

DIRECTOR'S REPORT

To the Members,
Of PVV Infra Limited.

The Directors have pleasure in presenting before you the 23rd Director's Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018

1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFARIS:

The performance during the period ended 31st March, 2018 has been as under:

(Rs. In Lakhs)

Particulars	2017-18	2016-2017
Total Income	3383.63	5042.17
Total Expenditure	3380.10	5031.19
Profit before Tax	3.53	10.98
Provision for Taxation	1.09	3.39
Profit After Tax	2.44	7.59
Transfer to General Reserve	2.44	7.59
Profit available for appropriation	NIL	NIL
Provision for Proposed Equity Dividend	NIL	NIL
Balance Carried to Balance Sheet	2.44	7.59

2. REVIEW OF OPERATION:

During the year under review, the Company has recorded an income of Rs.3383.63 Lakhs and the Profit of Rs.2.44 as against the income of Rs. 5042.17 Lakhs and reported profit of Rs. 7.59 Lakhs in the previous financial year ending 31.03.2018

3. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There were no material changes and commitments affecting financial position of the company between 31st March, 2018 and the date of Board's Report. (I.e. 13/08/2018)

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business.

5. PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec. 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

6. TRANSFER TO RESERVES:

The company has not transferred any amount to reserves for the year.

7. DIVIDEND:

Keeping the Company's revival plans in mind, your Directors has not recommend dividend for the year.

8. REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements for the year under review.

9. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:

Your Company has not accepted any deposits falling within the meaning of Sec. 73 of the Companies Act, 2013 read with the Rules of Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

10. DISCLOSURES UNDER SECTION 134(3) (I) OF THE COMPANIES ACT, 2013:

There have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

11. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS, COURTS, TRIBUNALS, IMPACTING THE GOING CONCERN BASIS OF THE COMPANY:

There were no significant material orders passed by regulators, courts, tribunals, impacting the going concern basis of the Company.

12. CORPORATE GOVERNANCE:

Corporate Governance is not applicable to the company since the paid up equity share capital and net worth of the company does not exceed Rs. 10 crores and Rs. 25 crores respectively. However, the company voluntarily provides a separate section in the Annual Report titled "Report on Corporate Governance" along with the Auditors' Certificate on Corporate

Governance as stipulated under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. AUTHORISED AND PAID UP CAPITAL OF THE COMPANY:

The authorized capital of the company stands at 7,00,00,000 /- divided into 70,00,000 equity shares of Rs.10/- each and the paid up capital stands at Rs.5,00,03,010 divided into 50,00,301 equity shares of 10/- each as on 31st March 2018.

14. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report.

15. DETAILS OF RE-APPOINTMENT /APPOINTMENT OF THE DIRECTOR:

During the year Mr. ANJANEYULU PERLA, (DIN : 07857842) was appointed as Additional Director w.e.f. 12.02.2018. Now the Board proposes to appoint him as Director of the company.

As per the provisions of the Companies Act 2013, Mr. Sumant Pinnamaneni, (holding DIN: 06612334) who retires by rotation is not seeking for re-appointment.

16. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

17. DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made
- c) judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- d) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- e) The Directors had prepared the annual accounts on a going concern basis; and
- f) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:

The Company does not have any subsidiary company (ies).

19. GOODS AND SERVICES TAX (GST):

The introduction of Goods and Services Tax (GST) is a very significant step in the field of indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax, it would mitigate cascading or double taxation in a major way and pave the way for a common national market.

The transition to GST scenario is a major change process and the Company has established a dedicated team to evaluate the impact analysis and carry out changes to the business process & Real Estate and Infrastructure Development s as per the GST framework.

20. INDIAN ACCOUNTING STANDARDS:

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company will adopt Indian Accounting Standards with effect from 01st April, 2017. The implementation of Indian Accounting Standards (IAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame. The impact of the change on adoption of said IAS is being assessed.

21. STATUTORY AUDITORS:

M/s Hanumaiah & Co, Chartered Accountants, Vijayawada (Bearing Regn. No: 201719) to appoint M/s. SMV & CO., Hyderabad (Bearing Regn. No: 015630S) as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the 27th Annual General Meeting (AGM) to be held in the year 2023.

22. INTERNAL AUDITORS:

The Company has not appointed an internal auditor for the Financial Year 2017-18.

23. SECRETARIAL AUDITORS:

The Board had appointed Mr. Bharatiraju Vegiraju, Practicing Company Secretary, bearing C.P. Number 14926, Practicing Company Secretaries, Hyderabad, having CP No.11723 to conduct Secretarial Audit for the financial year 2017-18, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form MR – 3 for the financial year 2017- 18 is enclosed herewith as Annexure A to this Report.

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by Mr. V B Raju, Practicing Company Secretaries is annexed to this Report as annexure.

24. AUDIT REPORTS:

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor’s Report on the Accounts for the year ended March 31, 2018 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the robust growth in the industry.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013, and noted is at the same that the company has not appointed company secretary and Internal Auditor during the year but the company is taking necessary measures to appoint the same at the earliest.

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

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

A. Conservation of Energy:

Your Company’s operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

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|---|---|-----|
| 1. Research and Development (R&D) | : | NIL |
| 2. Technology absorption, adoption and innovation | : | NIL |

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings	:	Rs. NIL
Foreign Exchange Outgo	:	Rs. NIL

26. CORPORATE SOCIAL RESPONSIBILITY POLICY:

Since your Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

27. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

28. INSURANCE:

The properties and assets of your Company are adequately insured.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given loans or Guarantees during the year under review.

30. CREDIT & GUARANTEE FACILITIES:

The Company has NOT availed any loan during the financial year.

31. RISK MANAGEMENT POLICY:

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

32. RELATED PARTY TRANSACTIONS:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

33. DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to your Company.

34. RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, no remuneration has been paid to any of the Directors of the Company for the financial year 2017-18.

35. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

36. SECRETARIAL STANDARDS:

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

37. EVENT BASED DISCLOSURES:

During the year under review, the Company has not taken up any of the following activities:

- a) Issue of sweat equity share: The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
- b) Issue of shares with differential rights: The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
- c) Issue of shares under employee's stock option scheme: The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
- d) Non- Exercising of voting rights :During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
- e) Disclosure on purchase by company or giving of loans by it for purchase of its shares: The Company did not purchase or give any loans for purchase of its shares.

- f) Buy back shares: The Company did not buy-back any shares during the period under review.
- g) Disclosure about revision: Since the company did not undergo any revision, this clause is Not Applicable to the company for the period under review.
- h) Preferential Allotment of Shares: The Company did not allot any shares on preferential basis during the period under review.

38. EMPLOYEE RELATIONS:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 197(12) of Companies Act 2013 read with Rule 5 of Companies (Appointment & Remuneration Of Managerial Personnel) Rules, 2014.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

40. COMPLIANCE WITH THE CODE OF CONDUCT POLICY:

As provided under clause 17 (5) (a) of the SEBI (LODR) Regulation 2015 all Board Members and the Senior Management personnel have confirmed compliance with the Business Ethics and Code of Conduct for the year ended on March 31, 2018

41. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, for the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions, other statutory authorities like SEBI, ROC, Stock Exchanges, NSDL, CDSL, etc and shareholders of the Company for their continued support for the growth of the Company.

Place: Chennai
Date: 13.08.2018
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Sd/-
P V VSatyanarayana
Director (DIN: 01311615)

For and on behalf of the Board
PVV Infra Limited
Sd/-
K. S. Rao
Executive Director (DIN: