

**SRI KPR INDUSTRIES LIMITED**



**27<sup>th</sup>  
Annual Report  
2014-2015**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Mr. Kishan Reddy Nalla  
Mr. Srinath Reddy Nalla  
Mr. Bhoopal Reddy Aleti  
Mr. Raja Reddy Gaddam  
Mr. Naveena Chandra Thammishetty  
Mr. Krishna Prasad Srinivas  
Mr. Jagadeeshwar Reddy Prodduturi  
Mr. Vineel Reddy Nalla  
Ms. Vinitha Reddy Nalla

**REGISTERED OFFICE**

Vth Floor, K.P.R. House, Sardar Patel Road,  
Secunderabad – 500003, Telangana.  
CIN: L20200TG1988PLC009157  
Tel. No.: 040-27847121  
Fax No.: 040 - 27892076  
E-mail: [bwpl9@yahoo.com](mailto:bwpl9@yahoo.com)  
Website: <http://www.kprindustries.in>

**STATUTORY AUDITORS**

M/s. V. Sridhar & Co.,  
Chartered Accountants,  
Hyderabad

**BANKERS**

State Bank of India,  
Commercial Branch, Koti, Hyderabad  
  
State Bank of Hyderabad,  
Commercial Branch, Secunderabad

**REGISTRAR & SHARE TRANSFER  
AGENTS**

Karvy Computershare Private Limited  
Regd Off: "KarvyHouse", 46 Avenue 4, Street No 1,  
Banjara Hills, Hyderabad – 500 034.  
Corporate Off: Karvy Selenium Tower B, Plot 31-  
32, Gachibowli, Financial District, Nanakramguda,  
Serilingampally, Hyderabad – 500 032  
Tel No: 040-67162222  
Fax No: 040-23420829  
Email Id: [mailmanager@karvy.com](mailto:mailmanager@karvy.com)  
Website: [support@karvy.com](mailto:support@karvy.com)

**NOTICE**

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the members of M/s. **SRI KPR INDUSTRIES LIMITED** (CIN: L20200TG1988PLC009157) will be held on Wednesday, the 30<sup>th</sup> day of September, 2015 at 10.00 A.M. at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda, (Backside of Chermas Showroom), Ameerpet, Hyderabad-500073 to transact the following business:

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**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2015 and the report of the Directors and Auditors thereon.
2. To declare dividend on the equity shares of the Company for the Financial Year ended 31<sup>st</sup> March, 2015.
3. To re-appoint Mr. Bhoopal Reddy Aleti (DIN: 00043263), who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Mr. Vineel Reddy Nalla (DIN: 01514842), who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. V Sridhar & Co, Chartered Accountants, Hyderabad as the Statutory Auditors of the Company and if thought fit, to pass with or without modifications, the following resolution as **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Sections 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) M/s. V Sridhar & Co, Chartered Accountants, Hyderabad (FRN: 006206S) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and the Audit Committee or the Board of Directors of the Company be and are hereby authorized to fix their remuneration in consultation with them.”

**SPECIAL BUSINESS:**

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013, read with the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authority as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors for entering into contract / arrangement / transaction with M/s. Sri KPR Infra & Projects Limited, a Wholly owned Subsidiary of the Company for sale, purchase or supply of goods or materials on terms and conditions as provided in the explanatory statement.”

**“RESOLVED FURTHER THAT** the Audit Committee or the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, matters and things as may be necessary to give effect to the above resolution.”

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 146 and other applicable provisions, if any of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the Board of Directors to consider giving exemption to the Auditors of the Company to attend the General Meetings.”

**By the Order of the Board  
FOR SRI KPR INDUSTRIES LIMITED**

Sd/-

**(KISHAN REDDY NALLA)  
CHAIRMAN  
DIN: 00038966**

Place: Secunderabad

Date: 31.08.2015



**NOTES:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 in respect of the Special Business is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, should reach the registered office of the Company at least 48 hours before the time of the meeting. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

3. Corporate members intending to send their authorized representative(s) to attend the meeting, are requested to send to the Registered Office of the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
5. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circular stating that the service of documents/ notices including annual report can be sent by e-mail to its members. To support the same members are requested to register their e-mail addresses with the Company.
6. All documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection at the Registered Office of the Company during business hours on all working days upto the date of declaration of the result of the 27<sup>th</sup> Annual General Meeting of the Company.
7. Members are requested to notify immediately any change of address or bank mandates to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Registrars of the Company i.e. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 in respect of their physical share folios, if any. Members are requested to quote their folio numbers/ DP ID and Client ID numbers in all correspondence with the Company and the Registrar and the Share Transfer Agent.
8. Shareholders are requested to bring their copies of the Annual Report to the Annual General Meeting and are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue of the Annual General Meeting.

9. 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.
10. A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his / her query in writing to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting. In order to service the shareholders effectively and for administrative convenience, members are requested to notify multiple folios standing in their name for consolidation, if any, to the Secretarial Department at the Registered Office of the Company immediately.
11. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
13. The Register of Members and Share Transfer books of the Company will remain closed from 24.09.2015 to 30.09.2015 (both days inclusive) for determining the names of member's eligible for payment of dividend on equity shares, if declared at the meeting.
14. The equity dividend of Rs. 0.70 per share (7%) for the year ended March 31, 2015 as recommended by the Board, if approved at the ensuing Annual General Meeting, will be payable to those members whose names appear on the Company's Register of Members on 23.09.2015.
15. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or M/s. Karvy Computershare Private Limited for assistance in this regard.
16. In terms of the Circular No. CIR/MRD/DP/10/2013 dated 21<sup>st</sup> March, 2013 issued by SEBI, listed companies are required to use Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS, NEFT, etc for making cash payments like dividends, etc to the members. Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding shares in physical form may send a request updating their bank details to RTA of the Company.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic format, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form may submit their PAN details to the Company/RTA.
18. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to Rule 19(1) of the Companies (Share capital and Debentures) Rules, 2014 are requested to send their requests in Form SH-13, to the Registrar and Transfer agent (RTA) of the Company.

19. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice. The detailed instructions of e-voting will be mailed separately.

**INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT REGARDING APPOINTMENT / RE-APPOINTMENT OF DIRECTORS**

1.	PARTICULARS	INFORMATION
	Name of the Director	Bhoopal Reddy Aleti
	DIN	00043263
	Date of Birth	14.06.1956
	Nationality	Indian
	Date of Appointment	30.09.2013
	Qualification	B.A.
	Job Profile & Responsibilities	Factory and General Administration
	Directorships in other Companies as on 31.03.2015	1.Sri KPR Renewable Energy Limited 2.Mahitha Energy India Private Limited
	No of Shares held in the Company	6,33,620
	Membership of Committees of the Board	Nil

2.	PARTICULARS	INFORMATION
	Name of the Director	Vineel Reddy Nalla
	DIN	01514842
	Date of Birth	08.04.1971
	Nationality	Indian
	Date of Appointment	30.09.2013
	Qualification	B.E.
	Job Profile & Responsibilities	Marketing and General Administration
	Directorships in other Companies as on 31.03.2015	1.NBOS Technologies Private Limited 2.Sri KPR Infra & Projects Limited 3.50K Ventures Advisors Private Limited 4.Sri Vijayeebhava Enterprises Private Limited
	No of Shares held in the Company	18,91,454
	Membership of Committees of the Board	Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****ITEM NO 6:**

The Company has proposed for entering into contract with M/s. Sri KPR Infra & Projects Limited, a wholly owned subsidiary for sale, purchase or supply of goods or materials.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 no Company shall enter into contract / arrangement with a related party for sale, purchase or supply of goods or materials, exceeding 10% of the Turnover or Rs. Hundred Crores, whichever is lower except with the prior approval of shareholders by way of Special Resolution.

The proposed transaction is in ordinary course of business and at arm's length basis. Pursuant to the provisions of revised Clause 49 of the Listing Agreement, any contracts / arrangements / transactions which are material in nature shall require the approval of the members of the Company by way of special resolution.

Accordingly, your Directors recommend the aforesaid resolution as set out in Item No. 6 by way of Special Resolution for approval of members.

None of the Directors / Key Managerial Personnel and their relatives are interested in the aforesaid resolution except Mr. Kishan Reddy Nalla, Mr. Srinath Reddy Nalla, Mr. Raja Reddy Gaddam, Whole-Time Directors and Mr. Vineel Reddy Nalla, Ms. Vinitha Reddy Nalla, Directors of the Company and to the extent of shares held by them.

**Additional information pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 is furnished hereunder:**

1.	Name of the Related Party	Sri KPR Infra & Projects Limited.
2.	Name of the director or key managerial personnel who is related, if any	Mr. Kishan Reddy Nalla, Mr. Srinath Reddy Nalla, Mr. Raja Reddy Gaddam, Whole-Time Directors and Mr. Vineel Reddy Nalla, Ms. Vinitha Reddy Nalla, Directors of the Company are deemed to be interested in the proposed contract / arrangement to be entered.
3.	Nature of relationship	Sri KPR Infra & Projects Limited is a Wholly-owned Subsidiary Company.
4.	Consideration	Subject to a limits of Rs. 200 Crores
5.	Duration of Contract /Arrangement	The Proposed Contract will be initially for a period of 5 (Five) years with option to either of the parties to terminate the contract with prior notice.
6.	Nature, material terms, monetary value and particulars of the contract or arrangement	The contract is entered for sale, purchase or supply of goods / materials.

**ITEM NO 7:**

Pursuant to the provisions of Section 146 of the Companies Act, 2013 the auditors of the Company are required to attend the General Meetings of the Company unless exempted by the members of the Company.

The Board is of the opinion that there may be some circumstances where the auditor couldn't attend the General Meetings of the Company as such has proposed to take the approval of members for exempting the auditors from attending the General Meetings of the Company.

Accordingly, your Directors recommend the aforesaid resolution for the approval of members.

None of the Directors / Key Managerial Personnel and their relatives are interested in the aforesaid resolution.

**By the Order of the Board  
FOR SRI KPR INDUSTRIES LIMITED**

Sd/-

**(KISHAN REDDY NALLA)  
CHAIRMAN  
DIN: 00038966**



### **DIRECTORS' REPORT**

To  
The Members of  
M/s. Sri KPR Industries Limited  
Secunderabad

Your Directors take the pleasure in presenting the Annual report on the affairs of the Company for the financial year 2014-15 together with the Audited Financial Statements and the report of the Auditors thereon.

#### **FINANCIAL RESULTS (STANDALONE)**

(Amount in Rs.)

<b>Particulars</b>	<b>For year ending 31<sup>st</sup> March, 2015</b>	<b>For year ending 31<sup>st</sup> March, 2014</b>
Income from Operations	36,72,97,849	43,48,56,138
Other Income	3,74,65,742	80,68,831
<b>Total Income</b>	<b>40,47,63,591</b>	<b>44,29,24,969</b>
Consumption of Raw materials	16,62,36,652	18,23,00,446
Changes in Inventory	(38,11,850)	1,41,86,534
Employee benefit expenses	2,51,36,730	1,89,97,145
Finance Cost	1,45,25,061	1,70,12,759
Depreciation	1,92,72,912	2,09,62,626
Manufacturing and other expenses	12,24,18,669	13,42,57,787
<b>Total Expenses</b>	<b>34,37,78,175</b>	<b>38,77,17,297</b>
Profit/(Loss) – Before Tax & Exceptional Items	6,09,85,416	5,52,07,672
Exceptional Items	28,23,477	(81,901)
Prior Period Item	-	-
Profit/(Loss) – Before Tax	6,38,08,893	5,51,25,771
Current Tax	(99,22,250)	(1,08,98,426)
Deferred Tax	24,80,278	(53,10,548)
Profit/(Loss) – After Tax	5,63,66,921	3,89,16,797

#### **OPERATIONS**

Your Company's strength lies in identification, planning, execution and successful implementation of the projects undertaken by it. 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 Company continues to explore new opportunities.

Presently the Company has interest in pipe manufacturing and power generation. The management feels that power generation has enormous scope and potential in the years to come and accordingly new ventures are being contemplated in this area. In addition to the power generation projects, the Company is also exploring new avenues in manufacturing sector. In this regard the Company has commenced the operation of wind mill in Dewas district of Madhya Pradesh in July 2015. The details of the projects as and when finalized will be put forward / informed to the shareholders.

During the year under review the Company has made a turnover of Rs. 36,72,97,849/- against previous year turnover of Rs. 43,48,56,138/- thereby resulting a decrease in the turnover and registered a net profit of Rs. 5,63,66,921/- compared to previous year profit of Rs. 3,89,16,797/-. The Company is expecting good future in the coming years.

### **CONSOLIDATED ACCOUNTS**

The Consolidated Financial Statements of your Company for the Financial Year 2014-15, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI).

### **FINANCIAL PERFORMANCE / FINANCIAL POSITION OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES**

The details of Subsidiary Companies are as follows:

1. Sri KPR Infra & Projects Limited (Wholly owned Subsidiary).
2. Sri KPR Renewable Energy Limited (a step down wholly owned subsidiary of Sri KPR Infra & Projects Limited).

There are no associate companies and Joint Ventures associated with the Company.

A separate statement containing the salient features of financial statements of subsidiary of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. The financial statements of the subsidiary Company and related information are available for inspection by the members at the Registered Office of your Company during business hours and also at the registered office of the subsidiary Company upto the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013.

The financial performance of the subsidiary included in the consolidated financial statements of your Company is set out in “**Annexure A**” to this Report.

