



# A.M. REDDY & D.R. REDDY

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Sri KPR Infra & Projects Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Sri KPR Infra & Projects Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 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 March 31, 2020, and its profit/loss, and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Information Other than the Financial Statements and Auditor's Report Thereon"**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Standalone 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 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

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In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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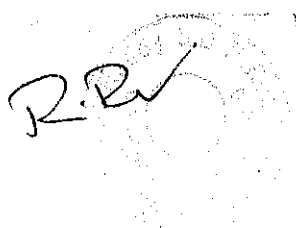


- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

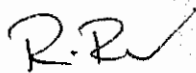
#### **Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the 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 are no amounts that are required to be transferred, to the Investor Education and Protection Fund by the Company.

For A M REDDY D R REDDY.,  
Chartered Accountants  
Firm's Registration No.009068S



RAMA RAVISHANKAR REDDY  
Partner  
Membership No.217160  
Hyderabad. June 26, 2020.  
UDIN: 20217160AAAAZ1466.

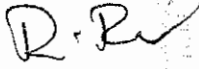
**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS [Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements']**

1.	a.	The company is maintaining proper records showing full particulars, including quantitative details and details about the situation of fixed assets.
	b.	These fixed assets have been verified by the Management at reasonable intervals. According to information and explanations given to us no material discrepancies have been noticed on such verification.
	c.	Title deeds in respect of immovable properties are in the name of the company.
2.		The management has conducted physical verification of inventory at reasonable intervals during the year and we are informed that no material discrepancies were noticed during such verification.
3.		The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4.		In respect of investment made by the company in an associate concern, and loan given to the said associate, the company has complied with the provisions of section 186 of the Companies Act, 2013.
5.		The company has not accepted any Deposits.
6.		The provisions relating to maintenance of Cost Records is not applicable to the company.
7.	a.	There are no undisputed statutory dues that are outstanding for more than six months from the date they became payable.
	b.	The company did not incur any dues on account of any dispute in respect of Income Tax, Sales Tax or Customs, Excise Duty, Service Tax or GST.
8.		The company has not defaulted in repayment of borrowings from Financial Institutions / Banks. The company does not have any borrowings from Government or Debenture holders.
9.		The company has not raised any monies by way of any Public Offer or Term Loans during the year under review.
10.		To the best of our information and according to explanations given to us no fraud by the company or on the company by its officers or employees has been noticed or reported during the year under review.
11.		The managerial remuneration paid / provided by the company is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12.		The company is not a <i>Nidhi Company</i> .
13.		The transactions with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
14.		The company has not made any preferential allotment or private placement of shares or debentures during the year under review.

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15.	The company has not entered into any non-cash transactions with its Directors or persons connected with them.
16.	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A M REDDY D R REDDY.,  
Chartered Accountants  
Firm's Registration No.009068S



RAMA RAVISHANKAR REDDY  
Partner  
Membership No.217160  
Hyderabad. June 26, 2020.

**REG: SRI KPR INFRA & PROJECTS LIMITED**  
**Year ended March 31, 2020.**

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting 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 Sri KPR Infra & Projects Limited (the "Company") as of March 31, 2020 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 Board of Directors of the Company 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 (the "ICAI"). 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 respective 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 we have obtained, is sufficient and appropriate to provide a basis for 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

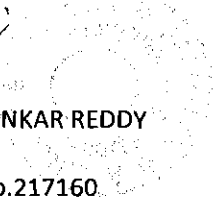
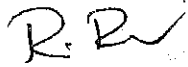
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## Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2020, based on the internal financial 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 ICAI.

For A M REDDY D R REDDY.,  
Chartered Accountants  
Firm's Registration No.0090685



RAMA RAVISHANKAR REDDY  
Partner  
Membership No.217160  
Hyderabad. June 26, 2020.

