

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 10th Annual General Meeting of Bhavya Cements Limited (CIN: U26941AP2007PLC053611) will be held on Monday, 7th August, 2017 at 12.00 noon at the Registered Office of the Company at Tangeda Village, Dacheppally Mandal, Guntur District, Andhra Pradesh - 522 414 to transact the following business :

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and the Auditors' thereon.**
- 2. To appoint a Director in place of Mr. P. Shiva Kumar who retires by rotation and being eligible offers himself for re-appointment.**
- 3. To ratify the appointment of Statutory Auditors :**
To consider and, if thought fit, to pass with or without modification(s), following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“the Rules”) the appointment of M/s S. R. Batliboi & Associates LLP, Chartered Accountants, (FRN- 101049W/E300004), from whom Company has received a certificate confirming their eligibility, be and is hereby ratified to continue as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to be held in the year 2018 on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors.”

SPECIAL BUSINESS:

- 4. To appoint Mr. V. Aditya as Director of the Company:**
To Consider and if thought fit, to pass with or without modifications (s) the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and other applicable laws, Mr. V. Aditya (DIN: 02620669), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 19th October, 2016 under Section 161 of the Act and who holds office upto the date of this Annual General Meeting (‘AGM’) and from whom Company has received a Notice in writing alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as Non –Executive Director of the Company, whose period of office will be liable to determination by retirement of directors by rotation.”

“RESOLVED FURTHER THAT Mr. V. Ananda Prasad (DIN: 00207561), Managing Director of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to this resolution.”

5. To appoint Mr. Danda Brahmanandam as Director of the Company:

To Consider and if thought fit, to pass with or without modifications (s) the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and other applicable laws, Mr. Danda Brahmanandam (DIN: 00169372), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 19th October, 2016 under Section 161 of the Act and who holds office upto the date of this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as Non –Executive Director of the Company, whose period of office will be liable to determination by retirement of directors by rotation.”

“RESOLVED FURTHER THAT Mr. V. Ananda Prasad (DIN: 00207561), Managing Director of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to this resolution.”

6. To appoint Mr. Satyanarayana Ravela as Director of the Company :

To Consider and if thought fit, to pass with or without modifications (s) the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and other applicable laws, Mr. Satyanarayana Ravela (DIN: 00765033), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 19th October, 2016 under Section 161 of the Act and who holds office upto the date of this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as Non –Executive Director of the Company, whose period of office will be liable to determination by retirement of directors by rotation.”

“RESOLVED FURTHER THAT Mr. V. Ananda Prasad (DIN: 00207561), Managing Director of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to this resolution.”

7. To appoint Mr. Mayank Gupta as Nominee Director of the Company:

To Consider and if thought fit, to pass with or without modifications (s) the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and other applicable laws, Mr. Mayank Gupta (DIN: 07404317), who was appointed as Nominee Director of the Company by the Board of Directors at its meeting held on 27th June 2017 under Section 161 of the Act and who holds office upto the date of this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Nominee Director representing KKR India Financial Services Private Limited be and is hereby appointed as Nominee Director of the Company, whose period of office will not be liable to determination by retirement of directors by rotation.”

“RESOLVED FURTHER THAT Mr. V. Ananda Prasad (DIN: 00207561), Managing Director of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to this resolution.”

8. To ratify remuneration to Cost Auditor :

To Consider and if thought fit, to pass with or without modifications (s) the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration amounting to Rs. 60,000/- (Rupees Sixty Thousand only) per annum payable to M/s. S R and Associates , Cost Accountants (Regn. No. 000540) appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2017-18, be and is hereby ratified and confirmed.”

“RESOLVED FURTHER THAT Mr. V. Ananda Prasad (DIN: 00207561), Managing Director of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To re-appoint Mr. V. Ananda Prasad as the Managing Director of the Company and fix his remuneration

To Consider and if thought fit, to pass with or without modifications (s) the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. V. Ananda Prasad (DIN : 00207561) as the Managing Director of the Company for a period of 5 years from with effect from 27th June 2017 on the following terms :

I. REMUNERATION

Salary

Rs. 6,00,000 /- (Rupees Six Lakhs only) per month for a period of three years.

