



29th Annual Report
2013-14

Novopan Industries Limited

BOARD OF DIRECTORS

Dr. G V Krishna Reddy	- Chairman
Smt G Indira Krishna Reddy	- Vice Chairperson
Sri A Issac George	- Director
Sri M P Murti	- Director
Sri Y Rama Murty	- Director

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

In accordance with regulation 21 of the SEBI Delisting Regulations, the GVK Projects & Technical Services Ltd., (GVK Projects) has provided an exit opportunity ("Exit Offer") to the public shareholders who continue to hold Shares in the Company ("Residual Shareholders"). The Residual Shareholders of the Company can tender their Shares to GVK Projects at the Final Price (Rs.40/- per share) at any time from November 10, 2014 till November 09, 2015 ("Exit Period"), as per the terms and conditions set out in the exit offer letter for the Exit Offer sent to the Residual Shareholders by GVK Projects.

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NOTICE OF THE 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Shareholders of **NOVOPAN INDUSTRIES LIMITED** will be held at Paigah House, 156-159, Sardar Patel Road, Secunderabad – 500003 on **Monday, the 8th December, 2014 at 4.30 pm** to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2014 and the Balance Sheet as on that date together with the Reports of Directors' and Auditor's for the year ended 31st March, 2014.
2. To appoint a Director in the place of **Mrs. G Indira Krishna Reddy**, Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in the place of **Mr. M P Murti**, Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Brahmayya & Co., Chartered Accountants, Hyderabad as Statutory Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

Special Business

5. To appoint **Dr. P Krishnam Raju** (DIN: 01512915) 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 Sections 149, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and qualification of Directors), Rules, 2014, Dr. P Krishnam Raju (DIN: 01512915) Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for two consecutive years i.e., upto 7th December, 2016, whose period of office shall not be liable to retire by rotation”.

6. To appoint Mr. Y Rama Murty (DIN: 00185783) 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 Sections 149, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and qualification of Directors), Rules, 2014, Mr. Y Rama Murty, (DIN 00185783) Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for two consecutive years i.e., upto 7th December, 2016, whose period of office shall not be liable to retire by rotation”.

By order of the Board
For Novopan Industries Limited

Place : Hyderabad
Date : 4th November, 2014.

A Issac George
Director

Notes:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
- b) The instrument appointing the proxy in order to be valid and effective shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- c) Members / Proxies should bring their duly filled in attendance slips sent herewith for attending the meeting.
- d) Members who hold shares in dematerialized form are requested to bring their client ID and DP ID number to facilitate the identification of their attendance at the meeting.
- e) Members whose shareholding is in electronic mode are requested to intimate any change of address and updation of Bank Account details immediately to their respective Depository Participants and whose shareholding is in physical form to intimate such changes to M/s XL Softech Systems Limited – Share Transfer Registrar of the company.
- f) Shareholders seeking any clarification / information on the Annual Accounts are requested to forward his/her queries to the company at least 7 days prior to the meeting so that the required information can be made available at the meeting.
- g) Shareholders are requested to send all communications/clarifications/queries etc., at M/s XL Softech Systems Limited, No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034 the RTA of our Company.

ANNEXURE TO NOTICE**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

The statement pursuant to Section 102(1) of the Companies Act, 2013 for item nos 5 & 6 of the accompanying notice is as under:

ITEM NO 5 & 6:

As per the provisions of the Section 149 of Companies Act 2013, every public company having paid up capital of Rs.10 crores or more or turnover of Rs.100 crores or more or outstanding borrowing of Rs.50 crores, shall appoint minimum two independent directors on the Board of such company, who are not liable to retire by rotation.

Your company is meeting the criteria above is required to appoint independent directors. Members are aware that the company is already having sufficient number of Independent directors on the Board. However, as per the new Companies Act, 2013, such director should be appointed as per the provisions of Section 149 and also required to follow the certain procedure for appointment like: 1) issuance of appointment letter to Independent Director, 2) Independent Director to give consent to act as independent director, and 3) Independent Director to perform specific role & duties as prescribed under Schedule IV of the Companies Act, 2013.

Accordingly, the proposal to appoint Dr. P Krishnam Raju and Mr. Y Rama Murty as Independent Directors on the Board is received from member and being considered and put up for your approval.

Profile of Dr. P Krishnam Raju :

Dr. P Krishnam Raju has obtained Bachelor Degree in Medicine in the year 1967 and worked in department of anesthesia in England for seven years. Back in India during 1982 he was overall in-charge of resins manufacturing plant. He possesses over 40 years of experience in the fields of management, administration & technical aspects of resins manufacturing unit.

Profile of Mr Y Rama Murty :

Mr. Y. Rama Murty, holds Bachelor of Sciences from Nizam College in Hyderabad and completed his CA, and Certified Public Accountant from Illinois. He has experience in Management Audit and designing of Formats and Accounting systems. His expertise is in the areas of Finance, Accounting, Taxation, Human Resources (Benefits Administration) and commercial issues.

The Company has received from Dr. P Krishnam Raju and Mr. Y Rama Murty (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that they meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolutions seeks the approval of members for appointment of Dr. P Krishnam Raju and Mr. Y Rama Murty as an Independent Directors of the Company up to 7th December, 2016, pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. They are not liable to retire by rotation.

In the opinion of the Board, Dr. P Krishnam Raju and Mr. Y Rama Murty fulfill the conditions specified in the Act and rules made thereunder. Copies of the draft letters for their appointment as an Independent Directors of the Company setting out the terms and conditions are available for inspection without any fee by the members at the company's Registered Office during the normal business hours on working days up to the date of AGM.

The Board considers that their association, would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Y Rama Murty and appoint Dr. P Krishnam Raju as an Independent Directors.

In compliance of provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the members for their approval.

In terms of conditions of appointment of the above directors shall be open for inspection by the members at the Registered Office of the company during normal business hours on any working day.

No other Director, key managerial personnel or their relatives, except Dr. P Krishnam Raju and Mr. Y Rama Murty, to whom the resolution relates, are interested or concerned in the resolutions.

Your Directors recommend the resolutions set forth in Item No 5 & 6 for your approval.

By order of the Board
For Novopan Industries Limited

Place : Hyderabad
Date : 4th November, 2014.

A Issac George
Director

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Ninth Annual Report and Audited Accounts of your Company, together with the Schedules and Notes thereon, for the Financial Year ended 31st March, 2014.

