



## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Karuturi Global Limited believes and practices Good Corporate Governance by ensuring integrity, fairness, transparency, equity, accountability and ethics in all its business dealings.

Corporate Governance refers to a combination of laws, regulations, procedures, Implicit rules and good corporate practices which ensure that a Company meets its obligations to optimize shareholders value and fulfil its responsibilities to the community, customers, employees, Government and other segments of society. Some of the important best practices of corporate governance framework are timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company.

Your Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholder's wealth and at the same time protect the interests of all its shareholders while upholding the core values of excellence, integrity, responsibility, unity and understanding which are imperative to the Karuturi Group.

### a. BOARD OF DIRECTORS:

As on 31st March, 2018, the Board of the Company comprised of Six Directors. The Company has an Executive Chairman and one Whole-time Director. The number of Non-Executive Directors being 3, all of them being independent Directors. The composition of the Board is in accordance with the Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Non-Executive Directors are eminent industrialists or/and professionals with rich experience in management, finance, Agriculture, law and banking.

Details of composition of the Board of Directors and their attendance at the Board Meetings and Annual General Meeting and their association with other companies as Directors and membership in other companies/committees are as follows:

Name of the Director	Category	No. of Board Meetings attended	Directorships in other Companies/ Firms	Attendance at previous AGM	Membership in other Companies/ Committees
Sai Ramakrishna Karuturi	Executive & Non Independent Director	7	8	Yes	0
Anantha Chandrakanth Darshan	Non Executive and Independent Director	5	0	No	0
Anitha Karuturi	Executive & Non Independent Director	7	8	Yes	0
Mahendra Kumar Sunkara	Non Executive and Independent Director	6	0	No	0
Sunil Gupta	Non Executive and Independent Director	6	1	No	0
Ashok Herur (upto 23.Feb.2018)	Non Executive and Independent Director	3	0	Yes	0
Yeshoda Karuturi	Executive & Non Independent Director	6	1	Yes	0

### Number of shares and convertible instruments held by Non-executive Directors

No of shares held by non-executive directors as on 31/03/2018 are as below:

Name of Director	No of Shares
Anantha Chandrakanth Darshan	Nil
Mahendra Kumar Sunkara	417151
Sunil Gupta	117641

### b. DATES OF BOARD MEETINGS:

During the year under review 7 Board Meetings were held on the following dates:

30 May 2017, 12 Jul 2017, 15 Aug 2017, 14 Nov 2017, 02 Feb 2018, 13 Feb 2018, 27 Mar 2018

### **Formal Letter of Appointment to the Independent Directors**

The Company has issued formal letter of appointment to all the Independent Directors on their appointment inter-alia explaining their roles, responsibilities, code of conduct, their functions and duties as directors of the Company. The terms and conditions of appointment of Independent Directors have been published on the website of the Company.

### **Familiarisation programme for Independent Directors**

The Independent Directors have been familiarised with the Company, their roles and responsibilities in the Company, nature of the Industry in which the company operates, business model of the Company. The details of such familiarisation programme for Independent Directors are posted on the website of the Company [www.karuturi.com](http://www.karuturi.com).

### **Separate Meeting of Independent Directors:**

During the financial year 2017-18, the independent directors met separately on 13th February 2018.

## REPORT ON CORPORATE GOVERNANCE

### AUDIT COMMITTEE:

The Company has an independent Audit Committee in line with the Regulation 18 of the and Section 177 of the Companies Act, 2013.

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

### The role of the Committee includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing the Company's financial and risk management policies;
- Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;
- Reviewing with the management and internal auditors,
  - The adequacy of internal control systems;
  - Internal audit function;
  - Internal audit scope, coverage and frequency;
  - Reports of internal audit for any significant findings, including matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and follow-up thereon
- Reviewing with the management and external auditors,
  - Nature and scope of audit
  - Any areas of concern and comments contained in their management letter
  - And the financial statements prior to endorsement by the Board;
  - Compliance with Stock Exchange and legal requirements concerning financial statements
  - Related party transactions
  - Report of the Directors & Management Discussion and Analysis
- Review of the financial statements of unlisted subsidiary companies
- Looking into the reasons for substantial defaults, if any, in payment to Shareholders (in case of non- payment of declared dividends) and creditors;
- Considering such other matters as may be required by the Board;
- Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies

Act and other statutes, as amended from time to time.