### **DIVIDEND**

Your Company has a consistent record of declaration of dividend that balances the dual objectives of appropriately rewarding shareholders and retaining adequate funds, in order to maintain a healthy capital adequacy ratio to future growth.

The Company had in the earlier year declared a dividend of 8% on the paid-up share capital of the Company and based on the Company's performance, the directors in the Board meeting held on 31.08.2015 has recommended a final dividend of 7% per equity share of Rs. 10/- (Rupees Ten) each for the financial year 2014 - 2015 amounting to Rs. 1,41,01,987/- (Rupees One Crore Forty One Lakhs One Thousand Nine Hundred and Eighty Seven only).

The proposal for payment of dividend is subject to the approval of shareholders at the ensuing Annual General Meeting.

The Register of Members and Share Transfer Books will remain closed from 24.09.2015 to 30.09.2015 (both days inclusive) for the purpose of payment of final dividend. Dividend will be paid to those members, whose names appear as shareholders of the Company as on 23.09.2015.

The dividend will be tax-free in the hands of shareholders.

### **RESERVES**

Your Company proposes to transfer Rs. 28,18,346/- to the General Reserve.

### **MATERIAL CHANGES AND COMMITMENTS**

There are no such changes or commitments occurred, affecting the financial position of the Company between the end of the financial year (i.e. 31.03.2015) and the date of this report.

### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS**

There are no events subsequent to the date of Financial Statements.

### **CHANGE IN THE NATURE OF BUSINESS**

There are no such changes occurred in the nature of business of the Company or its subsidiary Company during the financial year under review.

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

The Company has not entered into any transaction falling under the provisions of Section 186 of the Companies Act, 2013 and rules made there under as such the relevant information is not applicable.

### **PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as “**Annexure B**” to the Board’s Report.

### **BOARD MEETINGS**

The Board of directors met **8 (Eight)** times on 12.05.2014; 14.06.2014; 30.07.2014; 12.09.2014; 14.11.2014; 30.01.2015; 10.03.2015 and 11.03.2015 during the financial year.

### **DIRECTORS / KEY MANAGERIAL PERSONNEL**

During the year under review, there was no change in the composition of the Board of Directors of the Company.

During the current year 2015-16, the Company has passed resolution through postal ballot process pursuant to the provisions of Section 110 and applicable provisions, if any of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement for change of designation of Sri. Kishan Reddy Nalla (DIN: 00038966) from Managing Director to Whole-Time Director of the Company w.e.f 17.04.2015.

Also Mr. N. Siddha Reddy was appointed as Chief Financial Officer of the Company w.e.f 31.08.2015.

### **INDEPENDENT DIRECTORS**

The Board of the Company consists of 9 Directors, out of which three are independent Directors.

### **DECLARATION OF INDEPENDENCE**

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013 read with the Schedules and Rules made there under as well as Clause 49 of the Listing Agreement.



### **RETIRE BY ROTATION**

In accordance with Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Bhoopal Reddy Aleti and Mr. Vineel Reddy Nalla, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

### **POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

The current policy of the Company is to have a mix of Executive and Independent Directors to maintain the independence of the Board. As on 31<sup>st</sup> March, 2015 there are 9 Directors, four of whom are Executive and Whole-Time Directors, three are Independent Directors and two are Non-Executive Directors. The Board periodically evaluates the need for change in its composition and size. The policy of the Company on director's appointment and remuneration is provided as annexure to the Corporate Governance Report.

### **EVALUATION OF BOARD EFFECTIVENESS**

In terms of provisions of the Companies Act, 2013 read with rules made there under and Clause 49 of the Listing Agreement, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2015.

The evaluation was done using individual questionnaires covering vision and strategy of the Board, Board dynamics, contribution towards development of the strategy, risk management, budgetary controls, functioning, performance & structure of Board Committees, ethics, knowledge & expertise of Directors, leadership, the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company and effectiveness of their contribution. The Directors expressed satisfaction with the evaluation process.

### **COMMITTEES CONSTITUTED BY THE BOARD OF DIRECTORS**

As provided in the Report on Corporate Governance.

### **AUDITORS**

#### **STATUTORY AUDITORS**

M/s V. Sridhar & Co, Chartered Accountants, Hyderabad, the Statutory Auditors of the Company retires at the conclusion of ensuing Annual General Meeting and, being eligible offer themselves for reappointment from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

A resolution proposing appointment of M/s. V. Sridhar & Co, Chartered Accountants, Hyderabad as the statutory auditors of the Company pursuant to Section 139 of the Companies Act, 2013 forms part of the notice.

There are no qualifications, reservation or adverse remarks made by the statutory auditors in the audit report.

### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company with the approval of its Board, appointed M/s. BS & Company, Company Secretaries LLP to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2015.

The Secretarial Audit Report forms part of the Annual Report as “**Annexure C**”.

The qualifications, reservations or adverse remarks or disclaimers made by the auditor in the report:

<b>S. NO</b>	<b>COMMENTS</b>	<b>DIRECTOR REPLIES</b>
1.	Company Secretary is yet to be appointed as per Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	The Company is in the process of appointing Whole-Time Company Secretary.
2.	The Company is yet to appoint Internal Auditor as required under Section 138 read with rule 13 of Companies (Accounts) Rules, 2014.	The Company is in the process of appointing internal auditor.
3.	The Company has not filed the annual return as required under Payment of Bonus Act, 1965 read with Payment of Bonus Rules, 1975.	The Company is in the process of filing the annual return.
4.	The annual return as required under Minimum Wages Act, 1948 read with Minimum Wages (Central) Rules, 1950 was not filed.	The Company is in the process of filing the annual return.
5.	The annual return as required under Payment of Wages Act, 1936 read with Andhra Pradesh Payment of Wages Rules, 1937 was not filed.	The Company is in the process of filing the annual return.
6.	The returns were not filed as required under Contract Labour (Regulation and Abolition) Central Rules, 1971.	The Company is in the process of filing the annual return.
7.	The returns were not filed as required under Employment Exchange Act, 1959.	The Company is in the process of filing the annual return.
8.	Registers are not maintained under the following Acts. <ul style="list-style-type: none"> <li>• Minimum Wages Act, 1948.</li> <li>• The Contract Labour (Regulation And Abolition) Act, 1970</li> <li>• Andhra Pradesh Labour Welfare Fund Act, 1987</li> </ul>	The Company is in the process of maintaining the registers.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As per Section 134(3) of the Companies Act, 2013 the Board of Directors makes the following statement:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**EXTRACT OF ANNUAL RETURN**

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is annexed herewith as “Annexure D”.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

The Company has not received any significant/material orders from the statutory regulatory bodies/courts/tribunals which impact the operations and going concern status of the Company.

**DEPOSITS**

Your Company has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

**DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company is well equipped with adequate internal financial controls. The Company has a continuous monitoring mechanism which enables the organisation to maintain with the same standard of the control systems and helps them in managing any default on timely basis because of strong reporting mechanisms followed by the Company.

The Audit Committee discusses with the Company's Statutory Auditors their views on the financial statements, including financial reporting system, compliance to accounting policies and procedures, adequacy of internal controls systems followed by the Company.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 3 of the Companies (Accounts) Rules, 2014, is enclosed as “**Annexure E**” to the Board report.

### **CORPORATE GOVERNANCE REPORT**

The Company continues to strive towards highest standards of Corporate Governance while interacting with all the stakeholders.

In compliance with the provisions of Clause 49 of the Listing Agreement, a separate report on Corporate Governance along with a certificate from the Auditors on its forms part of the Annual Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management discussion & analysis report for the year under review forms part of the Annual Report. All matters pertaining to industry structure, segment wise performance, outlook, risks and concerns, internal control system and their adequacy, etc are discussed in the said report.

### **PARTICULARS OF EMPLOYEES**

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as “**Annexure F**”.

### **HUMAN RESOURCES**

Your Company treats its “human resources” as one of its most important assets.

The human resource philosophy and strategy of your Company is to attract and retain the best talent, encourage innovation, and create an engaging and motivating workplace environment.

Your Company continues its focus on building & developing the leadership pipeline and upgradation of workforce skills. Your Company is providing number of programmes for promotion of talent internally through job rotation and job enlargement.

### **RISK MANAGEMENT POLICY**

The Risk Management framework of your Company which ensures regular review by management to proactively identify the emerging risks, to do risk evaluation and risk prioritization along with development of risk mitigation plans and action taken. The various risks, including the risks associated with the economy, regulation, competition, foreign exchange, interest rate etc., are documented, monitored and managed efficiently.

In order to fulfil the objectives and to lay a strong foundation for the development and implementation of a risk management framework, the policy adopted by the Board had be in line with the policy statement as below:

- (a) To ensure protection of the shareholder through establishing an integrated risk management framework for monitoring, reporting and mitigating risk.
- (b) To provide strong basis for informed decision making at all levels of the organisation.

- (c) To strive towards the betterment of the system of risk management on a continuous basis.

Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.

**INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company has always believed in providing a safe and harassment free workplace including providing an environment that is free from discrimination and harassment including sexual harassment for every individual working in the premises through various policies.

The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the year ended 31 March, 2015, no complaints were received pertaining to sexual harassment.

**VIGIL MECHANISM / WHISTLE BLOWER**

Your Company is committed to highest standards of ethical, moral and legal business conduct.

Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its Directors, Employees and Stakeholders against unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethics. The policy provides for safeguards against victimization and provides direct access to higher levels of supervisors.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**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 and on behalf of the Board of Directors  
FOR SRI KPR INDUSTRIES LIMITED**

Sd/-

**(KISHAN REDDY NALLA)  
CHAIRMAN  
DIN: 00038966**

Place: Secunderabad  
Date: 31.08.2015



**ANNEXURE TO DIRECTORS' REPORT**

**ANNEXURE – A**

The financial performance of subsidiary as included in the consolidated financial statements are detailed below:

Name of the Subsidiary Company : Sri KPR Infra & Projects Limited

<b>S. No.</b>	<b>Particulars</b>	<b>Current Year (2014-15)</b>	<b>Previous Year (2013-14)</b>	<b>Growth (%)</b>
1.	Turnover	42,45,93,066	48,62,85,941	(12.69%)
2.	Profit / (Loss) before tax	4,19,43,176	5,20,04,965	(19.35%)
3.	Profit / (Loss) after tax	3,05,92,762	3,23,41,794	(5.41%)

**For and on behalf of the Board of Directors  
FOR SRI KPR INDUSTRIES LIMITED**

Sd/-

**(KISHAN REDDY NALLA)**  
**CHAIRMAN**  
**DIN: 00038966**

Place: Secunderabad  
Date: 31.08.2015

**FORM AOC-1**

*[Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]*

**STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF  
SUBSIDIARY COMPANY/ASSOCIATE COMPANIES/JOINT VENTURES**

**PART "A": SUBSIDIARIES**

Name of the Subsidiary Company : Sri KPR Infra & Projects Limited

(Amount in Rupees)

<b>S. No.</b>	<b>Particulars</b>	<b>Current Year (2014-15)</b>	<b>Previous Year (2013-14)</b>
1.	Reporting Period for the Subsidiary concerned, if different from the Holding Company's reporting period	01.04.2014 to 31.03.2015	01.04.2013 to 31.03.2014
2.	Reporting Currency and Exchange rate as on the last date of relevant Financial Year in the case of foreign subsidiaries	INR	INR
3.	Share Capital	3,50,00,000	3,50,00,000
4.	Reserves & Surplus	14,20,63,499	12,39,27,951
5.	Total Liabilities	41,34,77,542	51,04,71,630
6.	Total Assets	41,34,77,542	51,04,71,630
7.	Investment	NIL	10,86,400
8.	Turnover	42,45,93,066	48,62,85,941
9.	Profit/(Loss) before Tax	4,19,43,176	5,20,04,965
10.	Provision for Income tax	1,13,50,413	1,96,63,171
11.	Profit/(Loss) after Tax	3,05,92,762	3,23,41,794
12.	Proposed Dividend	1,05,00,000	1,40,00,000
13.	% of Shareholding	100	100

**PART "B": ASSOCIATES AND JOINT VENTURES – NOT APPLICABLE**

**For and on behalf of the Board of Directors  
FOR SRI KPR INDUSTRIES LIMITED**

Sd/-

**(KISHAN REDDY NALLA)  
CHAIRMAN  
DIN: 00038966**

Place: Secunderabad  
Date: 31.08.2015

**ANNEXURE B – FORM AOC-2**

**PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES**

*[Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014]*

**A. Details of Contracts / arrangements / transactions not at arm's length basis: NOT APPLICABLE**

(i)	Name(s) of the related party and nature of relationship	-
(ii)	Nature of contracts/ arrangements/ transactions	-
(iii)	Duration of the contracts / arrangements/transactions	-
(iv)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(v)	Date(s) of approval by the Board	-
(vi)	Amount paid as advances, if any:	-

**B. Details of Contracts / arrangements / transactions at arm's length basis:**

(i)	Name(s) of the related party and nature of relationship	Sri KPR Infra & Projects Limited (Wholly-owned Subsidiary)
(ii)	Nature of contracts/ arrangements/ transactions	Sale of pipes
(iii)	Duration of the contracts / arrangements/transactions	5 years
(iv)	Salient terms of the contracts or arrangements or transactions including the value, if any	On arm's length basis and in the ordinary course of business
(v)	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis
(vi)	Amount paid as advances, if any:	Rs. 231.10 Lakhs

**For and on behalf of the Board of Directors  
FOR SRI KPR INDUSTRIES LIMITED**

Sd/-

**(KISHAN REDDY NALLA)  
CHAIRMAN  
DIN: 00038966**

Place: Secunderabad  
Date: 31.08.2015



**ANNEXURE C – SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015**

To,  
The Members,  
Sri KPR Industries Limited.  
Hyderabad

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sri KPR Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Sri KPR Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sri KPR Industries Limited** ("the Company") for the financial year ended on **31<sup>st</sup> March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Industry specific Acts, Labour and other applicable laws as provided by the Management of the Company.