FINANCIAL RESULTS

(₹ in Crores)

Particulars	2013-14	2012-13
Net Turnover	0	0
Gross Operating Profit (Loss)	(6.41)	(3.73)
Less: Interest	0	0.05
Profit (Loss) Before Dep. & Tax	(6.41)	(3.78)
Less: Depreciation	0.22	0.23
Profit/(Loss) Before Extraordinary item	(6.63)	(4.01)
Extraordinary Item	0	0.24
Profit/ (Loss) Before Tax	(6.63)	(4.25)
Profit (Loss) After Tax	(6.63)	(4.25)

PERFORMANCE:

As the entire operations of the company has been stopped at all its manufacturing units, there was no revenue during the financial year ended 31st March, 2014. Net loss for the year is Rs.6.63 Crores, as compared to net loss of Rs.4.25 Crores incurred during the previous year.

OPERATIONS

In line with Committee's recommendations for the disposal of Plant & Machineries located at various locations of the Company, Company has obtained the approval from its members and has already disposed of its machineries at the Resin Plant and is in the process of disposing the machinery at Patancheru Plant and Shadnagar Plant. Offers received for the sale of these machineries are being evaluated.

DE-LISTING OF EQUITY SHARES OF THE COMPANY

As the members are aware GVK Projects & Technical Services Limited, promoter of the company (The Acquirer) had made an offer to the public shareholders of the Company for the acquisition and voluntary delisting of fully paid-up equity shares of Rs.10/- each ("Shares") of the Company in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and in accordance with SEBI Delisting Regulations, the Acquirer fixed the exit price at Rs.40 per Share ("Final Price") calculated by the reverse book building process using the electronic facility of the BSE. All the public shareholders of the Company who tendered their shares at or below the Final Price through valid bids were paid the consideration at the Final Price. After the acquisition of such shares, the Promoter Group's holding in the Company increased to 92.05% of the fully paid-up equity share capital of the Company.

The Company had thereafter applied for the delisting of its Shares from the BSE and NSE, where the Shares of the company were listed. BSE and NSE vide their notices dated October 20, 2014 informed their members about discontinuation of trading of the Shares of the Company with effect from November 3, 2014 and the delisting of Shares of the Company with effect from November 10, 2014.

Delisting of Shares of the Company from the Stock Exchanges means that the Shares of the Company cannot be and will not be traded on the Stock Exchanges and a liquid market for the Shares on stock exchanges will not be available.

In accordance with regulation 21 of the SEBI Delisting Regulations, the Acquirer has provided an exit opportunity ("Exit Offer") to the public shareholders who continue to hold Shares in the Company ("Residual Shareholders"). The Residual Shareholders of the Company can tender their Shares to the Acquirer at the Final Price (Rs.40/- per share) at any time from November 10, 2014 till November 09, 2015 ("Exit Period"), as per the terms and conditions set out in the exit

offer letter for the Exit Offer sent to the Residual Shareholders by the Acquirer.

EXTENSION OF REDEMPTION DATE OF PREFERENCE SHARES:

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

According to the terms of the issue, the preference shares were due for redemption on 9th June, 2013, however the Company had obtained the written consent of GVK Projects & Technical Services Limited, Preference Shareholder, holding 100% Paid up Preference Share capital of the Company, in terms of the provisions of section 106 of the Companies Act, 1956, for extending the due date of redemption of the said shares by two years i.e., from 09.06.2013 to 08.06.2015.

Your Company had duly complied with all the statutory requirements of the regulatory authorities.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 on the Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the financial year ended 31st March, 2014;
- that the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- in view of the closure of the operations, the annual accounts for the financial year ended 31st March, 2014 were not prepared on a going concern basis. Management has made necessary disclosures in the notes to the financial statements in this respect.

DIVIDEND:

In view of closure of operations and losses incurred during the financial year 2013-14, no dividend is recommended by the Board of Directors.

FIXED DEPOSITS:

The Company has not accepted any Fixed Deposits during the year under review as per the provisions of the Companies Act, 1956 & 2013 and the rules made thereunder and no such amount in respect of Fixed Deposit (Principal or Interest) was outstanding on the date of Balance Sheet.

DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. G Indira Krishna Reddy and Mr. M P Murti, Directors will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

In accordance with the provisions section 149 read with schedule IV of the Companies Act, 2013 Dr. P Krishnam Raju & Mr. Y Rama Murty being eligible, offer themselves for appointment as Independent Directors of the company who will hold office for two consecutive years.

None of the directors of the company are disqualified for being appointed as directors / Independent Director as specified under the provisions of the Companies Act, 2013.

Your Board of Directors recommends their re-appointment.

AUDITORS:

M/s Brahmayya & Co., Chartered Accountants, Hyderabad, will retire at the ensuing Annual General Meeting and are eligible for re-appointment as Statutory Auditors of the Company.

PARTICULARS OF EMPLOYEES:

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

CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo as required 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 given in the Annexure – A and forms part of this report. It may be noted that there was no expenditure on account of technology absorption during the year 2013-14.

ACKNOWLEDGEMENTS:

Your Directors would like to place on record their gratitude for all the support received from the Banks, various departments of Central and State Government, SEBI and Stock Exchanges. Your Directors would also like to take this opportunity to express their sincere appreciation for the valuable support of the Customers, Dealers and Traders and the trust and confidence reposed by the valued shareholders in the Company.

For and behalf of the Board
For Novopan Industries Limited

Place : Hyderabad **Dr. G V Krishna Reddy**
Date : 4th November, 2014. Chairman

Annexure - A

Particulars as required under Section 217(1)(e) of the Companies Act, 1956 relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo.

Particulars	Current Year	Previous Year
A. Disclosure of Particulars with respect to Conservation of Energy, Power and Fuel Consumption:		
1 ELECTRICITY		
a) Purchased Units (in Lacs)	1.71	3.12
Total Amount (Rs. in Lacs)	40.01	41.48
(including demand charges)		
Rate / Unit (₹)	23.40	13.29
b) Own Generation		
i) Through Diesel Generator		
No of Units in lacs	-	-
Units / Litre of Diesel	-	-
Cost / Unit (₹)	-	-
ii) Through Steam Turbine	NIL	NIL
2 COAL		
Quantity (MT)	NIL	NIL
Total Cost (₹ in lacs)	NIL	NIL
Average Rate	NIL	NIL
3 OTHERS		
Consumption per unit of Production Electricity (Unit / Sq. Mtr.)	-	-
Coal (Kgs./ Sq. Mtr.)	NIL	NIL
B. Disclosure of particulars to foreign exchange earnings and outgo: (Rs.in lacs)		
Foreign Exchange outgo during the current accounting period	NIL	NIL
Foreign Exchange Earnings	NIL	NIL

INDEPENDENT AUDITOR'S REPORT

To the Members of Novopan Industries Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Novopan Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and 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.