II. PERQUISITES

Perquisites shall be classified into three categories – A, B and C as follows:

CATEGORY A

The following allowances and perquisites given in this category shall be allowed in addition to the salary and restricted to a maximum amount of Rs. 6,00,000 /- (Rupees Six Lakhs only) per annum.

- i. Medical Reimbursement : Expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- ii. Leave Travel Concession : For self and family, once in a year incurred in accordance with the rules specified by the Company.
- iii. Club Fee: Fee of clubs subject to maximum two clubs. This will not include admission and life membership fees.
- iv. Personal Accident Insurance: As per Company's policy.
- v. Mediclaim Insurance: As per Company's policy.
- vi. Food Coupons : As per Company's policy.

CATEGORY B

The following perquisites shall be excluding the ceiling for salary mentioned above:

- i. The Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 (43 of 1961) and shall be in accordance with the rules and regulations of the Company.
- ii. Gratuity at the rate not exceeding half a month's salary for each completed year of service.

CATEGORY C

- i. Car for the purpose of the Company's business and telephone(s) at residence will be provided. The Company will bill personal long distance calls on the telephone(s) and use of car for personal purposes. The provisions for car and telephone will not be considered as perquisites.

OTHER TERMS:

- i. One month's leave with full pay and perquisites, for every eleven months of service. Leave accumulated but not availed at the time of retirement or superannuation or otherwise shall be allowed to be encashed.
- ii. Reimbursement of reasonable entertainment and other expenses actually and properly incurred in connection with the business of the Company.
- iii. Spouse accompanying on domestic and overseas trip will be governed as per the policy of the Company.
- iv. The Managing Director shall devote his time and attention to the business of the company and perform such duties and exercise such powers as may be entrusted/assigned to him by the Board from time to time, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company, including performing duties as assigned to him from time to time by serving on any other executive body or any committee of

the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits, in any financial year during the tenure of the Managing Director, salary, perquisites and other allowances subject to the limits stipulated in Schedule V read with Section 197 of the Companies Act, 2013 shall be payable.

RESOLVE FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.

10. To re-appoint Mr. P. Shiva Kumar as the Whole Time Director of the Company and fix his remuneration :

To Consider and if thought fit, to pass with or without modifications (s) the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to the re-appoint of Mr. P. Shiva Kumar (DIN : 02489876) as the Whole Time Director of the Company for a period of 5 years with effect from 27th June, 2017 on following terms :

I. REMUNERATION

Salary

Rs. 3,30,000 /- (Rupees Three Lakh Thirty Thousand only) per month for a period of three years.

II. PERQUISITES

Perquisites shall be classified into three categories – A, B and C as follows:

CATEGORY A

The following allowances and perquisites given in this category shall be allowed in addition to the salary and restricted to a maximum amount of Rs. 3,30,000 /- (Rupees Three Lakh Thirty Thousand only) per annum.

- i. Medical Reimbursement : Expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- ii. Leave Travel Concession : For self and family, once in a year incurred in accordance with the rules specified by the Company.
- iii. Club Fee: Fee of clubs subject to maximum two clubs. This will not include admission and life membership fees.
- iv. Personal Accident Insurance: As per Company's policy.
- v. Mediclaim Insurance: As per Company's policy.
- vi. Food Coupons : As per Company's policy.

CATEGORY B

The following perquisites shall be excluding the ceiling for salary mentioned above:

- i. The Company's contribution to provident fund, superannuation fund or annuity fund to the

extent these either singly or put together are not taxable under the Income Tax Act, 1961 (43 of 1961) and shall be in accordance with the rules and regulations of the Company.