The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting.

During the year 2017-18, the Audit Committee met on four times i.e. 30th May 2017, 15th August 2017, 14th November 2017 and 13th February 2018

**The constitution of Audit Committee and attendance of the Members for the year 2017-18 is as under:**

Name of the Member	No of Meetings attended out of four meeting
Mr.Ashok Herur (upto 23.Feb.2018)	3
Mr.Mahendra Kumar Sunkara (Member)	4
Sunil Gupta (Member)	4
Anantha Chandrakanth Darshan (Member)	4

The Statutory Auditor, Head of Finance and Managing Director are invited to attend and participate at meetings of the Committee.

The Company Secretary acts as the Secretary to the Committee.

### NOMINATION AND REMUNERATION COMMITTEE:

The Company has constituted Nomination and Remuneration Committee to review periodically the managerial Remuneration and make Proper recommendations.

In terms of the revised Regulation 19 and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel. The Company's remuneration policy is directed towards rewarding performance, based on review of achievements periodically. The Company affirms that the remuneration paid to the Directors is as per terms laid out in its Nomination, Remuneration and Board Diversity Policy.

Performance evaluation is based on financial performance, market performance, etc of the company.

The said committee constitutes of four non-executive in terms of Regulation 19 and companies Act, 2013 with regard to having four Non Executive Directors in the committee

Name of the Member	No of Meetings attended out of four meeting
Mr. Ashok Herur (Member)(upto 23.Feb.2018)	3
Mr.Mahendra Kumar Sunkara (Member)	4
Sunil Gupta (Chairperson)	4
Anantha Chandrakanth Darshan (Member)	4

## Directors' Remuneration

The details of the remuneration of Directors during FY 2017-18 are given below:

### Amount

Particulars of Remuneration	Remuneration of MD/WTD/ ED			Total Amount
	Sai Ramakrishna Karuturi	Anitha Karuturi	Yeshoda Karuturi	
Gross salary	0	0	0	0
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
Stock Option	0	0	0	0
Sweat Equity	0	0	0	0
Commission				
- as % of profit				
- others, specify ...	0	0	0	0
Others, please specify				
<b>Total (A)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Ceiling as per the Act	0	0	0	0

Particulars of Remuneration	Remuneration to other Directors				Total Amount
	Mahendra Kumar Sunkara	Sunil Gupta	Ashok Herur (upto 23.02.2018)	Ananth ChandraKanth Darshan	
Independent Directors					
Fee for attending board committee meetings	0	5000	15,000	0	20000
Commission					
Others, please specify					
<b>Total (1)</b>	<b>0</b>	<b>5000</b>	<b>15000</b>	<b>0</b>	<b>20000</b>
Other Non-Executive Directors					
Fee for attending board committee meetings					
Commission					
Others, please specify					
<b>Total (2)</b>					
<b>Total (B)=(1+2)</b>	<b>0</b>	<b>5000</b>	<b>15000</b>	<b>0</b>	<b>20000</b>
<b>Total Managerial</b>	<b>0</b>	<b>5000</b>	<b>15000</b>	<b>0</b>	<b>20000</b>
Remuneration		0		0	
Overall Ceiling as per the Act					20000

## COMMITTEE OF DIRECTORS

The Company has constituted Committee of Directors to take decisions on the normal course of business. The Said committee consists of Directors i.e Mr. Sai Ramakrishna Karuturi, and Mrs. Anitha Karuturi

## GENERAL BODY MEETINGS:

Details of location and time of holding the last 3 AGMs are as follows: Year Date and Time Venue

Year	Date and Time	Venue
20th AGM	30-Sept-2015 at 11.00AM	Wadiyar Hall, Century Club, No.1, Seshadri, Road, Bangalore-560001
21st AGM	29-Sept-2016at11.00AM	Wadiyar Hall, Century Club, No.1, Seshadri Road, Bangalore-560001
22nd AGM	27-Sept-2017 at 11:00AM	Wadiyar Hall, Century Club, No.1, Seshadri Road, Bangalore-560001

# Annual Report 2017-18 **VALUE RESEARCH PREMIUM**

## DETAILS OF SPECIAL RESOLUTIONS PASSED:

During the 20th, 21st and 22nd Annual General Meeting of the Company, following are the special resolutions passed:

1. Ratification of AGM resolution passed for allotment of fully convertible debentures.
2. Appointment of Sunil Gupta as Independent Director of the Company for 5 consecutive years
3. Appointment of AC Darshan as Independent Director of the Company for 5 consecutive years.
4. Appointment of Ms. Yeshoda Karuturi as Executive Director of the Company, liable to retire by rotation.
5. Appointment of Mr. Ashok Herur as Independent Director of the Company for a term of 5 consecutive years
6. Consolidation of Equity Share Capital
7. Alteration of Memorandum of Association
8. Alteration of Articles of Association.

