing Director.

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself / herself and such proxy need not be a Member of the company. The proxy form is enclosed which should be deposited at the Registered Office of the Company duly completed and signed, not later than 48 hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of 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 shareholder.

2. A statement pursuant to Sec 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 5th September, 2014 to 13<sup>th</sup> September 2014 (both days inclusive).
4. Members holding shares in physical form are requested to intimate any change in the address (INCLUDING E-MAIL ADDRESS) and PAN to the Company or to the Registrar & Share Transfer Agents, M/s. Karvy Computershare Pvt Ltd. Members holding shares in de-materialized form are requested to notify any change in address to their respective Depository Participants (DPs).
5. Members are requested to bring their admission slip along with copy of the Annual Report to the Annual General Meeting.
6. Relevant Documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays, during business hours up to the date of the Meeting.
7. Members who hold shares in physical form in multiple folios in identical and those who are jointly holding in the same order of names are requested to send the share certificates to Karvy for consolidation into a single folio.
8. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including annual report, notices, circulars etc. from the company electronically.**
9. E-Voting:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) rules, 2014 read with the amended Listing Agreement with the Stock Exchanges, the Company is pleased to provide members the electronic voting facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means the business may be transacted through e-Voting services provided by our Share Transfer Agents Karvy Computershare Private Limited, Hyderabad. The instructions for members for voting is given in a separate note enclosed to this report.

**Statement u/s 102(1) of the Companies Act, 2013 (Act):**

**The following statement sets out all material facts relating to the special business mentioned in the accompanying notice:**

**Item No 2**

Smt. Bommidala Anitha is a Law Graduate and underwent training in Personal Management. She has rich experience and knowledge in areas like legal, banking and H R related activities. Her knowledge of legal aspects will be substantial help to the management in complying with various Government and other rules, procedures and regulations. Smt. Bommidala Anitha is not a director on the Board of any other company. She is a chairman of Share Transfer Committee and a member in Remuneration Committee and Shareholder/Investor Grievance Committee constituted by the Company. Sri Bommidala Rama Krishna and Smt. Bommidala Anitha are interested in the resolution.

**Item No. 4**

Sri Bommidala Rama Krishna is a post graduate in bussiness administration from Jackson State University, Mississippi, USA and has experience of more than 25 years in the fields of Tobacco, Shrimp Culture, Hospitality Services and Merchandise goods Industries with wide business contacts and administrative capabilities. The Board believes that Sri Bommidala Rama Krishna by using his vast experience, expertise and knowledge would turn the Company into a profitable one.



The Board of Directors of your Company ("the Board") at its meeting held on 10<sup>th</sup> February, 2014 approved on the recommendation of the Remuneration Committee the remuneration of Managing Director Rs.35,000/ per month with effect from 10<sup>th</sup> March, 2014 for period of 5 Years, subject to the approval of the members. Wherein in any financial year during the currency of tenure of Whole Time Director Cum Managing Directorship, the Company has no profits or its profits are inadequate, subject to the limits laid down in Section 198 and Section 309 of the Companies Act 1956, salary or perquisite shall not exceed the following limits:

#### Remuneration

In accordance with Schedule V of the Companies Act,2013, wherein in any financial year during the currency of tenure of Managing Director, the company has no profits or it's profits are inadequate, subject to the limits laid down in Sec 197 of the Companies Act,2013 and the approval of Central Government if necessary , the remuneration of the Managing Director by way of salary or perquisites or commission or all shall not exceed the following limits:

#### SALARY:

Rs.35,000/- per month or Rs.4,20,000/- per annum including dearness and other allowances.

#### PERQUISITES:

In addition to the above salary, the Managing Director shall be entitled for the following perquisites broadly classified as below.

The total amount of perquisites shall not exceed Rs. 4,20,000/- per annum, or an amount equivalent to the annual salary, which ever is less:

#### CATEGORY A

a) Medical expenses:

Expenses incurred by the Managing Director and his family subject to a ceiling of one month's salary or three months salary over a period of three years.

b) Leave Travel Assistance:

For the Managing Director and his family once in a year in accordance with any rules specified by the company.

c) Club Fees:

Fees of clubs subject to a maximum of two clubs. This will not include admission fees and Life membership fees.

d) Personal Accident Insurance:

Premium not exceeding Rs. 5,000/- per annum.

#### **Explanation:**

For the purpose of category A, Family, means spouse, the dependent children and dependent parents of the Managing Director.

#### CATEGORY B

i) Contribution to provident fund, super annuation fund, or annuity fund to the extent either singly or put together not taxable under the Income Tax Act, 1961 and he shall be entitled for a gratuity not exceeding half a month's salary for each completed year of service.

ii) He shall be entitled for the encashment of leave at the end of his tenure in accordance with the company's rules.

#### CATEGORY C

He shall be provided with a car for use on company's business and telephone at residence. However, personal long distance calls on telephone and use for car for private purpose shall be paid by him to the company.

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to accept any modification/s to the said remuneration (not being modification/s more advantageous) to Sri Bommidala Rama Krishna as may be required by the Central Government if necessary and agreed to by Board of Directors and Sri Bommidala Rama Krishna."

He shall not retire as Director by rotation during the tenure of his Managing Directorship.

He shall oversee the day to day affairs of the Company subject to the superintendence of the Board. Since such re-appointment requires confirmation of the shareholders by way of resolution in General Meeting the approval of the shareholders is sought.

The agreement dated 10<sup>th</sup> February, 2014 entered between the Company and Sri Bommidala Rama Krishna may be inspected at corporate office during the working hours.

Sri Bommidala Rama Krishna and Smt. Bommidala Anitha are interested in the resolution.

Your directors commend the proposed resolution for approval of the members.

#### **Item No 5**

Sri Nellore Dolendra Prasad is a pioneer in shrimp farming in Nellore District. He is the first person to attempt intensive shrimp farming in Andhra Pradesh. He had demonstrated his technology in culture and seed in TASPARG farm, Pudiparti and also produced aqua feed. He got substantial business experience in various fields. Hence the Board considered that his business experience will be of good use for the company.

Sri Nellore Dolendra Prasad is a member of Audit Committee constituted by the company.

The Board of Directors commends his re-appointment.

#### **Item No 6**

Sri Tunuguntla Rama Krishna is a graduate in Science, Commerce, postgraduate in Commerce, double post graduate in Arts and a graduate in Law and is practicing as advocate and Tax Consultant for the last 25 years. He is experienced in accounting, auditing, tax and Law matters and his knowledge in these fields will be helpful to the company in complying with various Governmental and other institutional rules, procedures and regulations.

Sri Tunuguntla Rama Krishna is a member of Audit Committee, Share Transfer Committee, Remuneration Committee and Share holders/ investors grievance committee constituted by the company.

None of the other Directors are interested in the resolution.

The Board recommends this resolution for the approval of shareholders.

#### **Item No 7 & 8**

The Memorandum and Articles of Association are based on the Companies Act, 1956 and several regulations in the existing Memorandum and Articles of Association contain references to specific sections of the Companies Act, 1956 and some regulations in the existing Memorandum and Articles of Association are no longer in conformity with the Act, 2013.

Substantive section of the Companies Act, 2013 which deal with the general working of companies stands notified.

With the coming into force of the Act several regulations of the existing Memorandum and Articles of Association of the Company require alteration or deletions in several clauses, articles. Given this position, it is considered expedient to insert a few clauses in Main Objects of the Memorandum and Articles of Association and delete other objects of Memorandum and Articles of Association and to wholly replace the existing Articles of Association by a new set of Articles.

The new Articles of Association to be substituted in place of the existing Articles of Association are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

None of Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No: 7 & 8 of the Notice.

The Notice commends the Special Resolution set out at Item No: 7 & 8 of the Notice for approval by the shareholders.

#### **Item No 9**

Presently the Company's securities are listed on 5 Stock Exchanges i.e. Mumbai, Chennai, Kolkata, Delhi and Hyderabad. Hyderabad stock exchange had closed its operations as directed by SEBI. With the wide and extensive networking of exchange like BSE, the investors have access to online dealings in the Company's securities across the country. There were hardly any trading in company's shares on the stock exchanges at Delhi, Kolkata and Chennai. On the recommendations of the Investors Grievance Committee, the Board of Directors at their meeting held on 30<sup>th</sup> July 2007 have, therefore decided to apply for the voluntary delisting of the Company's Equity Shares from the said stock exchanges. The proposed voluntary delisting of the company's equity shares from the said three stock exchanges will not adversely affect any investors including the members located in the regions where the said three stock exchanges are situated. Pursuant to the guidelines issued by SEBI on voluntary delisting by companies of their securities from the stock exchanges, it is now proposed to seek the members' approval by way of special resolution for voluntary delisting of the company's Equity Shares from the said three stock exchanges as set out in the resolution at item No: 9.

The proposed delisting is in the interest of the Company and the Board commends the resolution for your approval.

None of the directors of the Company is interested in the resolution.