- ii. Gratuity at the rate not exceeding half a month's salary for each completed year of service.

CATEGORY C

- i. Car for the purpose of the Company's business and telephone(s) at residence will be provided. The Company will bill personal long distance calls on the telephone(s) and use of car for personal purposes. The provisions for car and telephone will not be considered as perquisites.

OTHER TERMS:

- i. One month's leave with full pay and perquisites, for every eleven months of service. Leave accumulated but not availed at the time of retirement or superannuation or otherwise shall be allowed to be encashed.
- ii. Reimbursement of reasonable entertainment and other expenses actually and properly incurred in connection with the business of the Company.
- iii. The Whole Time Director shall devote his time and attention to the business of the company and perform such duties and exercise such powers as may be entrusted/assigned to him by the Managing Director or the Board from time to time, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company, including performing duties as assigned to him from time to time by serving on any other executive body or any committee of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits, in any financial year during the tenure of the Whole Time Director, salary, perquisites and other allowances subject to the limits stipulated in Schedule V read with Section 197 of the Companies Act, 2013 shall be payable.

RESOLVE FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.

By the order of the Board
For **Bhavya Cements Limited**

Place: Hyderabad

Date: 27th June, 2017

Ananda Prasad
Managing Director
DIN: 00207561

NOTES

1. The relative explanatory statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 4 to 10 of the accompanying Notice are annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company.
3. The instrument appointing the Proxy, in order to be effective, should be deposited, duly complete and signed, at the Registered Office of the Company not less than (48) Forty-Eight hours before the scheduled start of the meeting.
4. 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.
5. Members/Proxies are requested to bring their duly filled Attendance Slip along with the copy of the Annual Report to the Meeting.
6. Member(s) are requested to notify immediately their email address and any change in their address to the Company at the Registered Office.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Brief resume of the Director including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and Memberships / Chairmanships of the Board Committees, shareholding and relationships between Directors *inter-se*, is annexed hereto and forms part of this Notice.
9. Members holding shares in multiple folios in identical names or joint accounts in the same order of names are requested to consolidate their shareholdings into one folio.
10. 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.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item 4

Mr. V. Aditya (DIN: 02620669), on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director by the Board of Directors at their Board Meeting held on 19th October 2016 in accordance with the Articles of Association and Section 161 of the Companies Act, 2013 (“the Act”). As per Section 161 of the Act, Mr. V. Aditya holds office upto the date of this AGM. The Company has received requisite notice in writing under Section 160 of the Act along with a deposit of Rs. 1,00,000/- from him proposing his candidature to be appointed as a Non-Executive Director at this AGM liable to retire by rotation. Mr. V. Aditya has consented to the proposed appointment and declared qualified. Mr. V. Aditya possesses requisite knowledge, experience and skill for the position of Director. Mr. V. Aditya will not be entitled for any remuneration except sitting fees for attending board & committee meetings.

➤ **Information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013**

1.	Age	27 Years
	Qualification	BE (Civil) from Osmania University, Hyderabad and Masters in Construction Management from the University of Southern California, USA.
2.	Experience	5 Years
3.	Date of first appointment on the Board	19 th October, 2016
4.	Shareholding in the company	2.03%
5.	Relationship with other Directors	Mr. V. Ananda Prasad – Relative Mrs. V. Krishna Kumari – Relative
6.	Number of meetings of the Board attended during the year	2
7.	Other Directorships	Bhavya Constructions Private Limited- Managing Director
8.	Membership/ Chairmanship of Committees of other Boards	NIL

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 4 of the Notice for the appointment of Mr. V. Aditya as Non- Executive Director, liable to retire by rotation.

Mr. V. Ananda Prasad and Mrs. V. Krishna Kumari who are the other directors related to Mr. V. Aditya may be deemed to be interested in the resolution, along with him.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.4.

