

# **SRI KPR INDUSTRIES LIMITED**

(Formerly Bhagyanagar Wood Plast Ltd.)

The logo consists of the letters 'KPR' in a bold, blue, sans-serif font, enclosed within a blue rectangular border.

**24<sup>th</sup>**  
**ANNUAL REPORT**  
**2011-12**

**BOARD OF DIRECTORS**

- |                               |                                       |
|-------------------------------|---------------------------------------|
| 1. Sri. N. Kishan Reddy       | <i>Chairman and Managing Director</i> |
| 2. Sri. N. Srinath Reddy      | <i>Whole Time Director</i>            |
| 3. Sri. G. Raja Reddy         | <i>Director</i>                       |
| 4. Sri. T. Naveena Chandra    | <i>Independent Director</i>           |
| 5. Sri. S. Krishna Prasad     | <i>Independent Director</i>           |
| 6. Sri. P. Jagadeeshwar Reddy | <i>Independent Director</i>           |

**AUDITORS**

V.Sridhar & Co.,  
Chartered Accountants,  
A/78, Geeta Apartments, Santoshnagar,  
Mehidipatnam,  
Hyderabad 500 028

**BANKERS**

State Bank of Hyderabad  
Commercial Branch,  
Sardar Patel Road,  
Secunderabad – 500 003.

**REGISTERED OFFICE**

Vth Floor, KPR House,  
Sadar Patel Road,  
Secunderabad 500 003.

**NOTICE**

Notice is hereby given that the 24<sup>th</sup> Annual General meeting of the members of M/s. Sri KPR Industries Limited will be held at 10.00 A.M. on Saturday, the 29<sup>th</sup> day of September 2012 at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda (back side of Chermas show room), Ameerpet, Hyderabad-500073 to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2012 and the Profit and Loss Account of the company for the year ended on that date together with the reports of the Auditors and Directors thereon;
2. To appoint director in place of Sri S. Krishna Prasad , who retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible, offers him self for re-appointment.
3. To appoint director in place of Sri T. Naveena Chandra , who retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible, offers him self for re-appointment.
4. To appoint Auditors and fix their remuneration and if thought fit to pass with or without modifications the following resolution as Ordinary Resolution

**"RESOLVED THAT** M/s V. Sridhar & Co., Chartered Accountants, Hyderabad, the retiring Auditors of the Company be and are hereby re-appointed as Auditors of the Company for the financial year 2012-2013 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and the Managing Director Sri N. Kishan Reddy be and is hereby authorized to fix their remuneration in consultation with them".

By order of the Board  
For Sri KPR Industries Limited,

Sd/-  
N. Kishan Reddy  
Managing Director

Place: Secunderabad  
Date: 31.05.2012



**NOTES**

1. A member eligible to attend and to vote at the meeting is entitled to appoint a proxy and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company, not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer books of the company will remain closed from 22<sup>nd</sup> September 2012 to 29<sup>th</sup> September 2012 (both days inclusive).
3. Members are requested to bring their copies of Annual Report to the meeting along with original attendance slips duly filled.
4. Members are requested to notify any change in their addresses to the share transfer agents M/s. Karvy Computer share Private Limited. Members whose shareholdings are in D-MAT form are requested to send the information for change of address to their respective depository participant.
5. To avoid entry of un-authorized persons into the meeting premises, the signature of the members shall be verified with the specimen signature recorded with the Company at the entrance of the venue. Inconvenience to members in this regard is highly regretted. The members are advised to carry their folio number with them.

**INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT REGARDING REAPPOINTMENT OF DIRECTORS.**

Name of the Director	:	S Krishna Prasad
Date of Birth	:	27.07.1950
Date of Appointment	:	30.07.2003
Special Expertise	:	Technical.
Qualifications	:	M.Sc. Physics
Directorships of other Companies as on 31 <sup>st</sup> March 2012	:	Nil
No of shares held by them	:	Nil
Name of the Director	:	T. Naveena Chandra
Date of Birth	:	28.11.1960
Date of Appointment	:	15.06.2001
Special Expertise	:	Having expertise in financial field
Qualifications	:	Chartered Accountant
Directorships of other Companies as on 31 <sup>st</sup> March 2012	:	1) Saaketa Consultants Ltd 2) Balaji Amimes Ltd 3) CHJ Securities Pvt Ltd 4) Saaketa Finstock Pvt Ltd 5) Zenith Alternative Energy Ventures Pvt Ltd
No of shares held by them	:	Nil



**DIRECTORS' REPORT**

To,  
The Members of Sri KPR Industries Limited,  
(Formerly known as Bhagyanagar Wood Plast Limited)  
Secunderabad.

The Directors present herewith the Twenty Fourth Annual Report on the affairs of the company along with the report of the Auditors on the accounts of the company for the Financial Year 2011-12.