## MEANS OF COMMUNICATION:

Whether half-yearly reports are sent to each household of shareholders?	No, the financial results are published in the Newspapers, as required under the Listing Regulations.
Website, where results are displayed	The results are displayed on <a href="http://www.karuturi.com">www.karuturi.com</a>
Whether it also displays official news releases	Yes
Website for investor complaints <a href="mailto:investorrelation@karuturi.com">investorrelation@karuturi.com</a>	The Company has created an exclusive ID for this purpose. SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.
Presentations to institutional investors or analysts	Presentation made to institutional investor will be made available on website.
Newspapers in which results are normally published	The quarterly results were published in The Economic Times and Sanjay Vani. The audited financial results for the year ended 31-March-2018 were published in The Economic Times and Sanjay Vani. The Quarterly/ Half Yearly/ Annual results of the Company are published in leading dailies of the country and also hosted on the Company's website <a href="http://www.karuturi.com">www.karuturi.com</a> . The same are available on the respective web sites of NSE and BSE. Periodic information notices on the latest developments in the Company are circulated among the shareholders of the Company through Stock Exchange and Company web sites. The Company also communicates with the Shareholders through annual general meetings and extra ordinary general meetings and also through postal ballots.

## STAKEHOLDERS' GRIEVANCES COMMITTEE:

The Stakeholder's Investors' Grievances Committee comprises of two Directors, Mr Mahendra Kumar Sunkara, Non-Executive Director, Sunil Gupta Non-Executive Director, A C Darshan, Non-Executive Director and Mrs. Anitha Karuturi, who is an Executive Director.

The Company has a Shareholder's/Investors' Grievance Committee comprising of two Directors and Chairman is an Independent, Non- Executive Director. The Committee looks into redressing the grievances of shareholders and investors like transfer of shares, non receipt of balance sheet, non receipt of declared dividend and related matters.

There were no pending investor complaints at the beginning of the year. During the year 2017-18, the Company received 11 investor complaints, which have been attended to, and no complaints remain unresolved at the end of the year.

Mrs. Anitha Karuturi, Executive Director is also the Compliance Officer of the Company.

The Committee acts in close liaison with its Share Transfer Agents and Registrars.

Details of Investor Grievances received and resolved during the year are as

**Details of Investor Grievances received and resolved during the year are as under:**

SI. No.	Particulars	Pending As On 31.03.2018
1	Complaint Outstanding as on 01st April 2017	0
2	Complaints received during the year 2017-2018	11
3	Complaints resolved during the year 2017-2018	11
4	Complaints not solved to the satisfaction of shareholder	0
5	No of Pending Compliant	0



Power to process the share transfer requests and other grievances of the share holders was allocated to certain key personnel in Karvy Computershare Pvt Ltd, Hyderabad and also in the Company, so as to enable the requests to be processed at the earliest which might otherwise be delayed due to the absence of any committee members.

Periodically, audits are carried out at the office of the Share Transfer Agents by independent Practicing Company Secretary and requisite Certificates/Reports are obtained and furnished to the Stock Exchanges.

## 7. CODE FOR PREVENTION OF INSIDER TRADING

The Company has adopted a code of conduct for Prevention of Insider Trading in the shares of the Company. The code, inter-alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

## 8. CEO/CFO CERTIFICATION

The CEO/CFO have certified to the Board in accordance with Regulation 17(8) of the listing Listing Regulation pertaining to CEO/CFO certification for the financial year ended 31st March 2018.

## 9. RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified practicing Company Secretary carries out quarterly Reconciliation of Share Capital audits to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## 10. COMPLIANCE

The certificate regarding compliance of the conditions of corporate governance obtained from Sadashiv Iranna, Chartered Accountants.