Management's Responsibility for the Financial Statements

2. 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 flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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

3. 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 misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and

disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity'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.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2014;
 - b. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

7. We draw attention to Note No. 27 and 28 to the financial statements, regarding going concern status of the Company in view of

closure of the manufacturing activity, declaring voluntary retirement to its employees, inviting tenders for disposal of plant and machinery and sale of certain plant & machinery.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by section 227(3) of the Act, we report that:
- a. 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;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash

Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For BRAHMAYYA & CO.,
Chartered Accountants.
Firm Regn No.:000513S

(KOTESWARA RAO SSR)
Partner
Membership No:018952

Place: Hyderabad
Date : 29th May, 2014

Re: NOVOPAN INDUSTRIES LIMITED - HYDERABAD (A.P)**Annexure referred to in paragraph 8 of our report of even date**

- 1.1 The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2 As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
- 1.3 During the year the company has not disposed off any of its fixed assets. Plant & machinery and other assets except Land and Buildings were taken to "Assets held for sale" under "other current assets. Attention is invited to Note No: 27 of Notes to Accounts.

- 2.1 The company has physically verified its inventories during the year. In our opinion, the frequency of verification is reasonable.
- 2.2. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3. The company is maintaining proper records of inventory and the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- 3.1. According to the information furnished to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered by the register maintained under Section 301 of the Companies Act 1956. Accordingly the provisions of clauses 4(iii) (b), (c) and (d) of the order, are not applicable.
- 3.2. According to the information and explanations furnished to us, the company has not taken any loans secured or unsecured from companies, firms or other parties whose particulars are recorded in the register maintained under Section 301 of the Companies Act 1956. Accordingly the provisions of clauses 4(iii) (f) and (g) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further during the course of our audit, we have not come across any instances of major weaknesses in internal control that in our opinion, require correction but have so continued without correction.
- 5.1 Based on the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- 5.2 In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are having regard to the prevailing market prices at the relevant time.
6. The company has not accepted deposits from public. Hence the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the company.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8 Since the company stopped manufacturing activity and is in the process of disposing off its fixed assets, maintenance of cost records under Section 209(1)(d) is not applicable to the company under review.

- 9.1 According to the records of the company, the company is regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service tax, Cess and other material statutory dues applicable to it.
- 9.2 According to the information furnished to us, there were no undisputed statutory dues payable in respect of Income Tax, Wealth Tax, Service tax and Cess which were in arrears, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
- 9.3 According to the records of the company and the information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Excise Duty, Customs duty, Wealth Tax, Service tax, and Cess, which have not been deposited on account of any dispute except the following:

Nature of the Dues	Amount Rs. (in Lakhs)	Period to which the amount relates	Forum in which the dispute is pending
Income-Tax	20.37	Asst.Year 2003-2004	Income tax Appellate Tribunal, Hyd
	36.49	Asst.Year 2004-2005	Do
	49.64	Asst.Year 2006-2007	Do
	180.23	Asst.Year 2007-2008	Do
The Central Excise Act, 1944	36.27	2006-2007	High Court of Andhra Pradesh
	18.90	2003 to 2009	CESTAT, Bangalore
Service tax	6.40	2010-2011	CESTAT, Bangalore
	18.07	2008 to 2011	Do
	25.22	2006 to 2010	Commissioner of Customs, Central Excise and Service Tax, Hyderabad-1
	32.38	2005 to 2010	Additional Commissioner of Customs, Central Excise and Service Tax
Cenvat	40.54	2004 to 2011	Commissioner of Customs, Central Excise and Service Tax
The Customs Act, 1962	66.08	2004-2005	CESTAT, Bangalore

10. The accumulated losses at the end of the financial year are more than fifty percent of its net worth. The company has incurred cash losses during the financial year and also in the immediately preceding financial year.
11. During the year the company has not obtained any loans from financial institutions and banks. Hence default in repayment does not arise.
12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The company is neither a chit fund nor a nidhi/mutual benefit fund /society and hence the requirements of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information furnished to us, the company has not given any guarantees for loans taken by others from any banks or financial institutions.
16. According to the information and explanations given to us, no term loans were obtained by the company 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 report that no funds were raised on short-term basis.
18. During the year the company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act 1956.
19. During the year the company has not issued any debentures.
20. During the year the company has not raised any money through public issue. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
21. According to the information and explanations given to us, and based on the audit procedures generally adopted by us, we report that, during the year, no fraud on or by the company has been noticed or reported that is either significant or could have caused a material misstatement in the financial statements.

For BRAHMAYYA & CO.,

Firm Regn.No:000513S

Chartered Accountants.

(KOTESWARA RAO SSR)

Partner

Membership No:18952

Place : Hyderabad

Date : 29th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31 st March, 2014		As at 31 st MARCH, 2013	
		Amount ₹	Amount ₹	Amount ₹	Amount ₹
Equity and Liabilities					
(1) Shareholders' funds					
(a) Share capital	3	36,90,99,530		36,90,99,530	
(b) Reserves and surplus	4	(10,79,35,052)		(4,16,01,374)	
			26,11,64,478		32,74,98,156
(2) Current liabilities					
(a) Trade payables	5	77,38,586		1,08,93,576	
(b) Other current liabilities	6	41,60,05,107		41,14,59,177	
(c) Short-term provisions	7	2,25,132		25,92,091	
			42,39,68,825		42,49,44,844
Total			68,51,33,303		75,24,43,000
Assets					
(1) Non-current assets					
(a) Tangible Fixed assets	8	40,28,93,405		40,51,01,401	
(b) Non-current investments	9	4,77,900		5,37,500	
(c) Other non-current assets	10	52,59,213		77,87,691	
			40,86,30,518		41,34,26,592
(2) Current assets					
(a) Current Investments	11			50,00,000	
(b) Inventories	12	12,23,01,337		17,75,29,280	
(c) Trade receivables	13	41,20,009		41,74,003	
(d) Cash and cash equivalents	14	30,89,433		26,34,734	
(e) Short-term loans and advances	15	2,59,51,409		2,70,72,185	
(f) Other current assets	16	12,10,40,597		12,26,06,206	
			27,65,02,785		33,90,16,408
Total			68,51,33,303		75,24,43,000
Summary of Significant Accounting Policies	2				

Notes to accounts form an integral part of the Balance sheet

As per our report of even date

For and on behalf of the Board of Directors

for BRAHMAYYA & CO.

