



Dairy | Retail, R&D | Enterprise | Agriculture | Manufacturing | Software

## 23rd Annual Report 2016-17



Dairy | Retail, R&D | Enterprise | Agriculture | Manufacturing | Software



Fruits | Vegetables | Milk | Health Products



*Grow Younger  
Live Longer*





## CORPORATE INFORMATION

### **BOARD OF DIRECTORS:**

Mr. P. Uday Bhaskar	-	Whole-Time Director (DIN: 02773570)
Mr. T. Kiran	-	Whole-Time Director (DIN: 00472025)
Mr. R. C. Rahul	-	Non-Executive, Independent Director (DIN: 05170234)
Mr. R. C. Ratul	-	Non-Executive, Independent Director (DIN: 05170211)

### **CHIEF FINANCIAL OFFICER**

Mr. Mani Santhosh Sanyasi Raju Jampana

### **REGISTERED OFFICE:**

2nd Floor, C Scape, Pandurangapuram, Beach Road  
Visakhapatnam, Andhra Pradesh-500003  
Email: info@mudunuru.com

### **STATUTORY AUDITORS:**

M/s Chanamolu & Co.  
Chartered Accountants,  
Hyderabad.

### **SECRETARIAL AUDITOR :**

M/s. Sambhu Prasad M & Associates  
Practicing Company Secretaries  
49-9-10, Lalitha Nagar  
Akkayyapalem  
Visakhapatnam - 530 016

### **CORPORATE IDENTITY NUMBER :**

L72900AP1994PLC039248

### **AUDIT COMMITTEE :**

2. Mr. R. C. Rahul	- Member
3. Mr. R. C. Ratul	- Member

### **NOMINATION & REMUNERATION COMMITTEE:**

2. Mr. R. C. Rahul	- Member
3. Mr. R. C. Ratul	- Member

### **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

2. Mr. R. C. Rahul	- Member
3. Mr. R. C. Ratul	- Member

### **RISK MANAGEMENT COMMITTEE:**

1. Mr. R. C. Ratul	- Chairman
2. Mr. P. Uday Bhaskar	- Member
3. Mr. T. Kiran	- Member

### **INDEPENDENT DIRECTORS COMMITTEE:**

1. Mr. R. C. Rahul	- Chairman
3. Mr. R. C. Ratul	- Member

### **REGISTRAR & SHARE TRANSFER AGENTS :**

M/s. Aarthi Consultants Private Limited  
1-2-285, Near Gaganmahal Nursing Home,  
Street No 7, Domalguda , Hyderabad-500029.  
Ph: 040-27638111/27634445, Fax: 040-27632184  
Email: info@aarthicconsultants.com

### **ISIN :**

INE463B01028

### **LISTED AT :**

BSE Limited  
Ahmedabad Stock Exchange Limited  
The Calcutta Stock Exchange Limited

### **ISIN:**

INE463B01028

### **INVESTOR E-MAIL ID :**

info@mudunuru.com

### **WEBSITE :**

www.mudunuru.com



## **NOTICE**

Notice is hereby given that the Twenty Third Annual General Meeting of the Shareholders of M/s. Mudunuru Limited will be held on **Friday, the 29th day of September 2017 at 9.00 a.m** at the registered office of the company at **201, 2nd Floor, C Scape, Pandurangapuram, Beach Road, Visakhapatnam, Andhra Pradesh-530003** to transact the following business:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet (including consolidated )as at March 31, 2017, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of P. Uday Bhaskar (holding DIN: 02773570), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Chanamolu & Co., Chartered Accountants, Hyderabad as Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at remuneration as may be fixed by the Board.

**For and on behalf of the Board  
Mudunuru Limited**

Sd/-  
**Uday Bhaskar**  
**Whole Time Director**  
**(DIN: 02773570)**

**Place: Hyderabad**  
**Date: 02-09-2017**

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2017 to 29.09.2017 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.



5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Aarthi Consultants Pvt. Ltd.)
10. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
11. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to M/s. Aarthi Consultants Pvt. Ltd., Share Transfer Agents of the Company for their doing the needful.
12. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
13. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
14. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
15. Electronic copy of the Annual Report for 2016-2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-2017 is being sent in the permitted mode.
16. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report



for 2016-2017 will also be available on the Company's website [www.mudunuru.com](http://www.mudunuru.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@mudunuru.com](mailto:info@mudunuru.com)

#### 17. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for e-voting are as under:

##### (A) In case of members receiving e-mail :

- i. The voting period begins on 26.09.2017 at 9.00 A.M. and ends on 28.09.2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (22.09.2017) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders.
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:



	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on EVSN for Mudunuru Limited.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(II) In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**

- A. Please follow all steps from sl. no. (ii) to sl. no. (xvii) above, to cast vote.

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- B. The voting period begins on 26.09.2017 at 9.00 A.M. and ends on 28.09.2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 22.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- 19. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 20. Mr. S. Sarveswar Reddy, Practicing Company Secretary, bearing C.P. Number 7478 has been appointed as the Scrutinizer to scrutinize the e-voting process. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.



21. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mudunuru.com](http://www.mudunuru.com) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited, Ahmedabad Stock Exchange Limited and The Calcutta Stock Exchange Limited.
22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

**For and on behalf of the Board  
Mudunuru Limited**

Sd/-  
**Uday Bhaskar**  
**Whole Time Director**  
**(DIN: 02773570)**

**Place: Hyderabad**  
**Date: 02-09-2017**



## BOARD'S REPORT

To the Members,  
M/s. Mudunuru Limited

The Directors have pleasure in presenting before you the Board's Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

### FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFARIS:

The performance during the period ended 31st March, 2017 has been as under:

(Rs. In Lakhs)

Particulars	Standalone	
	2016-2017	2015-2016
Gross Income	1347.43	883.02
Profit Before Interest and Depreciation	162.35	171.37
Finance Charges	16.10	--
Gross Profit	146.24	171.37
Provision for Depreciation	84.29	72.54
Net Profit Before exceptional items	61.96	98.82
Prior period expenses	13.71	--
Net Profit Before Tax	48.25	98.82
Provision for Tax	39.03	26.21
Net Profit After Tax	9.22	72.62
Net Profit After Tax (after Minority Interest)	--	--
Balance of Profit brought forward	220.51	147.89
Balance available for appropriation	229.73	220.51

### CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

### PUBLIC DEPOSITS:

We have not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

### TRANSFER TO RESERVES:

There were no transfers to reserves during the year.

### DIVIDEND:

The Directors have decided not to recommend dividend for the year.



#### **REVISION OF FINANCIAL STATEMENTS:**

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

#### **DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:**

No material changes and commitments which could affect the Company's financial position have occurred between the ends of the financial year of the Company.

#### **DISCLOSURE OF INTERNAL FINANCIAL CONTROLS**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

#### **DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

The company has not entered into any contract or arrangement with any related party during the period under review.

#### **CORPORATE GOVERNANCE**

Corporate Governance is not applicable to the company since the paid up equity share capital and net worth of the company does not exceed Rs. 10 crores and Rs. 25 crores respectively. However, the company voluntarily provides a separate section in the Annual Report titled "Report on Corporate Governance" along with the Auditors' Certificate on Corporate Governance as stipulated under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **EXTRACT OF ANNUAL RETURN:**

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

#### **RETIREMENTS AND RESIGNATIONS:**

During the year Mrs. S. Latha resigned as the director of the company w.e.f 10.03.2017

#### **APPOINTMENTS/RE-APPOINTMENT OF DIRECTORS/CEO/CFO AND KEY MANAGERIAL PERSONNEL:**

During the year no new director was appointed.



### **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received declarations from Mr. R.C Ratul, Mr. R.C Rahul and Ms. S. Latha, \*Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.-Annexure-III.

\* Resigned w.e.f 10.03.2017

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

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

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES/ ASSOCIATES:**

The company has only one subsidiary namely Mudunuru Software Limited

### **DETAILS IN REPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO CENTRAL GOVERNMENT.**

There were no frauds reported by the auditors as per section 143 (12).

### **STATUTORY AUDITORS:**

M/s. Chanamolu & Co, Statutory Auditors of the company retires at the ensuing annual general meeting and is eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. Chanamolu & Co , as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.



#### **INTERNAL AUDITORS:**

The company has appointed M.M.Reddy & Co., as internal auditors for the period 2016-17.

#### **SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by M/s. Sambhu Prasad M & Associates, Practicing Company Secretaries is annexed to this Report as Annexure -I

#### **INDIAN ACCOUNTING STANDARDS**

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

#### **AUDIT REPORTS:**

##### **(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2017 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the robust growth in the industry.