**FINANCIAL RESULTS AND PERFORMANCE**

The performance of the company is summarised as under;

Amount in Rupees

Particulars	For the financial year ended 31.03.2012	For the financial year ended 31.03.2011
Revenue from Operations	-	-
Other Income	57,19,023	36,57,544
Administrative & other expenses	35,64,453	20,92,476
Financial Costs	28,578	58,202
Depreciation	2,10,640	2,10,640
Profit before tax	19,15,352	13,26,226
Tax including deferred tax	2,77,154	94,441
Profit after tax	16,38,198	12,31,785

**BUSINESS OPERATION:**

During the year under review company has achieved a Gross receipt of Rs. 57,19,023 against previous year receipt of Rs. 36,87,544/- and registered a profit of Rs. 16,38,198/- (PAT) against previous year profit of Rs. 12,31,785/- (PAT).

The Company expects for a better performance in the coming years pursuant to proposed scheme of amalgamation as approved by the members.

**DIVIDEND:**

To strengthen the long-term prospects and ensuring sustainable growth in assets and revenue, it is important for your Company to evaluate various opportunities in the different business verticals in which your Company operates.

Your Board of Directors considers this to be in the strategic interest of the Company and believes that this will greatly enhance the long term shareholders' value. Considering the current scenario and future funds requirement your directors have not recommended any dividend for the financial year.

**DIRECTORS****RETIRE BY ROTATION**

In accordance with the Provisions of Section 256 of the Companies Act, 1956 read with Articles of Association of the Company, Mr. T. Naveen Chandra and Mr. S. Krishna Prasad retires by rotation and being eligible offers themselves for reappointment.

A brief profile of the directors is given in the notice of the Annual General Meeting.

**AUDITORS**

M/s V. Sridhar & Co., Chartered Accountants, Hyderabad, the Statutory Auditors of the company retire at the conclusion of the ensuing annual general meeting and being eligible offers themselves for reappointment.



**DIRECTORS RESPONSIBILITY STATEMENT (SECTION 217 (2AA) OF THE COMPANIES ACT, 1956**

- a. The accounting standards to the extent applicable to the company have been followed in the preparation of the annual accounts. There are no material departures there-from.
- b. The accounting policies selected by the Board for the purpose of preparation and presentation of the financial statements have been and are being applied consistently and reasonable and prudent the judgements and estimates (wherever applicable) have been made, for the said purpose, so as to give a true and fair view of the affairs of the company as at end of the financial year under review and of the profit for the said year.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts have been prepared on going concern basis.

**CHANGE OF NAME:**

The shareholders of the company at previous Annual General meeting has passed resolution for change of name and the same was filed with the Registrar of Companies , Andhra Pradesh, Hyderabad and obtained a fresh certificate of incorporation under the name and style of M/s. Sri KPR Industries Limited.

**DEPOSITS:**

Your Company has not accepted any deposits from the public in terms of Section 58A of the Companies Act, 1956 during the year under review.

**PARTICULARS OF EMPLOYEES:**

There are no employees on the rolls of the company whose particulars are required to be disclosed in the report of the Directors pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The Management discussion & analysis report for the year under review is provided separately and the same forms part of the annual report.



**CORPORATE GOVERNANCE:**

Your Company adopts the corporate best practices and is committed to conduct its business in accordance with applicable laws, rules & regulations. A report on Corporate Governance is provided and forms part of the annual report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

The Company has not carried out any manufacturing activities for the financial year, the particulars prescribed under the provision of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is provided in annexure and the same forms part of the annual report.

**STATUS OF AMALGAMATION APPLICATION:**

The members are aware that the proposal of amalgamation of M/s. Sri Venkateswara Pipes Limited with M/s. Sri KPR Industries Limited was approved by members in the Extra Ordinary General Meeting held on 24.09.2011 and now the petition for approval of merger is pending before the Hon'ble Court of A.P.

The Management is confident that the petition will be approved as explained earlier and will help the Company for better future prospects.

**ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their sincere appreciation and acknowledge with gratitude the support and consideration extended by the Bankers, Shareholders and employees and look forward for their continued support and cooperation.

For & on behalf of the Board  
For Sri KPR Industries Limited

Sd/-

**N.KISHAN REDDY**

Chairman

Place: Secunderabad

Date: 31.05.2012

**ANNEXURE TO DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2011-12**

Particulars	Current Year	Previous Year
<b>A. CONSERVATION OF ENERGY</b>		
<i>Electricity</i>		
Units Purchased	NIL	NIL
Total cost (Rupees) gross	NIL	NIL
Rate per unit (Rupees)	NIL	NIL
Energy Conservation measures taken and impact thereof		
No substantial investments have been made in this year in this regard		
<b>B. TECHNOLOGY ABSORPTION: Not applicable</b>		
<b>C. FOREIGN EXCHANGE EARNINGS AND OUTGO</b>		
Foreign Exchange Earnings: NIL		
Foreign Exchange Outgo: NIL (Previous Year – NIL)		

For and on Behalf of the Board

Sd/-

N.KISHAN REDDY

Chairman

Place: Secunderabad

Date: 31.05.2012



**ANNEXURE TO DIRECTORS REPORT****SKIL'S CORPORATE GOVERNANCE PHILOSOPHY:**

SKIL is committed to good corporate governance. The company has always focused on good corporate governance, which is a key driver of sustainable corporate growth and powerful medium to serve the long term value creation. Corporate governance strengthen investors trust and ensure a long term partnership and to protect the interest of other stakeholders by way of transparency, accuracy and accountability.