Chartered Accountants

Firm Regn No. : 000513S

(KOTESWARA RAO SSR)

Partner

Membership No.: 18952

Place : Hyderabad

Date : 29th May, 2014

Dr. G V KRISHNA REDDY

Chairman

S A NAQUI

Executive Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2014

Particulars	Note No.	Current Year ₹	Previous Year ₹
Revenue from operations (gross)	17	-	11,473
Less: Excise duty		-	1,103
Revenue from operations (net)		-	10,370
Other income	18	38,21,436	64,72,549
Total Revenue		38,21,436	64,82,919
Expenses			
Employee benefits	19	7,23,942	9,96,327
Finance costs	20	11,269	4,54,251
Depreciation and amortization expense	8	22,07,996	22,84,616
Other expenses	21	6,72,11,907	4,28,87,443
Total expenses		7,01,55,114	4,66,22,637
Profit/(Loss) before exceptional items		(6,63,33,678)	(4,01,39,718)
Exceptional items - Fuel Surcharge Adjustment Charges		-	23,72,404
Profit / (Loss) for the year		(6,63,33,678)	(4,25,12,122)
Earnings per equity share (11,909,953 (2013: 11,909,953) equity shares of Rs 10/- each (2013: 10/-))			
Basic and Diluted	23	(5.57)	(3.57)
Summary of Significant Accounting Policies	2		

Notes to Accounts form an integral part of the statement of Profit and Loss

As per our report of even date

For and on behalf of the Board of Directors

for BRAHMAYYA & CO.

Chartered Accountants

Firm Regn No. : 000513S

(KOTESWARA RAO SSR)

Partner

Membership No.: 18952

Place : Hyderabad

Date : 29th May, 2014**Dr. G V KRISHNA REDDY**

Chairman

S A NAQUI

Executive Director

CASH FLOW STATMENT FOR THE YEAR 2013-14

(₹)

	Current Year	Previous Year
A. Cash flow from operating activities		
Net Loss before tax	(6,63,33,678)	(4,25,12,112)
Adjustments for:		
Depreciation	22,07,996	22,84,616
Interest	2,359	4,39,992
Interest earned	(5,44,835)	(6,33,299)
Credit Balance and Excess Provision credited back	(20,68,339)	(57,48,414)
Provision for Doubtful Debts		7,11,388
Claims Written off	-	-
Advances, Debit balances,		
Deposits and Investments written off	9,54,306	7,98,833
Raw Materials writtern off	-	98,375
Loss / (Profit) on sale of Stores & Spares	4,81,582	84,39,127
Loss / (Profit) on sale of Raw Materials	(1,02,966)	
Loss on assets held for disposal (Refer Note No 27)	-	2,28,69,992
Provision for obsolete stores	5,33,06,521	-
Operating Profit before working capital changes	(1,20,97,054)	(1,32,51,502)
Adjustments for:		
(Increase) / Decrease in Trade receivables	4,11,601	15,21,044
(Increase) / Decrease in Short term loans & advances	7,38,588	12,410
(Increase) / Decrease in Inventories	-	-
Proceeds from sale of Inventory	15,42,805	1,75,74,673
(Increase) / Decrease in Other Current Assets and		
Other non-current assets	25,79,456	9,35,727
Increase / (Decrease) in Trade payables	(17,98,040)	(2,41,71,900)
Increase / (Decrease) in Other current liabilities	(10,73,321)	(95,19,155)
Increase / (Decrease) in Short term provisions	(23,66,959)	25,49,326
Cash generation from Operations	(1,20,62,924)	(2,43,49,467)
Less: Income Tax Paid (net of refund)	(52,840)	(80,316)
	(1,21,15,764)	(2,44,29,783)
B. Cash flow from Investing activities		
Interest received	4,76,230	491,596
Cost of Investments	50,59,600	(50,00,000)
Proceeds from Sale of Assets	75,00,000	2,33,35,696
	1,30,35,830	1,88,27,292
C. Cash flow from financing activities		
Interest paid	(2,359)	(4,39,992)
Dividends paid	(4,63,008)	(3,55,128)
	(4,65,367)	(7,95,120)
Net increase / (decrease) in cash & cash equivalents	4,54,699	(63,97,611)
Cash & cash equivalents at the beginning of the year	26,34,734	90,32,345
Cash & cash equivalents at the end of the year	30,89,433	26,34,734

Notes to Accounts form an integral part of the statement of Profit and Loss

As per our report of even date

for BRAHMAYYA & CO.

Chartered Accountants

Firm Regn No. : 000513S

For and on behalf of the Board of Directors

(KOTESWARA RAO SSR)

Partner

Membership No.: 18952

Dr. G V KRISHNA REDDY

Chairman

S A NAQUI

Executive Director

Place : Hyderabad

Date : 29th May, 2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**1. General Information**

Novopan Industries Limited ("the company") is in the business of production and sale of Plain & Melamine Faced Particle Boards. The company's production activities are located at their Plants in IDA, Phase –II, Patancheru and Balanagar, Shadnagar, Mahaboobnagar (Dist) for Particle Boards and IDA, Phase – IV, Patancheru for resins production.