##### **(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and the qualifications, reservations or adverse remarks (if any) except that the Company does not have a full time Company Secretary, and woman director

The Board is looking for suitable candidates for the above said posts and the vacancies will be filled soon.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

#### **COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and framed the following policies which are available on Company's website i.e. [www.mudunuru.com](http://www.mudunuru.com)

- i. Board Diversity Policy
- ii. Policy on preservation of Documents
- iii. Risk Management Policy



- iv. Whistle Blower Policy
- v. Familiarisation programme for Independent Directors
- vi. Anti-Sexual Harrassment Policy
- vii. Related Party Policy
- viii. Code of Conduct

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

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

##### **A. Conservation of Energy:**

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

##### **B. Technology Absorption:**

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

##### **C. Foreign Exchange Earnings and Out Go:**

Foreign Exchange Earnings: Rs. 906.89 lakhs

Foreign Exchange Outgo: NIL

#### **INSURANCE:**

The properties and assets of your Company are adequately insured.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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

#### **CREDIT & GUARANTEE FACILITIES:**

The Company has been availing facilities of Credit and Guarantee as and when required, for the business of the Company, from State Bank of India.

#### **DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable to your Company.

#### **RATIO OF REMUNERATION TO EACH DIRECTOR:**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, the remuneration paid to the Whole-Time Directors is Rs.6,90,000/- per annum for each Whole-Time Director.

#### **NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.



### **CEO/ CFO CERTIFICATION**

The Managing Director and CEO/ CFO certification of the financial statements for the year 2016-17 is provided elsewhere in this Annual Report.

### **INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY**

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

### **SECRETARIAL STANDARDS**

The company is in compliance with Secretarial Standards SS1 and SS2 issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

### **EVENT BASED DISCLOSURES**

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

1. Issue of sweat equity share: The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1) (d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
2. Issue of shares with differential rights: The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
3. Issue of shares under employee's stock option scheme: The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014
4. Non-Exercising of voting rights : During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
5. Disclosure on purchase by company or giving of loans by it for purchase of its shares: The company did not purchase or give any loans for purchase of its shares.
6. Buy back shares: The company did not buy-back any shares during the period under review.
7. Disclosure about revision: Since the company did not undergo any revision, this clause is Not Applicable to the company for the period under review.
8. Preferential Allotment of Shares: The company did not allot any shares on preferential basis during the period under review.

### **EMPLOYEE RELATIONS:**

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

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



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

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

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

No. of complaints received: Nil

No. of complaints disposed off: Nil

### **ACKNOWLEDGEMENTS:**

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

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

**For and on behalf of the Board  
Mudunuru Limited**

**Place: Hyderabad  
Date: 02-09-2017**

Sd/-  
**P. Uday Bhaskar  
Whole Time Director  
(DIN: 2773570)**

Sd/-  
**T.Kiran  
Whole Time Director  
(DIN: 00472025)**



## CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

**Certificate of Code of Conduct for the year 2016-17 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Mudunuru Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2016-17

**For and on behalf of the Board  
Mudunuru Limited**

Sd/-  
**Uday Bhaskar**  
**Whole Time Director**  
**(DIN: 02773570)**

**Place: Hyderabad**  
**Date: 02-09-2017**



## CORPORATE GOVERNANCE

Corporate Governance is not applicable to the company as its paid up-equity capital and net worth does not exceed Rs. 10 crores and Rs. 25 crores respectively. However, the company voluntarily complies with Corporate Governance as a good governance measure to keep the stakeholders informed about the company.

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Mudunuru Limited as follows:

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

### BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, [www.mudunuru.com](http://www.mudunuru.com)

### BOARD EVALUATION:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and



framework adopted by the Board. The evaluation process has been explained in the corporate governance report. The Board approved the evaluation results as collated by the nomination and remuneration committee.

#### **FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

All new independent directors inducted into the Board attend an orientation program. The details of training and familiarization program are provided in the corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

#### **MUDUNURU'S CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website [www.mudunuru.com](http://www.mudunuru.com)

#### **BOARD OF DIRECTORS**

##### **A. COMPOSITION OF THE BOARD:**

The Company is managed and controlled through a professional body of Board of Directors which is headed by Mr. Uday Bhaskar, Whole-Time Director. As on 31st March 2017, the Board of the Company has 4 members (including 2 Whole-Time Directors and 2 Independent Non-Executive Directors). None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he is a Director.

The Board has been enriched with the advices and knowledge of the Independent Directors. None of the Independent Directors has any pecuniary or business relationship except receiving sitting fees. The composition of the Board of Directors as on 31.03.2017 and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

##### **B. ATTENDANCE OF EACH DIRECTOR AT BOARD MEETING HELD DURING THE YEAR AND LAST ANNUAL GENERAL MEETING**

And

##### **C. NUMBER OF OTHER BOARD OF DIRECTORS IN WHICH A DIRECTOR IS A MEMBER OR CHAIRPERSON.**



Name of Director	Category of Directorship	Number of Directorships in other Companies	Number of Board Committee memberships held in other Companies		Attendance Particulars			
			Member	Chairman	Last AGM 30.09.2016	Board meetings'16-17'		
						held	attended	
T. Kiran	Whole-Time Director	--	--	--	Yes	5	5	
P. Uday Bhaskar	Whole-Time Director	2	--	--	Yes	5	5	
R.C Ratul**	Non Executive & Independent Director	2	--	--	Yes	5	5	
R.C Rahul**	Non Executive & Independent Director	3	--	--	Yes	5	5	
S. Latha*	Non Executive & Independent Director	2	--	--	Yes	5	5	

\*Resigned w.e.f 10.03.2017

#### D. MEETINGS DURING THE YEAR:

The Board of Directors duly met 5 (five) times on 30.05.2016, 13.08.2016, 14.11.2016, 14.02.2017 and 10.03.2017 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.



## **E. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE**

None of the directors on the Board of directors are related inter-se.

## **F. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS**

None of the Non-Executive Directors of the company holds any shares and Convertible Instruments in their name.

### **AUDIT COMMITTEE:**

#### **A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
  - a. Any changes in accounting policies and practices;
  - b. Qualification in draft audit report;
  - c. Significant adjustments arising out of audit;
  - d. The going concern concept;
  - e. Compliance with accounting standards;
  - f. Compliance with stock exchange and legal requirements concerning financial statements and
  - g. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and



reporting the matter to the Board.

- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

#### B. COMPOSITION, MEETINGS & ATTENDANCE:

There were four (4) Audit Committee Meetings held during the year on 30.05.2016, 13.08.2016, 14.11.2016 and 14.02.2017

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mrs. S. Latha*	Chairman	NED (I)	4	4
Mr. R. C. Rahul	Member	NED (I)	4	2
Mr. R.C. Ratul	Member	NED (I)	4	2

**NED (I)** : Non Executive Independent Director

\*Resigned w.e.f 10.03.2017

#### NOMINATION AND REMUNERATION COMMITTEE:

The Committee comprises of three non-executive independent Directors

#### A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.



## B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mrs. S. Latha*	Chairman	NED (I)	1	1
Mr. R. C. Rahul	Member	NED (I)	1	1
Mr. R.C. Ratul	Member	NED (I)	1	1

**NED (I)** : Non Executive Independent Director

\*Resigned w.e.f 10.03.2017

## C. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

### POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

#### 1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

#### 2. Terms and References:

2.1 "Director" means a director appointed to the Board of a Company.

2.2 "Nomination and Remuneration Committee" means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Reg. 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 3. Policy:

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:



- a General understanding of the company's business dynamics, global business and social perspective;
  - Ø Educational and professional background
  - Ø Standing in the profession;
  - Ø Personal and professional ethics, integrity and values;
  - Ø Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfill the following requirements:

- Ø shall possess a Director Identification Number;
- Ø shall not be disqualified under the companies Act, 2013;
- Ø shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- Ø shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- Ø shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Ø Such other requirements as any be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

### 3.2 criteria of independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director-

- a. Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoters of the company or its holding, subsidiary or associate company;  
(ii) Who is not related to promoters or directors of the company its holding, subsidiary or associate company
- c. Who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or director, during the two immediately preceding financial year or during the current financial year;



d. None of whose relative has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current finance year;

e. Who, neither himself nor any of his relative-

(i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate company in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;

(ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the finance year in which he is proposed to be appointed of-

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding subsidiary or associate company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the company any of its promoters , directors or its holding subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

(v) is a material supplier, service provider or customer or a lesser or lessee of the company.

f. Shall possess appropriate skills experience and knowledge in one or more field of finance , law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the company's business.

g. Shall possess such other qualifications as may be prescribed from time to time, under the companies Act, 2013.

h. Who is not less than 21 years of age

3.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

### **3.3 other directorships/ committee memberships**

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.