We have also examined compliance with the applicable clauses of Secretarial Standards (Which are not yet enforced as on 31.03.2015) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

**UNDER COMPANIES ACT, 2013:**

- 1. Company Secretary is yet to be appointed as per Section 203 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.**
- 2. The Company is yet to appoint Internal Auditor as required under Section 138 read with rule 13 of Companies (Accounts) Rules, 2014.**

**UNDER LABOUR LAWS:**

- 1. The company has not filed the annual return as required under Payment of Bonus Act, 1965 read with Payment of Bonus Rules, 1975.***
- 2. The annual return as required under Minimum Wages Act, 1948 read with Minimum Wages (Central) Rules, 1950 was not filed.***
- 3. The annual return as required under Payment of Wages Act, 1936 read with Andhra Pradesh Payment of Wages Rules, 1937 was not filed.***
- 4. The returns were not filed as required under Contract Labour (Regulation and Abolition) Central Rules, 1971.***
- 5. The returns were not filed as required under Employment Exchange Act, 1959.***
- 6. Registers are not maintained under the following Acts.***
  - Minimum Wages Act, 1948.***
  - The Contract Labour (Regulation And Abolition) Act, 1970***
  - Andhra Pradesh Labour Welfare Fund Act, 1987***

**We report that**

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However proof of Dispatch of Notice of Annual General Meeting was not provided for verification.

**We report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during** the period under review, the company has

1. Mr. Kishan Reddy Nalla was appointed as a chairman of the company.
2. The Articles of Association was altered as per the provisions of Companies Act, 2013

Sd/-

**For BS & Company Company Secretaries LLP  
(Formerly BS & Company, Company Secretaries)**

**Place: Hyderabad  
Date: 31<sup>st</sup> August, 2015**

**Dafthardar Soumya  
ACS No. 29312  
C P No. 13199**

**Note:** This report is to be read with our letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

**Annexure**

**To,  
The Members,  
SRI KPR INDUSTRIES LIMITED.**

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we have obtained Management Representation about the compliance laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

**For BS & Company Company Secretaries LLP  
(Formerly BS & Company, Company Secretaries)**

**Place: Hyderabad  
Date: 31<sup>st</sup> August, 2015**

**Dafthardar Soumya  
ACS No. 29312  
C P No. 13199**

**ANNEXURE D – EXTRACTS OF ANNUAL RETURN AS ON 31<sup>ST</sup> MARCH, 2015**

**Form No. MGT – 9**

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

<b>I.</b>	<b>REGISTRATION AND OTHER DETAILS</b>	
i)	CIN	L20200TG1988PLC009157
ii)	Registration date	13.10.1988
iii)	Name of the Company	SRI KPR INDUSTRIES LIMITED
iv)	Category / Sub-Category of the Company	Category: Company Limited by Shares Sub Category: Indian Non Govt Company
v)	Registered Office address and contact details	Vth Floor, K.P.R. House, Sardar Patel Road, Secunderabad – 500003, Telangana Tel: 040-27847121 Fax: 040 – 27892076 E-Mail Id: <a href="mailto:bwpl9@yahoo.com">bwpl9@yahoo.com</a> Website: <a href="http://www.kprindustries.in">http://www.kprindustries.in</a>
vi)	Whether Listed Company	Yes BSE Limited (BSE) Code: 514442
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt Ltd Regd Off: “Karvy House”, 46 Avenue 4, Street No 1, Banjara Hills, Hyderabad – 500034 Corporate Off: Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Tel: 040-67162222 Fax: 040-23420829 Email Id: <a href="mailto:support@karvy.com">support@karvy.com</a> Website: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a>

<b>II.</b>	<b>PRINCIPAL BUISNESS ACTIVITIES OF THE COMPANY</b>
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All the business activities contributing 10% or more of the total turnover of the Company shall be stated

<b>SL. NO</b>	<b>NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES</b>	<b>NIC CODE OF THE PRODUCT / SERVICE</b>	<b>% OF THE TOTAL TURNOVER OF THE COMPANY</b>
1	Sale of asbestos cement pressure pipes	26959	87.7%
2	Sale of wind electric power	40108	10.3%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.NO	NAME & ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Sri KPR Infra & Projects Limited  Registered Office Address: 5 <sup>th</sup> Floor, KPR House, SP Road, Secunderabad – 500003, Telangana	U45209TG2007PLC055010	Wholly-owned Subsidiary	100%	Section 2(87)

### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS % OF TOTAL EQUITY)

#### i) Category wise Share Holding

CATEGORY OF THE SHARE HOLDERS	NO OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
<b>A. PROMOTERS</b>									
<b>INDIAN</b>									
Individual / HUF	1,22,72,578	26,038	1,22,98,616	61.05	1,22,83,154	26,038	1,23,09,192	61.10	0.05
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	11,05,600	-	11,05,600	5.49	11,05,600	-	11,05,600	5.49	-
Banks / FI's	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total A-1</b>	<b>1,33,78,178</b>	<b>26,038</b>	<b>1,34,04,216</b>	<b>66.54</b>	<b>1,33,88,754</b>	<b>26,038</b>	<b>1,34,14,792</b>	<b>66.59</b>	<b>0.05</b>
<b>FOREIGN</b>									
NRI's Individual	-	-	-	-	-	-	-	-	-
Other Individuals	-	-	-	-	-	-	-	-	-

Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks / FI's	-	-	-	-	-	-	-	-	-
Any Other									
<b>Sub Total A-2</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL SHARE HOLDING OF PROMOTERS (A1 + A2)</b>	<b>1,33,78,178</b>	<b>26,038</b>	<b>1,34,04,216</b>	<b>66.54</b>	<b>1,33,88,754</b>	<b>26,038</b>	<b>1,34,14,792</b>	<b>66.59</b>	<b>0.05</b>
<b>B. PUBLIC SHARE HOLDING</b>									
<b>1. INSTITUTIONS</b>									
Mutual funds	-	8,400	8,400	0.04	-	8,400	8,400	0.04	-
Banks / FI's	200	-	200	0.00	200	-	200	0.00	-
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FI's	-	1,00,000	1,00,000	0.50	-	1,00,000	1,00,000	0.50	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL - B1</b>	<b>200</b>	<b>1,08,400</b>	<b>1,08,600</b>	<b>0.54</b>	<b>200</b>	<b>1,08,400</b>	<b>1,08,600</b>	<b>0.54</b>	<b>-</b>
<b>2. NON INSTITUTIONS</b>									
<b>a) Bodies Corporate</b>	<b>4,22,729</b>	<b>47,401</b>	<b>4,70,130</b>	<b>2.33</b>	<b>4,28,017</b>	<b>47,401</b>	<b>4,75,418</b>	<b>2.36</b>	<b>0.03</b>
Indian	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-
<b>b) INDIVIDUAL</b>									
Individual	8,23,89	8,11,70	16,35,6	8.12	8,11,78	8,06,90	16,18,6	8.03	(0.09)

Shareholders holding nominal share capital upto Rs. 1 Lakh	6	6	02		8	6	94		
Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	14,92,551	30,23,070	45,15,621	22.41	16,50,550	28,65,570	45,16,120	22.42	0.01
Others (Specify)									
Non Resident Indians	11,525	-	11,525	0.06	12,025	-	12,025	0.06	-
Clearing Members	1	-	1	0.00	46	-	46	0.00	-
<b>SUB TOTAL B2</b>	<b>27,50,702</b>	<b>38,82,177</b>	<b>66,32,879</b>	<b>32.92</b>	<b>29,02,426</b>	<b>37,19,877</b>	<b>66,22,303</b>	<b>32.87</b>	<b>(0.05)</b>
<b>TOTAL PUBLIC SHARE HOLDING (B1+B2)</b>	<b>27,50,902</b>	<b>39,90,577</b>	<b>67,41,479</b>	<b>33.46</b>	<b>29,02,626</b>	<b>38,28,277</b>	<b>67,30,903</b>	<b>33.41</b>	<b>(0.05)</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	<b>1,61,29,080</b>	<b>40,16,615</b>	<b>2,01,45,695</b>	<b>100</b>	<b>1,62,91,380</b>	<b>38,54,315</b>	<b>20,145,695</b>	<b>100</b>	<b>-</b>

**ii) Shareholding of Promoters**

SL NO	SHAREHOLD ER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHAREHOLDING AT THE END OF THE YEAR			% CHANGE IN SHARE HOLDING DURING THE YEAR
		NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	
1.	Kishan Reddy Nalla	19,42,605	9.643	-	19,45,854	9.659	-	0.016
2.	Vineel Reddy Nalla	18,91,454	9.388	-	18,92,954	9.396	-	0.008
3.	Vijaya Nalla	17,26,110	8.568	-	17,28,485	8.579	-	0.011
4.	Vinitha Nalla	16,90,852	8.393	-	16,93,812	8.408	-	0.015
5.	Gaddam Raja Reddy	14,83,310	7.363	-	14,83,802	7.365	-	0.002
6.	Vini Soft (India) Pvt Ltd / NBOS Technologies Private Limited	11,05,600	5.488	-	11,05,600	5.49	-	-
7.	N. Srinath Reddy	10,58,622	5.255	-	10,58,622	5.255	-	-
8.	Vineela Reddy N	7,11,300	3.531	-	7,11,300	3.531	-	-
9.	G. Sunitha	6,82,763	3.389	-	6,82,763	3.389	-	-
10.	Nomula Sarita	3,19,667	1.587	-	3,19,667	1.587	-	-
11.	Nomula Deepti	2,24,341	1.114	-	2,24,341	1.114	-	-
12.	Gaddam Hemanth Reddy	1,25,100	0.621	-	1,25,100	0.621	-	-
13.	A Srinivas Reddy	1,05,856	0.525	-	1,05,856	0.525	-	-
14.	Gaddam Madhumathi	90,056	0.447	-	90,056	0.447	-	-
15.	Ande Prathap Reddy	88,710	0.440	-	88,710	0.440	-	-
16.	A.	72,266	0.359	-	72,266	0.359	-	-



	Shakunthala Devi							
17.	N. Rajeshwar Reddy	53,500	0.266	-	53,500	0.266	-	-
18.	Hemanth Reddy Gaddam	22,538	0.112	-	22,538	0.112	-	-
19.	G. Hemanth Reddy	5,492	0.027	-	5,492	0.027	-	-
20.	Madhumathi Gaddam	3,200	0.016	-	3,200	0.016	-	-
21.	N Rajeshwar Reddy	328	0.002	-	328	0.002	-	-
22.	N Deepti	246	0.002	-	246	0.002	-	-
23.	Saritha Nomula	200	0.001	-	200	0.001	-	-
24.	Vineel Reddy Nalla	100	0.000	-	100	0.000	-	-
<b>Total</b>		1,34,04,216	66.537	-	1,34,14,792	66.589	-	0.052

**iii) Change in Promoters Shareholding (Please Specify if there is no change)**

SL. NO.	NAME OF THE SHARE HOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CHANGE IN SHAREHOLDING (No. of Shares)		SHAREHOLDING AT THE END OF THE YEAR	
		NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE	DECREASE	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1.	Kishan Reddy Nalla	19,42,605	9.643	3,249	Nil	19,45,854	9.659
2.	Vineel Reddy Nalla	18,91,454	9.388	1,500	Nil	18,92,954	9.396
3.	Vijaya Nalla	17,26,110	8.568	2,375	Nil	17,28,485	8.579
4.	Vinitha Nalla	16,90,852	8.393	2,960	Nil	16,93,812	8.408
5.	Gaddam Raja Reddy	14,83,310	7.363	492	Nil	14,83,802	7.365
<b>Total</b>		<b>87,34,331</b>	<b>43.355</b>			<b>87,44,907</b>	<b>43.407</b>

**iv. Shareholding Pattern of Top ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADR's)**

SL. NO.		SHAREHOLDING AT THE BEGINNING OF THE YEAR		CHANGE IN SHAREHOLDING (No. of Shares)		SHAREHOLDING AT THE END OF THE YEAR	
		NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE	DECREASE	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1.	Anil Reddy	6,73,750	3.34	Nil	Nil	6,73,750	3.34
2.	A Naveen Chandra Reddy	6,03,750	3.00	Nil	Nil	6,03,750	3.00
3.	Gaddam Sushila Raja Reddy Foundation	5,25,000	2.61	Nil	Nil	5,25,000	2.61
4.	Praveen Reddy	4,67,250	2.32	Nil	Nil	4,67,250	2.32
5.	Mahitha Aleti	1,89,350	0.94	Nil	Nil	1,89,350	0.94
6.	Kishtamma gari Sudarshan Reddy Nalla	1,57,500	0.78	Nil	Nil	1,57,500	0.78
7.	Padmini	1,54,000	0.76	Nil	Nil	1,54,000	0.76
8.	Eeshan Reddy	1,40,000	0.69	Nil	Nil	1,40,000	0.69
9.	A Vasantha	1,36,500	0.68	Nil	Nil	1,36,500	0.68
10	Anitha Reddy	1,26,000	0.63	Nil	Nil	1,26,000	0.63