**BOARD OF DIRECTORS****A. COMPOSITION OF BOARD**

As the Chairman of the Company is a non executive director of your company, at least one third of the board of directors is required to consist of independent directors as required under the Corporate Governance norms provided in Clause 49 of the Listing Agreements.

Sri. N. Kishan Reddy is Chairman of the Board of Directors of the company.

The composition of the Board of Directors and other details required in this regard are as under.

S.No.	Name of Director	Category	No.of other Directorships	Membership in other committees
1.	Sri N. Kishan Reddy	Chairman & Managing Director	3	Nil
2.	Sri N. Srinath Reddy	Whole Time Director	2	Nil
3.	Sri G. Raja Reddy	Non-Executive Director	2	Nil
4.	Sri T. Naveen Chandra	Independent Non-Executive Director	5	2
5.	Sri S. Krishna Prasad	Independent Non-Executive Director	Nil	Nil
6.	Sri P. Jagadheeswar Reddy	Independent Non-Executive Director	Nil	Nil

**Note:**

- a. An Independent Director is a director who apart from receiving directors remuneration, does not have any material pecuniary relationship or transactions with the company, its promoters or its management or its subsidiaries, which in the judgment of the Board may affect their independence of judgment.
- b. Number of directorships include directorships held in public limited companies and subsidiaries of public limited companies and excludes directorships held in private limited companies and overseas companies.

**B. ATTENDANCE OF DIRECTORS AT BOARD MEETING AND ANNUAL GENERAL MEETINGS**

The Board of Directors of the company met Six times during financial year on 30.05.2011; 30.07.2011; 01.08.2011; 17.08.2011; 29.10.2011 and 30.01.2012.

**DIRECTORS ATTENDANCE IN BOARD AND ANNUAL GENERAL MEETING**

Name of the Director	No of Board Meetings held	No of Board Meetings Attended	Attendance at last AGM
Sri.N.Kishan Reddy	6	6	Yes
Sri.G.Raja Reddy	6	6	Yes
Sri.N.Srinath Reddy	6	6	Yes
Sri.T.Naveena Chandra	6	6	Yes
Sri.S.Krishna Prasad	6	6	Yes
Sri.P.Jagadheeswar Reddy	6	6	Yes



**REMUNERATION OF DIRECTORS**

Details of Remuneration paid/payable to directors

Director	Relationship with other directors	Loans availed	Sitting Fees	Salary	Commission	Total
Sri.N.Kishan Reddy	Father-in-Law to Sri. N. Srinath Reddy	Nil	Nil	Nil	Nil	Nil
Sri.G.Raja Reddy	None	Nil	Nil	Nil	Nil	Nil
Sri.N.Srinath Reddy	Son-in-Law to Sri N.Kishan Reddy	Nil	Nil	Nil	Nil	Nil
Sri.T.Naveena Chandra	None	Nil	Nil	Nil	Nil	Nil
Sri.S.Krishna Prasad	None	Nil	Nil	Nil	Nil	Nil
Sri.P.Jagadheeswar Reddy	None	Nil	Nil	Nil	Nil	Nil

**AUDIT COMMITTEE**

The committee met 4 times during the year 2011-12 on the following dates 30.05.2011, 30.07.2011, 29.10.2011 and 30.01.2012.

The constitution of the committee and the attendance of each member of the said committee are as under.

Name of the Director	Designation	No of meetings held	No of meetings Attended
T.Naveen Chandra	Chairman	4	4
Sri.G.Raja Reddy	Member	4	4
Sri.S.Krishna Prasad	Member	4	4

The terms of reference of the Audit Committee include the following:

1. To review the quarterly, half-yearly and annual financial results of the Company before Submission to the Board.
2. To oversee the financial reporting process and disclosure of its financial information and to ensure that the financial statements are correct, sufficient and credible.
3. To hold periodic discussions with the statutory auditors and internal auditors of the Company Concerning the accounts of the company, internal control systems, scope of audit and observations of the auditors/internal auditors.
4. To make recommendations to the Board on any matter relating to the financial management of the Company, including the audit report.
5. To recommend the appointment and removal of external auditor, fixation of audit fee and also approval of fee for any other services by the auditors.
6. To investigate into any matter in relation to items specified in section 292A of the Company Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice in necessary.
7. To make recommendations to the Board on any matter relating to the financial management of the company.

### **REMUNERATION COMMITTEE**

As per Clause 49 of the Listing Agreement, Constitution of Remuneration Committee is non-mandatory and hence the Company has not constituted it.

Remuneration by way of sitting fee as decided by the Board of Directors for attending the Board Meetings and Committee Meetings are paid to Non Executive Directors. Further, Board of Directors determines the remuneration of the Whole-time/Executive Directors within the framework as approved by the Share holders.