**SRI KPR INFRA & PROJECTS LIMITED**  
**Balance Sheet As at March 31, 2020.**

Rupees

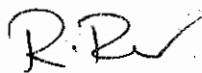
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>1. Non - current assets</b>			
a. Property, Plant and Equipment	2	19,67,96,698	20,67,36,271
b. Capital work - in -progress		-	-
c. Investment Property		-	-
d. Goodwill		-	-
e. Other Intangible assets		-	-
f. Intangible assets under development		-	-
g. Biological Assets other than bearer plants		-	-
h. Financial Assets			
(i) Investments	3	4,90,000	4,90,000
(ii) Trade Receivables		-	-
(iii) Loans	4	24,73,30,000	23,03,00,000
(iv) Others (to be specified)		-	-
i. Deferred tax assets (net)		-	-
j. Other non-current assets		-	-
<b>2. Current assets</b>			
(a) Inventories	5	2,13,95,000	7,15,33,355
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	6	8,10,42,775	7,03,13,640
(iii) Cash and cash equivalents	7	5,62,713	7,79,167
(iv) Bank balances other than (iii) above	8	1,55,22,995	3,14,60,166
(v) Loans		-	-
(vi) Others (to be specified)	9	15,64,00,761	16,58,04,082
(c) Current Tax Assets (Net)		-	-
(d) Other current assets		-	-
<b>Total Assets</b>		<b>71,95,40,942</b>	<b>77,74,16,681</b>



Particulars	Note No.	Rupees	
		As at March 31, 2020	As at March 31, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	10	3,50,00,000	3,50,00,000
(b) Other Equity	11	29,82,16,788	28,78,12,691
<b>LIABILITIES</b>			
<b>1. Non-current liabilities</b>			
(a) Financial Liabilities		-	-
(i) Borrowings	12	20,94,48,854	24,32,17,304
(ii) Trade payables		-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)	13	12,25,56,676	11,23,52,295
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)	14	2,31,01,041	2,65,52,104
(d) Other non-current liabilities		-	-
<b>2. Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	58,95,837	71,15,465
(ii) Trade payables	16	97,17,462	1,70,26,599
(iii) Other financial liabilities (other than those specified in item (c))	17	1,43,19,126	4,16,41,502
(b) Other current liabilities		-	-
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		12,85,158	66,98,721
<b>Total Equity and Liabilities</b>		<b>71,95,40,942</b>	<b>77,74,16,681</b>
Significant Accounting Policies and Other Information	1		

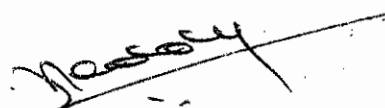
Notes 1 to 25 form integral part of financial statements

As per our Report of even date  
For A.M.Reddy & D.R.Reddy.,  
Chartered Accountants  
FRN No.9068S

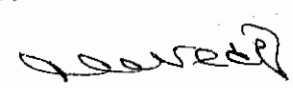


R.Rama Ravi Shankar Reddy  
Partner  
ICAI Membership No.217160  
Secunderabad June 26,2020  
UDIN: 20217160AAAAAZ1466