**DIRECTOR'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS**

Your Directors have pleasure in presenting you the Twenty First Annual Report together with Audited Accounts for the year ended 31<sup>st</sup> March, 2014.

**PERFORMANCE OF THE COMPANY**

(Rs. In Lakhs)

	For the year ended 31/03/2014	For the year ended 31/03/2013
Sales & Other Income	37.29	15.70
Profit/(Loss) before interest and Depreciation	(3.01)	(16.62)
Depreciation	2.72	3.22
Net Profit / (Loss) before Tax & Exceptional items	(5.73)	(19.84)
Exceptional & Extra-Ordinary items	7.25	110.08
Income Tax	0.15	-
Profit on Sale of Assets	4.98	108.36
Net Profit/(Loss) after Tax & Exceptional Items	(0.96)	90.25

**OPERATIONS:**

The Aqua Farm situated at Isakapalli was given on lease from 1st July, 2013 for seven years and before giving it lease, the company carried out a minimum culture in the Farm.

Operating in a volatile and uncertain environment, the company had since given the farm on long term lease, netted a gross income of Rs.37.29 lakhs, including the sale of shrimp produce and incurred a marginal loss of Rs.0.96 lakhs.

**DIVIDEND:**

In view of huge accumulated losses, no dividend is declared.

**FUTURE PROSPECTS:**

The company to reduce it's maintenance expenses had given the farm at Iskapally for a long term lease so that it can reduce losses. As there is considerable euphoria in the economy and with the change in the government, the promoters are exploring the opportunities in trading of merchantised goods in national and international markets.

**Explanation for Auditors qualification :**

Auditors qualification regarding the operating lease and going concern are self explanatory and need no further explanation.

**PARTICULARS REGARDING ENERGY CONSERVATION etc. :**

Information regarding Energy Conservation and Technology Absorption required to be disclosed under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is enclosed as annexure.

**BOARD:**

As per Article 145 of Articles of Association of the Company, Smt. Bommidala Anitha, director retires by rotation at the Annual General Meeting and being eligible offers herself for re-appointment.

During the year Sri Bommidala Kasiviswanadham and Mrs. Bommidala Saroja Devi, the Promoter Directors have offered their resignation from the Directorships, due to old age and health reasons. Sri Yedlapalli Srinvasa Rao and Sri Kanteti Sridhar, directors have offered their resignations due to their personal reasons.

Pursuant to the provisions of Sec 161(1) of Companies Act, 2013, the Articles of Association of the Company, Sri Nellore Dolendra Prasad and Sri Tunuguntla Rama Krishna have been re-appointed as independent directors and shall hold office up to three consequent years from the closure of the ensuing Annual General Meeting of the company. The company has received a requisite notice in writing from a member proposing the above independent directors for appointment as independent directors.

The company has received declarations from all the independent directors of the company confirming that they meet with the criteria of the independence as prescribed both under sec 149(6) of the companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges.

**PARTICULARS OF EMPLOYEES:**

None of the employees of your company was in receipt of remuneration exceeding the limit prescribed under section 217 (2A) of the Companies Act, 1956 during the year.

#### **AUDITORS:**

M/s. Garlapati & Co, Chartered Accountants, who are the statutory auditors of the company retire at the conclusion of the Twenty first Annual General Meeting and being eligible offer themselves for re-appointment as Statutory Auditors of the Company. The company has received a letter from them to the effect that appointment, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013 that they are not disqualified for re-appointment.

#### **COST RECORDS**

The company had appointed M/s. Sandhya & Co, if applicable as cost auditors for the compliance of cost records of the company for the financial year 2013-14.

#### **LISTING AGREEMENT WITH STOCK EXCHANGES:**

As per the requirement of Listing Agreement, the Company declares that its securities are listed on the Stock Exchanges of Bombay, Delhi, Kolkata, Chennai, and Hyderabad. The company confirms that it has paid annual listing fees to the Stock Exchanges of Bombay, Madras and Kolkata for the year 2014-2015. The Hyderabad Stock Exchange Ltd had stated that no Annual Listing Fees need be paid in view of their de-recognition by SEBI. The company has applied for delisting of the Company's shares to the Stock Exchanges of Chennai, Kolkata, and Delhi which are under process. There was no demand from Delhi Stock Exchange and the company has not paid any listing fees.

#### **FIXED DEPOSITS**

The Company has not invited / received any fixed deposits during the period.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 your Directors confirm:

- a) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that the directors have 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 2013-2014 and of the loss of the Company for that year.
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the directors have prepared the annual accounts on a going concern basis.

#### **CORPORATE GOVERNANCE:**

A separate report on Corporate Governance with Auditor's certificate on its compliance is attached as Annexure to this report.

#### **MANAGEMENT DISCUSSION & ANALYSIS**

##### **A. INDUSTRY, STRUCTURE, DEVELOPMENT AND OUTLOOK.**

Indian aquaculture farms are upbeat about the rising prospects of farmed shrimps in the overseas market. Both the black tiger and vannamei varieties from India have been going at a premium in the foreign market, particularly in Southeast Asia. A shortage of shrimps in countries like Thailand, Vietnam, Japan and China has raised the demand of Indian varieties. The domestic farms have gone on an overdrive to increase the production. The exports were aggregated at USD 3.51 billion. "During the financial year 2013-14, exports of marine products reached an all-time high of USD 5 billion, an official statement said. In volume terms, the exports were 9.83 lakh tonne. Among marine products, "frozen shrimp continued to be the major export value item accounting for 64.12 per cent of the total exports earnings.

##### **B. OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

Both values and volumes entering the international fish markets are showing moderate growth. The market situation overall continues to be difficult, in particular in traditional developed country markets. The slightly higher prices for some farmed species are more a symptom of supply shortages than strong demand. Buoyant demand in South East Asian countries has driven world aquaculture production to new heights, yet, at the same time, consumption has slackened in many traditional developed country markets. In the US, strong interest from buyers competing for limited supply is contributing to the high prices, while the US International Trade Commission (USITC) ruled in favour of abandoning countervailing duties on imported warm-water shrimp from the seven countries that had been accused by US producers of subsidizing their shrimp industries, which includes India among other countries. The Japanese market, totally dependent on imported supplies of shrimp, is also suffering slightly as a result of the rising prices, in addition to a weaker yen and increased landing costs. Currently the market is holding relatively good stocks bought on high prices.

### C. INTERNAL CONTROL SYSTEM

The company has a well-established system of internal control in operation which complies with the relevant provisions on 'Internal Control' under the Company's Auditor's Report Order 2003 and as prescribed under revised clause 49 of the Listing Agreement with Stock Exchanges. All internal controls are continuously reviewed and risks of inaccurate financial reporting and fraud, if any, are dealt with immediately and eliminated. The status of implementation of recommended solutions are regularly reviewed and presented to the Audit Committee of the Board.

### D. FINANCIAL PERFORMANCE

The financial statements are prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. The management accepts the responsibility of integrity and objectivity of the financial statements and the basis for various estimates and the judgments used in preparing the financial statements.

During March, 2013, the company entered into a lease agreement of its Farm for a period of 84 months, from July, 2013, as the promoters have decided to meet the fixed expenses / costs. The company to seize the opportunities as and when the economy provide the profitable business opportunities and to control the further losses in operations and to maintain the farm assets with negligible costs to the company.

### E. CAUTIONARY STATEMENT

Statement in this report, particularly those which related to management discussion and analysis, describing the company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. The company has entered into a seven year period Lease from July, 2013, so that the company was able to curtail substantial administrative costs and thereby reduce its losses considerably.

### DELISTING OF SHARES:

Company's Ordinary Equity shares are originally listed in the Stock Exchanges of Mumbai (BSE) and four other Stock Exchanges at New Delhi, Kolkata, Chennai and Hyderabad. The shares of the company are compulsorily traded in dematerialized form. Hyderabad stock exchange had informed earlier that it had been derecognised by SEBI. Hence no need to pay listing fee. The Board considered that continued listing on all stock exchanges was not necessary and therefore decided to de-list from Delhi and Calcutta stock exchanges in pursuance of special resolution passed in the 14<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2007. The company since made an application for delisting of its shares in Chennai, Delhi and Kolkata stock exchanges and the matter is under consideration of these Stock Exchanges. However, the managements opine to renew the matter during the year and proposing to get the approval from shareholders once again as the Madras Stock Exchange had since informed the Company that the company can delist from its Stock Exchange Membership, as per SEBI directions and its voluntary de-recognition by the Exchange.

### APPRECIATION:

The Board appreciates the valuable co-operation and support extended by all the employees, Promoter & Independent Directors and shareholders of the Company.

Place: Guntur

By order of the Board of Directors

Date: 6<sup>th</sup> August, 2014

**BOMMIDALA RAMA RISHNA**

Managing Director

### ANNEXURE TO THE DIRECTOR'S REPORT

Annexure to the Director's Report under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board Of Directors) Rules, 1988 and forming part of Director's Report.