3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

### **Remuneration policy for Directors, key managerial personnel and other employees**

#### **1. Scope:**

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

#### **2. Terms and Reference:**

In this policy the following terms shall have the following meanings:

2.1 "Director" means a director appointed to the Board of the company.

2.2 "key managerial personnel" means

- (i) The Chief Executive Officer or the managing director or the manager;
- (ii) The Company Secretary;
- (iii) The Whole-time Director;
- (iv) The Chief Finance Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **3. Policy:**

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retirement benefits
- (vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and



Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

### **3.2 Remuneration to Non – Executive Directors**

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### **3.3. Remuneration to other employees**

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## **STAKEHOLDER'S RELATIONSHIP COMMITTEE**

### **A) COMPOSITION:**

The Details of composition of the Committee are given below:

Name	Designation	Category
Mrs. S. Latha*	Chairman	NED (I)
Mr. R. C. Rahul	Member	NED (I)
Mr. R.C. Ratul	Member	NED(I)

**NED (I) :** Non Executive Independent Director

\*Resigned w.e.f 10.03.2017

### **B. NAME AND DESIGNATION OF COMPLIANCE OFFICER**

Mr. Uday Bhaskar, Whole-Time Director of the company, is the compliance officer of the Company.

### **C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2016-17**

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2017
Pending at the beginning of the year	Nil
Received during the year	Nil
Disposed of during the year	Nil
Remaining unresolved at the end of the year	Nil



#### **REMUNERATION OF DIRECTORS:**

**A. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY:** The Non-Executive Directors have no pecuniary relationship or transactions.

**B. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:** As per the remuneration policy of the company.

**C. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2016-17 AND OTHER DISCLOSURES**

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr. T. Kiran	Rs 6,90,000	--	--				
Mr. Uday Bhaskar	Rs 6,90,000		--				
Mr. R.C Rahul	--						
Mr. R.C Ratul	--		--				
Mrs. S. Latha*	--						

\* Resigned w.e.f 10.03.2017

#### **D. INDEPENDENT DIRECTORS' MEETING :**

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 14.02.2017, and discussed the following:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

#### **FORMAL ANNUAL EVALUATION :**

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 14.02.2017 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive



directors and non-executive directors;

(c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 2 non-independent directors namely:

- I.) Mr. P. Uday Bhaskar –Whole-Time Director
- ii.) Mr. T.Kiran - Whole-Time Director

The meeting recognized the significant contribution made by Mr. P. Uday Bhaskar and Mr. T .Kiran in directing the Company towards the success path

The meeting also reviewed and evaluated the performance of the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

#### **REMUNERATION POLICY:**

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

#### **RISK MANAGEMENT COMMITTEE**

##### **A.) COMPOSITION:**

The Details of composition of the Committee are given below:

Name	Designation	Category
Mr. R.C. Ratul	Chairperson	NED (I)
Mr. Uday Bhaskar	Member	ED
Mr. T. Kiran	Member	ED

**NED (I) :** Non Executive Independent Director

**ED :** Executive Director



#### B) ROLE AND RESPONSIBILITIES OF THE COMMITTEE INCLUDES THE FOLLOWING:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

#### DETAILS ON GENERAL BODY MEETINGS:

##### A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2015-16	30.09.2016	10.30 A.M	2nd Floor, C Scape, Pandurangapuram, Beach Road, Visakhapatnam, Andhra Pradesh-530003	There were no special resolutions passed in the AGM held on 30.09.2016
2014-15	12.09.2015	10.00 A.M	Regd. Off. Thyagaraja Bhavan, HIG-35, Door No. 50-118-4/5, Seethammadhara (NE), Visakhapatnam, Andhra Pradesh-500013	<ol style="list-style-type: none"><li>1. Appointment of Mr. Uday Bhaskar as Director.</li><li>2. Appointment of Mr. T. Kiran as Director</li><li>3. Appointment of Mr. R.C. Rahul as Director</li><li>4. Appointment of Mr. R.C. Ratul as Director</li><li>5. Appointment of Mr. Uday Bhaskar as Whole-Time Director</li><li>6. Appointment of Mr. T. Kiran as Whole-Time Director</li><li>7. Change in the name of the</li></ol>



Financial Year	Date	Time	Location	Special / Ordinary Resolution
				<p>Company from "Green Field Agri Ventures Limited" to " Mudunuru Limited"</p> <p>8. Amendment of Articles of Association</p> <p>9. Sub - Division of each equity share of Rs. 10/- each into 5 Equity Shares of Rs. 2/- each.</p> <p>10. Amendment of Memorandum of Association.</p> <p>11. Borrowing money not exceeding Rs.25,00,00,000 for the purpose of the business from time to time as and when needed.</p> <p>12. To give Corporate Loans and Guarantees to the subsidiaries of the Company not exceeding Rs. 25,00,00,000.</p>
2013-14	30.09.2014	10.00 A.M	Regd. Off Thyagaraja Bhavan, HIG-35, Door No. 50-118-4/5, Seethammadhara (NE), Visakhapatnam, Andhra Pradesh-500013	<p>1. Appointment of Mr. S.K Chaitanya Varma as Director of the Company.</p> <p>2. Appointment of Mr. S. Latha as Director of the Company.</p> <p>3. Amendment of Articles of Association.</p>

#### B. PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through Postal Ballot during the financial year 2016-17.

#### MEANS OF COMMUNICATION

The Company regularly intimates its financial results, audited/limited reviewed, to the Stock Exchanges, as soon as the same are taken on record/approved. These financial results are published in the English and Telugu language newspapers. These results are not distributed/ sent individually to the shareholders.

In terms of the requirements of SEBI (Listing Obligations & Disclosures Requirements), the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Corporate Governance Report are electronically submitted, unless there are technical difficulties and are displayed



through Corporate filing and Dissemination System. The un-audited financial results as well as audited financial results, shareholding pattern of the Company and Report on Corporate Governance are displayed on [www.bseindia.com](http://www.bseindia.com).

All important information and official press releases are displayed on the website for the benefit of the public at large. Analysts' Reports/ Research Report, if any, are also uploaded on the website of the Company. The Company's website can be accessed at [www.mudunuru.com](http://www.mudunuru.com)

#### **GENERAL SHAREHOLDER INFORMATION:**

##### **A) ANNUAL GENERAL MEETING :**

Day, Date and Time: Friday, 29th September, 2017 at 9.00 a.m

Venue: 2nd Floor, C Scape, Pandurangapuram, Beach Road, Visakhapatnam, Andhra Pradesh-530003

##### **B) FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2017-18 (TENTATIVE SCHEDULE)**

Financial year to which the Annual General Meeting relates: 2016-17

Financial calendar: 16-17

Adoption of Quarterly results for the Quarter ending

Un-Audited results for Quarter ending Jun 30 2017	- on or before 14.08.2017
Un-Audited results for Quarter ending Sep 30 2017	- on or before 14.11.2017
Un-Audited results for Quarter ending Dec 31 2017	- on or before 14.02.2018
Audited results for Quarter & Year ending Mar 31 2018	- on or before 30.05.2018

Book closure Dates: 23.09.2017 to 29.09.2017 (Both days inclusive)

Listing of Equity Shares : BSE Limited.  
Ahmedabad Stock Exchange Limited  
Calcutta Stock Exchange Limited

Annual General Meeting (Next year): August / September, 2018

##### **C) DIVIDEND PAYMENT DATE:** No Dividend was declared during the Financial Year 2016-17.

##### **D) NAME AND ADDRESS OF EACH STOCK EXCHANGE WHERE THE COMPANIES SECURITIES ARE LISTED:**

EXCHANGE:

BSE LIMITED, Pheroze Jeejeebhoy Towers , Dalal Street, Mumbai- 400001

AHMEDABAD STOCK EXCHANGE, A-2, Kamdhenu Complex, Opposite Sahajanand College, 120 Feet Ring Rd, Panjara Pol, Ambawadi, Ahmedabad, Gujarat 380015

THE CALCUTTA STOCK EXCHANGE : 7, Lyons Range, Kolkatta – 700001.