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

The financial statements have been prepared to comply in all material respects with accounting principles generally accepted in India and the applicable Accounting Standards notified under Section 211(3C) [the Companies (Accounting Standards) Rules, 2006 (as amended)] and the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the services rendered and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b. Use of estimates

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

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

c. Exceptional and Extraordinary Items

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

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

d. Revenue Recognition:

The income from sale of goods is recognised as and when sales are made. Sales are inclusive of all Taxes, Duties and other charges and net of Trade Discounts and Rebates.

e. Fixed Assets:

Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss. Cost of acquisition of fixed assets is inclusive of freight, net of duty/tax credits availed, if any,

incidental expenses relating thereto and the cost of installation/erection. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period upto such assets are ready for their intended use.

f. Depreciation:

Depreciation is provided on written down value method for Patancheru Unit and on Straight Line Method for Shadnagar and Resins units at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

g. Impairment of Assets:

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

h. Inventories:

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

i. Foreign Exchange Fluctuation:

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

j. Investments:

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

Long term Investments are stated at cost. Provision is made for diminution in value of investments only if such decline is other than temporary.

k. Retirement Benefits:

- (i) Periodical contributions made to concerned authorities towards Provident Fund and ESI are charged to revenue.
- (ii) The workers of the company are eligible for leave encashment. At each reporting date, company's liability towards leave encashment is determined by independent actuarial valuation using the projected unit credit method and is charged to revenue.

- (iii) Company recognizes the undiscounted amount of employee benefits like Leave Travel Assistance, during the accounting period based on eligibility of employee as per Company's rules in this regard.

l. Borrowing Costs:

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

m. Earnings per share

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

n. Taxes on Income

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

o. Provisions and Contingencies

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

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

p. Insurance Claims:

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

NOTE NO. 3
SHARE CAPITAL

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares	₹	Number of shares	₹
Authorised:				
Equity Shares of ₹ 10/- each.	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
10 % Redeemable Non-Cumulative Preference Shares of ₹10/- each.	3,00,00,000	30,00,00,000	3,00,00,000	30,00,00,000
Total	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Issued, subscribed and paid up:				
Equity Shares of ₹10/- each fully paid up	1,19,09,953	11,90,99,530	1,19,09,953	11,90,99,530
	1,19,09,953	11,90,99,530	1,19,09,953	11,90,99,530
Issued, subscribed and paid up:				
10 % Redeemable Non-Cumulative Preference Shares of ₹10/- each.	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Total	3,69,09,953	36,90,99,530	3,69,09,953	36,90,99,530

1. Out of the above 8,906,555 (31.03.2013: 8,906,555) Equity shares are held by its holding company, i.e., GVK Projects & Technical Services Limited.

2. Details of share holders holding morethan 5% of total number of shares

Name of the Share Holder	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares	%	Number of shares	%
GVK Projects & Technical Services Limited	89,06,555	74.78	89,06,555	74.78
Equity Shares	2,50,00,000	100	2,50,00,000	100
Preference Shares				

3. Reconciliation of Number of Shares Outstanding:

The Opening and closing balance of the Subscribed and Paid-up equity and preference shares of the company are same. Hence, reconciliation between opening number of shares and amounts and closing number of shares and amounts does not arise.

4. Rights, preferences and restrictions attached to shares:

a. Equity shares

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

b. Preference shares

10% redeemable non-cumulative preference shares are redeemable by 09 June 2013. The Company has extended the redemption date by two years with the consent of shareholders and the revised due date for redemption is 08 June 2015.

NOTE NO. 4
RESERVES AND SURPLUS

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Capital Reserves		
Balance at the beginning of the year	27,480	27,480
Additions	-	-
	27,480	27,480
Deductions	-	-
Balance at the end of the year	27,480	27,480
Revaluation Reserve		
Balance at the beginning of the year	28,73,28,873	28,73,28,873
Additions	-	-
	28,73,28,873	28,73,28,873
Deductions	-	-
Balance at the end of the year	28,73,28,873	28,73,28,873
General Reserve:		
Balance at the beginning of the year	5,01,92,187	5,01,92,187
Additions	-	-
	5,01,92,187	5,01,92,187
Deductions	-	-
Balance at the end of the year	5,01,92,187	5,01,92,187
Central and State Subsidies:		
Balance at the beginning of the year	15,00,000	15,00,000
Additions	-	-
	15,00,000	15,00,000
Deductions	-	-
Balance at the end of the year	15,00,000	15,00,000
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	(38,06,49,914)	(33,81,37,792)
Add: Loss for the year	(6,63,33,678)	(4,25,12,122)
Balance at the end of the year	(44,69,83,592)	(38,06,49,914)
Total of Reserves and Surplus	(10,79,35,052)	(4,16,01,374)

NOTE NO. 5
TRADE PAYABLES

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Dues to: Small and Micro Enterprises *	-	-
: Others than Small and Micro Enterprises	77,38,586	1,08,93,576
Total	77,38,586	1,08,93,576

* Based on the information available with the company.

NOTE NO. 6
OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Due to staff	5,55,177	6,85,534
Liabilities for: expenses	46,19,128	53,90,273
: Other finance	1,12,645	1,39,659
Deposits refundable	82,38,750	82,48,750
(Includes ₹ 8,088,750/- (2013: ₹ 8,088,750/-) refundable to GVK Jaipur Expressway Pvt Ltd)		
Advances received from customers	12,94,124	14,45,339
Advances received against sale of fixed assets	40,07,34,668	39,46,36,000
(Includes ₹ 384,636,000/- (2013: ₹ 384,636,000/-) received from GVK Projects & Technical Services Limited)		
Unpaid dividends (Not due for remittance to Investor Education and Protection Fund)	4,50,615	9,13,622
Total	41,60,05,107	41,14,59,177

NOTE NO. 7
SHORT-TERM PROVISIONS

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Employee retirement benefits *		
Leave Encashment	-	42,855
Provision for Fuel Surcharge Adjustment Charges	2,25,132	25,49,236
Total	2,25,132	25,92,091