Item 5

Mr. Danda Brahmanandam (DIN: 00169372), on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director by the Board of Directors at their Board Meeting held on 19th October 2016 in accordance with the Articles of Association and Section 161 of the Companies Act, 2013 (“the Act”). As per Section 161 of the Act, Danda Brahmanandam holds office upto the date this AGM . The Company has received requisite notice in writing under Section 160 of the Act along with a deposit of Rs. 1,00,000/- from a member proposing his candidature to be appointed as a Non-Executive Director at this AGM liable to retire by rotation. Mr. Danda Brahmanandam has consented to the proposed appointment and declared qualified. Mr. Danda Brahmanandam possesses requisite knowledge, experience and skill for the position of Director.

➤ Information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013

1.	Age	66 Years
2.	Qualification	Graduate
3.	Experience	30 Years
4.	Date of first appointment on the Board	19 th October 2016
5.	Shareholding in the company	6%
6.	Relationship with other Directors	NA
7.	Number of meetings of the Board attended during the year	2
8.	Other Directorships	<ul style="list-style-type: none"> i. Tirumala Townships LLP – Designated Partner ii. Vigneswara Dairy Private Limited –Director iii. Tarakeswara Spinning and Weaving Mills Private Limited – Director iv. Jyotirmaye Textiles Private Limited – Director v. Tarakeswara Textile Park Private Limited – Director vi. Tirumala Cold Storage Private Limited – Director vii. Venkata Tirumala Chit Fund Private Limited – Director viii. Jyothirmaye Properties Private Limited – Director
9.	Membership/ Chairmanship of Committees of other	NIL

	Boards	
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The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 5 of the Notice for the appointment of Mr. Danda Brahmanandam as Non- Executive Director, liable to retire by rotation.

Except Mr. Danda Brahmanandam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.5.

Item 6

Mr. Satyanarayana Ravela (DIN: 00765033), on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director by the Board of Directors at their Board Meeting held on 19th October 2016 in accordance with the Articles of Association and Section 161 of the Companies Act, 2013 (“the Act”). As per Section 161 of the Act, Mr. Satyanarayana Ravela holds office upto the date of this AGM . The Company has received requisite notice in writing under Section 160 of the Act along with a deposit of Rs. 1,00,000/- from a member proposing his candidature to be appointed as a Non-Executive Director at this AGM liable to retire by rotation. Mr. Satyanarayana Ravela has consented to the proposed appointment and declared qualified. Mr. Satyanarayana Ravela possesses requisite knowledge, experience and skill for the position of Director. Mr. Satyanarayana Ravela will not be entitled for any remuneration except sitting fees for attending board & committee meetings.

➤ **Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013**

1.	Age	62 Years
2.	Qualification	Graduate
3.	Experience	30 Years
4.	Date of first appointment on the Board	19 th October 2016
5.	Shareholding in the company	4%
6.	Relationship with other Directors	NA
7.	Number of meetings of the Board attended during the year	2
8.	Other Directorships	i. Tirumala Townships LLP – Designated Partner ii. Hema Milkline Private Limited – Managing Director iii. Hyma Milkline Private Limited – Director iv. Tarakeswara Spinning and Weaving Mills Private Limited – Director v. Jyotirmaye Textiles Private Limited – Director vi. Tarakeswara Textile Park Private Limited – Director vii. Jyothirmaye Properties Private Limited - Director
9.	Membership/ Chairmanship of Committees of other Boards	NIL

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 6 of the Notice for the appointment of Mr. Satyanarayana Ravela as Non- Executive Director, liable to retire by rotation.

Except Mr. Satyanarayana Ravela, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.6.