**v. Shareholding of Directors and Key Managerial Personnel:**

SL. NO.	NAME OF THE DIRECTOR / KEY MANAGERIAL PERSONNEL	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CHANGE IN SHAREHOLDING (No. of Shares)		SHAREHOLDING AT THE END OF THE YEAR	
		NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE	DECREASE	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES
1.	Kishan Reddy Nalla – Whole-Time Director	19,42,605	9.64	3,249	Nil	19,45,854	9.66

2.	Bhoopal Reddy Aleti- Whole-Time Director	6,33,620	3.15	Nil	Nil	6,33,620	3.15
3.	Srinath Reddy Nalla- Whole-Time Director	10,58,622	5.25	Nil	Nil	10,58,622	5.25
4.	Raja Reddy Gaddam- Whole-Time Director	14,83,310	7.36	492	Nil	14,83,802	7.37
5.	Vineel Reddy Nalla-Director	18,91,454	9.39	1,500	Nil	18,92,954	9.40
6.	Vinitha Reddy Nalla - Director	16,90,852	8.39	2,960	Nil	16,93,812	8.41
7.	N. Siddha Reddy - Chief Financial Officer	4,000	0.02	Nil	Nil	4,000	0.02

The following Directors did not hold any shares during the period:

1. Naveena Chandra Thammishetty – Director
2. Krishna Prasad Srinivas – Director
3. Jagadeeshwar Reddy Prodduturi – Director

## V. INDEBTEDNESS

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
<b>Indebtedness at the beginning of the financial year</b>				
Principal Amount	10,49,75,490	10,00,000	NIL	10,59,75,490
Interest due but not paid	NIL	NIL	NIL	
Interest accrued but not due	NIL	NIL	NIL	
<b>Total</b>	<b>10,49,75,490</b>	<b>10,00,000</b>	<b>NIL</b>	<b>10,59,75,490</b>

<b>Change in Indebtedness during the year</b>				
Addition	NIL	1,01,03,950	NIL	1,01,03,950
Reduction	5,02,45,146	NIL	NIL	5,02,45,146
<b>Indebtedness at the end of the financial year</b>				
Principal Amount	5,47,30,344	1,11,03,950	NIL	6,58,34,294
Interest due but not paid	NIL	NIL	NIL	
Interest accrued but not due	NIL	NIL	NIL	
<b>Total</b>	<b>5,47,30,344</b>	<b>1,11,03,950</b>	<b>NIL</b>	<b>6,58,34,294</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTORS AND / OR MANAGER:**

SL. NO	PARTICULARS OF REMUNERATION	NAME OF THE MD / WTD / MANAGER				TOTAL AMOUNT
		KISHAN REDDY NALLA	SRINATH REDDY NALLA	BHOOPAL REDDY ALETI	RAJA REDDY GADDAM	
1.	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24,00,000	12,00,000	12,00,000	12,00,000	60,00,000
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-	-	-
	c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - Others (Specify)	-	-	-	-	-
5.	Others (Pls Specify)	-	-	-	-	-
	Total A	24,00,000	12,00,000	12,00,000	12,00,000	60,00,000
	Ceiling as per Act	% of profits or remuneration as approved by the members in the resolution passed through postal ballot i.e., Rs. 60,00,000/-				

**B. REMUNERATION TO OTHER DIRECTORS: NIL**

SL. NO	PARTICULARS OF REMUNERATION	NAME OF THE DIRECTOR					TOTAL AMOUNT
		NAVEENA CHANDRA THAMMI SHETTY	KRISHNA PRASAD SRINIVAS	JAGADEESHWAR REDDY PRODDUTURI	VINEEL REDDY NALLA	VINITHA REDDY NALLA	
1.	INDEPENDENT DIRECTORS	-	-	-	-	-	-
	a) Fee for attending Board / Committee meetings	-	-	-	-	-	-
	b) Commission	-	-	-	-	-	-
	c) Others, Pls Specify	-	-	-	-	-	-
	TOTAL - 1	-	-	-	-	-	-
2.	OTHER NON EXECUTIVE DIRECTORS	-	-	-	-	-	-
	a) Fee for attending Board / Committee meetings	-	-	-	-	-	-
	b) Commission	-	-	-	-	-	-
	c) Others, Pls Specify	-	-	-	-	-	-
	Total 2	-	-	-	-	-	-
	Total B (1+2)	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per Act	-	-	-	-	-	-

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

SL. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL			
		CEO	CFO	COMPANY SECRETARY	TOTAL
			N. SIDDHA REDDY		
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	2,94,360	-	2,94,360
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-

3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others (Specify)	-	-	-	-
5.	Others (Pls Specify)	-	-	-	-
	Total	-	2,94,360	-	2,94,360

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL**

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY / PUNISHMENT /COMPOUNDING FEE IMPOSED	AUTHORITY [RD/NCLT/CO URT]	APPEAL MADE , IF ANY
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**For and on behalf of the Board of Directors  
FOR SRI KPR INDUSTRIES LIMITED**

Sd/-

**(KISHAN REDDY NALLA)  
CHAIRMAN  
DIN: 00038966**

Place: Secunderabad  
Date: 31.08.2015

**ANNEXURE E – CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT,  
TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

*[Information under Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies  
(Accounts) Rules, 2014]*

**FORM A: CONSERVATION OF ENERGY**

**A) The steps taken for conservation of energy and impact of measures taken:**

All the manufacturing facilities continued their efforts to reduce the energy consumption. Apart from regular practices and measures for energy conservation, many new initiatives were driven across the units. The measures taken by the Company is briefly enumerated as below:

- i. Monitoring and analysis of energy consumption on daily basis.
- ii. Share and implement best practices across all plants.
- iii. Make guidelines for purchase of energy efficient equipment.
- iv. Sharing of latest updates in field of Energy Conservation.

**B) The steps taken by the Company for utilizing alternate sources of energy:**

- i. Replacement of conventional light fittings with LED fittings across the manufacturing units.
- ii. Utilizing solar energy.

**C) Capital investment on energy conservation equipment:**

No major investments were made during the year on energy conservation equipments.

**FORM B: RESEARCH AND DEVELOPMENT (R & D)**

**A) Specific areas in which R & D carried out by Company:**

- i. Development & Implementation of new techniques & process for manufacture of Products.
- ii. Development of high quality materials.
- iii. Development of new products.

**B) Benefits derived as a result of above R & D:**

- i. Cost optimization.
- ii. Improvements in quality of products.

**C) Future plan of action:**

- i. Development of new systems.

**D) Expenditure on R & D:**

- (a) Capital: Nil
- (b) Recurring: Nil
- (c) Total: Nil
- (d) Total R & D expenditure as a % of total turnover: Nil

**FORM C: TECHNOLOGY ABSORPTION:****A) The efforts made by the Company towards technology absorption:**

- i. Development of new products and processes.
- ii. Upgradation of existing product and processes to save cycle time, energy consumption and overall operational efficiency.
- iii. Optimization of products and processes to minimize waste generation and address environmental and safety concerns.

**B) The benefits derived like product improvement, cost reduction, product development or import substitution:**

- i. Product improvement.
- ii. Reduction of cost.

**C) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:**

- (a) Technology imported: No technology was imported.
- (b) Year of Import: NA
- (c) Has technology been fully absorbed: The technology has been fully absorbed.
- (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plan of action: The technology has been fully absorbed.

**FORM D: FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars	2014-15	2013-14
Earnings	NIL	NIL
Outgo – Towards import of raw material		
In US \$	NIL	11,66,452
In Indian Rupees	NIL	6,98,42,872

**For and on behalf of the Board of Directors  
FOR SRI KPR INDUSTRIES LIMITED**

Sd/-

**(KISHAN REDDY NALLA)**  
**CHAIRMAN**  
**DIN: 00038966**

Place: Secunderabad  
Date: 31.08.2015



**ANNEXURE F - PARTICULARS OF EMPLOYEES**

**a) Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**A. Ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year 2014-15 is as follows:**

Name of the Director	Total Remuneration (Rs.)	Ratio of Remuneration of Director to the Median Remuneration of the employees
Kishan Reddy Nalla	24,00,000	21.82
Bhoopal Reddy Aleti	12,00,000	10.91
Srinath Reddy Nalla	12,00,000	10.91
Raja Reddy Gaddam	12,00,000	10.91

**B. The percentage increase in remuneration of each director and Chief Financial Officer in the financial year 2014-15 is as follows:**

Name	Designation	Remuneration (Rs.)		Increase (%)
		2014-15	2013-14	
Kishan Reddy Nalla	Whole-Time Director	24,00,000	24,00,000	Nil
Bhoopal Reddy Aleti	Whole-Time Director	12,00,000	12,00,000	Nil
Srinath Reddy Nalla	Whole-Time Director	12,00,000	12,00,000	Nil
Raja Reddy Gaddam	Whole-Time Director	12,00,000	12,00,000	Nil
N. Siddha Reddy	Chief Financial Officer	2,94,360	2,94,360	Nil

During the current year 2015-16, N. Siddha Reddy was appointed as Chief Financial Officer of the Company w.e.f 31.08.2015.

**C. Percentage increase in the median remuneration of all employees in the financial year 2014-15:**

Particulars	2014-15	2013-14	Increase (%)
Median Remuneration of all employees per annum	Rs. 1,09,968/-	Rs. 99,984/-	9.99%

**D. Number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2015: 49**

**E. The explanation on the relationship between average increase in remuneration and Company performance:**

The Company follows prudent remuneration practices under the guidance of the Board and the Nomination & Remuneration Committee. The Company's approach to remuneration is intended to drive meritocracy within the framework of prudent risk management. Remuneration is linked to corporate performance, business performance and individual performance. Employee compensation takes into account a mix of external market pay and internal equity. The total compensation is a prudent mix of fixed pay and variable pay.

The key indices of Company's performance are:

	2014-15	2013-14	Growth (%)
Net Revenue from operations	36,72,97,849	43,48,56,138	(15.54%)
Profit before tax and exceptional items	6,09,85,416	5,52,07,672	10.47%
Profit after tax	5,63,66,921	3,89,16,797	44.84%

**F. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

The remuneration of Key Managerial Personnel remained same in 2014-15, compared to 2013-14, whereas the Profit before Tax and exceptional items increased by 10.47% in 2014-15, compared to 2013-14.

**G. Details of Share price and market capitalization:**

	As on 31 <sup>st</sup> March, 2015	As on 31 <sup>st</sup> March, 2014	Increase (%)
Price Earnings Ratio	5.98	9.61	(27.68%)
Market Capitalization	33,74,40,391.25	37,37,02,642.25	4.85%

Comparison of share price at the time of first public offer and market price of the share of 31st March, 2015:

Market Price as on 31st March, 2015	Rs. 16.75/-
Price at the time of initial public offer in 10.10.2000	Rs. 10/-
% increase of Market price over the price at the time of initial public offer	67.50%

**H. Comparison of average percentage increase in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remuneration:**

	As on 31 <sup>st</sup> March, 2015	As on 31 <sup>st</sup> March, 2014	Increase (%)
Average salary of all employees (other than KMP)	1,66,660	1,19,372	39.61%
KMP	12,58,872	12,58,872	Nil

**I. The key parameters for the variable component of remuneration paid to the Directors:**

The Company undertakes an annual strategic planning and budgeting exercise based on which the Key Performance Indicators (KPIs) are fixed for the Directors. These KPIs, in addition to financial parameters, include parameters related to risk and compliance. At the end of financial year, the performance of the Company as well as performance of each Director based on their respective KPIs is calculated. Based on the performance assessment by, the variable component of the remuneration for the Directors is recommended to and approved by the Board.

**J. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

None of the employees receive remuneration in excess if the highest paid director.

**K. Affirmation:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of the Company.

**b) Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] – NIL**

**For and on behalf of the Board of Directors  
FOR SRI KPR INDUSTRIES LIMITED**

Sd/-

**(KISHAN REDDY NALLA)  
CHAIRMAN  
DIN: 00038966**

Place: Secunderabad  
Date: 31.08.2015

## **REPORT ON CORPORATE GOVERNANCE**

### **CORPORATE GOVERNANCE PHILOSOPHY**

Sri KPR Industries Limited 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 strengthens investor's trust and ensures a long term partnership, and protects the interest of other stakeholders by way of transparency, accuracy and accountability.

Your Company has complied with all the regulations stipulated by the Securities Exchange Board of India (SEBI) in the Listing Agreement.

### **BOARD OF DIRECTORS**

#### **A. COMPOSITION OF BOARD**

The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013 and listing agreement prescribed by stock exchanges and in accordance with good corporate governance practices.

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

The Board of directors met **8 (Eight)** times on 12.05.2014; 14.06.2014; 30.07.2014; 12.09.2014; 14.11.2014; 30.01.2015; 10.03.2015 and 11.03.2015 during the financial year.