**INVESTORS' GRIEVANCE COMMITTEE**

The committee met 4 times during the year 2011-12 on the following dates 30.05.2011, 30.07.2011, 29.10.2011 and 30.01.2012.

The constitution of the committee and the attendance of each member of the said committee are as under.

Name of the Director	Designation	No of meetings Held	No of meetings attended
Sri.G.Raja Reddy	Chairman Non-Executive	4	4
Sri.N.Kishan Reddy	Member Executive Director	4	4
Sri.S.Krishna Prasad	Member Non – Executive (Independent Director)	4	4

During the year 2011-12, no complaints were received from Shareholders. There are no pending complaints and transfers as on the date of the report.

**GENERAL MEETINGS**

The location and time of the Annual General Meetings held during the last 3 years are as follows

No of AGM	Date	Venue	No of Special Resolutions
21 <sup>st</sup> AGM	30.09.2009	Nagarjuna Function hall, Ameerpet	Nil
22 <sup>nd</sup> AGM	30.09.2010	Nagarjuna Function hall, Ameerpet	Nil
23 <sup>rd</sup> AGM	24.09.2011	Nagarjuna Function hall, Ameerpet	2

## **DISCLOSURES**

- a. During the year, there were no transaction of material nature has been entered into by the Company with directors or management and their relative's etc, that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
- b. There were no instances of non-compliance on any matter related to the capital Markets, during the last three years.

## **MEANS OF COMMUNICATION**

The quarterly, half-yearly and annual results of the company are regularly submitted to the stock exchanges wherever the shares of the company are listed and the same are published in leading newspapers.

## **GENERAL SHAREHOLDER INFORMATION**

- a. 24<sup>th</sup> Annual General meeting
  - Date: 29.09.2012
  - Time: 10.00 A.M
  - Venue: Nagarjuna Function hall, Nagarjuna Nagar, Hyderabad
- b. Book Closure Date: 22<sup>nd</sup> September to 29<sup>th</sup> September 2012 (both days inclusive)
- c. Listing on stock Exchanges: Bombay Stock Exchange.
- d. Stock code: The Stock Exchange, Mumbai. - SRIKPRIND (514442).
- e. Market Price Date - High/ Low during each month of the financial year - Not actively traded.
- f. Name and address of the share transfer agents:

Kavy Computershare Pvt.Ltd,  
Plot No.17 to 24, Neer Image Hospital  
Vithairao Nagar, Madhapur,  
Hyderabad - 500 081



## g. Distribution of Shareholding as on 31.03.2012

Sl. No. d	Rupees	No of Shareholders	%of Share holders	No of Shares	Percentage of Share Holding
1.	1-5000	5143	90.09	9011080	15.94
2.	5001- 10000	254	4.97	2285000	4.04
3.	10001 - 20000	137	2.40	2086820	3.69
4.	20001 - 30000	47	0.82	1196390	2.12
5.	30001 - 40000	18	0.32	637070	1.13
6.	40001 - 50000	11	0.19	510150	0.90
7.	50001 - 100000	25	0.44	1650460	2.92
8.	100001 and above	44	0.77	39156030	69.26
Total		5709	100.00	56533000	100.00

## a. Dematerialization of shares:

As on 31<sup>st</sup> March, 2012, 4454291 shares being 78.79% of the total number of shares are in dematerialization form

## i. Share transfer system:

Share transfer requests in physical form are processed within 30 days from the date of receipt. The requests for dematerialization of shares are confirmed within 15 days from the date of receipt.

To expedite the share transfer process in the physical segment, authority has been delegated to the Registrar & Share Transfer Agent:

## J. Address for correspondence:

The company's Registered office is situated at V Floor, KPR House, S.P. Road, Secunderabad - 500 003.

## k. Shareholders correspondence may be directed to M/s. Karvy Computershare Pvt.Ltd, Plot No.17 to 24, Near Image Hospital, Vithalrao Nagar, Madhapur, Hyderabad- 500 081.

**Management Discussion and Analysis Report****1. Back Ground**

The Management Discussion and Analysis Report sets out the developments in the business environment and the company's performance since our last report. This analysis supplements the Director's Report and the Audited financial Statements forming part of this Annual Report.

**2. Internal Control Systems and Adequacy**

The Company has sound internal control system, which ensures that all the assets are protected against loss from unauthorized use and all the transactions are recorded and reported correctly.

The internal control system is supplemented by an extensive programme of internal audits and reviews by management. The internal control systems are designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Further the reliance of all the internal control functions and its entire gamut of activities are covered by independent audit conducted by separate internal auditors whose findings will be reviewed regularly by the Audit Committee and top management of the Company.

The internal audit is conducted as per the requirement of the Company and the report will be submitted to the Audit committee and to the management. It reviews the policies and procedures followed. The committee reviews the quarterly and half yearly financial results before they are submitted to the Board of Directors.