A.	Conservation of Energy	- Not Applicable -	
B.	i. Technology Absorption, Adaptation & Innovation	- Not Applicable -	
	ii. Research and Development ( R&D)	- Not Applicable -	
C.	Foreign Exchange Earnings & Outgo	<u>Rs. in Lakhs</u>	<u>U.S.\$</u>
	i. Foreign Exchange earnings	- Nil -	- Nil -
	ii. Foreign Exchange outgo in respect of Raw Materials and others	- Nil -	- Nil -
	iii. Capital Goods	- Nil -	- Nil -

By order of the Board of Directors

Place: Guntur

Date: 6<sup>th</sup> August, 2014

**BOMMIDALA RAMA KRISHNA**

Managing Director.

**ANNEXURE TO THE DIRECTORS' REPORT****COMPLIANCE REPORT ON CORPORATE GOVERNANCE FOR THE YEAR APRIL 1, 2013 TO MARCH 31, 2014**

Pursuance to Clause 49 of the Listing Agreement with the Stock Exchanges, your Directors present below a detailed Compliance Report on Corporate Governance:

**Company's philosophy on code of Governance**

Corporate Governance aims at achieving high level of efficiency, accountability, responsibility and fairness in dealing with all stakeholders. Your company committed to Good Corporate Governance to ensure that all functions of the company are discharged in a professionally sound and competent manner, which leads to increasing employee, customer satisfaction and shareholder value.

**Board of Directors****Composition:**

The strength of the Board of Directors as on 31/03/2014 is 8. Board comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring external and wider perspective to the Board's deliberations and decisions. The Board comprises of one Chairman & Managing Director and 7 Non-Executive directors. The Board represents an optimal mix of professionalism, knowledge and experience.

**No. of Board Meetings held during the year along with the dates of the Meetings:**

Board meets generally to take stock of the assets management, to discuss and decide on company / business policy and strategy apart from normal Board business.

During the financial year ended March 31, 2014 five Board Meetings were held on 29<sup>th</sup> May, 2013, 22<sup>nd</sup> July, 2013, 13<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013 and 10<sup>th</sup> February, 2014.

The following table gives the composition and category of the Directors of the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of Directorships and Committee Memberships/ Chairmanships held by them in other companies.

Name of the Director	Category of Directorship	No. of Board Mtgs. attended	Attendance at last AGM	* No. of Director-ships in other public companies	No. of Member ships/ Chairman ships of committees of other companies.
1	2	3	4	5	6
Sri Bommidala Kasiviswanadham	Non-Executive Director	4	No	None	None
Sri Bommidala Rama Krishna, Chairman & Managing Director	Executive Director	4	Yes	None	None
Smt. Bommidala Saroja Devi	Non-Executive Director	3	No	None	None
Smt. Bommidala Anitha	Non-Executive Director	3	No	None	None
Sri Nellore Dolendra Prasad	Non-Executive Independent Director	3	No	One	None
Sri Kanteti Sridhar	Non-Executive Independent Director	5	No	None	None
Sri Tunuguntla Rama Krishna	Non-Executive Independent Director	5	Yes	None	None
Sri Yedlapalli Srinivasa Rao	Non-Executive Independent Director	2	No	None	None

\*Excludes alternate directorships, Directorships in Indian Private Limited companies & Foreign Companies.

**Directors retiring by rotation**

The information is provided in the Notes appended to the Explanatory Statement of the Notice under the heading "Information under clause 49 of the Listing Agreement regarding reappointment of Directors ".

**Disclosure of transactions where Non-Executive Directors have pecuniary interest**

None of the Non-Executive Directors has any pecuniary relationship or transactions vis-a-vis the Company. The directors periodically disclose their interest in different companies and transactions/contracts of the Company with such companies are taken on record in the Board Meetings.

No. of equity shares held by the non-executive directors as on 31/03/2014

Name of the Non-Executive Director	No. of Shares held	Percentage
Sri Bommidala Kasi Viswanadham	1,58,822	1.03
Smt. Bommidala Saroja Devi	1,13,716	0.74
Smt. Bommidala Anitha	4,06,825	2.63

#### Audit Committee

##### (a) Brief description of terms of reference

The Terms of reference of this committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors. These include overseeing company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; reviewing annual and quarterly financial statements with management before submitting to the Board, reviewing the adequacy of internal control systems with management, external and internal auditors and reviewing the company's financial risk and management policies.

##### (b) Composition, Meetings and Attendance during the year

The Audit Committee comprises of three non-executive directors. During the financial year ended 31<sup>st</sup> March, 2014 the committee met 5 times i.e. on 29<sup>th</sup> May, 2013, 22<sup>nd</sup> July 2013, August, 2013, 13<sup>th</sup> November, 2013 and 10<sup>th</sup> February, 2014.

The attendance of the each member of the committee is given below:

Directors	Chairman/Member	Category	No. of meetings attended
Sri Kanteti Sridhar	Chairman	Non - Executive & Independent	5
Sri Nellore Dolendra Prasad	Member	Non - Executive & Independent	3
Sri Tunuguntla Rama Krishna	Member	Non - Executive & Independent	3

#### Nomination & Remuneration Committee:

Terms of reference:

The company has appointed a Remuneration Committee comprising of three non-executive members namely Sri Kanteti Sridhar (Chairman), Smt. Bommidala Anitha and Sri Tunuguntla Rama Krishna.

The Committee is authorized, inter alia, to deal with matters related to compensation by way of salary, perquisites, benefits etc to the whole time directors of the company and set guidelines for salary and perquisites of the other senior employees.

#### Remuneration of Directors

The details of the remuneration paid to Managing Director for the financial year 2013-2014 are given below:

Name of the Director	Bommidala Ramakrishna (Chairman & Managing Director)
Salary	Rs. 4,20,000/-
Benefits	-
Provident Fund	-
<b>Total</b>	Rs. 4,20,000/-

#### Shareholders/ Investor Grievance Committee

The company has a Shareholders / Investor Grievance Committee comprises of three non-executive directors namely Smt. Bommidala Saroja Devi (Chairperson), Smt. Bommidala Anitha and Sri Tunuguntla Rama Krishna, non-executive directors.

The Shareholders / Investor Grievance Committee met four times i.e. on 29<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013 and 10<sup>th</sup> February, 2014 and reviewed shareholders complaints position and expressed satisfaction over the compliance of the investors grievances. All complaints received from the shareholders by the company are forwarded to Registrars and Share Transfer Agents "M/s. Karvy Computershare Pvt. Ltd" for furnishing replies to the shareholders explaining the position of the complaints. The Registrars and Share Transfer Agents " M/s. Karvy Computershare Pvt. Ltd" submits "Investor Grievance Report" every quarter which will be reviewed by the Shareholders / Investor Grievance Committee.

The Company received a total of 9 complaints from 01.04.2013 to 31.03.2014 from its shareholders, all of which were resolved within 30 days to the satisfaction of the shareholders.

### Share Transfer Committee

The Company had re-constituted Share Transfer Committee comprising of Smt. Bommidala Anitha as Chair person and Sri Bommidala Rama Krishna and Sri Tunuguntla Rama Krishana as members. The Committee met only one time during the year to approve the Memorandum of Share Transfers, sub-division / consolidation of share certificates, transmission of shares and issue of duplicate share certificates, which are submitted by the Share Transfer Agents after completing their formalities. Share Transfers approved by the Committee are placed at the Board Meeting. During the period under review 2100 Equity shares were transferred. No share transfers arising out of the financial year in question are pending beyond the normal service time of two weeks from the date of receipt of complete documentation required to effect the transfer. There are no pending share transfers as on date of this Report.

### General Body Meetings

Details of location of the last three Annual General Meetings of the Company are given below:

Date of AGM	Time	Place
17 <sup>th</sup> September, 2011	2.30 P.M	Bommidala Cold Complex, Lalpuram, Guntur
17 <sup>th</sup> September, 2012	3.00 P.M	Bommidala Cold Complex, Lalpuram, Guntur
14 <sup>th</sup> September 2013	3.00 P.M	Bommidala Cold Complex, Lalpuram, Guntur

There has been no ordinary or special resolution passed by the company's shareholders through Postal Ballot during the year.

### Disclosures

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:

The Company has received disclosures from Directors wherever applicable. Attention is drawn to para 30 of Notes on Accounts for details.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years:

- None -

### Means of Communication

The quarterly audited / un-audited financial results of the Company are published in The New Indian Express (National newspaper) and Andhra Prabha (vernacular newspaper).

The information required under the Companies Act and the Listing Agreement is sent to Stock Exchanges, where Company's equity shares are listed, through facsimile and courier / post and by publication in the above newspapers, wherever required.