Item 7

Mr. Mayank Gupta (DIN: 07404317), on the recommendation of the Nomination and Remuneration Committee and as per the requirement of investment agreement entered with KKR India Financial Services Private Limited, was appointed as Nominee Director by the Board of Directors at their Board Meeting held on 27th June 2017 in place of Mr. B.V. Krishnan and in accordance with the Articles of Association and Section 161 of the Companies Act, 2013 (“the Act”). As per Section 161 of the Act, Mr. Mayank Gupta holds office upto the date of this AGM. The Company has received requisite notice in writing under Section 160 of the Act along with a deposit of Rs. 1,00,000/- from a member proposing candidature of Mr. Mayank Gupta to be appointed as a Nominee Director at the ensuing AGM not liable to retire by rotation. Mr. Mayank Gupta shall represent KKR India Financial Services Private Limited on the Board of Directors of Bhavya Cements Limited and has consented to the proposed appointment and declared qualified. Mr. Mayank Gupta possesses requisite knowledge, experience and skill for the position of Director. Mr. Mayank Gupta will not be entitled for any remuneration.

➤ Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013

1.	Age	38
2.	Qualification	M.B.A. & B.S.
3.	Experience	16 Years
4.	Date of first appointment on the Board	27th June 2017
5.	Shareholding in the company	NIL
6.	Relationship with other Directors	NA
7.	Number of meetings of the Board attended during the year	0
8.	Other Directorships	NIL
9.	Membership/ Chairmanship of Committees of other Boards	NA

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 7 of the Notice for the appointment of Mr. Mayank Gupta as Nominee Director, not liable to retire by rotation.

Except Mr. Mayank Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.7.

Item 8

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the Company.

The Board has, considered and approved the appointment of M/s. S R and Associates, Cost Accountants, as the cost auditor for the financial year 2017-18 at a remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) per annum.

Accordingly, the Board recommends passing of the ordinary resolution in relation to ratification of remuneration of Cost Auditors for the approval by the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Item 9

As the tenure of Mr. V. Ananda Prasad as Managing Director comes to an end on 20th October 2017, with a view to continuing to avail his services, the Board, on the recommendation of its Nomination and Remuneration Committee, has re-appointed him as Managing Director for a period of 5 years with effect from 27th June, 2017 on a remuneration as recommended by the said committee and detailed in the resolution. As per the requirement of Schedule V of the Companies Act, 2013 the remuneration payable and as detailed in the resolution shall be valid for a period of three years. V. Ananda Prasad has been associated with the company since its inception as its Managing director. His business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the company. The Board is of the firm view that it would be in the interest of the company that he be re-appointed as Managing Director and accordingly it commends the resolution for approval of the Members.

➤ **The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 is given below:**

- **General Information**

1.	Nature of Industry	Manufacturing of Clinker, Cement		
2.	Date of commencement of commercial production	25-09-2010		
3.	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
4.	Financial performance based on given indicators	Description	(Rs.)	
			2016-17	2015-16
		Income	2,911,082,135	3,075,350,057
	Profit before Interest	482,919,112	794,176,820	

		Depreciation & Tax		
		Profit after Tax	62,384,637	96,191,587
5.	Export performance and net foreign exchange	Rs. 4,49,926		
6.	Foreign investments or collaborators, if any	Not applicable		

• **Information about the appointee :**

1.	Background details	Mr. V. Ananda Prasad, a mechanical engineer is one of the promoters of the Company. He has been a member of the board of the Company as a Managing Director since its incorporation i.e. since 16 th April, 2007. He has 19 years of Real estate business experience by the time of starting Bhavya Cements Limited.
2.	Past Remuneration	<p>The MD was entitled to the following remuneration in his previous tenure:</p> <p>Salary: 60 Lakhs per annum</p> <p>Perquisites :</p> <p>i. Category A (upto Rs. 5,00,000/-) per annum includes medical reimbursement, leave travel allowances, club fee, personal accident insurance, mediclaim insurance and food coupons.</p> <p>ii. Category B included contribution to P.F., Superannuation Fund or Annuity to the extent these were not taxable, gratuity at a rate not exceeding half a month's salary for each completed year of service.</p> <p>iii. Category C included Car for the purpose of Company's business and telephone(s) at residence.</p> <p>Other terms :</p> <p>i. One month's leave with full pay and perquisites for every eleven month's service.</p> <p>ii. Reimbursement of reasonable entertainment and other expenses incurred in connection with business of the Company.</p>