NOTE NO. 8
TANGIBLE FIXED ASSETS

Particulars	GROSS BLOCK			IMPAIRMENT *				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions during the Period	Deductions during the Period	As at 31.03.2014	Upto 01.04.2013	during the period	reversed during the period	As at 31.03.2014	Up to 01.04.2013	for the period	On deductions	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Land	35,966,340 (35,96,66,340)	-	-	35,96,66,340 (35,96,66,340)	-	-	-	-	-	-	-	35,96,66,340 (35,96,66,340)	35,96,66,340 (35,96,66,340)
Buildings	9,42,31,737 (9,42,31,737)	-	-	9,42,31,737 (9,42,31,737)	-	-	-	-	4,87,96,676 (4,65,12,060)	22,07,996 (22,84,616)	-	5,10,04,672 (4,87,96,676)	4,54,35,061 (4,77,19,677)
Plant and Machinery	(84,94,63,070)	-	(84,94,63,070)	-	(2,09,37,935)	-	(2,09,37,935)	-	(67,56,45,714)	-	(67,56,45,714)	-	(15,28,79,421)
Furniture and Fixtures	(2,44,67,480)	-	(2,44,67,480)	-	-	-	-	-	(2,14,27,440)	-	(2,14,27,440)	-	(30,40,040)
Vehicles	(34,45,689)	-	(34,45,689)	-	-	-	-	-	(25,00,756)	-	(25,00,756)	-	(9,44,933)
Office equipment	(15,91,082)	-	(15,91,082)	-	-	-	-	-	(12,77,751)	-	(12,77,751)	-	(3,13,331)
Computers	(4,12,754)	-	(4,12,754)	-	-	-	-	-	(3,84,781)	-	(3,84,781)	-	(27,973)
Total	45,38,98,077	-	-	45,38,98,077	-	-	-	-	4,87,96,676	22,07,996	-	5,10,04,672	40,28,98,405
Previous Year	(1,33,82,78,152)	-	(87,93,80,075)	(45,38,98,077)	(2,09,37,935)	-	(2,09,37,935)	-	(74,77,48,302)	(22,84,616)	(70,12,36,442)	(4,87,96,676)	(56,45,91,715)

Note: Impairment of fixed assets: During the year ended 31-03-2012, the company has stopped its manufacturing activity in its all 3 plants. The company has invited tenders to dispose off its plant and machinery. Based on the tenders received the company has recognised impairment loss ` Nil (PV ₹ 2,09,37,935/-)

NOTE NO. 9
NON-CURRENT INVESTMENTS

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Non Trade, Unquoted		
Investments in Government securities	-	59,600
46,498 (2013: 46,498) Equity Shares of ₹ 10/- each fully paid in Patancheru Envirotech Limited	4,77,900	4,77,900
Total	4,77,900	5,37,500
Aggregate amount of unquoted investments	4,77,900	5,37,500
Aggregate provision for diminution in value of investments	-	-

NOTE NO. 10
OTHER NON-CURRENT ASSETS

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Unsecured, Considered Good		
Deposits recoverable	52,54,714	77,81,173
Prepaid expenses	4,499	6,518
Total	52,59,213	77,87,691

NOTE NO. 11
CURRENT INVESTMENTS

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Non Trade, Unquoted		
Investments in Mutual funds		
Nil (2013: 347,169.182) units in Kotak Flexi Debt scheme Plan - A Growth	-	50,00,000
Total	-	50,00,000
Aggregate amount of unquoted investments	-	50,00,000
Aggregate provision for diminution in value of investments	-	-

NOTE NO. 12
INVENTORY

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(at Cost, as valued and certified by the management)		
Raw materials	13,79,52,832	13,91,64,398
Less: Provision for Obsolete Inventory	3,44,79,008	-
Total (a)	10,34,73,824	13,91,64,398
Stores and spares	3,76,55,026	3,83,64,882
Less: Provision for Obsolete Inventory	1,88,27,513	-
Total (b)	1,88,27,513	3,83,64,882
Total (a+b)	12,23,01,337	17,75,29,280

NOTE NO. 13
TRADE RECEIVABLES

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Outstanding for a period exceeding six months		
Unsecured, Considered Good	41,20,009	41,74,003
Doubtful	38,33,371	42,16,759
	79,53,380	83,90,762
Less: Provision for bad and doubtful debts	38,33,371	42,16,759
Total	41,20,009	41,74,003

NOTE NO. 14
CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Cash Equivalents		
Balances with banks		
a. Earmarked balances with banks (for unpaid dividend)	4,50,615	9,13,622
b. in current accounts	25,09,776	16,02,044
c. In fixed deposits	1,29,042	1,19,068
Total	30,89,433	26,34,734

NOTE NO. 15
SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(a) Unsecured, Considered Good		
Advances to suppliers and others	27,89,153	39,78,342
Advance tax and Tax deducted at Source (net of Provisions)	2,24,93,663	2,24,93,719
Tax deducted at Source	2,42,789	1,89,893
Balances with Government Authorities	25,804	10,231
Deposits recoverable	4,00,000	4,00,000
	2,59,51,409	2,70,72,185
(b) Unsecured, Considered Doubtful		
Deposits recoverable	-	3,28,000
Less: Provision for doubtful deposits	-	3,28,000
	-	-
Total	2,59,51,409	2,70,72,185

NOTE NO. 16
OTHER CURRENT ASSETS

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Prepaid expenses	2,019	1,38,459
Interest accrued	4,78,867	5,47,472
Cenvat and VAT receivable	9,77,460	9,20,275
Assets held for disposal at realisable value (Refer Note No 27)	11,95,82,251	12,10,00,000
Total	12,10,40,597	12,26,06,206

NOTE NO. 17
REVENUE FROM OPERATIONS

Particulars	Current Year ₹	Previous Year ₹
Sale of products	-	11,473
Total	-	11,473

NOTE NO. 18**OTHER INCOME**

Particulars	Current Year ₹	Previous Year ₹
Interest Income	5,44,835	6,33,299
Excess provisions and credit balances written back	20,68,339	57,48,414
Profit on sale of Raw Material (Net)	1,02,966	-
Miscellaneous Income	6,23,895	90,836
Income from Mutual Funds	4,81,401	-
Total	38,21,436	64,72,549

NOTE NO. 19**EMPLOYEE BENEFITS**

Particulars	Current Year ₹	Previous Year ₹
Salaries and Wages	6,51,741	8,73,957
Contribution to provident and other funds	22,748	37,020
Staff welfare expenses	49,453	85,350
Total	7,23,942	9,96,327

NOTE NO. 20**FINANCE COSTS**

Particulars	Current Year ₹	Previous Year ₹
Interest expense	2,359	4,39,992
Bank charges	8,910	14,259
Total	11,269	4,54,251