For and on behalf of Board of Directors



N.Kishan Reddy  
Director



N.Srinath Reddy  
Director

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 10 : Equity share capital</b>		
<b>a. Authorised</b>		
40,00,000 Equity Shares of Rs. 10/- each.	4,00,00,000	4,00,00,000
	4,00,00,000	4,00,00,000
<b>b. Issued, subscribed &amp; paid up</b>		
35,00,000 Equity Shares of Rs. 10/- each fully paid up	3,50,00,000	3,50,00,000
	3,50,00,000	3,50,00,000
<b>c. Par value of shares</b>	Rs.10/-	Rs.10/-
<b>d. Number of shares outstanding at begining of the year</b>	35,00,000	35,00,000
<b>Changes during the year</b>		
<b>Number of shares outstanding at end of the year</b>	35,00,000	35,00,000
<b>e. Restriction on disbursement of Dividend</b>		
As part of the general terms & conditions in respect of borrowings from Banks, prior permission should be taken from the lending Banks before distribution of dividend. Similarly, the term lenders have imposed a condition that, no dividend shall be declared in the event of default in the scheduled repayment of instalment.		
<b>f. Particulars of each shareholder holding more than 5% of share capital</b>		
<b>Sl. No. Name of the Shareholder</b>	<b>No. of shares %</b>	<b>No. of shares %</b>
1. Sri KPR Industries Limited	35,00,000 100	35,00,000 100
<b>g.</b> During the five years immediately preceding the current financial year , the company has not issued any shares without payment being received in cash, nor issued any bonus shares. The company did not buy back any shares during the said period.		
<b>h.</b> The company has only one class of shares i.e. Equity Shares.		
<b>Note 11 : Other Equity</b>		
(a) General Reserve	62,93,455	62,93,455
(b) Retained Earnings	29,19,23,333	28,15,19,236
<b>Total other equity (A + B )</b>	<b>29,82,16,788</b>	<b>28,78,12,691</b>
<b>Note 12: Borrowings</b>		
<b>a. Secured</b>		
<b>Term loans</b>		
(i) STATE BANK OF INDIA, SME Branch, Saifabad	2,96,18,886	3,79,16,512
(The above term loan is issued by first charge in wind mill at Ananatapur, Andhra Pradesh, (Previous year SBI Commercial Branch Koti, secured by wind mill at Gandikota, Kdapa, Andhra Pradesh) and secured by second charge on earlier assets acquired out of bank finance. Collateral of personnel property both immovable and movable (shares held in listed company) of N.Kishan Reddy Director of the company. The following is guaranteed by Directors of the compant Sri.N.Kishan Reddy, Sri.N.Srinath Reddy, Sri.Indrasena Reddy, Sri.G.Raja Reddy, Sri.N.K.Sudarshan Reddy, Sri.N.vinil Reddy, Smt.N.Vinitha, Smt.G.Sunitha and Smt.Rachana Reddy in addition thereto personnel guaranees of Sri.A.Narasimha Reddy and Sri.A,Bhoopal Reddy. The total amount guaranteed as above is term loan - Rs.6.35 crores payable in 28 quarterly instalments)		
(ii) ICICI Bank Plot Loan	86,96,618	
(iii) Bajaj Finance Limited	3,00,00,000	20,00,00,000
(iv) SBI car loan		3,18,745
(iv) Federal Bank car loan	17,80,484	
(v) Kotak Mahindra car loan	20,74,390	49,82,047

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**SRI KPR INFRA & PROJECTS LIMITED**  
**Statement of Profit and Loss for the period ended March 31,2020**

Rupees

Particulars	Note No.	For the Period ended March 31, 2020	For the Period ended March 31, 2019
I Revenue from operations	18	10,10,08,588	25,64,14,725
II Other income	19	85,20,466	42,97,017
III <b>Total Income (I+II)</b>		<b>10,95,29,054</b>	<b>26,07,11,742</b>
<b>IV EXPENSES</b>			
Cost of Material Consumed	20	17,35,663	1,87,22,178
Changes in inventories of finished goods and work-in-progress	21	5,01,38,355	49,97,329
Civil work expenses	22	1,43,29,288	12,65,10,035
Employee benefits expense	23	31,99,590	38,90,671
Finance costs	24	1,09,23,377	1,52,18,252
Depreciation and amortization expense	2	1,20,01,902	1,20,64,146
Other expenses	25	89,62,687	3,83,18,241
<b>Total Expenses ( IV)</b>		<b>10,12,90,862</b>	<b>21,97,20,852</b>
V Profit/(loss) before exceptional items and tax (III - IV)		<b>82,38,192</b>	4,09,90,890
VI Exceptional items			(12,35,900)
VII Profit/(loss) before tax (V - VI)		<b>82,38,192</b>	3,97,54,990
VIII Tax Expenses:			
1. Current Tax		(12,85,158)	(66,98,721)
2. Deferred Tax		34,51,063	2,16,95,244
IX Profit (Loss) for the period from continuing operations (VII-VIII)		<b>1,04,04,097</b>	5,47,51,513
X Profit/loss from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from discontinued operations (after tax)(X-XI)		-	-
XIII Profit /Loss for the period (IX + XII)		<b>1,04,04,097</b>	5,47,51,513

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Particulars	Note No.	For the Period ended March 31, 2020	For the Period ended March 31, 2019
<b>XIV Other Comprehensive Income</b>			
A (i) items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV Total Comprehensive Income for the period ( XIII + XIV)</b>		<b>1,04,04,097</b>	<b>5,47,51,513</b>
(Comprising profit/loss and other Comprehensive Income for the period)			
<b>XVI Earning per equity share (for continuing operation):</b>			
(1) Basic		<b>2.97</b>	15.64
(2) Diluted		<b>2.97</b>	15.64
<b>XVII Earning per equity share ( for discontinued operations):</b>			
(1) Basic		-	-
(2) Diluted		-	-
<b>XVIII Earning per equity share ( for discontinued &amp; continuing operations)</b>			
(1) Basic		<b>2.97</b>	15.64
(2) Diluted		<b>2.97</b>	15.64
<b>Significant Accounting Policies and Other Information</b>	1		