##### **E) STOCK CODE:**

EXCHANGE: BSE Limited	CODE: 537985
Ahmedabad Stock Exchange	
The Calcutta Stock Exchange	



## F) STOCK MARKET PRICE DATA: BSE Limited

### BSE Limited

Month	High	Low
April'16	-	-
May'16	-	-
June'16	-	-
July'16	46.95	46.95
Aug'16	46.95	46.95
Sept'16	47	47
Oct'16	45.20	45.20
Nov'16	-	-
Dec'16	-	-
Jan'17	40.50	40.50
Feb'17	38.50	38.50
Mar'17	-	-

The shares of the Company are not traded on Ahmedabad Stock Exchange and The Calcutta Stock Exchange.

## G) IN CASE SECURITIES ARE SUSPENDED FROM TRADING :

The securities of the company were not suspended

## H) REGISTRAR AND SHARE TRANSFER AGENTS:

M/s. Aarthi Consultants Private Limited  
1-2-285, Near Gaganmahal Nursing Home,  
Street No 7, Domalguda , Hyderabad-500029.  
Ph: 040-27638111/27634445, Fax: 040-27632184  
Email: [info@aarthicconsultants.com](mailto:info@aarthicconsultants.com)

## I) SHARE TRANSFER SYSTEM:

The Transfer of Shares is affected by the Registrars after necessary approval of the Board/Share Transfer Committee. Transfer generally takes 1-2 weeks.

## J) DEMATERIALISATION & LIQUIDITY OF SHARES:

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE491C01027 in BSE. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.



Particulars	No. of Shares	% Share Capital
NSDL	12713732	53.13
CDSL	8501268	35.53
PHYSICAL	2712500	11.34
Total	23927500	100.00

**K) ADDRESS FOR CORRESPONDANCE:**

Mr. Uday Bhaskar

Address: 2nd Floor, C Scape, Pandurangapuram, Beach Road, Visakhapatnam,  
Andhra Pradesh-530003

**L) BOOK CLOSURE DATE:**

23rd September 2017 to 29th September 2017 (both days inclusive)

**M) LISTING ON STOCK EXCHANGES:**

The equity shares of the Company are listed on BSE Ltd., Ahmedabad Stock Exchange and The Calcutta Stock Exchange. The Company has paid the listing fees for the year 2016-17 to BSE limited.

**N) ELECTRONIC CONNECTIVITY:**

Demat ISIN Number: INE491C01027

**O) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017:**

S. No	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and Promoter group		
1	Indian		
	Individual	59,46,060	24.85
2	Foreign		
	Individual	--	--
	Sub-Total A	59,46,060	24.85
B	Public Shareholding	--	--
1.	Institutions		
2.	Non Institutions	1,79,81,440	75.15
	Sub Total B	1,79,81,440	75.15
	Grand Total (A + B)	2,39,27,500	100.00



## OTHER DISCLOSURES

### A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year under review, the Company had not entered into any materially significant transaction with any related party. During the year, the Company had not entered into any other contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arm's length basis.

### B. COMPLIANCES:

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

### C. WHISTLE BLOWER POLICY

The Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

### D. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

- i. Audit qualifications: Company's financial statements are unqualified.
- ii. Modified opinion in Audit Report: The Auditor's Report does not contain any adverse remarks or qualifications.

### F. DISCLOSURE OF ACCOUNTING TREATMENT

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 129 of the Companies Act, 2013.



## CERTIFICATE BY THE WHOLE-TIME DIRECTOR AND CFO OF THE COMPANY

To

**The Board of Directors**  
**Mudunuru Limited**

Dear Sirs,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2017 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we were aware and the steps that we have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**For and on behalf of the Board**  
**Mudunuru Limited**

Sd/-

**P. Uday Bhaskar**  
Whole Time Director  
(DIN: 2773570)

Sd/-  
**J N S Sanyasi Raju**  
Chief Financial Officer

Place: **Hyderabad**  
Date: **02-09-2017**



## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
**The Members of**  
**Mudunuru Systems Limited**

We have examined the Compliance with conditions of Corporate Governance of M/s. Mudunuru Limited for the year ended 31st March, 2017 as stipulated in Regulation 34(3) read with Para E Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance with the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management's, we certify that the company has complied with conditions of the Corporate Governance as stipulated in Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the above mentioned Listing agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that no grievances of investors are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company

**For Chanamolu & Co.  
Chartered Accountants  
Firm Registration No.010000S**

Sd/-  
**G. Murali**  
Partner  
(M.No.234971)

Place: **Hyderabad**  
Date: **02-09-2017**



## **DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

<b>Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.</b>	<b>No. of shareholders who approached the company for transfer of shares from suspense account during the year.</b>	<b>No. of shareholders to whom shares were transferred from suspense account during the year.</b>	<b>Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.</b>
<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**\*\* Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.**

Note: The Company has never declared dividends since its inception and therefore there is no amount lying in unpaid/unclaimed dividend account.

**ANNEXURE I  
FORM MR-3  
SECRETARIAL AUDIT REPORT**

(Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

To  
**The Members of**  
**M/s. Mudunuru Limited**

We have conducted the audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Mudunuru Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2016 and ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Mudunuru Systems Limited ("The Company") for the financial year ended on 31st March, 2017, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12th September, 2013 and sections and Rules notified and came in to effect from 1st April, 2014; and there after
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
- v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act')

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial



year 2016-17.

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Complied with yearly and event based disclosures.
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable as the company has not issued any shares during the year under review.
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.
- v. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.
- vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. Not Applicable as the Company has not issued any debt securities during the year under review.
- vii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable as the Company has not issued any Employee Stock Options during the year under review.
- viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. [www.bnrssecurities.com](http://www.bnrssecurities.com).
- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and
  - The Company has framed the policies as mentioned below and displayed the same on the Company's website i.e. [www.mudunuru.com](http://www.mudunuru.com)
    - Board Diversity Policy
    - Policy on Preservation of Documents
    - Risk Management Policy
    - Whistle Blower Policy
    - Related Party Transaction Policy
    - Nomination and Remuneration Policy



- Policy on Material Subsidiaries

3. During the year the Company has conducted 4 Board meetings, 4 Audit committee meetings, 4 Stakeholder Relationship Committee Meeting and 1 Independent Directors meeting. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.

4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc.,

We further report that the compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

#### **OBSERVATIONS:**

(a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that

(i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

- External Commercial Borrowings were not attracted to the Company under the financial year under report;
- Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
- Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

(ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

- i. **The company has a CFO namely Mr. J N S Sanyasi Raju.**
- ii. **The Company has not appointed a Company Secretary.**
- iii. **The Company has appointed M.M. Reddy and Company as internal auditors for the Financial Year 2016-17.**
- iv. **The company does not have a woman director. However, the company is on a look out for a suitable person too fill in the vacancy.**

#### **We further report that:-**

- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the



Board were unanimous and no dissenting views have been recorded.

- We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- We further report that during the year under report, the Company has not undertaken
- Event /action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **Sambhu Prasad M & Associates**

Place: **Hyderabad**  
Date: **02-09-2017**

sd/-  
**Sambhu Prasad M**  
Proprietor  
C.P.No: 11723



## Annexure A

To

**The Members of  
M/s. Mudunuru Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Sambhu Prasad M & Associates**

Sd/-  
**Sambhu Prasad M**  
Proprietor  
C.P.No: 11723

Place: **Hyderabad**  
Date: **02-09-2017**

## ANNEXURE II

### MGT 9

### Extract of Annual Return

**As on the Financial Year 31.03.2017**

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

<b>I. REGISTRATION AND OTHER DETAILS</b>									
i.	CIN:	L72900AP1994PLC039248							
ii.	Registration Date	15/02/1994							
iii.	Name of the Company	MUDUNURU LIMITED							
iv.	Category / Sub-Category of the Company	Company limited by shares/ Non-Government Company							
v.	Address of the Registered office and contact details	2nd Floor, C Scape, Pandurangapuram, Beach Road, Visakhapatnam, Andhra Pradesh-530003							
vi.	Whether listed company Yes / No	Yes							
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Aarthi Consultants Private Limited 1-2-285, Near Gaganmahal Nursing Home, Street No 7, Domalguda , Hyderabad-500029. Ph: 040-27638111/27634445, Fax: 040-27632184 Email: info@aarthicconsultants.com							
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:</b>									
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-									
Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company						
1.	Agriculture & Agri based Software Development	99831326 & 99831327	65.53%						
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-</b>									
S.NO	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section				
1	Mudunuru Software Limited	U72400TG2009PLC065437	Subsidiary	54%	2(87)				