## 11. GENERAL SHAREHOLDERS' INFORMATION

- i) AGM Date: 29th September, 2018  
Time: 11:00 AM  
Venue: Century Club, # 1, Sheshadri Road, Bangalore- 560001
- ii) Financial Year ending 31st March 2018.
- iii) Listing of Equity Shares on Stock Exchanges: BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-01; National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra- Kurla Complex, Bandra(E), Mumbai-51.
- iv) Listing Fees: Listing fees as prescribed have been paid to the stock exchange up to 31st March, 2018.
- v) Date of dispatch of Annual Reports : On or before 6th September 2018.
- vi) Book Closure dates: 23rd September 2018 to 29th September 2018 (both days inclusive).
- v) Extra - ordinary General Meeting of the shareholders was held through postal ballot during the financial year ended 2017-2018.
- vi) Postal Ballot was conducted during the financial year ended 2017-2018.
- vii) As on date of the report special resolutions were proposed to be conducted through postal ballot.
- viii) Dividend Payment date: The Board has not proposed any dividend during the year under review.

## LISTING ON STOCK EXCHANGES:

The Shares of the Company are listed on the Bombay Stock Exchange Ltd, Mumbai, National Stock Exchange of India Ltd, Mumbai.

## DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2018:

### KARUTURI GLOBAL LIMITED

#### Distribution Schedule As On 31/03/2018

S. No	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	62130	84.04	70621689.00	4.72
2	5001- 10000	5210	7.05	41956227.00	2.80
3	10001- 20000	2919	3.95	44026773.00	2.94
4	20001- 30000	1139	1.54	28730659.00	1.92
5	30001- 40000	508	0.69	18162476.00	1.21
6	40001- 50000	472	0.64	22324346.00	1.49
7	50001-100000	754	1.02	57604592.00	3.85
8	100001& Above	793	1.07	1214104764.00	81.07
	<b>Total:</b>	<b>73925</b>	<b>100.00</b>	<b>1497531526.00</b>	<b>100.00</b>

# Annual Report 2017-18 VALUE RESEARCH PREMIUM

## Shareholding pattern as on 31.03.2018:

S.No	Description	Cases	Shares	% Equity
1	Foreign Institutional Investors	1	28438631	1.90
2	Trusts	2	6201	0.00
3	Promoters & Directors	2	25879895	1.73
4	Resident Individuals	70679	499831420	33.38
5	Foreign Companies	3	33416325	2.23
6	Employees	5	76000	0.01
7	Non Resident Indians	507	33744927	2.25
8	Clearing Members	67	6701054	0.45
9	Indian Financial Institutions	1	1500000	0.10
10	Foreign Portfolio Investors	5	50442433	3.37
11	Banks	15	477817878	31.91
12	State Financial Corporation	1	134000	0.01
13	Promoter Group	2	227789190	15.21
14	Non Resident Indian Non Repatriable	230	5108239	0.34
15	Bodies Corporates	649	54284949	3.62
16	Nbfc	6	193000	0.01
17	H U F	1748	21884598	1.46
18	Foreign Corporate Bodies	2	30282786	2.02
	<b>Total:</b>	<b>73925</b>	<b>1497531526</b>	<b>100.00</b>

## Stock Code

Equity Share – Physical Form – BSE Limited – 531687

National Stock Exchange of India Limited – KGL

Equity Shares – Demat form – NSDL/CDSL – ISIN No : INE 299C01024

The aggregate Non-Promoter/ Public Shareholding of the Company as at 31st March 2018 is shown below:

No of Shares: 113,10,57,563

Percentage of the shareholding : 75.53

## SHARE PRICE MOVEMENTS:

The monthly high and low quotations on Bombay Stock Exchange and National Stock Exchange Ltd are as follows:

Month	BSE		NSE		Sensex	Nifty
	High Price	Low Price	High Price	Low Price		
Apr-17	1.53	1.20	1.40	1.35	29918	9304
May-17	1.38	1.11	1.20	1.15	31146	9621
Jun-17	1.27	1.02	1.15	1.05	30922	9521
Jul-17	1.95	1.05	1.40	1.35	32515	10077
Aug-17	1.59	1.12	1.55	1.55	31730	9918
Sep-17	1.73	1.22	1.30	1.20	31284	9789
Oct-17	1.47	1.10	1.15	1.10	33213	10335
Nov-17	1.32	1.09	1.25	1.15	33149	10227
Dec-17	2.25	1.17	1.85	1.80	34057	10531
Jan-18	3.17	1.72	2.75	2.75	35965	11028
Feb-18	2.95	1.72	1.90	1.90	34184	10493
Mar-18	2.81	1.64	2.25	2.05	32969	10114