Notes 1 to 25 form integral part of financial statements

As per our Report of even date

For A.M.Reddy & D.R.Reddy,

Chartered Accountants

FRN No.9068S

*R.R.*

R.Rama Ravi Shankar Reddy  
(Partner)

ICAI Membership No.217160

Secunderabad June 26,2020

UDIN: 20217160AAAAAZ1466

For and on behalf of Board of Directors

*N.Kishan Reddy*  
N.Kishan Reddy  
Director

*N.Srinath Reddy*  
N.Srinath Reddy  
Director

**SRI KPR INFRA & PROJECTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Rupees	
	Current Period 2019-20	Previous Year 2018-19
<b>A. Cash Flow from Operating Activities</b>		
Profit before Depreciation, Interest and Tax	3,11,63,471	6,70,37,388
Less : Other Income considered separately	(85,20,466)	(42,97,017)
Net	<b>2,26,43,005</b>	<b>6,27,40,371</b>
(Increase) / Decrease in Inventories	5,01,38,355	49,97,329
(Increase) / Decrease in Receivables	(1,07,29,135)	7,82,63,580
(Increase) / Decrease in Others	94,03,321	4,48,70,558
Increase / (Decrease) in Current Liabilities	(3,58,51,141)	(18,11,64,597)
Income Tax Paid (including Dividend distribution tax)	(66,98,721)	(1,02,80,027)
Total A	<b>2,89,05,684</b>	<b>(5,72,786)</b>
<b>B. Cash Flow from Investing Activities</b>		
(Increase)/Decrease in Fixed Assets	(20,62,329)	5,61,89,924
(Increase)/Decrease in Non Current Investments	-	(4,90,000)
(Increase)/Decrease in Loans	(1,70,30,000)	(23,03,00,000)
Other Income	85,20,466	42,97,017
Total B	<b>(1,05,71,863)</b>	<b>(17,03,03,059)</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase/(Decrease) in Long Term Borrowings	(2,70,15,132)	20,10,46,561
Interest Paid	(1,09,23,377)	(1,52,18,252)
Dividend paid	-	(70,00,000)
Total C	<b>(3,79,38,509)</b>	<b>17,88,28,309</b>
<b>D. Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(1,96,04,688)</b>	<b>79,51,464</b>
Cash and cash equivalents at the beginning of the year	3,22,39,333	2,42,87,869
Cash and cash equivalents at the end of the Period (2020)	<b>1,26,34,645</b>	<b>3,22,39,333</b>
Increase/(-)Decrease	<b>(1,96,04,688)</b>	<b>79,51,464</b>

As per our Report of even date  
For A.M.Reddy & D.R.Reddy.,  
Chartered Accountants  
FRN No.9068S

*R.R.*

R.Rama Ravi Shankar Reddy  
(Partner)  
ICAI Membership No.217160  
Secunderabad June 26,2020

For and on behalf of Board of Directors

*N. Kishan Reddy*

N.Kishan Reddy  
Director

*N. Srinath Reddy*

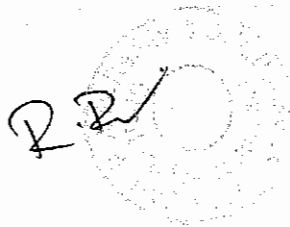
N.Srinath Reddy  
Director



**SRI KPR INFRA & PROJECTS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2020**

**Sl.No.11 Particulars**

<b>I Equity Share Capital</b>		<b>Rupees</b>	
	Balance as on 01.04.2019		3,50,00,000
	Changes During the year		-
	Balance as on 31.03.2020		3,50,00,000
		<b>General Reserve</b>	<b>Retained Earnings</b>
	Balance as on 01.04.2019	62,93,455	28,15,19,236
	Add: Profit for the year		1,04,04,097
	Balance as on 31.03.2020	62,93,455	29,19,23,333



**NOTE 1: Significant Accounting Policies and other information / disclosures:**

**I. Company Overview**

Sri KPR Industries Limited is a Limited company incorporated and Domiciled in India, having its registered office at 5<sup>th</sup> Floor KPR House, S P Road, Secunderabad, Telangana State. The company is a 100% Subsidiary of Sri KPR Industries Limited which is listed on the Bombay Stock Exchange (BSE), in India.