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
Individual/ HUF	59,46,060	0	59,46,060	24.85	5946060	0	5946060	24.85	0	
Central Govt	--	--	--	--	--	--	--	--	--	
State Govt (s)	--	--	--	--	--	--	--	--	--	
Bodies Corp.	--	--	--	--	--	--	--	--	--	
Banks / FI	--	--	--	--	--	--	--	--	--	
Any Other....	--	--	--	--	--	--	--	--	--	
<b>Sub-total (A) (1) :-</b>	<b>5946060</b>	<b>0</b>	<b>5946060</b>	<b>24.85</b>	<b>5946060</b>	<b>0</b>	<b>5946060</b>	<b>24.85</b>	<b>0</b>	
<b>(2) Foreign</b>										
a) NRIs- Individuals	--	--	--	--	--	--	--	--	--	
b) Other- Individuals	--	--	--	--	--	--	--	--	--	
c) Bodies Corp.	--	--	--	--	--	--	--	--	--	
d) Banks / FI	--	--	--	--	--	--	--	--	--	
e) Any Other....	--	--	--	--	--	--	--	--	--	
<b>Sub-total (A) (2) :-</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<b>Total shareholding of Promoter (A)</b>	<b>5946060</b>	<b>0</b>	<b>5946060</b>	<b>24.85</b>	<b>5946060</b>	<b>0</b>	<b>5946060</b>	<b>24.85</b>	<b>0</b>	



= (A)(1) + (A)Q									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FII's	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>2. Non Institutions</b>									
a) Bodies Corp.	2574581	0	2574581	0	26087 86	0	26087 86	10.95	0
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	337902	172480	510382	2.13	91656	24980	116636	0.49	-1.64
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	12139133	2540020	14679153	61.35	0	15256 018	15256 018	63.76	2.41

c) Others (specify)									
1. NRI	-	-	-	-	-	-	-	-	-
2. Employees	-	-	-	-	-	-	-	-	-
3. Clearing Members	218200	-	218200	0.00	-	0	-	-	-
<b>Sub-total (B)(2):-</b> <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>15269816</b>	<b>25572380</b>	<b>17982316</b>		<b>2700442</b>	<b>15280998</b>	<b>17981440</b>	--	--
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A + B + C)</b>	<b>21215876</b>	<b>25572380</b>	<b>23928376</b>	<b>100.00</b>	<b>6216502</b>	<b>15280998</b>	<b>23927500</b>	<b>100.00</b>	-

**(ii) Shareholding of Promoters**

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Nil
1.	P. Uday Bhaskar	26,13,500	Nil	26,13,500	10.92	33,13,500	Nil	33,13,500	13.85	Nil
2.	B. Renuka	2,00,000	Nil	2,00,000	0.84		Nil			Nil
3.	B. V. S. Krishna Raju	24,32,560	Nil	26,32,560	10.17	26,32,560	Nil	26,32,560	10.17	Nil
4.	P. Pushpa Latha	7,00,000	Nil	7,00,000	2.93		Nil			Nil

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	UDAY PENUMAJJI BHASKAR	26,13,500	10.92	3313500	13.85



2.	RENUKA BUDDHARAJU	2,00,000	0.84		
3.	B V S KRISHNA RAJU	24,32,560	10.17	26,32,560	10.17
4.	PUSHPALATHA PENUMAJJI	7,00,000	2.93		

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
1	SLOKA HOLDINGS PRIVATE Ltd	2556100	10.68	2556100	10.68
2	SANDHYA KUTCHERLAPATI	2505000	10.47	2505000	10.47
3	K NARASIMHA RAHU	1317451	5.51	1317451	5.51
4	CHAITANYA VARMA KUCHCHRLAPALI	1518110	6.34	1518110	6.34
5	SATYAVATHI NAMBURU	956250	4.00	956250	4.00
6	VINDHYA MUDUNURU	905000	3.78	905000	3.78
7	ATCHUTAMBA NAMBURI	793750	3.32	793750	3.32
8	APARNA DEVI MANTHENA	709330	2.96	709330	2.96
9	N SURYANARAYANA RAJU	520000	2.17	422500	1.77
10	S LATHA	422500	1.77		
11	SANYASI RAJU NAMBURU			369110	1.54
	Date wise Increase /Decrease in Promoters Share Holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer /bonus/ sweat equity etc): NIL				

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of the company
1	UDAY BHASKAR PENUMAJJI	26,13,500	10.92	33,13,500	13.85
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	33,13,500	13.85	-	-



#### V.INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment (amt. in lakhs)**

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year Addition Reduction	414.37	-	-	-
Net Change	414.37	-	-	-
<b>Indebtedness at the end of the financial year</b> i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	414.37	-	-	-
<b>Total (i+ii+iii)</b>	414.37	-	-	-

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Mr. Uday Bhaskar Remuneration to Whole Time Director Rs. 60,000/- Per Month $(60,000 \times 12) = 7,20,000$	Mr. T. Kiran Remuneration to Whole Time Director Rs. 60,000/- Per Month $(60,000 \times 12) = 7,20,000$	Rs. 14,40,000
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	



4.	Commission - as % of profit - Others, specify...	-	-
5.	Others, please specify	-	-
6.	Total (A)	-	-
7.	Ceiling as per the Act	-	-

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Director			Total Amount
	3. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	4. Other NonExecutive Directors · Fee for attending board / committee meetings · Commission · Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-

2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



## **ANNEXURE III**

### **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

**The Board of Directors  
M/s Mudunuru Limited**

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

- (i) the statutory audit firm or the internal audit firm that is associated with the Company and
- (ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

**Yours Faithfully,**

**Sd/-  
Mr. R.C Rahul  
(Independent director)**

**Place: Hyderabad  
Date: 13.08.2016**



## ANNEXURE III

### DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

**The Board of Directors  
M/s.Mudunuru Limited**

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

- (i) the statutory audit firm or the internal audit firm that is associated with the Company and
- (ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares

Thanking You.

**Yours Faithfully,**

**Place: Hyderabad  
Date: 13.08.2016**

**Sd/-  
Mr. R.C Ratul  
(Independent director)**



## ANNEXURE III

### DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

**The Board of Directors  
M/s Mudunuru Limited**

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

**Yours Faithfully,**

Sd/-  
**Ms. S. Latha**  
**(Independent director)**

**Place: Hyderabad  
Date: 13.08.2016**



## Independent Auditors' Report on Financial Statements To the Members of MUDUNURU LIMITED

### Report on the financial Statements

We have audited the accompanying standalone financial statements of MUDUNURU LIMITED ('the Company'), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Managements Responsibility for the Financial Statements

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

### Auditors Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are Free from material misstatement.

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



policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

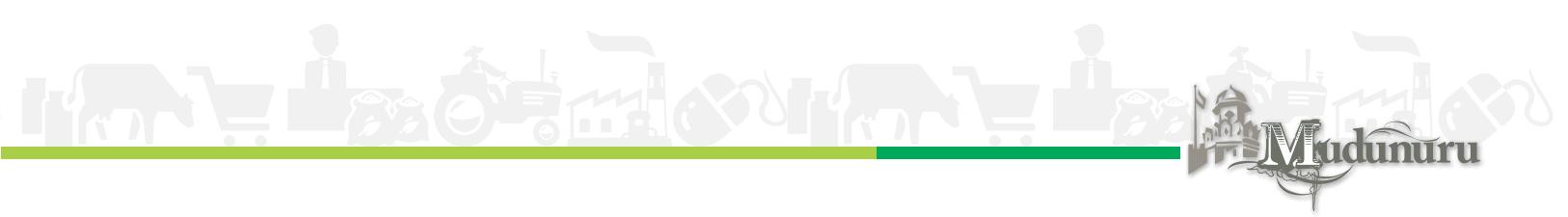
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in Annexure B.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there



were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For **Chanamolu & Co.**  
Chartered Accountants  
Firm Registration No.010000S

Sd/-  
**(G. Murali)**  
Partner  
M.No.234971

Place: **Hyderabad**  
Date: **30-05-2017**



## **ANNEXURE-A** **TO THE AUDITORS' REPORT**

The Annexure-A referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the Year ended 31 March 2017, we report that:

1.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c. The title deeds of the immovable property are held in the name of the company
2. The physical verification of the inventory excluding stocks with third parties has been conducted at reasonable intervals by the management during the year. In our opinion the frequency of the verification is reasonable.
3. The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
4. The company has not given loans, made investments, guarantees and security under the provisions of Section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7.
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, duty of excise



income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year except in the case of income tax dues (TDS Payable) by the Company with the appropriate authorities.