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

Sl. No	Name of the Director	Category	No of Board Meetings held	No of Board Meetings Attended	Attendance at the last AGM held on 30 <sup>th</sup> September, 2014	No of Directorships in other Companies	Membership in Other committees	No. of shares held in the Company	% to the paid up share capital of the Company
1.	Kishan Reddy Nalla (Chairman) DIN: 00038966	Executive Director (Whole time Director)	8	8	Yes	4	1	19,45,854	9.66
2.	Bhoopal Reddy Aleti DIN: 00043263	Executive Director (Whole time Director)	8	8	Yes	2	0	6,33,620	3.15
3.	Srinath Reddy Nalla DIN: 00052862	Executive Director (Whole time Director)	8	8	Yes	4	0	10,58,622	5.25

4.	Raja Reddy Gaddam DIN: 00126854	Executive Director (Whole time Director)	8	8	Yes	2	4	14,83,802	7.37
5.	Naveena Chandra Thammishetty DIN: 00052923	Independent Director (Non-executive Director)	8	6	Yes	6	3	NIL	NIL
6.	Krishna Prasad Srinivas DIN: 00360198	Independent Director (Non-executive Director)	8	6	Yes	0	4	NIL	NIL
7.	Jagadeeshwar Reddy Prodduturi DIN: 02582809	Independent Director (Non-executive Director)	8	8	Yes	0	0	NIL	NIL
8.	Vineel Reddy Nalla DIN: 01514842	Non Independent (Non-executive Director)	8	8	Yes	4	0	18,92,954	9.40
9.	Vinitha Reddy Nalla DIN: 01636570	Non Independent (Non-executive Director)	8	8	Yes	3	0	16,93,812	8.41

### **INDEPENDENT DIRECTORS**

Your Company at the Annual General Meeting (AGM) held on 30th September, 2014 have appointed Mr. Naveen Chandra Thammishetty, Mr. Krishna Prasad Srinivas and Mr. Jagadeeshwar Reddy Prodduturi as Independent Directors pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made there under and Clause 49 of the Listing Agreement for the period of five (5) consecutive years upto 31st March, 2019. The Independent Directors have submitted declarations that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and the Listing Agreement and a statement in this regard forms part of the Board's Report. Further, the Independent Directors have confirmed that they do not hold directorship in more than seven Listed Companies.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry through induction programmes at the time of their appointment as Directors and through strategy and performance which are made to the Directors from time to time. The familiarization programme for Independent Directors is in

terms of provisions of Clause 49 of the Listing Agreement and is hosted on the website of the Company. (<http://www.kprindustries.in>)

### **LETTER OF APPOINTMENT**

The Independent Directors on the Board of the Company, upon appointment, are given a formal appointment letter inter alia containing the term of appointment, roles, function, duties and responsibilities, code of conduct, confidentiality, etc. The terms and conditions of appointment of Independent Directors is hosted on the website of the Company. (<http://www.kprindustries.in>)

### **INDEPENDENT DIRECTORS' MEETING**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a meeting of the Independent Directors of the Company was held without the presence of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Board as a whole.

### **BOARD PROCEDURES**

The Board meets atleast once in a quarter to review financial results, operations of the Company and also meets as and when necessary to address specific issues concerning the businesses of the Company. The agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The proceedings of each meeting of the Board and its Committees are in accordance with the provisions of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014.

### **BOARD COMMITTEES**

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The Board has constituted various committees, viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

### **AUDIT COMMITTEE**

The committee met **4 times** during the year 2014-15 on the following dates 14.06.2014; 30.07.2014; 14.11.2014 and 30.01.2015.

The composition of the Audit Committee is in line with provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31st March, 2015 are detailed below:

<b>NAME OF THE DIRECTOR</b>	<b>DESIGNATION</b>	<b>NO OF MEETINGS HELD</b>	<b>NO OF MEETINGS ATTENDED</b>
Naveena Chandra Thammishetty	Chairman	4	4
Raja Reddy Gaddam	Member	4	4
Krishna Prasad Srinivas	Member	4	4



The scope of activities and terms of reference of the Audit Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**The role of the Audit Committee, inter alia, includes the following:**

1. To investigate any activity within its term of reference.
2. To seek information from any employee.
3. To obtain legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise as considered necessary.

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, focusing primarily on;
  - a) Any changes in accounting policies and practices.
  - b) Major accounting entries based on exercise of judgment by management.
  - c) Qualification in draft audit report.
  - d) Significant adjustments arising out of audit.
  - e) The going concern assumption.
  - f) Compliance with accounting standards.
  - g) Compliance with stock exchange and legal requirements concerning financial Statements.
  - h) Any related party transactions i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries or relatives etc that may have potential conflict with the interests of the Company at large.
2. To oversee the financial reporting process and disclosure of 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 internal and external auditors, fixation of audit fee and also approval of fee for any other services by the auditors.
6. To review and monitor with the management the auditor's independence, performance and effectiveness of audit process.



7. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. To review of management letters/letters on internal control weaknesses issued by statutory auditors.
9. Reviewing the Company's financial and risk management policies.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. To review the functioning of the whistle-blower mechanism.
12. Scrutiny of inter-corporate loans and investments.
13. Approval of transactions with related parties or any subsequent modifications and review of statement of significant related party transactions.
14. Discussion with statutory auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee plays an important role of determining the composition of the Board based on need and requirements of the Company from time to time and determines the overall compensation framework and policy for Directors, senior management and employees.

In compliance with Section 178 of the Companies Act, 2013 read with Companies (Meetings of the Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Company has constituted a Nomination and Remuneration Committee.

The committee met **2 times** during the year 2014-15 on the following dates 30.07.2014 and 13.02.2015.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company and attended by the members of the Committee during the financial year ended 31st March, 2015 is detailed below:

NAME OF THE DIRECTOR	DESIGNATION	NO OF MEETINGS HELD	NO OF MEETINGS ATTENDED
Naveena Chandra Thammishetty	Chairman	2	2
Raja Reddy Gaddam	Member	2	2
Krishna Prasad Srinivas	Member	2	2

**The Nomination and Remuneration Committee is empowered, pursuant to its terms of reference, inter alia, to:**

1. Identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

2. Carry on the evaluation of every Director's performance, the composition of the Board and vacancies arising in the Board from time to time.
3. Formulate criteria for determining qualifications, positive attributes and independence of a Director.
4. Recommend to the Board a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees.
5. Formulate criteria for evaluation of Independent Directors and the Board.
6. Formulate a policy for quantum of bonus payable to the members of the staff including senior management and key managerial personnel.
7. Devise a policy on Board Diversity and
8. Undertake any other matters as the Board may decide from time to time.

The Nomination and Remuneration Policy of the Company is attached to this report as **"Annexure 1"**.

#### **DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE YEAR 2014-15**

The Nomination & Remuneration Committee determines and recommends to the Board the amount of remuneration, including performance bonus and perquisites, payable to the Directors.

The following table sets out the details of remuneration (including perquisites) paid to Directors during the year.

<b>Name of the Director</b>	<b>Relationship with other directors</b>	<b>Loans availed</b>	<b>Sitting Fees</b>	<b>Salary</b>	<b>Commission</b>	<b>Total</b>
Kishan Reddy Nalla	Father-In-Law to Sri. N. Srinath Reddy	Nil	Nil	24,00,000	Nil	24,00,000
Bhoopal Reddy Aleti	None	Nil	Nil	12,00,000	Nil	12,00,000
Srinath Reddy Nalla	Son-In-Law to Sri. N. Kishan Reddy	Nil	Nil	12,00,000	Nil	12,00,000
Naveena Chandra Thammishetty	None	Nil	Nil	Nil	Nil	Nil
Raja Reddy Gaddam	None	Nil	Nil	12,00,000	Nil	12,00,000
Krishna Prasad Srinivas	None	Nil	Nil	Nil	Nil	Nil
Vineel Reddy Nalla	Son to Sri. N. Kishan Reddy	Nil	Nil	Nil	Nil	Nil
Vinitha Reddy Nalla	Daughter to Sri. N. Kishan Reddy	Nil	Nil	Nil	Nil	Nil
Jagadeeshwar Reddy Prodduturi	None	Nil	Nil	Nil	Nil	Nil

**EVALUATION OF BOARD EFFECTIVENESS**

In terms of provisions of the Companies Act, 2013 read with rules made there under and Clause 49 of the Listing Agreement, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2015.

The evaluation was done using individual questionnaires covering vision and strategy of the Board, Board dynamics, contribution towards development of the strategy, risk management, budgetary controls, functioning, performance & structure of Board Committees, ethics, knowledge & expertise of Directors, leadership, the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company and effectiveness of their contribution. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed satisfaction with the evaluation process.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board of Directors constituted the Corporate Social Responsibility (CSR) Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 during the year under review.

The composition of Committee is detailed below:

NAME OF THE DIRECTOR	DESIGNATION
Krishna Prasad Srinivas	Chairman
Naveena Chandra Thammishetty	Member
Raja Reddy Gaddam	Member

The terms of reference of the Corporate Social Responsibility Committee includes the following:

1. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
2. The CSR Policy shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act or the rules made thereunder.
3. Recommend the amount of expenditure to be incurred on CSR activities referred above.
4. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the rules made thereunder.
5. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
6. Monitor the CSR Policy of the Company from time to time.
7. Create transparent monitoring mechanism for implementation of CSR initiatives in India.

8. Submit the report to the Board in respect of the CSR activities undertaken by the Company.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The committee met **4 times** during the year 2014-15 on the following dates 14.06.2014; 30.07.2014; 14.11.2014 and 30.01.2015.

The constitution of the Stakeholders Relationship Committee of the Board of Directors of the Company and attended by the members of the Committee during the financial year ended 31st March, 2015 is detailed below:

<b>NAME OF THE DIRECTOR</b>	<b>DESIGNATION</b>	<b>NO OF MEETINGS HELD</b>	<b>NO OF MEETINGS ATTENDED</b>
Raja Reddy Gaddam	Chairman	4	4
Kishan Reddy Nalla	Member	4	4
Krishna Prasad Srinivas	Member	4	4

The terms of reference of the Stakeholders Relationship Committee include the following:

1. Transfer/Transmission of shares and such other securities as may be issued by the Company from time to time.
2. Issue of duplicate share certificates for shares and other securities reported lost, defaced or destroyed, as per the procedure.
3. Issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities.
4. Issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required.
5. To grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised.
6. To approve and monitor dematerialization of shares / other securities and all matters incidental or related thereto.
7. To authorize the Company Secretary and Compliance / other Officers to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken.
8. Monitoring expeditious redressal of investors / stakeholders grievances.
9. Delegation of authority for opening and operation of bank accounts for payment of dividend.
10. Review of work done by the share transfer agent.
11. All other matters incidental or related to shares.

During the year 2014-15, no complaints were received from Shareholders. There are no pending complaints and transfers as on the date of the report.

### **COMPLIANCE OFFICER**

Mr. N. Siddha Reddy, Chief Finance Officer has been acting as the Compliance officer of the Company.

### **SUBSIDIARY COMPANIES**

As on 31<sup>st</sup> March, 2015, the Company has one wholly owned subsidiary Company. There has been no change in the number of subsidiaries or in the nature of business of the subsidiary, during the year under review. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and its subsidiary Company, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies is also included in the Annual Report.

The Audit Committee reviews the financial statements including investments made by the unlisted subsidiary companies of the Company, statement of all significant transactions and arrangements entered into by the subsidiary Company. The minutes of the Board meetings of the subsidiary Company are placed at the meeting of the Board of Directors of the Company on periodical basis for its review.

In accordance with the requirements of Clause 49 of the Listing Agreement, the Company has formulated a Policy for determining Material Subsidiaries and the same has been hosted on the website of the Company (<http://www.kprindustries.in>).

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business. They are in compliance with the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement. There are no materially significant transactions made by the Company with promoters, directors, key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company.

All related party transactions were periodically placed before the Audit Committee for approval and the Board of Directors for noting and review.

The Audit Committee and the Board of Directors of the Company formulated the Policy on dealing with related party transactions and the same has been hosted on the website of the Company. (<http://www.kprindustries.in>)

### **COMPLIANCE WITH ACCOUNTING STANDARDS**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements. The Accounting Standards are in compliance with the provisions of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.



**INTERNAL CONTROLS**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

**CFO CERTIFICATION**

In terms of Clause 49 of the Listing Agreement, the certification by the Chief Financial Officer on the financial statements and internal controls relating to financial reporting is annexed and forms part of this report.

**COMPLIANCE CERTIFICATE OF THE AUDITORS**

The Company has annexed to this report, a certificate obtained from the statutory auditors, M/s V. Sridhar & Co, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement.

**WHISTLE BLOWER POLICY**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has formulated a Whistle Blower Policy which provides an opportunity for any employee/ Director of the Company to raise any issue concerning violations of law, rules, regulations, accounting policies or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups or any act resulting in financial or reputation loss and misuse of office or suspected or actual fraud. The Policy provides for a mechanism to report such concerns to the Audit Committee through specified channels and the Policy has been periodically communicated to the employees. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. The Whistle Blower Policy complies with the requirements of Vigil mechanism as stipulated under Section 177 of the Companies Act, 2013 and is hosted on the website of the Company. (<http://www.kprindustries.in>)

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

In accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has instituted a comprehensive code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. All Board Directors and the designated employees have confirmed compliance with the Code. The code is hosted on the website of the Company. (<http://www.kprindustries.in>)

**CODE OF ETHICS**

The Code of Ethics for Directors and employees of the Company aims at ensuring consistent standards of conduct and ethical business practices. This Code is reviewed on an annual basis. Pursuant to Clause 49 of the Listing Agreement, a confirmation from the CFO regarding compliance with the Code by all the Directors and senior management forms part of the Annual Report. The Code has been posted on the Company's website. (<http://www.kprindustries.in>)

### **GENERAL MEETINGS**

The details of General Body Meetings held in the last three years are given below:

<b>AGM</b>	<b>Date and Time</b>	<b>Venue</b>	<b>No of Special Resolutions</b>
26 <sup>th</sup>	30.09.2014 at 10.00 A.M.	Nagarjuna Community Hall, Nagarjuna Nagar, Yellareddyguda, Ameerpet, Hyderabad - 500 073	<p>1. Approval pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to create charge by way of mortgage and/or hypothecate in addition to existing charges, mortgages, hypothecation created by the Company on such movable and immovable properties and/ or the undertaking(s) of the Company.</p> <p>2. Approval pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 for amount not exceed Rs. 300 Crores at any time.</p> <p>3. Approval pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 for alteration of Article 1 of the Articles of Association of the Company.</p>
25 <sup>th</sup>	30.09.2013 at 10.00 A.M.	Nagarjuna Community Hall, Nagarjuna Nagar, Yellareddyguda, Ameerpet, Hyderabad - 500 073	Nil
24 <sup>th</sup>	29.09.2012 at 10.00 A.M.	Nagarjuna Community Hall, Nagarjuna Nagar, Yellareddyguda, Ameerpet, Hyderabad - 500 073	Nil

All special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority.