### General Shareholder Information

Annual General Meeting :	13 <sup>th</sup> September 2014 at 03.30 P.M at Bommidala Cold Complex, Lalpuram, Bypass Road, Guntur.
Financial Calendar :	<ol style="list-style-type: none"> <li>Financial year - April to March</li> <li>First Quarter Results - In the Second week of August</li> <li>Half yearly Results - In the Second week of November</li> <li>Third Quarter Results - In the Second week of February</li> <li>Fourth Quarter Results- In the Second week of May</li> </ol>
Dates of Book Closure :	5 <sup>th</sup> September 2014 to 13 <sup>th</sup> September 2014 (both days inclusive)
Listing on Stock Exchanges	<p>The Company's shares are presently listed on the following stock exchanges</p> <ol style="list-style-type: none"> <li>Bombay Stock Exchange Ltd</li> <li>The Hyderabad Stock Exchange Ltd *</li> <li>The Calcutta Stock Exchange Ltd **</li> <li>Delhi Stock Exchange Ltd **</li> <li>Madras Stock Exchange Ltd ***</li> </ol>
ISIN Number for NSDL & CDSL:	INE 356 C 01022
Registrars & Share Transfer Agents	M/s. Karvy Computershare Private Limited # 17-24, Vittal Rao Nagar, Madhapur, HYDERABAD - 500 081



\* Since de recognised by SEBI                      \*\* Application for delisting is pending with Delhi & Calcutta stock exchanges.

\*\*\* The company had since received a communication from Madras Stock Exchange Limited, informing that the company can delist from the Madras Stock Exchange, as SEBI had not approved their Stock Exchange to continue it operations.

**E-mail ID of the Grievance Redressal Division:**

As required by the amendment to the Listing Agreement (Insertion of Clause 47(f)), the company has opened separate e-mail ID of the Grievance Redressal Division viz. “**contact.bkvind@bommidala.co.in**” and the investors can now directly address their grievances to this e-mail ID for quick attention of the company.

**Share Transfer System:**

SEBI has notified the compulsory trading of equity shares of the Company in dematerialization form. However, the equity shares of the Company are traded in demat as well as in non-demat form. The Company appointed M/s. Karvy Computershare (P) Limited as Registrars & Share Transfer Agents for both electronic and physical transfers.

For demat shares, the Company is registered with NSDL and CDSL. The ISIN allotted to Equity Shares is INE 356 C 01022

For non-demat shares, the transfers are processed and registered at M/s. Karvy Computershare (P) Limited. Shares lodged for transfer are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects.

Distribution of Shareholding as on 31<sup>st</sup> March, 2014

Category (Amount)	No. of Shareholders	Amount Rs.	% to Total
1 - 5000	13,168	31,69,430	20.51
5001 - 10000	52	3,59,712	2.33
10001 - 20000	26	3,51,844	2.28
20001 - 30000	7	1,69,950	1.10
30001 - 40000	3	1,02,599	0.66
40001 - 50000	3	1,27,765	0.83
50001 - 100000	3	2,59,100	1.68
100000 and above	6	1,09,08,184	70.61
<b>Total</b>	<b>13,268</b>	<b>1,54,48,584</b>	<b>100.00</b>

Categories of Shareholding as on 31<sup>st</sup> March, 2014

Category	No. of Shares	% to Total
Promoters & Associates	1,08,20,284	70.04
Foreign Institutional Investors	-	-
Public Financial Institutions & Banks	5,000	0.03
Mutual Funds & UTI	41,900	0.27
Private Corporate Bodies	7,46,931	4.83
NRIs and OCBs	1,78,612	1.16
Indian Public	36,55,857	23.67
<b>Total</b>	<b>1,54,48,584</b>	<b>100.00</b>

Market Price: High / Low during each month in Financial year 2013-2014 in BSE and performance.

Month	BKV Industries Ltd. Stock Performance	
	High (Rs.)	Low (Rs.)
April, 2013	-	-
May, 2013	-	-
June, 2013	-	-
July, 2013	-	-
Aug., 2013	-	-
Sep.' 2013	-	-
Oct., 2013	-	-
Nov., 2013	-	-
Dec., 2013	-	-
Jan., 2014	1.60	1.60
Feb., 2014	1.68	1.27
Mar., 2014	1.52	1.45

Dematerialisation of Shares 81.74 % Equity Shares of the company have been dematerialized as on 31<sup>st</sup> March, 2014.

**Green Initiative in Corporate Governance:**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by companies through electronic mode. As per the Companies Act, 2013, companies can now send various notices and documents, including Annual Report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders. This welcome initiative of MCA will reduce paper consumption to a great extent and enhance corporate contribution to a greener and safer environment. Company had informed all the shareholders to register their e-mail address with the Depository/Company to use their email address for sending documents including Notices, Annual Report through e-mail. **The shareholders are requested to inform their e-mail address to the company as where as with our Registrar and Share Transfer Agent-Karvy Computershare Private Limited.** All the shareholders are requested to contribute to this initiative to receive various notices and documents through electronic mode to their Registered e-mail address with the Depository/Company.

**Plant Locations:**

Shrimp Farm

No.of Employees as on 31/03/14

Address for Correspondence

A) Company:

B K V Industries Limited "and reduced"

Bommidala House, D.No. 5-87-15/A,

Laxmipuram Main Road, Guntur, A.P - 522 007.

CIN:L05005AP1993PLC015304

Isakapalli, Allur (Mandal), Nellore (Dt)

03

B) Registrars & Share Transfer Agents:

M/s. Karvy Computershare Private Limited

# 17-24, Vittal Rao Nagar, Madhapur,

HYDERABAD - 500 081

## MANAGING DIRECTOR/CEO CERTIFICATION

To the best of our knowledge and belief:

- We have reviewed the Balance Sheet and Profit and Loss and all its Notes on financial statements as well as the Cash Flow Statements and the Director's Report;
- These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
- These statements together present a true and fair view of the company, and are in compliance with the existing Accounting Standards and / or applicable Laws and Regulations;
- We are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company, and they have also disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, and what they have done or proposed to do to rectify these;
- We have also disclosed to the auditors as well as Audit Committee, that to the best of our knowledge, no fraud, whether or not material existed that involves management or other employees, who have significant role in the company's internal control systems and financial reporting during the period under review;
- We have indicated to the auditors, the Audit Committee and in the notes on accounts, whether or not there were significant changes in internal control and / or of accounting policies during the year.

On Behalf of the Board of Directors

**BOMMIDALA RAMA KRISHNA**

Managing Director

Place : Guntur

Date: 6<sup>th</sup> August, 2014

## CERTIFICATE

To  
The Members of  
BKV Industries Ltd, 'and reduced'

We have examined the compliance of conditions of Corporate Governance by BKV Industries Ltd , 'and reduced' for the year ended on 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the 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.

We state that in respect of investor grievances received during the year ended 31st March, 2014, no investor grievances are pending against the company for a period exceeding one month as per the records maintained by the company and presented to the Shareholders/Investor Grievance Committee of the company.

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.

**for GARLAPATI & Co,**  
Chartered Accountants  
Firm Regn. No. 000892S

Place: Guntur.  
Date : 6<sup>th</sup> August, 2014

**GARLAPATI SATYANARAYANA**  
Partner  
M.No. 22101

INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
M/s. BKV Industries Limited. 'and reduced'  
Guntur

**Report on the Financial Statements:**

We have audited the accompanying financial statements of M/s. BKV Industries Limited, 'and reduced' (the company), which comprise the Balance Sheet as at March 31, 2014, the statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Managements' Responsibility for the Financial Statements:**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards notified under the Companies Act., 1956 (the Act) read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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 misstatements.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

**Opinion:**

*As shrimp farm has given for operating lease, the company has not carried out the operations on its own after giving farm lease. However, the accounts are prepared on going concern basis in view of the lease income from operating lease and the company propose to undertake operations after expiry of operating lease.*

Subject to above, 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.