Sri KPR Industries Limited is engaged in the business of execution of Civil Works contracts and Pipe Laying works. The company generates Wind Power through Wind Electric Generators owned by it.

**II. Compliance with Indian Accounting Standards**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act 2013 (the Act), read with Companies (Indian Accounting Standard) Rules 2015 as amended. The company has uniformly applied all the applicable accounting policies during the periods presented.

**III. COVID-19 Impact**

The company has evaluated the impact of Coronavirus (COVID-19) impact on the operations and future economic activity of the company and based on its review and current indicators and future economic prospects there is no significant impact on the business of the company or its operations.

**IV. Overall Considerations**

The financial statements have been prepared using significant accounting policies and Ind AS, that are in effect as at March 31, 2020 as presented in detail hereunder.

**V. Accounting Policies and Other Information**

**1. System of Accounting:**

- i. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- ii. The financial statements have been prepared in all material respects with Indian Accounting Standards as relevant and notified by the Central Government.
- iii. The financial statements are prepared as a going concern and on historical cost basis except for certain financial assets and liabilities that are measured at fair value.

R. R. V.

**2. Revenue recognition:**

- i. Revenues from Contracts are recognized on the basis of the work certified as completed by the respective principal contractees and in accordance with the recommendations of Ind AS – 11, Construction Contracts.
- ii. Pending certification of completion, the amounts spent on contract works is treated unbilled contract expenditure and as contract work in progress.
- iii. Income from Wind Power Generation is recognized on the basis of number of units generated and billed to the respective state Authorities.
- iv. Interest income is recognized on accrual basis taking into account the amount outstanding and rate applicable.

**3. Property, plant and equipment:**

Property, plant and equipment acquired by the company are reported at acquisition value. The acquisition cost for this purpose includes the purchase price (net of duties and taxes which are recoverable in future) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use. Interest during construction period up to the date of commencement of operations, indirect project expenditure and trial run expenditure (net of trial run income, if any) incurred in respect of projects under implementation are capitalized to the asset constructed / created. Spares and tools that are not in the nature of 'Property, Plant & Equipment' are treated as part of inventories. The costs incurred for the repairs and maintenance of these assets are charged to revenue.


The cost of assets under construction as on the Balance Sheet date, are classified under the head "capital work in progress" and will be capitalized as and when put to use.

**4. Depreciation**

Depreciation / amortization on fixed assets is provided on straight line method in accordance with Schedule II of the Companies Act, 2013 in respect of the remaining useful life. The management estimates the useful lives of the assets based on the indicative life span prescribed in Schedule II of the Companies Act, 2013. The useful life of the assets and their respective residual values are reviewed at the end of each financial year and adjusted accordingly.

**5. Investments:** Investments are stated at cost of acquisition.

R. B. W.



**6. Trade Receivables**

Trade receivables are stated at the recoverable values. Assessment is made on a periodical basis to assess the credit risk in respect of the credit extended to the customers and adjustments are carried out where necessary and found expedient. Provision, if any, made for the doubtful debts is charged to revenue.

**7. Staff Benefits:** Provident Fund Contributions are accounted on accrual basis.

**8. Tax expense:**

Accounting treatment in respect of deferred taxation and current tax is in accordance with Indian Accounting Standard 12 (Ind AS 12) - "Income Taxes"

**9. Borrowing Costs:**

Interest and other costs in respect of borrowings for expansion / additional fixed investments are capitalized to such investments. Borrowing costs relating to period after the commencement of operations of these projects are charged to revenue.

**10. Impairment of Assets:**

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. In carrying out such exercise, due effect is given to the requirements of Schedule II of the Companies Act, 2013.

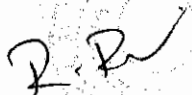
**11. Earnings Per Share (EPS):**

This is calculated by dividing the net profit after tax (PAT) for the period attributable to equity shareholders, by number of shares outstanding at the end of the year. In case there are any changes in the equity during the year, EPS would be calculated on the weighted average number of shares outstanding during the period including adjustments of bonus issue, if any.