NOTE NO. 21**OTHER EXPENSES**

Particulars	Current Year ₹	Previous Year ₹
Power and fuel	40,01,379	41,48,526
Repairs to : buildings	-	1,84,480
: machinery	200	86,230
: Others	5,902	42,275
Insurance	1,23,293	4,11,357
Printing and Stationery	91,090	80,459
Communication costs	1,23,174	1,41,691
Rates and taxes	34,91,689	8,42,829
Advertisement	60,962	40,702
Directors remuneration	4,80,000	15,40,000
Directors sitting fee	71,911	64,000
Payments to Auditor as: Statutory auditor	1,00,000	3,00,000
: for Certification	-	15,000
Travelling and Conveyance	1,56,503	3,90,288
Legal and Professional Charges	8,77,098	12,89,894
Miscellaneous expenses	21,74,909	3,91,987
Provision for bad and doubtful debts	-	7,11,388
Loss on sale of : Raw Material	-	9,03,274
Stores & Spares	4,81,582	75,35,853
Provision for Obsolete Stores & Spares	5,33,06,521	-
Raw Materials written off	-	98,375
Loss on assets held for disposal (Refer Note No 27)	-	2,28,70,002
Bad Debts written off	7,11,388	-
Advances, Debit balances and Deposits written off	8,94,706	7,98,833
Investments written off	59,600	-
Total	<u>6,72,11,907</u>	<u>4,28,87,443</u>

22. Deferred Tax:

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

23. Earnings per equity share:

Basic Earnings per equity share	Current Year	Previous Year
Loss for the year ₹	(6,63,33,678)	(4,25,12,112)
Weighted average number of equity shares of ₹ 10/- each fully paid up	1,19,09,953	1,19,09,953
Basic Earnings per equity share ₹	(5.57)	(3.57)

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

24. Commitments and Contingent Liabilities not provided for:

Sl. No.	Particulars	As at 31st March, 2014 ₹	As at 31 st March, 2013 ₹
I	Towards Bank Guarantee	1,19,068	1,19,068
II	The Company received a demand from Assistant PF Commissioner (Compliance) for payment of Rs 761,604/- towards PF due from contract labour for the period March 2006 to March 2009 as principle employer. The Company contested the same before Employees Provident Fund Appellate Tribunal, New Delhi. As per the directions of Appellate Tribunal the Company has deposited Rs 300,000/- included under "Other Non-current assets".	7,61,604	7,61,604
III	Demands of the Income-tax department, contested by the company	2,86,73,707	2,86,73,707
IV)	Central Excise Department :		
	a) The Excise Department filed an appeal before Hon'ble CESTAT, Bangalore against refund of Excise Duty of ₹ 36.26 lacs on account of abatement of Octroi claimed by the company which was decided in Company's favour. Consequently, Department filed further appeal in this regard before the Hon'ble High Court of Andhra Pradesh.	36,26,892	36,26,892
	b) Commissioner of Customs, Central Excise & Service tax:		
	i) penalty towards removal of Base paper from the Bonded warehouse without payment of duty.	--	87,31,977
	ii) Reversal of Cenvat Credit on Transportation of Finished Goods for the period: July 2004 to March 2009	18,90,488	18,90,488
	April 2008 to March 2011	24,47,176	24,47,176
	iii) Service tax on Corporate guarantee fee for 2006 to 2009	25,22,064	25,22,064
	iv) Service tax credit on out ward freight	32,38,317	32,38,317
	v) Disputed Cenvat credit availment	40,54,074	40,54,074

Sl. No.	Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
V	Differential customs duty for non compliance of conditions laid down under Project Import Regulations, 1986	66,07,799	66,07,799
VI	Claims against the Company not acknowledged as debts a) Royalty and Interest to Forest Department: There has been a claim by Forest Department, Government of Andhra Pradesh for ' 50.83 lacs towards Royalty on account of ' wood supplied from 1980 to 1984 and for ' 13.02 lacs towards interest thereon out of which the Company had accepted the claim to the extent of ' 30.65 lacs towards Royalty, which is provided.	33,19,244	33,19,244
	b) Interest claimed by suppliers	1,022,195	1,283,195
VII	Even though the Company has installed an ETP Plant and not releasing any hazardous pollutants outside factory, a public interest litigation petition was filed before Supreme Court against various industries including our company in Patancheru area. Company has also obtained a certificate from AP Pollution Control Board certifying that the pollution caused by our company is within the tolerable limits of pollution control norms. Therefore the management is not envisaging any liability in this regard.		

25. The Company has not manufactured any goods or provided any services during the current year and there are no transactions in foreign currency. Hence, the additional information as required under Clause 5 of Part II of Schedule VI to the Companies Act, 1956 is not furnished.

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

As per the information available with the company, there are no dues to micro and small enterprises as on March 31, 2014.

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

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

29. Employee Benefits:

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

30. Segment Reporting:

In view of the closure of manufacturing activity by the Company disclosure of segment information as prescribed in the Accounting Standard 17 “Segment Reporting” is not applicable.

31. Related Party Disclosure:

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

Companies / Firms / Trust in which key management and their relatives are interested.