- (a) in the case of the Balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2014;
- (b) in the case of Statement of Profit & Loss, of the loss of the Company for the year ended on that date;  
and
- (c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report of Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order') issued by the Central Government of India in terms of Section 227(4A) of the Act., we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227(3) of the Act, we report that :
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appear from our examination of those books.
  - (iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statements dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act read with General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - (v) On the basis of written representations received from the directors, as on March 31, 2014 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

for GARLAPATI & Co,  
Chartered Accountants  
(Firm Regn.No. 000892S)

Place: Guntur  
Date: 24.05.2014

**GARLAPATI SATYANARAYANA**  
Partner - Membership No. 22101

**ANNEXURE TO THE AUDITOR'S REPORT**

Annexure to the auditor's report of M/s. BKV Industries Limited, 'and reduced' for the year ending 31<sup>st</sup> March, 2014 referred to paragraph (3) there of:

- 1) In respect of Fixed Assets
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) We have been informed that all the fixed assets have been physically verified by the management during the year and to the best of our knowledge no serious discrepancies have been noticed on such verification.
  - c) During the year, the company has disposed off the unutilized assets as company was given on lease, however in view of lease income from farm property and operations will be undertaken after expiry of operating lease, the going concern concept is not affected.
- 2)
  - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
  - c) In our opinion and according to the information and explanations given to us the company has maintained proper records of inventories and there was no material discrepancies noticed on physical verification as compared to the book records.
- 3)
  - a) The company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clauses (b), (c) and (d) of this order are not applicable.
  - e) The company has taken interest free unsecured loan from a director and the maximum amount involved during the year was Rs. 22.85 lakhs and the year end balance taken from the director was Rs. 10.90 lakhs.
  - f) In our opinion and according to the information and explanations given to us, loans taken from the individual, firms, companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prejudicial to the interest of the company.
  - g) Unsecured loans taken from the parties are payable on demand. During the year certain payments are made on demand, hence the question of irregularity does not arise.
  - h) There is no overdue amount of loans taken from the companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchases of inventory and fixed assets and for the sale of goods. During the course of audit, we have not observed any major weakness in internal control systems.
- 5) The company has not entered into contracts or arrangements referred to in section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- 6) According to the information and explanations given to us the company has not accepted any fixed deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. Hence, the provisions of clause 4 (vi) are not applicable.
- 7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 9)
  - a) According to the information and explanations given to us, in our opinion, the company is regular in depositing undisputed statutory dues including Investor Education & Protection Fund, Income-tax, Sales Tax, Wealth

Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to information and explanations given to us and the opinion sought by the management, the Provident Fund and ESI are not applicable to this company.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Investor Education & Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, P.F and ESI, Customs Duty, Excise Duty, and Cess were in arrears, as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable. The amounts due to Investor Education & Protection Fund for a period exceeding six months as at 31<sup>st</sup> March, 2014 does not arise as the company has not declared dividends to the shareholders since its inception.
- c) According to the information and explanations given to us, there are no dues of Sales Tax, Income-Tax, Customs Duty, Wealth Tax, Excise Duty which have not been deposited on account of dispute and in the case of levy of Non-Agricultural Lands Assessment under Andhra Pradesh Non-Agricultural Land Assessment Act, the matter is pending before courts and an amount of Rs. 56.36 lakhs is shown under contingent liability.
- 10) The Company has accumulated losses to the extent of Rs.342.18 lakhs and the Company reported a cash profit of Rs 1.76 lakhs during the financial year 2013-14 and made a cash profit of Rs.93.47 lakhs during the financial year 2012-13.
- 11) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the financial year under consideration.
- 12) In our opinion and according to the explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- 14) The company has not dealt or traded in shares, securities, debentures or other investments during the year.
- 15) In our opinion and according to the explanations given to us, the company has not given any guarantees for loans taken by others from bank and financial institutions.
- 16) In our opinion and according to information and explanations given to us, the company has not raised any term loans during the year.
- 17) According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
- 18) During the year the company has not issued any preferential shares, hence the clause (XVIII) is not applicable to the company.
- 19) According to the information and explanations given to us, during the year covered by our audit report, the company has not issued any debentures.
- 20) The company has not raised any monies by way of public issue during the year.
- 21) Based on the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

for **GARLAPATI & Co,**  
Firm Regn. No. 000892S  
Chartered Accountants

Place: Guntur  
Date : 24.05.2014

**GARLAPATI SATYANARAYANA**  
Partner, M.No. 22101

## BALANCE SHEET AS AT 31st MARCH, 2014

EQUITY & LIABILITIES	Note	Rs.	As at	Rs.	As at
			31-03-2014		31-03-2013
Shareholders Funds					
Share capital	1	1,54,48,584		1,54,48,584	
Reserves & Surplus	2	(1,30,37,080)	24,11,504	(1,29,41,407)	25,07,177
<b>Non-Current Liabilities</b>					
Other Long Term Borrowings	3	-		-	
Long Term Provisions	4	5,99,739	5,99,739	9,74,384	9,74,384
<b>Current Liabilities</b>					
Short Term Borrowings	5	10,90,000		11,45,000	
Trade Payables	6	11,52,600		5,68,635	
Other Current Liabilities	7	1,27,906	23,70,506	7,91,000	25,04,635
<b>TOTAL</b>			<b>53,81,749</b>		<b>59,86,196</b>
<b>ASSETS</b>					
<b>Non-Current Assets:</b>					
<b>Fixed Assets :</b>					
Tangible Assets	8	37,69,520		38,96,470	
Non-Current Investments	9	3,000		3,000	
Other Non-Current Assets	10	2,41,970	40,14,490	5,51,658	44,51,128
<b>Current Assets</b>					
Inventories	11	-		8,57,756	
Trade Receivables	12	2,76,973		4,46,033	
Cash & Cash equivalents	13	2,92,392		1,49,055	
Short - Term Loans & Advances	14	3,67,415		79,224	
Other Current Assets	15	4,30,479	13,67,259	3,000	15,35,068
<b>Total</b>			<b>53,81,749</b>		<b>59,86,196</b>

Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Balance Sheet.

As per our attached report of even date

for GARLAPATI & CO.,  
Firm Regn. No. 000892S  
Chartered Accountants

GARLAPATI SATYANARAYANA  
Partner (M.No. 22101)

Place : Guntur  
Date: 24th May, 2014

for and on behalf of the Board

BOMMIDALA RAMA KRISHNA  
Managing Director

BOMMIDALANITHA  
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

INCOME	Note	For the year ended <u>31-03-2014</u> Rs.	For the year ended <u>31-03-2013</u> Rs.
Revenue from operations	16	37,29,060	15,68,696
Other Income	17	0	1,500
<b>Total revenue</b>		<u>37,29,060</u>	<u>15,70,196</u>
<b>EXPENSES :</b>			
Cost of material consumed	18	3,53,977	6,06,198
Changes in Inventories of finished goods, work in progress and stock in trade	19	8,38,954	(8,38,954)
Employee benefits expenses	20	13,87,502	17,16,470
Finance Costs		-	-
Depreciation and amortization expenses	21	2,72,155	3,22,216
Other expenses	22	14,49,863	17,48,029
<b>Total expenses</b>		<u>43,02,451</u>	<u>35,53,959</u>
Profit / (Loss) before exceptional and extraordinary items and tax		(5,73,391)	(19,83,763)
Exceptional items	23	6,08,758	1,10,08,843
Profit & (Loss) before extraordinary items & Tax		35,367	90,25,080
Extraordinary items		1,16,400	0
Profit / ( Loss) before Tax		(81,033)	90,25,080
Tax expenses		14,640	0
Profit/ (Loss) for the year		(95,673)	90,25,080
Earnings per Equity Share of face value of Rs.1/-			
Basic & Diluted		(0.01)	0.59
(Refer note No 29 to the financial statements)			

Significant Significant Accounting Policies and Notes to the Financial Statements are an integral part of this statement of Profit and Loss.

As per our attached report of even date  
for GARLAPATI & CO.,  
Firm Regn. No. 000892S  
Chartered Accountants

for and on behalf of the Board

**BOMMIDALA RAMA KRISHNA**  
Managing Director

**GARLAPATI SATYANARAYANA**  
Partner (M.No. 22101)

**BOMMIDALA ANITHA**  
Director

Place : Guntur  
Date: 24th May, 2014



**CASH FLOW STATEMENT FOR THE YEAR ENDED**

	<b>31-03-2014</b>	<b>31-03-2013</b>
	Rs.	Rs.
<b>A. Cash Flow from Operating Activities:</b>		
Net( Loss) /Profit before Tax & Extra-Ordinary items	35,367	90,25,080
<u>Adjustments for:</u>		
Depreciation	2,72,155	3,22,216
Profit on sale of assets	(4,98,392)	(1,08,36,163)
Inventory written off	18,801	-
Gratuity Provision / Payments	(2,57,740)	(3,37,160)
Earlier Years farm tax paid (Net)	(1,16,400)	-
Scheme expenses w/off	219,980	2,19,976
Operating Profit before working capital	<u>(3,26,229)</u>	<u>(16,06,051)</u>
<u>Changes in working Capital</u>		
Dec / (Inc) in Trade Receivable	1,69,060	27,404
Dec / (Inc) in Inventories	8,57,756	(8,57,756)
Dec / (Inc) in Short Term Loans & Advances	(2,88,191)	4,306
Dec / (Inc) in other Current assets	(4,27,479)	-
Dec / (Inc) in other Non-Current assets	3,09,688	3,07,828
(Dec) / inc in Long Term Provisions	(3,74,645)	(2,30,260)
(Dec) / inc in Long Term Liabilities	-	(2,50,000)
(Dec) / inc in Trade Payables	5,83,965	77,989
(Dec) / inc in Other Current Liabilities	<u>(6,63,094)</u>	<u>(92,69,000)</u>
Cash Flow from operating activities	<u>(1,59,169)</u>	<u>(1,17,95,540)</u>
<b>B. Cash Flow from Investing Activities</b>		
Sale of Assets	5,16,175	1,51,75,356
Purchase of assets	(1,58,669)	(9,800)
Cash recd from Investing activities	<u>3,57,506</u>	<u>1,51,65,556</u>
<b>C. Cash Flow from Financial Activities</b>		
(Dec)/ inc in short Term Borrowing	(55,000)	(42,66,033)
Cash Flow from Financial activities.	<u>(55,000)</u>	<u>(4,266,033)</u>
Net inc / (Dec) in cash and cash equivalents (A+B+C)	1,43,337	(8,96,017)
Cash & cash equivalents as at 01/04/2013	1,49,055	10,45,072
Cash & cash equivalents as at 31/03/2014	<u>2,92,392</u>	<u>1,49,055</u>

for **GARLAPATI & CO.**  
Firm Regn. No. 000892S  
Chartered Accountants

**GARLAPATI SATYANARAYANA,**  
Partner

Place : Guntur  
Date: 24th May, 2014

for and on behalf of the Board

**BOMMIDALA RAMA KRISHNA**  
Managing Director

**BOMMIDALA ANITHA**  
Director

**A. SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

**1. Basis of preparation of Financial Statements:**

The Financial statements have been prepared under the Historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 1956 and in accordance with the applicable mandatory Accounting Standards. The company follows accrual basis of accounting.