3.	Recognition or awards	-
4.	Job profile and suitability	<p>Job Profile: The MD devotes his whole time and attention to the business of the company and carries out such duties as may be entrusted to him by the Board from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company.</p> <p>Suitability: Mr. V. Ananda Prasad, as the Managing Director of the company since its inception, has been instrumental in the growth and development of the Company.</p>
5.	Remuneration proposed	As detailed in the resolution
6.	Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to be paid to Mr. V. Ananda Prasad is on par with the remuneration prevailing in the companies of similar size in the cement industry and in the event of loss or inadequacy of profit in any financial year during his tenure, the same would be restricted to the ceiling prescribed under Schedule V of the Companies Act, 2013 for the purpose.
7.	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Mr. V. Ananda Prasad is related to Mrs. V. Krishna Kumari and Mr. V. Aditya, Non- Executive Directors of the Company. As on 31 st March, 2017 he holds 76,68,990 Equity Shares of the Company (9.63%) in his individual capacity.

- **Other Information**

1.	Reasons for loss or inadequate profits	The Company did not incur any loss in the financial year under review. The remuneration paid is on par with the current industrial standards and considering the experience, qualification and vital role played by the appointee in the working of the Company.
2.	Steps taken or proposed to be taken for improvement	The Company is taking progressive measures in increasing its capacity and

		profitability during the proposed tenure of the appointee by undertaking various projects which are under consideration.
3.	Expected increase in productivity and profits in measurable term	With plans for expansion, the Company is expecting a favourable increase in the productivity and profitability in the coming years.

➤ **Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013**

1.	Age	57 Years
2.	Qualification	B.E (Mechanical)
3.	Experience	30 Years
4.	Date of first appointment on the Board	16-04-2007
5.	Shareholding in the company	9.63%
6.	Relationship with other Directors	Related to Mrs. V. Krishna Kumari and Mr. V. Aditya
7.	Number of meetings of the Board attended during the year	4
8.	Other Directorships	Bhavya Constructions Private Limited – Director
9.	Membership/ Chairmanship of Committees of other Boards	NA

Accordingly, the Board recommends passing of the special resolution in relation to re-appointment of Mr. V. Ananda Prasad as the Managing Director of the Company and to fix his remuneration for the approval by the shareholders of the Company.

As the Resolution is for the re-appointment of Mr. V. Ananda Prasad as Managing Director and payment of remuneration to him, he, along with Mrs. V. Krishna Kumari and Mr. V. Aditya who are the other directors related to him may be deemed to be interested in the resolution.

None of the other directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

Item 10

As the tenure of Mr. P. Shiva Kumar as Whole Time Director comes to an end on 31st July 2017, with a view to continuing to avail his services, the Board, on the recommendation of its Nomination and Remuneration Committee, has re-appointed him as the Whole Time Director for a period of five years with effect from 27th June, 2017 on a remuneration as recommended by the said committee and detailed in the resolution. As per the requirement of Schedule V of the Companies Act, 2013 the remuneration payable and as detailed in the resolution shall be valid for

a period of three years. Mr. P. Shiva Kumar has been associated with the company since its inception as director. His commitment towards the Company's growth and dedicated efforts has proved vital in the growth of the Company. The Board is of the opinion that his re-appointment as Whole Time Director will benefit the Company to reach further heights and accordingly it proposes the resolution for approval of the Members.