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable except the following.

Particulars	Financial Year	Amount in Rs.
Income Tax (TDS)	2016-17	6,32,223

- c. According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
8. The Company is having credit facilities in the form of term loan and cash credit with banks and there is no default in repayment of the same.
9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year.
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
11. The company has paid/ provided managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the act and the details are disclosed in the financials as required.
12. The company is not Nidhi Company and the Nidhi Rules, 2014 not applicable to it. Accordingly the provisions of Clause 3(Xii) of order not applicable to the company.
13. The company has entered transactions with the related parties and complied with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards.



14. According to information and explanations given to us and based on our examinations of the records of the company, the company has not preferential allotment / private placement of shares or fully or partly convertible debenture's during the year.
15. The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the provisions of Clause 3(xv) of order not applicable to the company.
16. The company is not required to be registered under section 45-IA of the ReserveBank of India Act, 1934.

For **Chanamolu & Co.**  
Chartered Accountants  
Firm Registration No.010000S

Sd/-  
**(G. Murali)**  
Partner  
M.No.234971

Place: **Hyderabad**  
Date: **30-05-2017**



## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MUDUNURU LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of MUDUNURU LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my / our audit. We conducted my our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

#### **Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.**

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.



We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For Chanamolu & Co.  
Chartered Accountants  
Firm Registration No.010000S**

**Place: Hyderabad  
Date: 30-05-2017**

**Sd/-  
(G. Murali)  
Partner  
Membership No.234971**

**STANDALONE BALANCE SHEET AS AT 31ST MARCH 2017**

<b>Particulars</b>	<b>Note No</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	<b>2</b>	47855000	47855000
(b) Reserves and Surplus	<b>3</b>	36060929	35139360
(c) Money received against share appln.money		-	-
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	<b>4</b>	13805529	-
(b) Deferred tax liabilities (Net)		1447969	-1006943
(c) Long-term provisions		-	-
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	<b>5</b>	27631075	-
(b) Trade payables	<b>6</b>	41111238	26264665
(c) Other current liabilities	<b>7</b>	24851173	11120553
(d) Short-term provisions	<b>8</b>	1439898	1875108
<b>Total</b>		<b>194202810</b>	<b>121247742</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
Net Block	<b>9</b>	35610523	18864227
Capital Work in progress		20130091	20130091
(b) Long term loans and advances	<b>10</b>	2131125	2131125
(c) Non-current investments	<b>11</b>	-	53303308
(d) Other non current assets	<b>12</b>	1554258	1865110
<b>(2) Current assets</b>			
(a) Inventories	<b>13</b>	17800650	12740900
(b) Trade receivables	<b>14</b>	9886692	1873418
(c) Cash and cash equivalents	<b>15</b>	15757938	701084
(d) Short-term loans and advances	<b>16</b>	88175695	6103617
(e) Other current assets	<b>17</b>	3155838	3534863
<b>Total</b>		<b>194202810</b>	<b>121247742</b>

Notes forming part of the financial statements **1-32**

**VIDE OUR REPORT OF EVEN DATE**

For **CHANAMOLU & CO.,**  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 010000S

(G.MURALI)  
PARTNER  
Membership No. 234971

PLACE : **HYDERABAD**  
DATE : **30.05.2017**

**FOR AND ON BEHALF OF BOARD**

Sd/-  
**P.UDAY BHASKAR**  
**WHOLE TIME DIRECTOR**

Sd/-  
**T.KIRAN**  
**WHOLE TIME DIRECTOR**  
PLACE : **VISAKHAPATNAM**  
DATE : **30.05.2017**

MUDUNURU LIMITED

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2017**

Particulars	Note	31.03.2017	31.03.2016
		Rs.	Rs.
I. Revenues			
(a) Revenue from operations	18	134713414	88301746
(b) Other Income		--	-
<b>Total Revenue</b>		<b>134713414</b>	<b>88301746</b>
II Expenses:			
(a) Operating expenses	19	78719056	41411420
(b) Employee benefit expenses	20	28385913	12110843
(c) Finance Cost	21	1610953	-
(d) Administration expenses	22	11373136	17642525
(e) Depreciation and amortization expenses	9	8428611	7254340
<b>Total Expenses</b>		<b>128517669</b>	<b>78419128</b>
III Profit before exceptional and extraordinary items and tax (I - II)		6195745	9882618
IV Exceptional Items			
Prior period expenses	23	1371340	-
<b>Profit before extraordinary items and tax (III - IV)</b>		<b>4824405</b>	<b>9882618</b>
VI Extraordinary Items		-	-
VII Profit before tax (V - VI)		<b>4824405</b>	<b>9882618</b>
VIII Tax expense:			
(1) Current tax		1447924	1883134
(2) Deferred tax		2454912	737564
Total tax expenses:		3902836	2620698
IX Profit/(Loss) from continuing operations (VII - VIII)		<b>921569</b>	<b>7261920</b>
X Earning per equity share:			
Basic		0.04	0.30
Weighted Number of Shares		23927500	23927500
Nominal Value		2	10
Notes to Accounts		<b>1 - 32</b>	

VIDE OUR REPORT OF EVEN DATE

For **CHANAMOLU & CO.,**  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 010000S

**(G.MURALI)**  
PARTNER  
Membership No. 234971

PLACE : HYDERABAD  
DATE : 30.05.2017

FOR AND ON BEHALF OF BOARD

Sd/-  
**P.UDAY BHASKAR**  
WHOLE TIME DIRECTOR

Sd/-  
**T.KIRAN**  
WHOLE TIME DIRECTOR

PLACE : VISHAKHAPATNAM  
DATE : 30.05.2017

**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017**

<b>Particulars</b>	<b>2016-2017</b>	<b>2015-2016</b>
	Rs.	Rs.
<b>Cash Flow From Operations</b>		
Profit /(Loss) Before Tax	4824405	9882618
Preliminary Expenses Written off	310852	-
Depreciation and amortisation	8428611	7254340
Decrease(increase) in Inventories	(5059750)	(9276125)
Decrease(increase) in Trade Receivables	(8013274)	31240698
Decrease(increase) in Loans & Advances	(82072078)	13947773
Decrease(increase) in other Current Assets	379025	(471158)
Increase (Decrease) in Current Liabilities	28577193	(29266536)
Income tax paid	(1883134)	(1737442)
<b>Sub-Total - A</b>	<b>(54508151)</b>	<b>21574167</b>
<b>Cash Flows From Financing</b>		
Share Capital	-	-
Long Term Borrowings Received	13805529	-
Other Long Term Liabilities	-	-
Short Term Borrowings Received	27631075	-
<b>Sub-Total - B</b>	<b>41436604</b>	<b>-</b>
<b>Cash Flows from investing</b>		
Purchase of Fixed Assets	(25174907)	-
Decrease (Increase) in loans & advances	-	(24000)
Decrease (Increase) in Investments	53303308	(21303308)
Decrease (increase) in non current assets	-	-
<b>Sub-Total - C</b>	<b>28128401</b>	<b>(21327308)</b>
<b>Cash Equivalents (A + B + C)</b>	<b>15056855</b>	<b>246859</b>
Add: Opening Cash and Cash Equivalents	701084	454226
<b>Closing Cash and Cash Equivalents</b>	<b>15757938</b>	<b>701085</b>

**VIDE OUR REPORT OF EVEN DATE**

For **CHANAMOLU & CO.,**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 010000S**

**(G.MURALI)**  
**PARTNER**  
**Membership No. 234971**

**PLACE : HYDERABAD**  
**DATE : 30.05.2017**

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**P.UDAY BHASKAR**  
**WHOLE TIME DIRECTOR**

Sd/-  
**T.KIRAN**  
**WHOLE TIME DIRECTOR**  
**PLACE : VIZAKHAPATNAM**  
**DATE : 30.05.2017**

## MUDUNURU LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
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#### **NOTE NO. 2**

##### **Share Capital**

###### (a) Authorised

450,00,000 equity shares of Rs.2/- each	90000000	90000000
(b) Issued, subscribed & fully paid share capital		
2,39,27,500 equity shares of Rs.2/- each	47855000	47855000
<b>Total</b>	<b>47855000</b>	<b>47855000</b>

#### **Reconciliation of number of shares**

	No.of shares	Amount	No.of shares	Amount
		Rs.		
Opening balance	23927500	47855000	4785500	47855000
Additon due to sub-division of 1 Equity share having face value of Rs.10/- into 5 equity shares of Rs.2/- each fully paid up.	-	-	19142000	-
Closing balance	<b>23927500</b>	<b>47855000</b>	<b>23927500</b>	<b>47855000</b>