**3. Human Resource Development**

Human capital is one of the key elements of your Company. The Company has employed the employees who are highly motivated and have been contributing for the growth of the company. The Company's human resources policies are aimed at motivating its employees to deliver high quality performance and reward talent with adequate compensation and accelerated career growth opportunities. The loyalty and faithfulness exhibited by employees at all levels, sustained and untiring efforts put by them show the motivation and commitment on their part.



**CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT**

As provided under Clause 49 of the Listing Agreement relating to Corporate Governance with the Stock Exchanges, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct during the financial Year 2011-12.

For Sri KPR Industries Ltd

Sd/-

N. Kishan Reddy  
Managing Director

Place: Secunderabad

Date: 31.05.2012

**ANNEXURE TO THE DIRECTORS REPORT****CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members of Sri KPR Industries Limited  
(Formerly Bhagyanagar Wood Plast Limited),  
Secunderabad.

We have examined the compliance of conditions of Corporate Governance by Sri KPR Industries Limited (Formerly Bhagyanagar Wood Plast Limited), (hereinafter referred to as the company) for the year ended 31<sup>st</sup> March 2012 as stipulated in Clause 49 of the Listing Agreements of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements, as required under Sub-clause I (A) of Clause of 49 of the Listing Agreements.

We state that in respect of investor grievance received during the year ended 31<sup>st</sup> March, 2012 no investor grievances are pending against the Company exceeding one month as per records maintained by the company which are presented to the Shareholders/Investors Grievance Committee.

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

Sd/-

For V. Sridhar & Co.,  
Chartered Accountants  
FRN. 008206 S

Sd/-

Vemulapati Sridhar  
Proprietor  
Membership No.202337  
Secunderabad, May 31, 2012



**Auditors' Report**

To the Members of Sri KPR Industries Limited  
(Formerly Bhagyanagar Wood Plast Limited)  
Secunderabad.

1. We have audited the attached balance sheet of Sri KPR Industries Limited (Formerly Bhagyanagar Wood Plast Limited), as at 31<sup>st</sup> March, 2012, the statement of profit and loss and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to the comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
  - (iii) 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;

- (iv) In our opinion, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2012.
  - (b) in the case of statement of profit and loss, of the profit for the year ended on that date; and
  - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For V. Sridhar & Co.,  
Chartered Accountants,  
FRN. 006206 S

Sd/-  
Vemulapati Sridhar  
Proprietor  
Membership No: 202337  
Secunderabad. May 31, 2012



**Annexure to the Auditors' Report**

Re: Bhagyanagar Wood Plast Limited, Year ended March 31, 2012.

Referred to in paragraph 3 of our report of even date.

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management during the year at reasonable intervals has physically verified the fixed assets. According to information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The company has not disposed of substantial part of fixed assets during the year.
- (ii) (a) The company did not carry out any manufacturing activity during the year and as such did not carry inventory.
- (b) The company has maintained proper records with respect to the stock of traded shares.
- (iii) (a) The company has granted loan to Sri Venkateswara pipes Limited, a related party. The maximum balance in the account during the year was Rs.2.89 crores and the yearend balance is Rs. 2.89 Crores.
- (b) The interest & other terms & conditions of the Loan given are not prima facie prejudicial to interest of the company.
- (c) The payment of principal & interest are as agreed by the parties & are regular.
- (d) The company had not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained U/s.301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. However there are no transactions exceeding rupees five lakhs in this regard.
- (vi) The company has not accepted deposits within the meaning of section 58A of the Companies Act, 1956.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.



- (vii) The Central Government has not prescribed maintenance of cost records to the company.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, service tax and cess were in arrears, as at March 31, 2012 for a period of more than six months from the date they became payable.
- (x) The company does not have any accumulated losses.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or banks. The company has not issued any debentures.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a *nidhi* / mutual fund / society.
- (xiv) Proper records have been maintained in respect of the transactions in shares and timely entries have been made therein. In respect of the shares/ investments whose transfer has been pending as at the last day of the financial year the entries have been made as soon as the transfer is recorded. These shares and securities are held in the name of the company.
- (xv) The company has not given any guarantee for loans taken by others.
- (xvi) The company has not raised any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) The company has not made any preferential allotment during the year.
- (xix) The company has not issued any debentures.
- (xx) The company has not raised any monies from public issue during the year under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For V. Sridhar & Co.,  
Chartered Accountants,  
FRN. 006206 S

Sd/-

Vemulapati Sridhar  
Proprietor  
Membership No. 202337  
Secunderabad. May 31, 2012



**SRI KPR INDUSTRIES LIMITED**

(Formerly Bhagyanagar Wood Plast Ltd.)