### **RESOLUTIONS PASSED BY POSTAL BALLOT**

During the financial year under review, no resolutions were passed through postal ballot.

However, on 17<sup>th</sup> April, 2015, the Company has passed certain resolutions through postal ballot process pursuant to the provisions of Section 110 and applicable provisions, if any of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement.

Mr. A. Ravi Shankar, Partner M/s Ravi & Subramanyam, Company Secretaries (FCS No.5335 and C.P.No.4318), the Scrutinizer, conducted the postal ballot and e-voting process. The procedure for the postal ballot process and details of voting pattern were submitted to the stock exchange and posted on the website of the Company <http://www.kprindustries.in>.



## **DISCLOSURES**

- a. During the year, there were no transactions of material nature that have been entered into by the Company with directors or management and / or their relatives etc that may have a potential conflict with the interests of the Company.
- b. The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital markets during the last three years.
- c. The Company is committed in conducting its business in conformity with ethical standards and applicable laws and regulations. A certificate from CFO to this effect forms part of the report.
- d. The Company has established a Whistle Blower Policy through which its Directors and employees can report their concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct. The same has been hosted on the website of the Company and none of the employees have been denied access to the Audit Committee.
- e. The Company is in compliance with all mandatory requirements stipulated under Clause 49 of the Listing Agreement, as amended from time to time.
- f. The Company has in place a mechanism to inform the Board about the risk assessment, minimization procedures and periodical review to ensure that the management controls risk through a properly defined framework. The Risk Management policy formulated by the Company is hosted on the website of the Company. (<http://www.kprindustries.in>)

## **MEANS OF COMMUNICATION**

The quarterly, half-yearly and annual financial results of the Company are regularly submitted to the stock exchanges wherever the shares of the Company are listed. The results are published in leading newspapers and also displayed on the website of the Company. (<http://www.kprindustries.in>)

## **GENERAL SHAREHOLDER INFORMATION**

- a. 27<sup>th</sup> Annual General meeting
  - Date: 30.09.2015
  - Time: 10.00 A.M
  - Venue: Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda, (Backside of Chermas Showroom), Ameerpet, Hyderabad-500073.
- b. **Financial Year** : 1<sup>st</sup> April to 31<sup>st</sup> March

Financial calendar for the Financial Year 2015-16

Results for quarter ending 30 <sup>th</sup> June, 2015	On or before August 14, 2015
Results for quarter ending 30 <sup>th</sup> September, 2015	On or before November 14, 2015
Results for quarter ending 31 <sup>st</sup> December, 2015	On or before February 14, 2016
Results for quarter ending 31 <sup>st</sup> March, 2016	On or before May 30, 2016

- c. **Book Closure Date:** 24<sup>th</sup> September to 30<sup>th</sup> September 2015 (both days inclusive) for payment of dividend.

**d. Dividend Payment date:** (subject to the approval of shareholders at Annual General Meeting) the warrants will be dispatched to the members after 1<sup>st</sup> October, 2015.

**e. The details of dividend declared and paid by the Company for the last five years are as below:**

Year	%	In Rs. Per share	Dividend Amount
2014	8%	Rs.0.80	1,61,16,556
2013	7%	Rs.0.70	1,41,01,987
2012	Nil	Nil	Nil
2011	Nil	Nil	Nil
2010	Nil	Nil	Nil

**f. Listing on Stock Exchanges:** The Company is listed on BSE Limited. The annual listing fees have been paid for the financial year 2015-16.

**g. Stock Code:** The Stock Exchange, Mumbai. – SRIKPRIND (514442).

**h. International Securities Identification Number (ISIN No):** INE009C01019.

**i. Market Price Data – High/ Low during each month of the financial year:**  
The monthly high and low prices and volumes of the Company's shares at BSE for the financial year ended 31st March, 2015 are as under:

Month	BSE		
	High	Low	Volume (No. of shares)
<b>2014</b>			
April	18.55	14.45	574
May	14.50	11.35	1,143
June	16.60	11.40	8,982
July	16.50	13.90	6,276
August	16.00	13.32	12,328
September	19.85	14.25	25,253
October	16.05	13.11	9,458
November	20.00	14.25	29,841
December	17.75	15.15	5,757
<b>2015</b>			
January	17.75	14.70	10,506
February	18.60	15.90	15,569
March	19.45	16.75	1,425

**j. Name and address of the Share transfer agents:**  
Karvy Computershare Pvt Ltd

**Regd Off:** "KarvyHouse", 46 Avenue 4, Street No 1, Banjara Hills, Hyderabad - 500034

**Corporate Off:** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032

Tel No: 040-67162222

Fax No: 040-23420829

Email Id: [mailmanager@karvy.com](mailto:mailmanager@karvy.com)

Website: [support@karvy.com](mailto:support@karvy.com)

**k. Share Transfer System:**

The share transfer activities in respect of the shares in physical mode are carried out by the Company's Registrar and Transfer Agent (RTA). The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., as mentioned in Clause 49 (VIII)(E)(5) of the Listing Agreement to the designated officials of the Company.

The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Clause 47 (c) of the Listing Agreement and files a copy of the said certificate with Stock Exchange.

**l. Information on Shareholding:**

***Distribution of shareholding as at March 31, 2015***

SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF Rs. 10/-	SHARE/DEBENTURE HOLDERS		SHARE/DEBENTURE AMOUNT	
	Number	%	In Rs.	%
(1)	(2)	(3)	(4)	(5)
Upto - 5,000	5208	90.26	88,62,700	4.40
5,001 - 10,000	265	4.59	21,25,680	1.05
10,001 - 20,000	143	2.48	21,38,560	1.06
20,001 - 30,000	46	0.80	11,81,740	0.59
30,001 - 40,000	15	0.26	5,44,180	0.27
40,001 - 50,000	11	0.19	5,07,560	0.25
50,001 - 1,00,000	26	0.45	16,85,070	0.84
1,00,001 and above	56	0.97	18,44,11,460	91.54
<b>TOTAL</b>	<b>5,770</b>	<b>100.00</b>	<b>20,14,56,950</b>	<b>100.00</b>

***Shareholding Pattern as on March 31, 2015***

Particulars	March 31, 2015			March 31, 2014		
	No of Share holders	%	Number of shares held	No of Share holders	%	Number of shares held
<b>Promoters Holding</b>						
- Indian	24	66.59	1,34,14,792	24	66.54	1,34,04,216
- Foreign	-	-	-	-	-	-
<b>Total Promoters Holding – (A)</b>	<b>24</b>	<b>66.59</b>	<b>1,34,14,792</b>	<b>24</b>	<b>66.54</b>	<b>1,34,04,216</b>
<b>Public Shareholding</b>						
Institutional investors						
- Mutual Funds	2	0.04	8,400	2	0.04	8,400
- Banks and Financial Institutions	1	0.00	200	1	0.00	200
- Foreign Institutional Investors	1	0.50	1,00,000	1	0.50	1,00,000
- Others	-	-	-	-	-	-
Non Institutional investors						
- Body Corporates	79	2.36	4,75,418	75	2.33	4,70,130
- Individual Shareholders	5,647	30.45	61,34,814	5,645	30.53	61,51,223

- NRI/OCB/Foreign Nationals	14	0.06	12,025	13	0.06	11,525
- Others	2	0.00	46	1	0.00	1
<b>Total Public Holding - (B)</b>	<b>5,746</b>	<b>33.41</b>	<b>67,30,903</b>	<b>5,738</b>	<b>33.46</b>	<b>67,41,479</b>
<b>Equity shares underlying ADS - (C)</b>	-	-	-	-	-	-
<b>Total (A+B+C)</b>	<b>5,770</b>	<b>100</b>	<b>2,01,45,695</b>	<b>5,762</b>	<b>100</b>	<b>2,01,45,695</b>

**Top Ten Equity shareholders of the Company as on March 31, 2015**

S. No.	Name of the shareholders	No. of Shares	Percentage
1.	Anil Reddy	6,73,750	3.34%
2.	A Naveen Chandra Reddy	6,03,750	3.00%
3.	Gaddam Sushila Raja Reddy Foundation	5,25,000	2.61%
4.	Praveen Reddy	4,67,250	2.32%
5.	Mahitha Aleti	1,89,350	0.94%
6.	Kishtammagari Sudarshan Reddy Nalla	1,57,500	0.78%
7.	Padmini	1,54,000	0.76%
8.	Eeshan Reddy	1,40,000	0.69%
9.	A Vasantha	1,36,500	0.68%
10.	Anitha Reddy	1,26,000	0.63%

**1. Dematerialization of shares:**

As on 31<sup>st</sup> March, 2015, 1,62,91,380 shares being 80.87% of the total number of shares are in dematerialization form.

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2015, is given below:

Category	No. of Shares	Percentage
Physical mode	38,54,315	19.13
Held in Dematerialized mode in NSDL	1,59,79,540	79.32
Held in Dematerialized mode in CDSL	3,11,840	1.55
<b>Total</b>	<b>2,01,45,695</b>	<b>100</b>

m. **Plant Locations:** Sy.No.12, Gundlapochampally (V), Medchal (M), R.R.Dist.

n. **Address for correspondence:**

**Registered Office Address:**

**Sri KPR Industries Limited**

CIN: L20200TG1988PLC009157

V<sup>th</sup> Floor, KPR House, Sardar Patel. Road, Secunderabad - 500 003, Telangana.

Tel. No.: 040-27847121. Fax No.: 040 - 27892076

E-mail: [bwpl9@yahoo.com](mailto:bwpl9@yahoo.com) Website: <http://www.kprindustries.in>

**Shareholders' correspondence may be directed to:**

**Karvy Computershare Pvt. Ltd,**

**Regd Off:** "KarvyHouse", 46 Avenue 4, Street No 1, Banjara Hills, Hyderabad – 500 034.

**Corporate Off:** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032

Tel No: 040-67162222. Fax No: 040-23420829

Email Id: [mailmanager@karvy.com](mailto:mailmanager@karvy.com) Website: [support@karvy.com](mailto:support@karvy.com)

**ANNEXURE TO REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR  
ENDED 31ST MARCH, 2015**

**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, as applicable to them, for the Financial Year 2014-2015.

**For Sri KPR Industries Ltd**

Sd/-

**(KISHAN REDDY NALLA)  
CHAIRMAN / WHOLE-TIME DIRECTOR  
DIN: 00038966**

Place: Secunderabad

Date: 31.08.2015

**CHIEF FINANCIAL OFFICER CERTIFICATION UNDER CLAUSE 49 OF THE LISTING  
AGREEMENT WITH THE STOCK EXCHANGE**

The Board of Directors,  
Sri KPR Industries Limited,  
Secunderabad.

Dear Members of the Board,

I, N. Siddha Reddy, Chief Financial Officer of Sri KPR Industries to the best of my knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all notes on accounts and the Board's report.
2. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
3. These statements together present a true and fair view of the Company's affairs, the financial condition, results of operations and are in compliance with existing accounting standards, applicable laws and regulations.
4. There are, no transactions entered into by the Company during the year which are fraudulent, illegal and violate the Company's Code of Conduct and Ethics.
5. We are responsible for establishing and maintaining internal controls for financial reporting.
6. We have indicated to the auditors and the Audit Committee:
  - i) Any deficiencies in the operation of internal controls that could adversely affect the Company's ability to record, process and report the financial data and have confirmed that there have been no material weaknesses in internal controls.
  - ii) Significant changes in internal control over financial reporting during the year.
  - iii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iv) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

N. Siddha Reddy  
Chief Financial Officer

Place: Secunderabad  
Date: 31.08.2015

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of Sri KPR Industries Limited,  
Secunderabad.

We have examined the compliance of conditions of Corporate Governance by Sri KPR Industries Limited, (hereinafter referred to as "the Company") for the year ended 31<sup>st</sup> March 2015, as stipulated in Clause 49 of the Listing Agreements of the Company with the 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 Agreement, as required under Sub-clause I (A) of Clause of 49 of the Listing Agreement.