➤ **The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 is given below:**

• **General Information**

1.	Nature of Industry	Manufacturing of Clinker, Cement		
2.	Date of commencement of commercial production	25-09-2010		
3.	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
4.	Financial performance based on given indicators	Description	(Rs.)	
			2016-17	2015-16
		Income	2,911,082,135	3,075,350,057
		Profit before Interest Depreciation & Tax	482,919,112	794,176,820
	Profit after Tax	62,384,637	96,191,587	
5.	Export performance and net foreign exchange	Rs. 4,49,926		
6.	Foreign investments or collaborators, if any	Not applicable		

• **Information about the appointee :**

1.	Background details	Mr. P. Shiva Kumar, aged 49, is a graduate in Civil Engineering. He has been member of the board as an Executive Director (Technical) since its incorporation i.e. since 16th April, 2007.
2.	Past Remuneration	Salary: 33 Lakhs per annum Perquisites : i. Category A (upto Rs. 2,75,000/-) per annum includes medical reimbursement, leave travel allowances, club fee, personal accident insurance, mediclaim insurance and food coupons.

		<p>ii. Category B included contribution to P.F., Superannuation Fund or Annuity to the extent these were not taxable, gratuity at a rate not exceeding half a month's salary for each completed year of service.</p> <p>iii. Category C included Car for the purpose of Company's business and telephone(s) at residence.</p> <p>Other terms :</p> <p>i. One month's leave with full pay and perquisites for every eleven month's service.</p> <p>ii. Reimbursement of reasonable entertainment and other expenses incurred in connection with business of the Company.</p>
3.	Recognition or awards	-
4.	Job profile and suitability	<p>Job Profile:</p> <p>The Whole- Time Director devotes his whole time and attention to the business of the company and carries out such duties as may be entrusted to him by the MD and or by the Board from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company.</p> <p>Suitability :</p> <p>It is important for the company to have an experienced person to co-ordinate the operations of the plant look after the technical matters. The experience already gained by Mr. P. Shiva Kumar in this area as a Whole Time Director makes him suitable for the proposed re-appointment.</p>
5.	Remuneration proposed	As detailed in the resolution
6.	Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to be paid to Mr. P. Shiva Kumar is on par with the remuneration prevailing in the companies of similar size in the cement industry and in the event of loss or inadequacy of profit in any financial year during his tenure, the same would be restricted to the ceiling

		prescribed under Schedule V of the Companies Act, 2013 for the purpose.
7.	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	As on 31 st March, 2017 he holds 16,09,000 Equity Shares of the Company (2.02%) in his individual capacity.

- **Other Information**

1.	Reasons for loss or inadequate profits	The Company did not incur any loss in the financial year under review. The remuneration paid is on par with the current industrial standards and considering the experience, qualification and vital role played by the appointee in the working of the Company.
2.	Steps taken or proposed to be taken for improvement	The Company is taking progressive measures in increasing its capacity and profitability during the proposed tenure of the appointee by undertaking various projects which are under consideration.
3.	Expected increase in productivity and profits in measurable term	With plans for expansion, the Company is expecting a favourable increase in the productivity and profitability in the coming years.

➤ **Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013**

1.	Age	49 Years
2.	Qualification	B.E. (Civil)
3.	Experience	25 Years
4.	Date of first appointment on the Board	16-04-2007
5.	Shareholding in the company	2.02%
6.	Relationship with other Directors	-
7.	Number of meetings of the Board attended during the year	4
8.	Other Directorships	-
9.	Membership/ Chairmanship of Committees of other Boards	-

Accordingly, the Board recommends passing of the special resolution in relation to re-appointment of Mr. P. Shiva Kumar as the Whole Time Director of the Company and to fix his remuneration for the approval by the shareholders of the Company.

None of the other directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

By the order of the Board
For **Bhavya Cements Limited**

Place: Hyderabad
Date: 27th June 2017

V. Ananda Prasad
Managing Director
DIN: 00207561

MAP SHOWING LOCATION OF THE VENUE OF 10TH ANNUAL GENERAL MEETING OF BHAVYA CEMENTS LIMITED

Venue: M/s. Bhavya Cements Limited
Tangeda Village, Dachepally Mandal,
Guntur District,
Andhra Pradesh - 522 414