**2. Use of Estimates:**

The preparation of financial statements require the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year.

**3. Fixed Assets and Depreciation:**

- a. Fixed Assets are stated at Historical cost less accumulated Depreciation.
- b. Depreciation on Fixed Assets is provided on Written Down Value Method on pro-rata basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

**4 Investments:**

Investments are classified as Current and Long Term Investments.

Long Term Investments are stated at cost less provision if any for diminution, which is other than temporary in nature. Current Investments are valued at lower of cost and net realizable value.

**5. Valuation of Inventory:**

The Valuation of inventory is made on the following basis.

- i. Raw material : At Cost on Weighted Average Basis or Net Realisable Value whichever is less.
- ii. Stores and Spares : At Cost on Weighted Average Basis or Net Realisable Value whichever is less.
- iii. Finished Goods : At Cost or Net Realisable Value whichever is less.
- iv. Work-in-progress : Valued at cost or Net Realisable Value whichever is less.

Cost includes material cost and appropriate share of production overheads and duties where ever applicable.

**6. Foreign Currency Transactions:**

Foreign Currency Transactions are accounted for at the rate prevailing on the date of transaction. Monetary items denominated in foreign currencies are restated at year end rate. Gain or Loss arising out of fluctuations in exchange rates is accounted in the Statement of Profit & Loss. Premium or discount on Forward Exchange Contracts is amortized as the expense or income over the tenure of the contract.

**7. Employee Benefits:**

Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the period, when the services are rendered.

Post-Employment Benefits:

The company is only carrying on culture in a limited way and does not have any industrial activity; hence Provident Fund & ESI are not applicable to the company.

Defined Benefit Plans:

Liability in respect of defined benefit plans i.e. gratuity is determined, based on actuarial valuation made by an independent actuary using the projected unit credit method as at the balance sheet date. The actuarial gains or losses are recognized immediately in the statement of profit and loss.

**8. Taxation:**

Provision for current Income Tax made in accordance with Income tax Act 1961. Deferred Tax resulting in timing differences between book and taxable Profit is computed and provided by using the tax rates and Laws that have been enacted or substantially enacted as on the balance sheet date. The Deferred Tax Asset is recognized and carried forward only to the extent that there is a virtual certainty that the Deferred Tax Asset will be realized in future.

**9. Revenue Recognition:**

Sales are recognized when goods are supplied and are recorded net of rebates and sales tax. Expenses are accounted on accrual basis and provisions are made for all known losses and expenses.

**10. Impairment of Fixed Assets:**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists of an asset, recoverable amount is estimated and impairment loss is recognized, whenever the carrying amount of an asset exceeds it's recoverable amount. Reversal of impairment of losses recognized in previous years is recorded whenever there is an indication that impairment of losses recognized for the asset no longer exists or has decreased.

**11. Amortization of Expenses:**

The expenditure incurred towards Scheme of Arrangement on Share Capital Reduction and Re-organization is amortized over a period of 5 years as the scheme has the benefit of enduring nature.

**12. Leases:**

All the Operating Leased assets are presented in the Balance Sheet under the Fixed Assets. Lease Income from operating lease is recognized in the Statement of Profit and Loss on a straight line basis over the lease term. Costs including the depreciation and initial costs are recognized as expense.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.		
<b>1 SHARE CAPITAL</b>				
Authorised Share capital 11,50,00,000 (11,50,00,000) Equity Share Capital of Rs. 1/-each (1/-)	11,50,00,000	11,50,00,000		
<b>TOTAL</b>	<b>11,50,00,000</b>	<b>11,50,00,000</b>		
Issued, Subscribed & Paid up Share capital: 1,54,48,584 (1,54,48,584) Equity Share Capital of Rs. 1/-each (1/-)*	1,54,48,584	1,54,48,584		
<b>TOTAL</b>	<b>1,54,48,584</b>	<b>1,54,48,584</b>		
Reconciliation of No. Equity Shares outstanding at the beginning and at the end of reporting period				
	Nos	Nos		
Balance at the beginning of the year	1,54,48,584	1,54,48,584		
Add/(Less) shares issued and allotted during the year	-	-		
Less: Shares bought back during the year	-	-		
Balance at the closing of the year	<u>1,54,48,584</u>	<u>1,54,48,584</u>		
Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Andhra Pradesh, Hyderabad on 13/02/2009, the company issued 91,69,184 new shares with the face value of Rs. 1/-each to the specified creditors against the amount standing to the credit of their respective accounts at "Discovered New Share Issue Price" and convert the same in to share capital by crediting to Paid-up Share Capital Rs. 91,69,184 and Rs 2,11,80,815 towards Share Premium Reserve.				
The Equity Share Holders are entitled to receive dividends as and when declared. A right to vote in proportion to holding etc., and their rights, preferences and restrictions are governed by/in terms of their issue under the provisions of the Companies Act, 1956.				
The following Directors are holding shares consisting of more than 5% of the share capital				
	<u>No.of Shares</u>	<u>Percentage</u>	<u>No.of Shares</u>	<u>Percentage</u>
Sri Bommidala Kasi Viswanadham	1,58,822	1.03%	45,58,822	29.51%
Sri Bommidala Rama Krishna	98,66,821	63.87%	31,66,821	20.50%
Smt. Bommidala Saroja Devi	<u>1,13,716</u>	<u>0.74%</u>	<u>24,13,716</u>	<u>15.62%</u>
<b>2) RESERVES &amp; SURPLUS</b>				
Securities Premium Reserve				
As per Last Balance Sheet		2,11,80,815		2,11,80,815
Surplus - Balance in Statement of Profit & Loss				
As per Last balance Sheet	(3,41,22,222)		(43,147,302)	
Add: Profit/(Loss) for the year	<u>(95,673)</u>	<u>(3,42,17,895)</u>	<u>9,025,080</u>	<u>(3,41,22,222)</u>
<b>TOTAL</b>		<b><u>(1,30,37,080)</u></b>		<b><u>(1,29,41,407)</u></b>
<b>3) Other Long Term Liabilities:</b>				
(Un-secured & from related parties)				
Deposit for leasing farm assets		-		-
<b>TOTAL</b>		<u>-</u>		<u>-</u>
<b>4) Long Term Provisions :</b>				
Provision for employee benefits:				
Post Retirement Benefits		<u>5,99,739</u>		<u>9,74,384</u>
<b>TOTAL</b>		<b><u>5,99,739</u></b>		<b><u>9,74,384</u></b>
<b>5) Short Term Borrowings :</b>				
(Un-secured and payable on demand from related parties)				
Inter Corporate Loan from Company in which directors are interested:				
From Chairman & Managing Director		<u>10,90,000</u>		<u>11,45,000</u>
<b>TOTAL</b>		<b><u>10,90,000</u></b>		<b><u>11,45,000</u></b>
<b>6) Trade Payable</b>				
Micro, Small and Medium Enterprises		-		-
Others		<u>11,52,600</u>		<u>5,68,635</u>
<b>TOTAL</b>		<b><u>11,52,600</u></b>		<b><u>5,68,635</u></b>
<b>7) Other Current Liabilities:</b>				
Duties Payable		-		-
Advance received from parties		-		7,91,000
Post Retirement Benefits		<u>1,27,906</u>		-
<b>TOTAL</b>		<b><u>1,27,906</u></b>		<b><u>7,91,000</u></b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