We state that in respect of investor grievance received during the year ended March 31, 2015 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' Grievances 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.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Sd/-

For V. Sridhar & Co.,  
Chartered Accountants  
FRN No: 006206S

Sd/-

Vemulapati Sridhar  
Proprietor  
ICAI Membership No: 202337

Place: Secunderabad  
Date: 31.08.2015



**ANNEXURE 1 - NOMINATION AND REMUNERATION POLICY****INTRODUCTION**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, the Company has formulated "Nomination and Remuneration Policy." This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

**OBJECTIVES**

The Key Objectives are:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
3. Formulation of criteria for evaluation of Independent Director and the Board.
4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
8. To develop a succession plan for the Board and to regularly review the plan.
9. To assist the Board in fulfilling responsibilities.
10. To Implement and monitor policies and processes regarding principles of corporate governance.

**CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors of the Company constituted the committee to be known as the Nomination and Remuneration Committee consisting of three non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director.

<b>NAME OF THE DIRECTOR</b>	<b>DESIGNATION</b>
Naveena Chandra Thammishetty	Chairman
Raja Reddy Gaddam	Member
Krishna Prasad Srinivas	Member

## **DEFINITIONS**

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
2. "Board" means Board of Directors of the Company.
3. "Company" means Sri KPR Industries Limited.
4. "Directors" mean Directors of the Company.
5. "Committee" means Nomination and Remuneration committee of the Company as constituted or re-constituted by the Board, from time to time.
6. "Key Managerial Personnel" means
  - i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
  - ii. Chief Financial Officer;
  - iii. Company Secretary; and
  - iv. such other officer as may be prescribed.
7. "Senior Management" means Senior Management means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
8. "Independent Director" is as provided under Clause 49 of the Listing Agreement and Companies Act, 2013.

## **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

### **1. Appointment Criteria and Qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- d) A whole-time KMP of the Company shall not hold office in more than one Company except in its Subsidiary Company at the same time. However they can be appointed as Director in any Company with the permission of the Board of Directors of the Company.

## **2. Term / Tenure**

### **a) Managing Director/Whole-time Director:-**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### **b) Independent Director:-**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such other number as may be prescribed under the Act.

## **3. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

## **4. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **5. Retirement**

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL****1. Remuneration to Managing / Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**2. Remuneration to Non- Executive / Independent Director:**

The Non-Executive Independent Director may receive remuneration / compensation /commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**POLICY REVIEW**

This policy is framed based on the provisions of the Companies Act, 2013 and the rules made there under and the requirements of Clause 49 of the Listing Agreement with the Stock exchanges.

This policy shall be reviewed by Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes in the policy shall be approved by the Board of Directors.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **BACKGROUND**

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.

### **FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### **BUSINESS ENVIRONMENT**

Reference may be had to the "Operations" in the main body of the Directors' Report.

### **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.

### **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.



## **BUSINESS OVERVIEW**

During the year under review, the turnover of the Company reduced by 15.54% approximately and the Company registered net profit of Rs. 5,63,66,921/- compared to previous year profit of Rs. 3,89,16,797/-.

The financial highlights are as under: -

(Amount in Rs.)

<b>Particulars</b>	<b>For year ending 31<sup>st</sup> March, 2015</b>	<b>For year ending 31<sup>st</sup> March, 2014</b>
Income from Operations	36,72,97,849	43,48,56,138
Depreciation	1,92,72,912	2,09,62,626
Profit/(Loss) – Before Tax	6,38,08,893	5,51,25,771
Current Tax	(99,22,250)	(1,08,98,426)
Deferred Tax	24,80,278	(53,10,548)
Profit/(Loss) – After Tax	5,63,66,921	3,89,16,797

## **SEGMENT WISE REPORTING**

During the year under review, Company has achieved sales through sale of asbestos cement pressure pipes and electric wind power.

## **RISKS AND CONCERNS**

In any business, risks and prospects are inseparable. As a responsible management, the Company's principal endeavour is to maximize returns and minimize risks. The Company continues to take all steps necessary to minimize its expenses through detailed studies and interaction with experts.

## **OUTLOOK**

The Company believes that its focus on profitable growth and targeting leadership position will create significant value in the future. The Company has a positive outlook for the next year.

## **CAUTIONARY STATEMENT**

The management has prepared and is responsible for the financial statements that appear in this report. There financial statements are in conformity with the Accounting Standards and accounting principles generally accepted in India. Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

**BALANCE SHEET AS AT MARCH 31, 2015**

S.No	Particulars	Note	Rupees	
			As at March 31, 2015	As at March 31, 2014
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
	<b>(1) Shareholders' funds</b>			
	(a) Share capital	<b>2</b>	201,456,950	201,456,950
	(b) Reserves and surplus	<b>3</b>	89,431,437	53,801,393
	(c) Money received against share warrants		-	-
	<b>(2) Share application money pending allotment</b>		-	-
	<b>(3) Non-current liabilities</b>			
	(a) Long term borrowings	<b>4</b>	46,180,088	45,309,944
	(b) Deferred tax liabilities(net)	<b>5</b>	63,606,064	66,086,342
	(c) Other long term borrowings	<b>6</b>	30,176,303	-
	(d) Long -term provisions		-	-
	<b>(4) Current liabilities</b>			
	(a) Short-term borrowings	<b>7</b>	49,930,656	90,942,056
	(b) Trade payables	<b>8</b>	36,938,673	106,242,711
	(c) Other current liabilities	<b>9</b>	9,200,000	9,200,000
	(d) Short term provisions	<b>10</b>	25,024,138	27,358,340
	<b>Total Equity &amp; Liabilities</b>		<b>551,944,309</b>	<b>600,397,736</b>
<b>II</b>	<b><u>ASSETS</u></b>			
	<b>(1) Non current assets</b>			
	(a) Fixed Assets			
	(i) Tangible assets	<b>11</b>	289,738,921	315,331,978
	(ii) Intangible assets		-	-
	(iii) Capital work in progress		1,236,161	1,139,660
	(iv) Intangible assets under development		-	-
	(b) Non current investments	<b>12</b>	38,199,700	37,959,700
	(c) Deferred tax assts (Net)		-	-
	(d) Long term loans and advances		-	-
	(e) Other non current assets	<b>13</b>	6,760,981	8,930,481
	<b>(2) Current assets</b>			
	(a) Current investments	<b>14</b>	7,197,120	7,197,120
	(b) Inventories	<b>15</b>	69,516,153	72,842,439
	(c) Trade receivables	<b>16</b>	69,616,733	138,816,972
	(d) Cash and cash equivalents	<b>17</b>	1,272,215	9,308,748
	(e) Short term loans and advances	<b>18</b>	68,406,326	8,870,638
	(f) Other current assets		-	-
	<b>Total Assets</b>		<b>551,944,309</b>	<b>600,397,736</b>
	<b>Significant Accounting Policies &amp; Other Information</b>	<b>1</b>		

Notes 1 to 26 form integral part of financial statements

As per our report of even date

For V.Sridhar & Co.,

Chartered Accountants

FRN : 006206S

Sd/-

Vemulapati Sridhar

Proprietor

ICAI Membership No: 202337

Secunderabad. May 29, 2015

For and on behalf of the Board of Directors

Sd/-

KISHAN REDDY NALLA

WHOLE-TIME DIRECTOR

DIN: 00038966

Sd/-

SRINATH REDDY

WHOLE-TIME DII

DIN:00052862



## STATEMENT OF PROFIT &amp; LOSS FOR THE PERIOD ENDED MARCH 31, 2015

Rupees

S.No	Particulars	Note	Year ended March 31, 2015	Year ended March 31, 2014
I	Revenue from operations	19	367,297,849	434,856,138
II	Other income	20	37,465,742	8,068,831
III	<b>Total Revenue(I+II)</b>		<b>404,763,591</b>	<b>442,924,969</b>
IV	<b>Expenses:</b>			
	Raw materials consumed	21	166,236,652	182,300,446
	Changes in inventories of finished goods and WIP	22	(3,811,850)	14,186,534
	Other manufacturing expenses	23	21,868,203	24,759,853
	Employee benefits expense	24	25,136,730	18,997,145
	Finance costs	25	14,525,061	17,012,759
	Depreciation	11	19,272,912	20,962,626
	Other expenses	26	100,550,466	109,497,934
	<b>Total Expenses</b>		<b>343,778,175</b>	<b>387,717,297</b>
V	Profit before exceptional and extraordinary items and tax (III-IV)		60,985,416	55,207,672
VI	Exceptional items		2,823,477	81,901
VII	Profit before extraordinary items and tax (V-VI)		63,808,893	55,125,771
VIII	Extraordinary Items			
IX	Profit before tax (VII-VIII)		63,808,893	55,125,771
X	Tax expenses:			
	(1) Current tax		(9,922,250)	(10,898,426)
	(2) Deferred tax - Reversal		2,480,278	(5,310,548)
XI	Profit/(Loss) for the period from continuing operations		56,366,921	38,916,797
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		56,366,921	38,916,797
XVI	Earnings per equity share:			
	(1) Basic		2.80	1.93
	(2) Diluted		2.80	1.93
<b>Significant Accounting Policies &amp; Other Information</b>		<b>1</b>		

Notes 1 to 26 form integral part of financial statements

As per our report of even date

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

Sd/-  
Vemulapati Sridhar  
Proprietor  
ICAI Membership No: 202337  
Secunderabad. May 29, 2015

For and on behalf of the Board of Directors

Sd/-  
KISHAN REDDY NALLA  
WHOLE-TIME DIRECTOR  
DIN: 00038966

Sd/-  
SRINATH REDDY NALLA  
WHOLE-TIME DIRECTOR  
DIN:00052862

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Current Year 2014-15	Previous Year 2013-14
<b>A. Cash Flow from Operating Activities</b>		
Profit before Depreciation, Interest and Tax	976.06	930.99
Less : Other Income considered separately	-374.65	-203.88
Add: Bad Debts written off	6.85	0
<b>Net</b>	<b>608.26</b>	<b>727.11</b>
(Increase) / Decrease in Inventories	33.26	78.83
(Increase) / Decrease in Receivables	692.00	-196.93
(Increase) / Decrease in Loans & Advances	-595.36	150.7
(Increase) / Decrease in Other Current Assets		
Increase / (Decrease) in Current Liabilities	-1376.73	-325.99
(Increase) / (Decrease) in Other Current Investments	-2.40	-1.50
<b>Total A</b>	<b>-640.96</b>	<b>432.22</b>
<b>B. Cash Flow from Investing Activities</b>		
Increase in Fixed Assets	-0.95	-1011.41
Increase in Non Current Investments		0.00
Increase in Non Current Assets	21.70	-1.24
Other Income	374.65	203.88
<b>Total B</b>	<b>395.40</b>	<b>-808.77</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase / (Decrease) in Secured Loans	310.46	-148.49
Interest Paid	-145.25	-170.12
<b>Total C</b>	<b>165.21</b>	<b>-318.61</b>
<b>D. Net Increase/(Decrease) in cash and cash equivalents</b>	<b>-80.36</b>	<b>-695.16</b>
Cash and cash equivalents at the beginning of the year (31.03.14)	93.08	788.24
Cash and cash equivalents at the end of the year (31.03.15)	12.72	93.08
<b>Increase/(-)Decrease</b>	<b>-80.36</b>	<b>-695.16</b>

As per our report of even date  
For V.Sridhar & Co.,  
Chartered Accountants,  
FRN No: 006206S

Sd/-  
Vemulapati Sridhar  
Proprietor  
ICAI Memb No: 202337  
Secunderabad.May 29,2015

For and on behalf of the Board of Directors

Sd/-  
KISHAN REDDY NALLA  
WHOLE-TIME DIRECTOR  
DIN: 00038966

Sd/-  
SRINATH REDDY NALLA  
WHOLE-TIME DIRECTOR  
DIN: 00052862

## Notes to Financial Statements 31-03-2015

Note No	Particulars	Rupees	
		As at March 31,2015	As at March 31,2014
<b>2</b>	<b>Share Capital</b>		
	<b>a. Authorised</b>		
	2,10,00,000 Equity shares of Rs.10/- each	<b>210,000,000</b>	<b>210,000,000</b>
	<b>b. Issued, Subscribed &amp; Paid up</b>		
	2,01,45,695 Equity shares of Rs.10/- each fully paid up	<b>201,456,950</b>	<b>201,456,950</b>
	<b>c. Par value of shares</b>	10	10
	<b>d. Number of shares outstanding at beginning the year</b>	20,145,695	20,145,695
	Changes during the year	-	-
	Number of shares outstanding at end of the year	20,145,695	20,145,695
	<b>e. Details of Shareholder holding more than 5% Shares</b>	No of %	No of %
	Sl. No . Name of the Share Holder	shares	shares
	1. N.Kishan Reddy	1945854 (9.66)	1942605 9.64
	2. N.Vineel Reddy	1892954 (9.40)	1891454 9.39
	3. N.Vijaya	1728485 (8.58)	1726110 8.57
	4. N.Vineetha	1693812 (8.41)	1690852 8.39
	5. G.Raja Reddy	1483802 (7.37)	1483310 7.36
	6. NBOS Technologies (India) Private Limited	1105600 (5.49)	1105600 5.49
	7. N. Srinath Reddy	1058622 (5.24)	1058622 5.25
	f. The Company has only one class of shares i.e.Equity shares		
	g. The company has not made any bonus issue during preceeding five years		
<b>3</b>	<b>Reserves &amp; surplus</b>		
A.	<b>State subsidy</b>		
	At the beginning of the year	4,369,086	4,369,086
	Amounts received during the year	-	-
	Total (A)	<b>4,369,086</b>	<b>4,369,086</b>
B	<b>General reserve</b>		
	As per Last Balance Sheet	8,973,150	8,973,150
	Additions during the year	2,818,346	-
	Total (B)	<b>11,791,496</b>	<b>8,973,150</b>
C	<b>Balance in Profit &amp; Loss account</b>		
	At the beginning of the year	40,459,157	18,002,274
	Less: Adjustment on account of application of depreciation method prescribed under Schedule II to the Companies Act, 2013	(6,320,145)	-
	Add: Current year Profit/Loss	56,366,921	38,916,797
	Balance before appropriations	90,505,933	56,919,071
	Proposed Dividend on Equity Shares (70 paise for each share of Rs.10/- each	(14,101,987)	(16,116,556)
	Dividend Distribution Tax	(314,745)	(343,358)
	Transfer to general reserve	(2,818,346)	-
	Total (C)	<b>73,270,855</b>	<b>40,459,157</b>
	Total (A+B+C)	<b>89,431,437</b>	<b>53,801,393</b>