**12. Corporate Social Responsibility**

The company will determine the amount that should be allocated towards Corporate Social Responsibility as per the applicable legislation and the amounts as and when spent will be treated as revenue expense and debited to the statement of Profit and Loss accordingly.

Contingent Liabilities: Performance Guarantees extended in respect of contract works as on March 31, 2020. Rs.9.65 Crores.

A handwritten signature in black ink is written over a circular, faint stamp. The signature appears to be 'R. R.' or similar. The stamp is mostly illegible but seems to contain some text around the perimeter.

13. Related Party transactions:

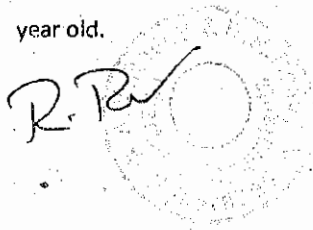
Rupees in Lakhs

Name of the related party	Relationship	Nature of Transaction	Transaction value Rupees In Lakhs	Receivable / (-) Payable as on 31.03.2020	Amount written off / back
Sri KPR Industries Ltd	Holding Company	Purchase of Pipes	10.67	Nil	Nil
Sri KPR Industries Ltd	Holding Company	Advances	1067.78	(-) 1067.78	Nil
KPR House	A co-ownership building of Directors and their relatives.	Office rent	2.07	Nil	Nil
Rachana Reddy	Director	Remuneration	1.00	Nil	Nil
N Vineel Reddy	Director	Remuneration	2.00	Nil	Nil
N Vinitha	Director	Remuneration	1.00	Nil	Nil
G Sunitha	Director	Remuneration	1.00	Nil	Nil

14. Proposed Dividends

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including DDT thereon). The Dividends are deducted from Accumulated Reserves when paid out, along with the applicable tax on distribution of Dividends.

15. The details with respect to the dues under MSME Act are not being furnished as the details are not available with the company, in spite of the company having written to its creditors seeking details of their status under the MSME Act. However, there are no dues to the creditors that are more than one year old.

A handwritten signature in black ink is written over a circular stamp. The stamp contains text around its perimeter, which is partially obscured by the signature.

**16. Segment Reporting:**

The company operates in two segments viz., (a) Civil Contracts and (b) Wind Power Generation There is no geographical segment as the company operates only in India. The segment results are as under:

Sl. No.	Particulars	Amount Rupees in Lakhs
<b>1</b>	<b>Segment Revenue</b>	
	Contracts	696.67
	Wind Power Generation	398.62
	<b>Net revenue from operations</b>	<b>1095.29</b>
<b>2</b>	<b>Segment Results before Tax &amp; Interest</b>	
	Contracts	-71.01
	Wind Power Generation	262.62
	<b>Total:</b>	<b>191.61</b>
	<b>Less: Interest</b>	
	Contracts	57.89
	Wind Power Generation	51.34
	<b>Total:</b>	<b>109.23</b>
	<b>Segment Profit/(Loss) before tax</b>	
	Contracts Revenue	-128.90
	Wind Power Generation	211.28
<b>3</b>	<b>Capital Employed ( Segment Assets - Segment Liabilities)</b>	
	Contracts	1854.25
	Wind Power Generation	1477.92
	<b>Total</b>	

Note: The investment in Associate Concern viz., Sri Pavan energy limited and the borrowings made for making the same are included as part of Contracts Segment. The said associate concern's details are provided in the Consolidated Balance Sheet presented separately.

**17. Expenditure / Earnings in Foreign Currency: Nil (Previous Year: Nil)**

VI. Previous year's figures are regrouped and reclassified wherever considered necessary to conform with the current year grouping / classifications.

VII. The Financial statements are presented in Indian Rupees which is also the functional and presentation currency of the company and all amounts are rounded off to nearest rupee.

R.P.