<p> Accura Constructions (P) Ltd Accura Estates (P) Ltd Alakananda Hydro Power Company Ltd Allied Estates (P) Ltd Altitude Design & Development (P) Ltd Amtran Constructions (P) Ltd Anchor Estates (P) Ltd Appease Estates Private Ltd Blue Streak Consultants (P) Ltd Blue Streak Land Holdings (P) Ltd Bonanza Real Estates (P) Ltd Caspian Capital & Finance Private Ltd Casuarina Capital & Finance (P) Ltd Classic Land Holdings (P) Ltd Consolidated Real Estates (P) Ltd Cygnus Real Estates (P) Ltd Delta Land Holdings (P) Ltd Dhaulasidh Power (P) Ltd Eagle Land Holdings (P) Ltd Fair Value Land Holdings (P) Ltd Fortune Real Estates (P) Ltd Fresenius Intraven (P) Ltd GVK Gautami Power Ltd Genesis Realtors (P) Ltd GIKR Land Holdings (P) Ltd Gold Green Land Holdings (P) Ltd Goriganga Hydro Power (P) Ltd Green Woods Golf & Resorts (P) Ltd GSR Land Holdings (P) Ltd Greenridge Hotels & Resorts (P) Ltd GVK Airport Developers (P) Ltd GVK Airport Holdings (P) Ltd GVK Aviation (P) Ltd GVK Biosciences (P) Ltd Mumbai Aviation Fuel Farm Facility (P) Ltd KR Bhupal Land Holdings (P) Ltd KRAMB Land Holdings (P) Ltd KRBSB Estates (P) Ltd KRGV Land Holdings (P) Ltd Krishna enterprises Lakshmi Enterprises Lepus Land Holdings (P) Ltd Mallikarjuna Finance (P) Ltd Mallikarjuna Estates (P) Ltd Marine Developers Marine Enterprises Marine Estates Marriot Land Holdings (P) Ltd Marwell Architects & Contractors (P) Ltd Metro Architects & Contractors (P) Ltd Midas Estates (P) Ltd MMR Constructions MR Constructions MRK Constructions Mumbai Airport Developers (P) Ltd Mumbai International Airport (P) Ltd Orbit Travel & Tours (P) Ltd Oxford Land Holdings (P) Ltd Pace Constructions (P) Ltd Pace Estates (P) Ltd Paigah House Hotel (P) Ltd Parthasarathy Airconditioned Tourists (P) Ltd Patikari Power (P) Ltd Pinakini Share & Stock Brokers Ltd Pinnacle Land Holdings (P) Ltd Plateau Constructions & Engg. (P) Ltd Sri Parvathi Enterprises Ubiquitous Infra tech Private Limited </p>	<p> GVK City (P) Ltd GVK Coal (Tokisud) Co.(P) Ltd GVK Davix Research (P) Ltd GVK Davix Technologies (P) Ltd GVK Developmental Projects (P) Ltd GVK Energy Holdings (P) Ltd GVK Energy Ltd GVK Estates Private Limited GVK Foundation GVK Hydel (P) Ltd GVK Industries Ltd GVK Jaipur Expressway (P) Ltd # GVK Oil & Gas Ltd GVK Perambalur SEZ (P) Ltd GVK Power & Infrastructure Ltd. GVK Technical & Consultancy Services (P) Limited GVK Power (Goindwal Sahib) Ltd GVK Transportation P Ltd GVK Power (Ratlam) P.Ltd GVK Projects & Technical services (P)Ltd # GVK Properties & Management.Co., (P) Ltd Plateau Land Holdings.(P) Ltd GVK Virudhnagar SEZ (P) Ltd IKR Land Holdings (P) Ltd Indigo Enterprises Indigo Estates Indira Constructions Indira Enterprises Inc GVK bio (P)Ltd Innovative Land Holdings (P) Ltd Inogent Laboratories (P) Ltd ISR Infrastructure JK Operation & Maintenance (P) Ltd Raghavendra Finance (P) Ltd Raghavendra Land Holdings (P) Ltd Regulus Estates (P) Ltd RK Estates S.Bhupal & Others SBSR Land Holdings (P)Ltd Siregarha Mines Ltd Sheraton Estates (P) Ltd SHSB Land Holdings (P)Ltd SOMKRB Land Holdings (P)Ltd SR Finance & Others SR Finance (P) Ltd Sri Hari Developers Sri Hari Enterprises Sri Hari Estates Sri Lakshmi Enterprises Sri Shiva Enterprises Sri Venkateswara Enterprises Sri Vishnu Enterprises Starlet Land Holdings (P) Ltd Sunshine Properties (P)Ltd Suphala Real Estates (P) Ltd Taj GVK Hotels & Resorts Ltd # TRG Constructions Trinity Advisors (P) Ltd Verdura Vertex Infratech (P) Ltd Vertex Projects Ltd Volantis Land Holdings (P) Ltd Vulcon Constructions (P) Ltd Zinger Investments (P) Ltd GVK Enterprises Bengaluru Airport & Infrastructure Developers (P) Ltd Bengaluru International Airport Ltd </p>
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Companies with which transactions are there during the year / balances at end of the year.

Directors:

- (i) Mr G V Krishna Reddy
- (ii) Mrs G Indira Krishna Reddy

Key Management Personnel: Mr.S.A.Naqui, Executive Director

Details of transactions for the year ended 31st March, 2014 and amounts outstanding as on 31st March, 2014 are as follows:

Name of the related party	Nature of relationship	Nature of transaction	₹
Mr.S.A.Naqui	Key Management Personnel	Remuneration	4,80,000 (15,40,000)
Taj GVK Hotels & Resorts Limited	Enterprises in which Directors / their relatives are interested	Hospitality Charges	77,905 (53,989)
		Payable	3,280 (3,504)
GVK Jaipur Expressway Pvt Ltd	Enterprises in which Directors / their relatives are interested	Deposits Refundable	80,88,750 (80,88,750)
GVK Projects & Technical Services Limited	Enterprises in which Directors / their relatives are interested	Advance against sale of land	38,46,36,000 (38,46,36,000)

- 32.** In the opinion of the Board of Directors of the company, the current assets, loans and advances are expected to realize in the ordinary course of business approximately the value at which they are stated in accounts.
- 33.** The balances in personal accounts are subject to confirmations and reconciliations.
- 34.** Figures of the previous year have been regrouped / rearranged to conform to those of the current year.

As per our report of even date

for BRAHMAYYA & CO.

Chartered Accountants

Firm Regn No. : 000513S

For and on behalf of the Board of Directors

(KOTESWARA RAO SSR)

Partner

Membership No.: 18952

Dr. G V KRISHNA REDDY

Chairman

S A NAQUI

Executive Director

Place : Hyderabad

Date : 29th May, 2014



**FORM NO MGT-11
PROXY FORM**

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

NOVOPAN INDUSTRIES LIMITED

CIN: L55101TG1984PLC004941

Regd. Office: IDA, Phase II, Patancheru, Medak District – 502319, Telangana, India.

29th Annual General Meeting held on Monday, the 8th December, 2014 at 4.30 PM

Name of the Member _____

Registered Address : _____

E mail : _____

Folio No /Client ID:D P ID:

I/We, being the member(s) of _____ shares of the above
named company, hereby appoint

Name :

E mail:

Address :

Signature :

Or failing him / her

Name :

E mail:

Address :

Signature:

NOVOPAN INDUSTRIES LIMITED

CIN: L55101TG1984PLC004941

Regd. Office: IDA, Phase II, Patancheru, Medak District – 502319, Telangana, India

Attendance slip

29th Annual General Meeting held on Monday, the 8th December, 2014 at 4.30 PM

Registered Folio no / DP ID No / Client ID No:

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Number of Shares held

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 29th Annual General Meeting of the Company at Paigah House, 156-159, Sardar Patel Road, Secunderabad – 500003.

Name of the member / proxy

Signature of member/proxy

BOOK - POST

If undelivered please return to :



NOVOPAN INDUSTRIES LIMITED

CIN: L55101TG1984PLC004941

IDA, Phase - II, Patancheru,
Medak District - 502 319, Telangana State, India.