#### **List of Shareholders who holds more than 5%:**

Name of the Shareholder	No. of Shares held	% of holding	No. of Shares held	% of holding
P.Uday Bhaskar	3313500	13.85	2613500	10.92
K.Narasimha Raju	1317451	5.51	1317451	5.51
Sloka Holdings Pvt. Ltd.,	2556100	10.68	2556100	10.68
B.V.S.Krishna Raju	2632560	11.00	2432560	10.17
K. Sandhya	2505000	10.47	2505000	10.47
Chaitanya Varma K	1518110	6.34	1518110	6.34



	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
<b>NOTE NO. 3</b>		
<b>Reserves and Surplus</b>		
General Reserve	85525	85525
Capital Reserve - Forfeiture of shares	8822500	8822500
Share Premium	4180000	4180000
Surplus:		
Opening Balance	22051335	14789415
Add: Surplus for the year	<u>921569</u>	<u>7261920</u>
Surplus	<u>22972904</u>	<u>22051335</u>
<b>Total</b>	<b><u>36060929</u></b>	<b><u>35139360</u></b>

#### **NOTE NO. 4**

##### **Long-term borrowings**

Secured	-	-
Term Loans from Banks (secured by fixed assets and guaranteed by directors and others)	13805529	-
<b>Total</b>	<b><u>13805529</u></b>	<b><u>-</u></b>

#### **NOTE NO. 5**

##### **Short - term borrowings**

Secured		
Loans repayable on demand		
Cash Credit from State Bank of India (secured by inventories & receivables and guaranteed by directors and others)	25794721	-
Vehcile Loan from ICICI	939243	-
Vehcile Loan from HDFC	320241	-
Vehcile Loan from ICICI	576870	-
<b>Total</b>	<b><u>27631075</u></b>	<b><u>-</u></b>

#### **NOTE NO. 6**

Trade Payables	41111238	26264665
Sundry Creditors		
Expenses Payable	<b><u>41111238</u></b>	<b><u>26264665</u></b>



As at  
31.03.2017  
Rs.

As at  
31.03.2016  
Rs.

#### **NOTE NO. 7**

##### **Other current liabilities**

Advances from customers	14352041	11120553
Other amounts payable	10499131	-
<b>Total</b>	<b><u>24851173</u></b>	<b><u>11120553</u></b>

#### **NOTE NO. 8**

##### **Short-term provisions**

Provision for Income Tax	1439898	1875108
<b>Total</b>	<b><u>1439898</u></b>	<b><u>1875108</u></b>

#### **Note No.9**

##### **FIXED ASSETS**

Description of the Asset	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As on 01.04.16	Adds/Deds during the year	As on 31.03.17	As on 01.04.16	For the Period	As on 31.03.17	As on 31.03.17	As on 31.03.16
Office Equipment	401422	118000	519422	241449	88193	329642	189780	159973
Computers & Accessories	35886171	15838850	51725021	18117518	8028230	26145748	25579273	17768653
Plant & Machinery	502263	0	502263	106057	33370	139427	362836	396206
Furniture & Fixtures	903570	899986	899986	364175	88446	452621	1350935	539395
Vehicles	0	2038849	2038849	0	190373	190373	1848476	0
	37693426	18895685	56589111	18829199	8428611	27257810	29331301	18864227
CWIP		6279222	6279222				6279222	
			62868333				35610523	

#### **NOTE NO. 10**

##### **Long - term Loans & Advances**

Capital Advances	125125	125125
Security deposits	2006000	2006000
<b>Total</b>	<b><u>2131125</u></b>	<b><u>2131125</u></b>

#### **NOTE NO. 11**

##### **Non-current investments**

Investments in Equity instruments -Mudunuru Software Ltd.,	-	32000000
Investments in Equity instruments -Mudunuru Dreams PLtd.,	-	13060000
Advance for investment -Mudunuru Software Ltd.,	-	8243308
<b>Total</b>	<b><u>-</u></b>	<b><u>53303308</u></b>

**MUDUNURU LIMITED**

As at  
31.03.2017  
Rs.

As at  
31.03.2016  
Rs.

**NOTE NO. 12**
**Other Non Current Assets**
**MISCELLANEOUS EXPENDITURE**

Prel & Preoperative Expenses	1865110	1865110
Less : Written off	310852	-
<b>Total</b>	<b><u>1554258</u></b>	<b><u>1865110</u></b>

**NOTE NO. 13**
**Inventories**

Stocks	17800650	12740900
<b>Total</b>	<b><u>17800650</u></b>	<b><u>12740900</u></b>

**NOTE NO. 14**
**Trade Receivables**

(Unsecured and Considered Good)

- Debtors outstanding for a period exceeding 6 months
- Other Debts

<b>Total</b>	<b><u>9886692</u></b>	<b><u>1873418</u></b>
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**NOTE NO. 15**
**Cash and cash equivalents**

Balances with banks	13998242	143464
Cash on hand	1759696	557620
<b>Total</b>	<b><u>15757938</u></b>	<b><u>701084</u></b>

**NOTE NO. 16**
**Short term loans and advances**

Advance to Supplies	248106	248106
TDS Receivable	713182	9903
Other amounts receivable	87214407	5845608
<b>Total</b>	<b><u>88175695</u></b>	<b><u>6103617</u></b>

## MUDUNURU LIMITED

<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>Rs.</b>	<b>Rs.</b>

**NOTE NO. 17**
**Other current assets**

VAT Input & others receivable

<b>Total</b>	<b>3155838</b>	<b>3534863</b>
	<b><u>3155838</u></b>	<b><u>3534863</u></b>

**NOTE NO. 18**
**Revenue from Operations**

Revenue from - Sale of products

	<b>46434179</b>	<b>1546825</b>
	<b><u>88279235</u></b>	<b><u>86754921</u></b>
<b>Total</b>	<b><u>134713414</u></b>	<b><u>88301746</u></b>

**NOTE NO. 19**
**Operating Expenses**

Software, Hardware & Material costs

	<b>43485330</b>	<b>8402920</b>
	<b><u>35233726</u></b>	<b><u>33008500</u></b>
<b>Total</b>	<b><u>78719056</u></b>	<b><u>41411420</u></b>

**NOTE NO. 20**
**Employee Benefit Expenses**

Staff cost

<b>Total</b>	<b>28385913</b>	<b>12110843</b>
	<b><u>28385913</u></b>	<b><u>12110843</u></b>

**NOTE NO. 21**
**Finance Costs**

Interest expenses

	<b>1610953</b>	<b>-</b>
	<b><u>1610953</u></b>	<b><u>-</u></b>
<b>Total</b>	<b><u>1610953</u></b>	<b><u>-</u></b>

**NOTE NO. 22**
**Administration Expenses**

	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
Conveyance	42372	62170
Rates & taxes	291211	395919
Computer maintenance	262833	45750
Electricity charges	114099	36025
Internet charges	37892	37550
Office maintenance	322518	46240
Postage & courier	15870	12450
Printing & stationery	69432	134200
Professional & consultancy	3303945	12138132
Misc.Expd.written off	310852	-
Rent	293500	216000
Telephone expenses	20322	24675
Travelling Expenses	2786931	1284442
Vehicle Maintenance	357507	504720
Marketing expenses	-	197650
Directors remuneration	1380000	1760000
Advertisement	187345	140882
Audit fees	200000	200000
Internal Audit Fees	25000	-
Bank Charges	536063	3863
Interest on IT	-	259174
Interest on TDS	468169	142683
Interest on taxation FY 15-16	263306	-
Insurance	36969	-
Membership & Subscription	25000	-
Legal charges	22000	-
<b>Total</b>	<b><u>11373136</u></b>	<b><u>17642525</u></b>

**NOTE NO. 23**
**Priori Period expenses**

Income tax for AY 13-14	1371340	-
<b>Total</b>	<b><u>1371340</u></b>	<b><u>-</u></b>

**NOTES TO ACCOUNTS:**

24. Contingent Liabilities : Nil

25. Transactions with the Related Parties pursuant to Accounting Standard 18

a) List of Related Parties

<b>Key managerial personnel</b>	1) Thummalapalli Kiran, Whole Time Director 2) P. Uday Bhaskar, Whole Time Director
---------------------------------	----------------------------------------------------------------------------------------

b) Transactions with the Related Parties

<b>Details</b>	<b>2016-17 (Rs.)</b>	<b>2015-16 (Rs.)</b>
Remuneration to Key managerial Personnel	<b>13,80,000</b>	<b>17,60,000</b>

c) Balance as at 31st March, 2017

<b>Details</b>	<b>2016-17 (Rs.)</b>	<b>2015-16 (Rs.)</b>
Remuneration payable to Key Managerial Personnel	<b>1,00,000</b>	<b>5,28,960</b>

**26. Auditors Remuneration :** Rs. 2,00,000/- (Last Year: Rs. 2,00,000/-)

**27. Earnings per share:**

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary/exceptional item.