## FACILITIES/ PLANT LOCATION

### India :

- |   |  |
|---|--|
| 1. 95/1, Naranahalli Village,<br>Doddabelavangala, Doddaballapur,<br>Bangalore District – 561 203 | 2. 66 & 73/2<br>Beledhara Village Tumkur- Madhugiri<br>Road Tumkur District - 572106 |
|---|--|

### Overseas:

- |                         |                       |                      |
|-------------------------|-----------------------|----------------------|
| 1. Wollisso<br>Ethiopia | 2. Holeta<br>Ethiopia | 5. Naivasha<br>Kenya |
| 3. Gambella<br>Ethiopia | 4. Bako<br>Ethiopia   |                      |

### Address for Correspondence: Registered Office

No.204, Embassy Center, 11 Crescent Road, Bangalore – 560001, India. Ph : 080 - 23085300

Email: investorrelations@karuturi.com

### Corporate Office

No.204, Embassy Center, 11 Crescent Road, Bangalore – 560001, India. Ph : 080 - 23085300

Email: investorrelations@karuturi.com



## Registrar & Transfer Agents

Karvy Computershare (P) Limited, 17 -24 Vithal Rao Nagar, Madhapur  
Hyderabad 500 081  
P : +91 040 44655124 || F : +91 40 23420814, Email: krishnan.s@karvy.com

## Name of the contact Person:

Ms. Rajitha, Senior Manager  
Email: rajitha.cholleti@karvy.com

## Company Secretary

Ms. Khushboo Sharma  
Email: cs@karuturi.com  
Tel No: 080-23085300

## ix) Unclaimed Dividends

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unpaid/unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF). Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF.

Year	Type of dividend	Dividend per share	Date of declaration of Dividend	Due date for transfer to IEPF
2010-2011	Dividend Final	Re 0.10	30-Oct-11	28-Oct-18

Members who have so far not encashed their dividend warrants are requested to write to the Company / Registrar to claim the same, to avoid transfer to IEPF. Members are advised that no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred to the said Fund.

## Service of documents through electronic mode:

As a part of Green initiative, the members who wish to receive documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report etc., through e-mail, may kindly intimate their e-mail address to Company/Registrars (for shares held in physical form) and Depository Participants (for shares held in dematerialized form).

## Other useful information to shareholders

- Equity Shares of the Company are under compulsory demat trading by all investors, with effect from 21st March 2000. Considering the advantages of scripless trading, shareholders are requested in their own interest to consider dematerialisation of their shareholding so as to avoid inconvenience in future.
- Shareholders/Beneficial Owners are requested to quote their Registered Folio No./ DP & Client ID Nos. as the case may be, in all correspondence with the RTA/Company. The Company has also designated an exclusive E-mail ID: investors@karuturi.com for effective investors' services where they can complaint / query and request for speedy redressal.
- Shareholders holding shares in physical form are requested to notify to the RTA/ Company, change in their address/Pin Code number with proof of address and Bank Account details promptly by written request under the signatures of sole/first joint holder. Shareholders may note that for transfer of shares held in physical form, as per recent circular issued by SEBI, the transferee is required to furnish copy of their PAN card to the Company/RTAs for registration of transfer of shares.
- Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, bank details, nomination, power of attorney, etc., directly to their Depository Participants only.
- Non-resident members are requested to immediately notify the following to the Company in respect of shares held in physical form and to their Depository Participants in respect of shares held in dematerialized form:
  - Indian address for sending all communications, if not provided so far;
  - Change in their residential status on return to India for permanent settlement;
  - Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; and – E-mail ID and Fax No(s), if any.
- In case of loss/misplacement of shares, investors should immediately lodge FIR/ Complaint with the Police and inform to the Company along with original or certified copy of FIR/acknowledged copy of the Police complaint.
- For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.
- Shareholders are requested to keep record of their specimen signature before lodgment of shares with the Company to obviate the possibility of difference in signature at a later date.
- Shareholders of the Company, who have multiple accounts in identical names(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s), are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.
- Section 109A of the Companies Act, 1956 extends nomination facility to individuals holding shares in physical form in

Companies. Shareholders, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form.