8. FIXED ASSETS		(in Rs.)										
		GROSS BLOCK (COST)					DEPRECIATION					NET BLOCK
Description of Assets	As at 31-3-2013	Additions during the Year	Deletions during the Year	As at 31-3-2014	As at 31-3-2013	Additions during the Year	Deletions during the Year	As at 31-3-2014	As at 31-3-2014	As at 31-3-2014	As at 31-3-2014	As at 31-3-2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets:</b>												
Land	15,19,333	1,00,000	-	16,19,333	-	-	-	-	-	-	16,19,333	15,19,333
Buildings	45,32,568	-	-	45,32,568	34,21,044	64,748	-	34,85,792	10,46,776	11,11,524	10,46,776	11,11,524
Plant & Machinery	2,88,66,359	-	-	2,88,66,359	2,77,66,901	1,68,547	-	2,79,35,448	9,30,911	10,99,458	9,30,911	10,99,458
Elec. Installation	7,05,883	-	6,86,440	19,443	6,81,011	4,841	6,77,632	8,220	11,223	24,872	11,223	24,872
Furniture & Fixtures	1,37,355	-	-	1,37,355	1,15,745	3,911	-	1,19,656	17,699	21,610	17,699	21,610
Vehicles	2,69,708	56,069	1,40,274	1,85,503	2,10,625	19,080	1,35,618	94,087	91,416	59,083	91,416	59,083
Equipment *	1,91,802	2,600	-	1,94,402	1,31,216	11,028	-	1,42,244	52,158	60,586	52,158	60,586
Computers	6,100	-	-	6,100	6,096	-	-	6,096	4	4	4	4
<b>Total</b>	<b>3,62,29,108</b>	<b>1,58,669</b>	<b>8,26,714</b>	<b>3,55,61,063</b>	<b>3,23,32,638</b>	<b>2,72,155</b>	<b>8,13,250</b>	<b>3,17,91,543</b>	<b>37,69,520</b>	<b>38,96,470</b>	<b>37,69,520</b>	<b>38,96,470</b>
Previous Year	3,65,67,661	9,800	3,48,353	3,62,29,108	3,23,66,519	3,22,216	3,56,097	3,23,32,638	38,96,470	42,01,142	38,96,470	42,01,142

\*Include Office Equipment

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

	<u>As at</u> <u>31-03-2014</u> <u>Rs.</u>	<u>As at</u> <u>31-03-2013</u> <u>Rs.</u>
<b>9) Non-current Investments:</b>		
Other Investments:		
Investment in Govt. Securities (Unquoted at cost)	3,000	3,000
<b>TOTAL</b>	<u>3,000</u>	<u>3,000</u>
<b>10) Other Non-current assts:</b>		
Un-Amortized Scheme Expenses	-	2,19,980
Deposits (Unsecured, considered good)	1,000	90,708
Advance payment of Non-Agrl.Tax	2,40,970	2,40,970
<b>TOTAL</b>	<u>2,41,970</u>	<u>5,51,658</u>
<b>11) Inventories :</b>		
Stores & Spares	-	-
Raw Materials	-	18,802
Work-in-progress	-	8,38,954
<b>TOTAL</b>	<u>-</u>	<u>8,57,756</u>
<b>12) Trade Receivables</b>		
Unsecured & Considered Good:		
Outstanding for more than Six months from the date they are due	-	-
Others	2,76,973	4,46,033
<b>TOTAL</b>	<u>2,76,973</u>	<u>4,46,033</u>
<b>13) Cash &amp; Cash Equivalents:</b>		
Balances with Banks in current Account	75,790	1,00,887
Cash on hand	2,16,602	48,168
<b>TOTAL</b>	<u>2,92,392</u>	<u>1,49,055</u>
<b>14) Short Term Loans &amp; Advances:</b>		
(Unsecured, Considered Good)		
Employee advances	97,415	59,000
Advance Tax	2,70,000	16,000
Other receivables	-	4,224
<b>TOTAL</b>	<u>3,67,415</u>	<u>79,224</u>
<b>15) Other Current Assets</b>		
Intrest accrued on investments	3000	3,000
Other Current Assets	4,27,479	-
<b>TOTAL</b>	<u>4,30,479</u>	<u>3,000</u>
<b>16) Revenue from Operations:</b>		
Sale of Shrimp Products	17,04,060	-
Other Operating Revenues:		
Lease income from Aqua Farm	20,25,000	15,68,696
<b>TOTAL</b>	<u>37,29,060</u>	<u>15,68,696</u>
<b>17) Other Income :</b>		
Interest Received	-	1,500
Other Non-operating Income	-	-
<b>TOTAL</b>	<u>-</u>	<u>1,500</u>
<b>18) Cost of Raw Material Consumed:</b>		
<b>Particulars of Materials consumed</b>		
Seed	-	2,70,000
Feed	3,39,263	3,22,912
Chemicals	14,714	13,286
<b>TOTAL</b>	<u>3,53,977</u>	<u>6,06,198</u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

	Value Rs.	As at 31-03-2014 Rs.	Percentage Consumption	Value Rs.	As at 31-03-2013 Rs.	Percentage Consumption
Imported	-	-	-	-	-	-
Indigenous	3,53,977	3,53,977	100	6,06,198	6,06,198	100
	<u>3,53,977</u>	<u>3,53,977</u>	<u>100</u>	<u>6,06,198</u>	<u>6,06,198</u>	<u>100</u>
<b>19) Changes in Inventories of Finished goods, work in progress and Stock in trade :</b>						
Inventories (at close)	-	-	-	-	( 8,38,954)	-
Inventories (at commencement) Work-in-process	-	8,38,954	-	-	-	-
<b>TOTAL</b>		<u>8,38,954</u>			<u>(8,38,954)</u>	
<b>20) Employee Benefits Expense</b>						
Salaries & Wages		12,21,750			15,97,455	
Staff Welfare Expenses		44,385			12,114	
Gratuity		1,21,367			1,06,901	
<b>TOTAL</b>		<u>13,87,502</u>			<u>17,16,470</u>	
<b>21) Depreciation / Impairment</b>						
Depreciation on tangible assets.		2,72,155			3,22,216	
<b>22) Other Expenses</b>		<u>2,72,155</u>			<u>3,22,216</u>	
Power & Fuel		16,098			69,155	
Rent		-			80,000	
Repairs to Buildings		7,392			757	
Repairs to Machinery		-			1,71,096	
Insurance		2,088			2,528	
Rates & Taxes		82,821			1,30,742	
Printing & Stationery		1,23,964			1,19,060	
Postage, Phone & Telex		1,26,953			1,16,295	
Professional & Legal Charges		3,09,912			2,10,795	
Travelling & Conveyance		1,35,767			89,616	
Advertisement		2,53,248			3,10,978	
Security Service Charges		-			24,000	
Scheme Expenses Written off		2,19,980			2,19,976	
Audit Fees & Expenses		50,562			54,296	
Other Miscellaneous items		1,21,078			1,48,735	
<b>TOTAL</b>		<u>14,49,863</u>			<u>17,48,029</u>	
<b>23) Exceptional Items:</b>						
Profit on sales of Assets		4,98,392			1,08,36,163	
Gratuity Provision Written Back		1,10,366			1,72,680	
<b>TOTAL</b>		<u>6,08,758</u>			<u>1,10,08,843</u>	
<b>24) Foreign Currency Transactions and other financial information :</b>						
1) Expenditure in imports on CIF basis in respect of raw materials		NIL			NIL	
2) Expenditure in foreign currency		NIL			NIL	
3) Dividend remitted in foreign currency		NIL			NIL	
4) Earnings in foreign currency		NIL			NIL	
<b>25) Auditors Remuneration:</b>						
Auditors Remuneration included under other expenses: (Refer Note No 22 to financial statements)						
Audit Fees		0.15			0.15	
Certification Fees		0.20			0.20	
Out of pocket expenses		NIL			0.04	
Service Tax		0.05			0.05	
Tax representation fees		0.11			0.10	
<b>TOTAL</b>		<u>0.51</u>			<u>0.54</u>	

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

### 26) Contingent Liabilities & Provisions:

Contingent Liabilities - Litigation and related disputes:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for: - NIL -

(b) Claims against the company by Rs. 56.36 Lakhs. (Previous year Rs.53.65 Lakhs)

27) The Prawn farm was given on lease for a part of the year even though some part of the farm is under Coastal Regulation Zone as it is not applicable to creek.