**BALANCE SHEET AS AT MARCH 31, 2012**

(Rupees)

S.No	Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>(1) Shareholders' Funds</b>			
	(a) Share Capital	2	56533000	56533000
	(b) Reserves and Surplus	3	16681275	15043077
	(c) Money received against share warrants		-	-
	<b>(2) Share application money pending allotment</b>		-	-
	<b>(3) Non-Current Liabilities</b>			
	(a) Long term borrowings	4	33806	283594
	(b) Deferred tax liabilities(net)	5	292296	363865
	(c) Other Long-term liabilities		-	-
	(d) Long-term provisions		-	-
	<b>(4) Current Liabilities</b>			
	(a) Short-term borrowings		-	-
	(b) Trade payables	6	1573924	7845582
	(c) Other current liabilities		-	-
	(d) Short term provisions	7	348723	80939
	<b>Total Equity &amp; Liabilities</b>		<b>75463024</b>	<b>80159057</b>
<b>II</b>	<b>ASSETS</b>			
	<b>(1) Non Current Assets</b>			
	<b>(a) Fixed Assets</b>			
	(i) Tangible assets	8	7428644	7639284
	(ii) Intangible assets		-	-
	(iii) Capital work in progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non current investments	9	5959700	5959700
	(c) Long term loans and advances	10	28900000	29100000
	(d) Other non current assets	11	502640	-
	<b>(2) Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories	12	4437248	2674316
	(c) Trade receivables	13	24055916	29461729
	(d) Cash and cash equivalents	14	2933851	4449367
	(e) Short term loans and advances	15	1225025	924661
	(f) Other current assets		-	-
	<b>Total Assets</b>		<b>75463024</b>	<b>80159057</b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; OTHER INFORMATION</b>		<b>1</b>		

As per our report of even date

 For V.Sridhar & Co.,  
 Chartered Accountants  
 FRN No: 006298S

 Sd/-  
 Vemulapati Sridhar  
 Proprietor  
 ICAI Memb No: 202337  
 Secunderabad, May 31, 2012

For and on behalf of the Board of Directors

 Sd/-  
 N.Kishan Reddy  
 Managing Director

 Sd/-  
 N.Smath Reddy  
 Wholetime Director

**SRI KPR INDUSTRIES LIMITED**

(Formerly Bhagyanagar Wood Plast Ltd.)

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012**

(In Rupees)

S.NO	PARTICULARS	NOTE No.	As at March 31, 2012	As at March 31, 2011
I	Revenue from operations		-	-
II	Other income	16	5719023	3687544
III	Total Revenue(I+II)		5719023	3687544
IV	<b>Expenses:</b>			
	Employee Benefits Expense	17	402778	398308
	Finance Costs	19	28578	58202
	Depreciation	8	210640	210640
	Other Expenses	18	3161675	1694158
	<b>Total Expenses</b>		<b>3803871</b>	<b>2361318</b>
V	Profit before exceptional and extraordinary items and tax(III-IV)		1915352	1326226
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax(V-VI)		1915352	1326226
VIII	Extraordinary items		-	-
IX	Profit before tax (VII-VIII)		1915352	1326226
X	Tax expenses:			
	(1) Current tax		348723	118635
	(2) Deferred tax - Timing difference		(71569)	(24194)
XI	Profit/(Loss) for the period from continuing operations		1638198	1231785
XII	Profit/(Loss) from discontinuing operations		0	0
XIII	Tax expense of discontinuing operations		0	0
XIV	Profit/(Loss) from discontinuing operations(after tax) (XII-XIII)		1638198	1231785
XV	Profit/(Loss) for the period (XI + XIV)			
XVI	Earnings per equity share:			
	(1) Basic		0.29	0.22
	(2) Diluted		0.29	0.22
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; OTHER INFORMATION</b>		<b>1</b>		

As per our report of even date

 For V.Sridhar & Co.,  
Chartered Accountants

FRN No:0062065

 Sd/-  
Vemulapati Sridhar  
Proprietor

 ICAI Memo No. 202337  
Secunderabad, May 31, 2012

For and on behalf of the Board of Directors

 Sd/- Sd/-  
N.Kishan Reddy N.Srinath Reddy  
Managing Director Wholetime Director



**NOTES FORMING PART OF ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES & OTHER INFORMATION****A. 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 aspects with accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.
- iii. Financial statements are prepared on historical cost basis and as a going concern.

**B. Revenue Recognition :**

Income from traded shares is recognized upon sale of the same and the stock of shares as at the year end is valued at cost of acquisition / market value, whichever is lower.

**C. Tangible Fixed Assets and Depreciation**

- i. Tangible Fixed Assets acquired by the company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any.
- ii. The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring it to the site and in the working condition for intended use.
- iii. Depreciation is provided on straight line basis at rates and in the manner specified in schedule XIV to the Companies Act, 1956, unless then the use of higher rate or an accelerated charge is justified through technical estimates.

**D. Investments**

Non-current investments are stated at cost. Traded shares are stated at cost or market value which ever is lower.

**E. Inventories**

Stocks are valued at cost or market whichever is less.

**F. Staff Benefits**

Provident Fund Contributions and other staff benefits are accounted on accrual basis.