- Shareholders are requested to give their valuable suggestions for improvement of the Company's investor services.
- x) The Practising Chartered Accountant's certificate on Corporate Governance as required by Clause 49 of the listing agreement is given as Annexure to this report.

## Disclosures

### I) i) Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 during the financial year 2017-18 were in the ordinary course of business and on arm's length pricing basis and do not attract provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Suitable disclosures as required by Accounting standard (AS 18) have been made in the Financial Statements.

The Board has approved a policy for related party transactions which can be accessed at the Company's website.

### ii) Compliance with Accounting Standard In the preparation of the financial statements , the Company has followed the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

### iii) Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large Details of transactions with the related parties as specified in Accounting Standard 18 have been reported in the Financial Statements.

There was no transaction of a material nature with any of the related parties was in conflict with the interest with the Company

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

Nil

### vi) Whistle-Blower Policy and affirmation that no personnel has been denied access to the

## Audit Committee

The Board has approved a whistle-blower policy/ vigil mechanism which has been communicated to the employees. The policy provides a mechanism for employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct and provides safeguards against victimisation of employees who avail the mechanism. The policy permits reporting any concern relating to financial/accounting matters and employees at the levels of Vice-Presidents and above as also the Ethics counsellors directly to the Chairman of the Audit Committee.

The policy with the name and address of Chairman of the Audit Committee has been circulated to the employees. No employee has been denied access to the Chairman of the Audit Committee. The Whistle Blower policy can be accessed at the Company's website.

### vii) Details of compliance with mandatory requirements and adoption of the no mandatory requirements of this Clause.

The Company is compliant with all the mandatory requirements of SEBI (Listing Obligation and Disclosure Requirements,) Regulations 2015 of the Listing Agreement for 2017-18.

Policy on determining material subsidiary and policy on dealing with related party transaction is disclosed on <http://www.karuturi.com/>

Disclosure of Commodity price risks and commodity hedging activities.

The Company uses derivative financial instrument and cash flow hedges to manage risk associated with certain highly forecasted probable transaction,

Non-Compliance of any requirement of Corporate Governance Report

There have been no instance of non-compliance of any requirement of corporate Governance report as prescribed by SEBI (Listing obligation and Disclosure Requirements), Regulations 2015.

Compliance on discretionary requirements:

The company has fulfilled the following discretionary requirement:

The internal auditor of the company presents it report to the audit committee.

## Compliance with Regulation 39(4) of the Listing Regulations

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, for shares issued in physical form





pursuant to a public issue, which remain unclaimed, the issuer Company has to comply with the following procedure:

- a) Send at least three reminders to the addresses given in the application form as well as the latest address available as per the Company's record asking for the correct particulars.
- b) If no response is received, the issuer Company shall transfer all the shares into one folio in the name of "Unclaimed Suspense Account"

#### Disclosure on compliance with the listing regulations

The company has complied with the following corporate governance requirement specified in the Regulations 17 to 27 and clause (b) to (i) of sub-regulations (2) of regulation 46 of the listing Regulations

The company has complied with the corporate Governance requirements Specified in Regulation 17 (Board of Directors) of the Listing Regulations;

The company has complied with the corporate Governance requirements Specified in Regulation 18 (Audit Committee) of the Listing Regulations;

The company has complied with the corporate Governance requirements Specified in Regulation 19 (Nomination and Remuneration Committee) of the Listing Regulations;

The company has complied with the corporate Governance requirements Specified in Regulation 20 (Stakeholder Relationship Committee) of the Listing Regulations;

The company has complied with the corporate Governance requirements Specified in Regulation 22 (Vigil Mechanism) of the Listing Regulations;

The company has complied with the corporate Governance requirements Specified in Regulation 23 (Related Party Transaction) of the Listing Regulations;

The company has complied with the corporate Governance requirements Specified in Regulation 24 (Corporate Governance requirement with respect to subsidiary Companies) of the Listing Regulations;

The company has complied with the corporate Governance requirements Specified in Regulation 25 (Independent Directors) of the Listing Regulations;

The company has complied with the corporate Governance requirements Specified in Regulation 26 (Obligation with respect to Directors and Senior Management) of the Listing Regulations;

The company has complied with the corporate Governance requirements Specified in Regulation 27 (other Corporate Governance Requirements) of the Listing Regulations;

The company has Complied with clause (b) to (i) of sub-regulations (2) of Regulation 46 of the Listing Regulations.