<b>Particulars</b>	<b>2016-17 (Rs.)</b>	<b>2015-16 (Rs.)</b>
Weighted average number of shares outstanding	<b>2,39,27,500</b>	<b>2,39,27,500</b>
Face value of equity shares	<b>2</b>	<b>2</b>
Net Profit after tax	<b>9,21,569</b>	<b>72,61,920</b>
Earnings per share	<b>0.04</b>	<b>0.30</b>

**28. Foreign Exchange earned and outgo**

a. **Imports on CIF Basis ; Nil**

b. **Earnings in foreign exchange**

<b>Year ended 31st March</b>	<b>2016-17 Rs.</b>	<b>2015-16 Rs.</b>
Receipts from Software development	<b>9,06,89,500</b>	<b>5,18,97,829</b>

**29. Dues to micro and small-scale industrial undertakings**

As at March 31, 2017 as per available information with the company, there are no dues to small scale Industrial Undertakings.



30. **Specified Bank Notes Disclosure (SBNs) :**

In Accordance with the MCA Notification G.S.R. 308(E) dated March 30, 2017 details of Specified bank Notes (SBN) and other denomination notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below;

Particulars	SBNs	Other denomination notes	Amount in Rs. Total
Closing cash in hand as on 08.11.2016	-	12,50,251	12,50,251
(+) Permitted receipts	-	7,47,972	7,47,972
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	50,850	50,850
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>19,47,373</b>	<b>19,47,373</b>

31. Financial figures have been rounded off to nearest rupee.

32. Previous year figures have been regrouped wherever if thought necessary in conformity with the current year groupings. Paise have been rounded off to the nearest rupee.  
Notes on financial statements, Cash Flow Statement and statement on accounting policies form an integral part of the balance sheet and profit and loss statement.

**SIGNATURES TO NOTES - 1 TO 32**

As per our report of even date attached

For **CHANAMOLU & CO.,**

Chartered Accountants

Firm Regn. No.010000S

**G.Murali**

Partner

Membership No.234971

Place: **Hyderabad**

Date: **30.05.2017**

For and on behalf of the board of directors

**MUDUNURU LIMITED**

Sd/-

**P.UDAY BHASKAR**

**WHOLE TIME DIRECTOR**

Sd/-

**T.KIRAN**

**WHOLE TIME DIRECTOR**



## SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS:

### NOTE 1:-

#### SIGNIFICANT ACCOUNTINGPOLICIES:

##### A. Basis of preparation of financial statements

a. These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014

b. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The financial statements are prepared under the historical cost convention. Recognition of income and expenses, accrual basis of accounting is followed.

##### B. Use of Estimates

a. The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

b. Management periodically assessed using external and internal sources whether there is an indication that an asset may be impaired. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

##### C. Revenue Recognition

a. Revenues from contracts priced on a time and material basis are recognized when services are rendered and related costsare incurred.

b. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognized over the life ofthe contract using the proportionate completion method, with contract costs determining the degree of completion.

c. Revenues from sale of software licenses are recognized upon delivery.

d. Revenues from maintenance contracts are recognized pro-rata over the period of the contract.

e. In respect of Business Process Outsourcing (BPO) services, revenue on time and material and unit priced contractsis recognized as the related services, rendered, whereas revenue from fixed price contracts is recognized as per theproportionate completion method with contract cost determining the degree of completion.

##### D. Expenditure

a. Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

##### E. Fixed Assets, intangible assets and capital work-in-progress

a. Fixed Assets are stated at cost, less accumulated depreciation. All direct costs are capitalized until fixed assets are ready for use including taxes, duties, freight and other incidental expenses relating to acquisition and installation. Capital work-in-progress comprises outstanding advances paid to acquire fixed



assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.

#### **F. Depreciation and amortization**

a. Depreciation on fixed assets has been provided on straight-line method based on useful life of asset specified in Schedule II of the Companies Act, 2013 on pro-rata basis.

#### **G. Income tax**

a. Income taxes are computed using the tax effect accounting method, in accordance with the Accounting Standard (AS 22) "Accounting for Taxes on Income" which includes current taxes and deferred taxes. Deferred income taxes reflect the impact if current year timing differences between taxable income and accounting income for the year and the relevant of timing difference of earlier years. Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset / liability is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### **H. Employee Benefits**

a. Liability for employee benefits, both short term and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 (revised) "Employee Benefits" issued by the Institute of Chartered Accountants of India.

b. Contribution to Provident Fund (a defined contribution plan) made to Regional Provident Fund Commissioner is recognized as expenses.

#### **I. Foreign currency transactions**

a. Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses are recognized in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

#### **J. Inventories**

a. Inventories are valued at cost on FIFO basis.

#### **K. Provisions, Contingent Liabilities and Contingent Assets**

a. A provision is recognized 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 reliable estimate can be made. Provisions(excluding retirement benefits) are not discounted to its 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 not recognized in the financial statements. A contingent asset neither is neither recognized nor disclosed in the financial statements.

#### **L. Cash and cash equivalents**

a. The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.



Dairy   Retail, R&D   Enterprise   Agriculture   Manufacturing   Software



## 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]

CIN : L72900AP1994PLC039248

Name of the company : Mudunuru Limited

Registered office : 2nd Floor, C Scape, Pandurangapuram, Beach Road, Visakhapatnam - 500003.  
Andhra Pradesh.

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

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

1. Name : .....

Address :\_

E-mail Id :

Signature: ..... , or failing him

2. Name : .....

Address:

E-mail Id :

Signature: ..... , or failing him

3. Name : .....

Address:

E-mail Id:

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Friday, the 29th day of September 2017 at 09.00 A.M at the registered office of the Company at 2nd Floor, C Scape, Pandurangapuram. Beach Road, Visakhapatnam - 500003 and at any adjournments thereof in respect of such resolutions as are indicated below:



### Resolution No.

1. Approval of Financial Statements (including consolidated financial statements) for The Year Ended 31-Mar-2017.
2. To appoint a director in place of P. Uday Bhaskar (holding DIN: 02773570) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Chanamolu & Co., statutory auditors to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting of the company at remuneration as may be fixed by the board.

Signed this ..... day of..... 2017

Signature of shareholder

Affix  
Revenue  
Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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### MUDUNURU LIMITED

2nd Floor, C Scape, Pandurangapuram, Beach Road,  
Visakhapatnam, Andhra Pradesh-530003

### Hyderabad ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence for the 23rd Annual General Meeting of the members to be held on Friday, 29th day of September, 2017 at 10.30 a.m at 2nd Floor, C Scape, Pandurangapuram, Beach Road, Visakhapatnam, Andhra Pradesh-530003 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature \_\_\_\_\_

Shareholders/Proxy's full name \_\_\_\_\_  
(In block letters)

Folio No./Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

#### Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

#### ROUTE MAP



Dairy Retail, R&D Enterprise Agriculture Manufacturing Software



Grow Younger  
Live Longer



# FoodRight

## The Right to Quality & Natural Food

### About Naturally Healthy

We are a leading grower of Naturally Healthy Vegetables, Fruits and Milk. Our mission is to deliver FoodRight to everyone. We follow Good Agricultural Practices (GAP) at every stage to grow safe, wholesome and high quality produce. Our attention to detail in maintaining hygienic and clean practices ensure high quality produce.

Our produce is 100% Natural and 100% Healthy. We deliver farm fresh produce at your door steps immediately after harvesting.

### Our Belief

“We believe Pure Air, Clean Water and Safe-Wholesome-Healthy Food are basic human rights”

# Grow Younger and Live Longer !

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**Mudunuru Limited**  
1<sup>st</sup> and 2<sup>nd</sup> Floor, C-Scape Building, R K Beach Road, Pandurangapuram,  
Visakhapatnam - 530 003, Andhra Pradesh, India  
Board No : +91-9907-247-247 Email : [info@mudunuru.com](mailto:info@mudunuru.com)  
[www.mudunuru.com](http://www.mudunuru.com)