**SRI KPR INFRA & PROJECTS LIMITED**  
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 2 : Property, plant and equipment

Particulars	Rupees								
	Testing Equipment	Furnitures & Fixtures	Computers	Vehicles	Office Equipment	Wind Mill Land (lease)	Wind Electric Generators	Generator	Total
<b>Gross carrying amount</b>									
As at 1 April 2019	95,772	2,09,822	3,12,750	1,29,84,367	2,03,280	35,88,498	23,39,87,467	24,152	25,14,06,108
Additions	-	-	-	26,57,767	-	-	-	-	26,57,767
Disposals	-	-	-	20,36,520	-	-	-	-	20,36,520
<b>Closing gross carrying amount</b>									
31.03.2020	95,772	2,09,822	3,12,750	1,36,05,614	2,03,280	35,88,498	23,39,87,467	24,152	25,20,27,355
<b>Accumulated depreciation</b>									
As on April 01, 2019	92,155	92,866	2,61,061	37,23,760	28,971	7,92,520	3,96,72,768	5,736	4,46,69,837
Depreciation charge during the year	-	4,618	4,416	14,03,484	7,880	1,99,632	1,03,79,004	2,868	1,20,01,902
Disposals	-	-	-	14,41,082	-	-	-	-	14,41,082
<b>Closing accumulated depreciation</b>									
31.03.2020	92,155	97,484	2,65,477	36,86,162	36,851	9,92,152	5,00,51,772	8,604	5,52,30,657
<b>Net carrying amount 31.03.2020</b>									
	3,617	1,12,338	47,273	99,19,452	1,66,429	25,96,346	18,39,35,695	15,548	19,67,96,698

R.P.W  


**SRI KPR INFRA & PROJECTS LIMITED**

Particulars	Rupees	
	As at March 31, 2020	As at March 31, 2019
<b>Note 3 : Non Current investments</b>		
Equity Shares in Sri Pavan Energy Private Limited (49,000 Equity shares of Rs.10/- each)	4,90,000	4,90,000
<b>Total</b>	<b>4,90,000</b>	<b>4,90,000</b>
<b>Note 4 : Loans to related party</b>		
Loans to Sri Pavan Energy Private Limited (Associate concern)	24,73,30,000	23,03,00,000
<b>Total</b>	<b>24,73,30,000</b>	<b>23,03,00,000</b>
<b>Note 5 : Inventories</b>		
Contract Work-in-Process	2,13,95,000	7,15,33,355
<b>Total</b>	<b>2,13,95,000</b>	<b>7,15,33,355</b>
<b>Note 6 : Trade Receivables</b> (Unsecured and considered good)		
Others	8,10,42,775	7,03,13,640
<b>Total</b>	<b>8,10,42,775</b>	<b>7,03,13,640</b>
<b>Note 7 : Cash and cash equivalents</b>		
Cash in hand	5,62,713	7,79,167
<b>Total</b>	<b>5,62,713</b>	<b>7,79,167</b>
<b>Note 8 : Bank balance other than above</b>		
<b>Balance with Scheduled Banks</b>		
In Current Accounts	2,70,273	2,27,911
Short term deposits with SBI	1,52,52,722	3,12,32,255
<b>Total</b>	<b>1,55,22,995</b>	<b>3,14,60,166</b>
<b>Note 9 : Other current Assets</b>		
Advance Income Tax (Including TDS)	9,86,685	3,09,52,824
GST	31,54,775	85,42,895
FSD	6,54,74,449	9,05,84,580
Investment in chits	31,00,000	19,00,000
Advance for capital goods	2,55,62,294	1,97,57,369
Others	5,81,22,558	1,40,66,414
<b>Total</b>	<b>15,64,00,761</b>	<b>16,58,04,082</b>

R.B.





Particulars	As at March 31, 2020	As at March 31, 2019
<b>b. Unsecured</b>		
(i) From Directors	3,05,00,000	-
(ii) Related Party (Holding Company)	10,67,78,476	-
<b>Total</b>	<b>20,94,48,854</b>	<b>24,32,17,304</b>
<b>Note 13: Other Financial Obligations</b>		
Other Long term creditors	12,25,56,676	11,23,52,295
<b>Total</b>	<b>12,25,56,676</b>	<b>11,23,52,295</b>
<b>Note 14 : Deffered tax liability</b>		
On account of timing difference brought forward	2,65,52,104	4,82,47,348
Add/Less : Timing differnce orginating during the year	(34,51,063)	(2,16,95,244)
<b>Total</b>	<b>2,31,01,041</b>	<b>2,65,52,104</b>
<b>Note 15 : Borrowings</b>		
<b>a. Secured</b>		
<b>Towards working capital - Repayable on demand</b>	<b>58,95,837</b>	<b>71,15,465</b>
(i) State Bank of India		
(Secured by first charge on stocks, book debts and other current assets of the company bothe present and future and further guaranteed by the Directors of the company. The toatl amount of working capital limits sanctioned (a) Fund based Rs.5.00 crores (b) Non fund based Rs.9.65 crores)		
<b>Total</b>	<b>58,95,837</b>	<b>71,15,465</b>
<b>Note 16 : Trade payables</b>		
Supplers	81,96,535	1,01,32,100
Contractors	7,73,093	66,35,442
Others	7,47,834	2,59,057
<b>Total</b>	<b>97,17,462</b>	<b>1,70,26,599</b>
<b>Note 17 : Other financial liabilities</b>		
Instalment of secured loans due with in a year	1,18,26,604	91,20,338
Creditors for expenses	24,92,522	3,25,21,164
<b>Total</b>	<b>1,43,19,126</b>	<b>4,16,41,502</b>