### 28) Employee Benefits:

Consequent upon adoption of Accounting Standard on Employee Benefits (AS 15) (Revised 2005) as required by the Standard the following disclosures are made:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.	Gratuity (Un funded)
Obligation at period beginning (1 <sup>st</sup> April, 2013) as per Actuarial Valuation Report	9.74
Current Service Cost	1.21
Actuarial (gain)/loss	(1.10)
Benefits paid	(2.57)
Obligation at the year end (31 <sup>st</sup> March, 2014)	7.28
Changes in Plan Assets	N.A
Plan Assets at period beginning, at fair value	-
Expected returns on plan assets	-
Actuarial gain/(loss)	-
Contributions	-
Benefits paid	-
Plan assets at the year end, at fair value	NIL
Reconciliation of present value of the obligations at the end of the year	
Fair value of plan assets at the end of the year	NIL
Present value of defined benefits obligation at the end of the year	7.28
Liability/(Asset) recognized in the Balance Sheet.	7.28
Cost of the year	
Current Service Cost	0.36
Interest cost	0.85
Expected return on plan assets	-
Actuarial gain/(loss)	(0.11)
Net cost recognized in the Profit/Loss account	1.21
Assumption used to determine the benefit obligations	
Interest Rate	8.75%
Estimated rate of return on plan assets	N.A
Expected rate of increase in salary	7.00%
Actuarial return on plan assets.	-

	Year ended <u>31.03.2014</u> Rs.in lakhs	Year ended <u>31.03.2013</u> Rs.in lakhs
<b>29) Earnings per share</b>		
a) Net profit/(loss) available for Equity Share holders.		
Before Exceptional Items	(5.73)	(19.84)
After Exceptional Items	(0.95)	90.25
b) Weighted average (No of Equity shares is used as Denominator for calculation of EPS)	1,54,48,584	1,54,48,584
c) Basic & diluted Earnings Per Share.		
Before Exceptional Items	(0.04)	(0.13)
After Exceptional Items	(0.01)	0.59

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

## 30) Related Party Disclosures:

1. Key Management personnel  
Sri Bommidala Ramakrishna
2. Associate Companies / Firms
  - 1) Bommidala Tobacco Exporters Pvt Ltd
  - 2) Hotel Shivam International (P) Ltd
  - 3) Bommidala Exports (P) Ltd
  - 4) Digital Keyboard (P) Ltd
  - 5) Bommidala Ventures (P) Ltd.,
  - 6) Meghalaya Hotels (P) Ltd.,
  - 7) A One Duty Free (P) Ltd.,
  - 8) Hindustan Tobacco Co., (Partnership Firm)
  - 9) Bommidala Exports (Partnership Firm)
  - 10) Bommidala Infrastructure (P) Ltd.,
  - 11) Bommidala Highways (P) Ltd.,
  - 12) Sampath Hotels and Resorts (P) Ltd.,

Transactions during the year with related parties (Rs.in lakhs)

Particulars	Key Management Personnel	Associate Companies
i) Managing Directors Remuneration (included in Salaries & Wages)	4.20 (4.20)	----
ii) Unsecured Loan from Managing Director	10.90 (11.45)	NIL (NIL)
iii) Rent Exp. Paid	-	NIL (0.80)
iv) Lease amount received	-	NIL (10.80)

## 31) Farm Given on Lease

The Company has given its Farm assets for an operating lease for 84 Months to a company from first July 2013 onwards.

## a. Details of the Operating Leased Assets

	(Rs. In Lacs)			
	Land	Ponds & Other Fixed Assets (Shown under Plant & Machinery)	Buildings	Electrical Installations
Total Gross Value of the assets	16.19	288.66	45.33	0.20
Total accumulated Depreciation	279.35	34.86	0.08	
Total Depreciation recognized in Statement of Profit and Loss during the Lease period of 9 months.	1.26	0.49	0.04	
b. Minimum Lease Payments under operating lease in the aggregate for the following periods :				
Not Later than one year		27.00 (NIL) Lacs		
More than One Year and less than five years		123.32 (NIL) Lacs		
c. Total Contingent Rent recognized as income in the Statement of Profit and Loss for the lease period		20.25 (10.80) Lacs		
d. The direct costs for maintenance of the leased assets are recognized as an expense in the Statement of the Profit and Loss for the year ended 31.03.2014.				

32. In view of substantial carry forward losses / unabsorbed depreciation in respect of past years and there is no conformity that the company will have profit in near future and hence, cumulative net deferred tax assets after deducting deferred tax liabilities have not been recognized by the company on prudence basis in accordance with the Accounting Standard prescribed under Companies Act, 1956.
33. The Company is engaged only in a single business segment viz. shrimp business and lease of the shrimp farm, hence, no separate segment report is made.
34. No Provision for Taxes made during the year, as the adequate carry forward business loss and depreciation is available as per records.
35. Figures have been rounded off to the nearest rupee and figures in brackets have been reduced from the totals.

As per our attached report of the even date  
for GARLAPATI & CO.,  
Firm Regn. No. 000892S  
Chartered Accountants

for and on behalf of the Board

BOMMIDALA RAMA KRISHNA  
Managing Director

GARLAPATI SATYANARAYANA  
Partner (M.No. 22101)

BOMMIDALA ANITHA  
Director

Place: Guntur  
Dated: 24<sup>th</sup> May, 2014



## REGISTRATION OF E-MAIL ADDRESS FORM

(In terms of Circular Nos. 17/2011 dt:21.04.2011 and 18/2011 dt:29.04.2011  
respectively issued by Ministry of Corporate Affairs, Government of India)  
(For Shares held in physical mode)

To  
**Karvy Computershare Private Limited,**  
#17-24, Vittalrao Nagar,  
Madhapur,  
Hyderabad - 500 081.

I/We, Member(s) of BKV Industries Limited hereby accord my/our approval to receive electronically the documents like Annual Report (s), Notice (s) of General Meeting (s) and such other documents(s) that the Ministry of Corporate Affairs may allow to be sent in electronic mode.

I/We request you to note my/our latest e-mail address, as mentioned below. If there is any change in the e-mail address. I/We will promptly communicate the same to you. I/we attach the self attested copy of PAN card/ Passport towards identification proof for the purpose of verification.

Folio No:	
Name of the First/ Sole Member	
Name (s) of joint Member(s), if any	
Registered Address	
e-mail address (to be registered)	

Place:  
Date:

-----  
(Signature of Member)

Note: To be signed by the Member including joint Member(s), if any.

## REGISTRATION OF E-MAIL ADDRESS FORM

(In terms of Circular Nos. 17/2011 dt:21.04.2011 and 18/2011 dt:29.04.2011  
respectively issued by Ministry of Corporate Affairs, Government of India)

(For Shares held in demat mode- kindly register your e-mail address with your Depository Participant)

To  
The Depository Participant

I/We wish to receive electronically the documents like Annual Report (s), Notice (s) of General Meeting (s) and such other documents(s) that the Ministry of Corporate Affairs may allow to be sent in electronic mode from the Companies in which I/We am/ are Member(s).

I/We request you to note my/our latest e-mail address, as mentioned below. If there is any change in the e-mail address. I/We will promptly communicate the same to you.

DP ID/ Client ID No:	
Name of the First/ Sole Member	
Name (s) of joint Member(s), if any	
Registered Address	
e-mail address (to be registered)	

Place:  
Date:

-----  
(Signature of Member)

Note: To be signed by the Account holder including joint Member (s), if any.

**BKV INDUSTRIES LIMITED “and reduced”**

CIN: L05005AP1993PLC05304

Regd. Office : D.No.5-87-15/A

Bommidala House, Lakshmipuram Main Road, Guntur - 522 007.

Please complete the attendance slip and hand it over at the entrance of Meeting Hall and also bring your copy of the enclosed Annual Report.

**ATTENDANCE SLIP**

I here by record my presence at the 21<sup>st</sup> Annual General Meeting of the company held on 13th September 2014.

Regd. Folio No.	DP Id*
No.of shares	Client Id*

Name of the Share holder (in block letters)
Signature of the shareholder or proxy

\*Applicable for investors holding shares in electronic form.

**BKV INDUSTRIES LIMITED “and reduced”**

CIN:L05005AP1993PLC05304

Regd. Office : D.No. 5-87-15/A

Bommidala House, Lakshmipuram Main Road, Guntur - 522 007.

**PROXY FORM / FORM NO : MGT - 11**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rule,2014).

Name of the member(s):	e-mail Id:
Registered Address:	Folio No/* Client Id:
	*DP Id:

I/We, being the member(s) of \_\_\_\_\_ of \_\_\_\_\_ shares of BKV Industries Limited, “and reduced”, hereby appoint:

1. \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
2. \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
3. \_\_\_\_\_ of \_\_\_\_\_ having e-mail Id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the **21<sup>st</sup> Annual General Meeting** of the Company, to be held on Saturday, September 13·2014 at 03.30 P.M. at Bommidala Cold Complex, By- pass Road, Lalpuram, Guntur- 522017 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
Consider and adopt:		
1. Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2. Re-appointment of Smt. Bommidala Anitha		
3. Appointment of Auditors and fixing their remuneration		
4. Re-appointment of Sri Bommidala Rama Krishna as Managing Director		
5. Re-appointment of Sri Nellore Dolendra Prasad as Independent Director		
6. Re-appointment of Sri Tunuguntla Rama Krishna as Independent Director		
7. Adoption of new Memorandum of Association of the Company		
8. Adoption of new Articles of Association of the Company		
9. Voluntary delisting of the Company's Equity Shares from Stock Exchanges		

\*Applicable for investors holding shares in electronic form.

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2014

\_\_\_\_\_  
Signature of Shareholder

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**NOTE :**

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.

A Proxy need not be a member of the Company.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person of shareholder.

This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

**Registered Post**  
(PRINTED MATTER)

To

*If undelivered please return to*

**BKV INDUSTRIES LIMITED**

'and reduced'

Bommidala House, D.No. 5-87-15/A,  
Lakshmipuram Main Road, GUNTUR - 522 007.  
Andhra Pradesh