**G. Deferred Taxation:**

Accounting treatment in respect of deferred taxation is in accordance with Accounting Standard 22: "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

**H. Preliminary Expenses :**

Expenses incurred in connection with the increase in authorized capital of the company are written off in equal instalments over a period of five years and the unwritten off portion is included in non-current assets

**I. Contingent Liabilities – Nil****J. Related Party Transactions**

Name of the Related Party	Maximum Balance (Rs.)	Year-end Balance (Rs.)	Amount written returned back
Sri Venkateswara Pipes Ltd	2.89 crores	2.89 crores	Nil



NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2012

(Rupees)

Particulars		As at March 31, 2012	As at March 31, 2011
<b>2</b>	<b>Share Capital</b>		
	<b>a. Authorised</b>		
	1,60,00,000 Equity shares of Rs.10/- each (Previous year 65,00,000 equity shares of Rs.10/- each)	160000000	65000000
		160000000	65000000
	<b>b. Issued &amp; Subscribed &amp; paid up</b>		
	56,53,300 Equity shares of Rs.10/- each fully paid up	56533000	56533000
		56533000	56533000
	<b>c. Par value of shares</b>	Rs.10/-	Rs.10/-
	<b>d. Number of Shares outstanding at beginning the year</b>	5653300	5653300
	Changes during the year	-	-
	<b>Number of Shares outstanding at end of the year</b>	5653300	5653300
	<b>e. Details of Shareholder holding more than 5% Shares</b>		
<b>Sr. No.</b>	<b>Name of the Share Holder</b>	<b>No of Shares</b>	<b>Percentage</b>
1.	N.Kishan Reddy	586545	10.380
2.	N.Vinzel Reddy	544754	9.640
3.	N.V.jaya	379893	6.720
4.	N.Vinetha	346255	6.120
	<b>f. The Company has only one class of Shares i.e. Equity shares</b>		
	<b>g. The company has not made any bonus issue during last preceding five years</b>		
	<b>h. There are no restrictions on declaration of dividend</b>		
<b>3</b>	<b>Reserves &amp; Surplus</b>		
	<b>State Subsidy</b>		
	As per last Balance sheet	2369086	2369086
	Add: Current Year		
	<b>Total(A)</b>	<b>2369086</b>	<b>2369086</b>
	<b>Profit &amp; Loss Account</b>		
	As per Last Balance Sheet	12673991	11442205
	Add: Profit for the year	1638198	1231786
	<b>Total(B)</b>	<b>14312189</b>	<b>12673991</b>
	<b>Total (A)+(B)</b>	<b>16681275</b>	<b>15043077</b>

## NOTES FORMING PART OF FINANCIAL STATEMENT AS AT MARCH 31, 2012.

## 8. Tangible Assets

Rupees

S.No.	PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK	
		As at 1-4-11	Additions	As at 31-3-12	As at 1-4-11	For the Period	As at 31-3-12	As at 31-3-11
1.	Land	6568480	0	6568480	0	0	6568480	6568480
2.	Furniture & Fixtures	1285634	0	1285634	1002102	81252	202280	283532
3.	Office Equipment	6200	0	6200	782	391	5027	5418
4.	Vehicles	1357867	0	1357867	576013	128997	652857	781854
	<b>TOTAL</b>	<b>9218181</b>	<b>0</b>	<b>9218181</b>	<b>1578897</b>	<b>210640</b>	<b>7428644</b>	<b>7639284</b>



**Notes Forming Part of Financial Statements as at March 31, 2012**

(In Rupees)

	Particulars	As at March 31, 2012	As at March 31, 2011
4	<b>Long Term Borrowings</b>		
	<b>Term Loans</b>		
	- From Banks		
	HDFC Bank Ltd(Skoda Car) (Secured by hypothecation of vehicles and one instalment is	33806	283594
	<b>Total</b>	<b>33806</b>	<b>283594</b>
	Beginning of the year relating to the fixed assets	363865	388059
	Less : Reversal during the year arising on account of timing	71569	24194
		<b>292296</b>	<b>363865</b>
5	<b>Trade Payables</b>		
	Sundry Creditors	1573924	7845582
		<b>1573924</b>	<b>7845582</b>
7	<b>Short Term Provisions</b>		
	Income Tax	348723	89939
	<b>Total</b>	<b>348723</b>	<b>89939</b>
9	<b>Non Current Investments</b> (All unquoted unless otherwise specified)		
	1,47,200 equity shares of Rupees 10 each in Belaji Amines Limited at a premium of Rs.30/- (including 73600 bonus shares)	2944000	2944000
	300000 equity shares of Rs.10/- each, investment in Sri Venkateswara Pipes Ltd	3000000	3000000
	Indira Vikas Patra	200	200
	National Savings Certificate	15500	15500
	<b>Total</b>	<b>5959700</b>	<b>5959700</b>
	Quoted value of the above	6543040	11304960
	Aggregate value of quoted investments	6543040	11304960
	Aggregate value of unquoted investments	3015700	3015700

Notes Forming Part of Financial Statements as at March 31, 2012

(In Rupees)