R. B.

**SRI KPR INFRA & PROJECTS LIMITED**  
Notes forming part of the Financial Statements

Particulars	For the Period ended March 31, 2020	For the Period ended March 31, 2019
<b>Note 18 : Revenue From Operations</b>		
Gross contract receipts	6,23,46,375	20,33,18,176
Sale of wind power	3,86,62,213	5,30,96,549
<b>Total</b>	<b>10,10,08,588</b>	<b>25,64,14,725</b>
<b>Note 19 : Other Income</b>		
Interest	16,83,401	13,20,519
Generation based incentive from Central Government	11,99,695	18,98,278
(Loss)/Gain on sale of assets	-	22,498.0
Company supervision charges	-	6,61,182
Prior period income	2,94,027	-
Sale of pipes	1,75,979	-
Chit Dividend	2,15,164	3,94,540
Wrote offs	49,52,200	-
<b>Total</b>	<b>85,20,466</b>	<b>42,97,017</b>
<b>Note 20 : Cost of material consumed</b>		
Opening Stock		
Add: Purchase of material	17,35,663	1,87,22,178
<b>Sub- Total</b>	<b>17,35,663</b>	<b>1,87,22,178</b>
Less : Closing stock		
<b>Material consumed</b>	<b>17,35,663</b>	<b>1,87,22,178</b>
<b>Note 21 : Changes in Work in Process</b>		
Stock at close - Work-in-progress	2,13,95,000	7,15,33,355
	2,13,95,000	7,15,33,355
Stock at opening - Work-in-progress	7,15,33,355	7,65,30,684
	7,15,33,355	7,65,30,684
<b>Difference of (a) and (b) Increase (-) / Decrease(+)</b>	<b>5,01,38,355</b>	<b>49,97,329</b>
<b>Note 22 : Civil work expenses</b>		
Direct civil work expenses	1,33,50,622	12,58,05,862
Duties & Taxes	6,73,448	4,70,515
Insurance premium on contracts	3,05,218	2,33,658
<b>Total</b>	<b>1,43,29,288</b>	<b>12,65,10,035</b>
<b>Note 23 : Employee benefit expenses</b>		
Salaries, wages and bonus	16,39,992	23,83,096
Contribution to PF	2,03,921	2,44,661
Contribution to ESI	47,669	76,739
Gratuity	3,91,581	-
Other allowance	1,01,574	1,48,591
Conveyance	8,14,853	10,37,584
<b>Total</b>	<b>31,99,590</b>	<b>38,90,671</b>

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Particulars	For the Period ended March 31, 2020	For the Period ended March 31, 2019
<b>Note 24 : Finance cost</b>		
Interest on ICICI Bank loan	12,778	-
Intersest on term loan (W.M) Anantapur	51,34,335	63,67,343
Interest on cash credit	25,18,681	49,48,665
Bank charges	28,89,091	26,16,559
Finance charges	3,68,492	12,85,685
<b>Total</b>	<b>1,09,23,377</b>	<b>1,52,18,252</b>
<b>Note 25 : Other expenses</b>		
Office rent	2,07,311	2,07,000
Insurance	14,35,600	14,35,600
Directors remuneration	5,00,000	89,00,000
Auditors remuneration	2,50,000	3,50,000
Loss on sale of Assets	65,438	1,75,66,154
Other expenses	65,04,338	98,59,487
<b>Total</b>	<b>89,62,687</b>	<b>3,83,18,241</b>

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