	Particulars	At at	At at
		March 31, 2012	March 31, 2011
10	<b>Long term Loans Advances</b>		
	Loans to Sri Venkateswara Pipes Ltd	28900000	29100000
		<b>28900000</b>	<b>29100000</b>
11	<b>Other Non Current Assets</b>		
	Miscellaneous Expenditure to the extent not written off or adjusted	502640	
	<b>Total</b>	<b>502640</b>	<b>0</b>
12	<b>Inventories</b>		
	[ As verified ,valued and certified by the Management]		
	Traded Shares	4437248	2624316
		<b>4437248</b>	<b>2624316</b>
13	<b>Trade Receivables (Unsecured and Considered good)</b>		
	- Over Six months	24055916	29461729
	- Others		
	<b>Total</b>	<b>24055916</b>	<b>29461729</b>
14	<b>Cash and Cash equivalents</b>		
	- Cash on hand	218962	522636
	- In Current Accounts	2216933	3435803
	- Short Term Deposit with SBH including interest there on	521956	480928
	<b>Total</b>	<b>2953851</b>	<b>4448367</b>
15	<b>Short term Loans and Advances</b>		
	- Others	1225025	924661
	<b>Total</b>	<b>1225025</b>	<b>924661</b>
16	<b>Other income</b>		
	Dividend	1059560	686340
	profit on sale of investments	305439	(838665)
	Interest	4086290	3835869
	Others	267734	0
	<b>Total</b>	<b>5719023</b>	<b>3687544</b>





## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Rupees in Lakhs

Particulars	Current Year	Previous Year
<b>Cash flow from operating activities</b>		
Profit before interest and tax	19.44	13.75
Other Income considered separately	(57.19)	(45.26)
Depreciation	2.11	2.11
Non Cash Income	(2.68)	
(Increase) / Decrease in Inventories	(18.13)	11.34
(Increase) / Decrease in Receivables	53.96	(24.74)
(Increase) / Decrease in Loans & advances and other current assets	(1.00)	(39.23)
Increase / (Decrease) in Current Liabilities	(60.13)	19.71
(Increase) / Decrease non Current Assets	(5.73)	-
<b>Cash Flow from Operating Activities (A)</b>	<b>(69.35)</b>	<b>(62.32)</b>
<b>Cash flow from Investing Activities</b>		
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	-	-
Other Income	57.19	45.26
<b>Cash Flow from Investing Activities (B)</b>	<b>57.19</b>	<b>45.26</b>
<b>Cash flow from Financing Activities</b>		
Secured loans	(2.50)	(4.29)
Interest paid	(0.29)	(0.48)
<b>Cash Flows from Financing Activities (C)</b>	<b>(2.79)</b>	<b>(4.77)</b>
<b>Net Increase or Decrease in Cash Equivalents A+B+C</b>	<b>(14.95)</b>	<b>(21.83)</b>
Cash or Cash equivalents at the beginning of the year ( April 1,2011)	44.49	66.32
Cash or Cash equivalents at the end of the year ( March 31,2012)	29.54	44.49
<b>Increase / (-)Decrease</b>	<b>(14.95)</b>	<b>(21.83)</b>

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

As per our report of even date  
For V.Sridhar&Co.,  
Chartered Accountants,  
FRN. 006206S

Sd/  
Vemulapati Sridhar  
Proprietor  
Memb No.202337  
Secunderabad, May 31, 2012

For and on behalf of Board of Directors

Sd/  
N. Kishan Reddy  
Managing Director

Sd/  
N. Srinath Reddy  
Whole time Director



ATTENDANCE SLIP  
**SRI KPR INDUSTRIES LIMITED**

(Formerly Bhagyanagar Wood Plast Ltd.)  
Registered Office : V Floor, KPR House,  
S.P. Road, Secunderabad-500003.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE  
ENTRANCE OF THE MEETING VENUE

DP, ID & Client ID / Master Folio No. : \_\_\_\_\_

Name & Address of the Share Holder

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

No. of Shares held \_\_\_\_\_

I hereby record my presence at the 24th Annual General Meeting of the Company held on Saturday the 29th day of September, 2012 at 10:00 am at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda, (backside of Chermas Show Room) Ameerpet, Hyderabad - 500073.

Signature of the Shareholder or Proxy \*

\* Strike out whichever is not applicable \_\_\_\_\_

PROXY FORM  
**SRI KPR INDUSTRIES LIMITED**

(Formerly Bhagyanagar Wood Plast Ltd.)  
Registered Office : V Floor, KPR House, S.P. Road, Secunderabad-500003.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE  
ENTRANCE OF THE MEETING VENUE

DP, ID & Client ID / Master Folio No. : \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member  
members of M/s. Sri KPR Industries Limited here by appoint \_\_\_\_\_ of  
\_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ as my / our proxy to vote for me / us and on my /our behalf at the 24th

Annual General Meeting to be held on Saturday the 29th day of September, 2012 at 10:00 am or at any  
adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Affix  
One  
Rupee

Note : The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the afore said meeting. The proxy need not be a member of the Company.

PRINTED MATTER

BOOK-POST

*If undelivered, please return to :*

**SRI KPR INDUSTRIES LIMITED**

(Formerly Bhagyanagar Wood Plast Ltd.)

5<sup>th</sup> Floor, KPR House,

S.P. Road, Secunderabad - 500 003.

Andhra Pradesh, INDIA.