Note No	Particulars	Rupees	
		As at March 31,2015	As at March 31,2014
<b>4</b>	<b>Long term borrowings</b>		
	<b>a) Term loans</b>		
	<b>- From Banks</b>		
	HDFC Bank Ltd (Skoda Car)	-	33,806
	State Bank of India - Term loan	4,799,688	13,999,628
	[Secured by first charge on all fixed assets of the company both movable and immovable]		
	<b>b) Unsecured loans</b>		
	Others	11,103,950	1,000,000
	<b>c) Deferred Sales tax</b>	30,276,450	30,276,450
	<b>Total</b>	<b>46,180,088</b>	<b>45,309,884</b>
[The borrowings from State Bank of India, Commercial Branch, Koti, Hyderabad are guaranteed by the Directors of the company, Sri N. Kishan Reddy, Sri. G. Raja Reddy, Sri. N. Srinath Reddy, Sri. N.K. Sudarshan Reddy, Sri. A. Bhoopal Reddy and Sri. N. Vinil Reddy. The extent of guarantee provided by all the Directors are as under :		<b>Aggregate amount of guarantee as per sanction letter</b>	Repayment terms
<b>Sl.No</b>	<b>Name of the Bank / Nature of Facility</b>		
a	State Bank of India, Commercial Branch, Koti, Hyderabad - Working capital	Rs. 9 crores	On demand
b	State Bank of India, Commercial Branch, Koti, Hyderabad - Term Loan	Rs. 1.63 crores	Balance of 6 Qtly installmnts
c	In addition to the guarantees as above, Sri.N. Kishan Reddy provided Collateral Security by way of deposit of Title Deeds of his house residential	Rs. 8.29 crores	
<b>5</b>	<b>Deferred tax liabilities</b>		
	Beginning of the year relating to the fixed Assets	66,086,342	60,775,794
	Less : Reversal -Timing difference originating during the year	(2,480,278)	5,310,548
	<b>Total</b>	<b>63,606,064</b>	<b>66,086,342</b>
<b>6</b>	<b>Other long term borrowings</b>		
	Performance retention monies	30,176,303	-
	<b>Total</b>	<b>30,176,303</b>	<b>-</b>
<b>7</b>	<b>Short term borrowings</b>		
	<b>Secured</b>		
	State Bank of India, Commercial Branch, Koti, Hyderabad	49,930,656	90,942,056
	[towards working capital limits, secured by way of hypothecation of stocks and book debts and second charge on all fixed assets of the company both present and future]		
	[The above borrowings are also supported by personal guarantees of Directors of the company along with the terms loans referred to in Note.4 above		
	The limits sanctioned are		
	Total fund based Rs. 9.00 Crores		
	Total non-fund based Rs. 6.00 Crores		
	<b>Total</b>	<b>49,930,656</b>	<b>90,942,056</b>

Note No	Particulars	Rupees	
		As at March 31, 2015	As at March 31, 2014
<b>8</b>	<b>Trade payables</b>		
	Sundry creditors	3,211,070	360,524
	Dues to Small Scale Industries	5,910,064	5,345,063
	Sundry creditors - Raw materials	4,790,750	3,665,632
	Sundry creditors - Expenses	4,804,867	13,980,230
	Sundry creditors - Others	18,221,923	82,891,262
	<b>Total</b>	<b>36,938,673</b>	<b>106,242,711</b>
<b>9</b>	<b>Other current liabilities</b>		
	Installment for secured term loan from banks due with in one year	9,200,000	9,200,000
	<b>Total</b>	<b>9,200,000</b>	<b>9,200,000</b>
<b>10</b>	<b>Short term provisions</b>		
	Income Tax	10,607,406	10,898,426
	Proposed dividend	14,101,987	16,116,556
	Provision for Dividend Distribution Tax	314,745	343,358
	<b>Total</b>	<b>25,024,138</b>	<b>27,358,340</b>
<b>12</b>	<b>Non current investments</b>		
	Quoted 4,81,776 equity shares of Rs.2/- each in Balaji Amines Ltd including 84,413 bonus shares (Quoted value as on 31-03-2015 - Rs.3.93 crores)	2,944,000	2,944,000
	The company in an earlier year received 3,68,000 bonus shares of Rs.2/- each fully paid up and during the year out of these bonus shares the company has sold 2,83,587 shares.		
	Unquoted In Subsidiaries 35,00,000 equity shares of Rs.10/- each, investment in Sri KPR Infra & Projects Ltd (a 100% subsidiary)	35,000,000	35,000,000
	Indira Vikas Patra (to be encashed)	230,000	
	National Savings Certificate (Rs. 15,500 overdue for encashing)	200	200
		25,500	15,500
	<b>Total</b>	<b>38,199,700</b>	<b>37,959,700</b>
<b>13</b>	<b>Other non-current assets</b>		
	Deposits	5,642,612	6,070,735
	Others	1,118,369	2,859,746
	<b>Total</b>	<b>6,760,981</b>	<b>8,930,481</b>
<b>14</b>	<b>Current investments</b>		
	TATA AIG Mutual Funds	7,197,120	7,197,120
	<b>Total</b>	<b>7,197,120</b>	<b>7,197,120</b>
<b>15</b>	<b>Inventories</b> [ As verified, valued and certified by the Management]		
	Raw material	700,537	7,838,673
	Finished goods	61,129,130	48,592,735
	Work -in-progress	6,425,581	15,150,126
	Traded shares	1,260,905	1,260,905
	<b>Total</b>	<b>69,516,153</b>	<b>72,842,439</b>

Note No	Particulars	Rupees	
		As at March 31,2015	As at March 31,2014
16	<b>Trade receivables</b>		
	(Unsecured and considered good)		
	- Over six months	21,293,798	138,816,972
	- Others	48,322,935	-
	<b>Total</b>	<b>69,616,733</b>	<b>138,816,972</b>
17	<b>Cash and cash equivalents</b>		
	- Cash on hand	376,849	1,927,926
	- In Current Accounts	895,366	114,520
	- Short Term Deposit	-	200,505
	- Balace in ICICI - HYD (OD)	-	5,081,391
	- Margin Money for BG	-	1,984,406
	<b>Total</b>	<b>1,272,215</b>	<b>9,308,748</b>
18	<b>Short term loans and advances</b>		
	Balances with Central Excise	119,892	213,870
	Advance Income tax (including TDS)	2,399,641	1,536,734
	Advance recoverable in cash or in kind or for value to be received	20,451,686	6,398,648
	Others	45,435,107	721,386
	<b>Total</b>	<b>68,406,326</b>	<b>8,870,638</b>
19	<b>Revenue from operations</b>		
	Sale of asbestos cement pressure pipes	329,256,506	397,794,098
	Less : Excise duty	7,117,181	3,429,242
	<b>Net Sales</b>	<b>322,139,325</b>	<b>394,364,856</b>
	Sale of traded items	7,317,827	12,319,485
	Sale of wind electric power	37,840,697	28,171,797
	<b>Total Income from operations</b>	<b>367,297,849</b>	<b>434,856,138</b>
20	<b>Other income</b>		
	Dividend	14,602,363	4,494,582
	Interest	428,920	567,662
	Profit on sale of residential units received under Development Agreement	-	2,094,232
	Profit/(Loss) on sale of assets	-	(20,644)
	Profit on sale of long term investment being shares	22,434,459	-
	Others	-	932,999
	<b>Total</b>	<b>37,465,742</b>	<b>8,068,831</b>
21	<b>Raw material cosumed</b>		
	Opening stock	7,838,673	1,535,531
	Add: Purchases	159,098,516	188,603,588
	<b>Sub-Total</b>	<b>166,937,189</b>	<b>190,139,119</b>
	Less: Closing Stock	700,537	7,838,673
	<b>Consumed</b>	<b>166,236,652</b>	<b>182,300,446</b>

Note No	Particulars	Rupees	
		As at March 31, 2015	As at March 31, 2014
<b>22</b>	<b>Changes in inventories of finished goods &amp; work in process</b>		
	<b>Closing stock</b>		
	Work in process	6,425,581	15,150,126
	Finished goods	61,129,130	48,592,735
	Sub-Total	67,554,711	63,742,861
	<b>Opening stock</b>		
	Work in process	15,150,126	30,372,844
<b>23</b>	Finished goods	48,592,735	47,556,551
	Sub-Total	63,742,861	77,929,395
	Increase/(Decrease) in Stock	<b>3,811,850</b>	<b>(14,186,534)</b>
<b>23</b>	<b>Other manufacturing expenses</b>		
	Repairs & maintenance - Plant & machinery	641,363	953,356
	Repairs & maintenance - Building & others	4,025,596	4,036,981
	Power & Fuel	10,959,020	12,660,497
	Stores & spares consumed	2,793,473	1,559,494
	Loading & unloading expenses	1,658,197	332,083
	Other expenses	1,790,554	5,217,442
	Total	<b>21,868,203</b>	<b>24,759,853</b>
<b>24</b>	<b>Employee benefit expenses</b>		
	Salaries, wages and bonus	16,370,874	15,092,674
	Contribution to PF	1,076,170	1,039,909
	Contribution to ESI	586,875	639,023
	Conveyance	-	144,930
	Staff welfare expenses	661,440	1,092,535
	Security services	428,991	963,074
	Exgratia and gratuity payments	6,012,380	-
	Professional tax	-	25,000
	Total	<b>25,136,730</b>	<b>18,997,145</b>
<b>25</b>	<b>Finance cost</b>		
	Interest	13,690,294	15,046,099
	Bank charges	834,767	1,966,660
	Total	<b>14,525,061</b>	<b>17,012,759</b>
<b>26</b>	<b>Other expenses</b>		
	Rent	441,284	146,040
	Trading items	16,045,063	18,242,661
	Auditor's remuneration	561,800	505,620
	Business Promotion expenses	-	92,518
	Insurance	2,698,458	3,625,418
	VAT / CST	13,552,617	20,579,646
	Directors Remuneration	6,000,000	6,000,000
	Other expenses	61,251,245	60,306,031
	Total	<b>100,550,466</b>	<b>109,497,934</b>

Notes 1 to 26 form integral part of financial statements

As per our report of even date

For V.Sridhar & Co.,

Chartered Accountants

FRN :006206S

Sd/-

Vemulapati Sridhar

Proprietor

ICAI Membership No: 202337

Hyderabad. May 29, 2015

For and on behalf of the Board of Directors

Sd/-

KISHAN REDDY NALLA

WHOLE-TIME DIRECTOR

DIN: 00038966

Sd/-

SRINATH REDDY NALLA

WHOLE-TIME DIRECTOR

DIN: 00052862



## TANGIBLE ASSETS - 11

Sl.No.	PARTICULARS	GROSS BLOCK AS AT 01.04.2014			DEPRECIATION			Adjustments	NET BLOCK	
		BRANCH at 01-04-2014	(As Additions	Deletions	As at 31-03-2015	As at 01-04-2014	During the period (31-03-15		As at 31-03-2015	As at 01-04-2014
1	Land	1871776	-	-	1,871,776	-	-	-	1871776	1871776
2	Land (Kasulabad Solar Power)	2491748	-	-	2,491,748	-	-	-	2491748	2491748
3	Building(Flats)	3508200	-	-	3,508,200	-	-	-	3508200	3508200
4	Furniture & Fixtures	1285634	-	-	1,285,634	1,245,858	39,776	1,285,634	0	39776
5	Office Equipment	2537850	-	-	2,537,850	1,077,698	291,182	1,368,880	1168970	1460152
6	Vehicles	4694047	-	-	4,694,047	3,525,640	292,102	3,817,742	876305	1168407
7	Factory building	45463169	-	-	45,463,169	17,171,764	1,886,094	19,057,858	26405311	28291405
8	Non-factory building	2402597	-	-	2,402,597	546,159	123,762	669,921	1732676	1856438
9	Plant & Machinery	62122395	-	-	62,122,395	32,068,901	3,592,707	35,661,608	22581515	30053494
10	Diesel generator	2063318	-	-	2,063,318	1,647,096	104,055	1,751,151	312167	416222
11	Misc. Fixed assets	6765028	-	-	6,765,028	3,281,343	387,076	3,668,419	3096609	3483685
12	Pollution control equip	6080237	-	-	6,080,237	3,033,019	321,168	3,354,187	301015	3047218
13	Office equip- Armour	30993	-	-	30,993	13,605	-	13,605	1550	17388
14	Land - Wind Project I	1911000	-	-	1,911,000	-	-	-	1911000	1911000
15	Land - Wind Project II	1911000	-	-	1,911,000	-	-	-	1911000	1911000
16	Wind Mill - Project I	88292570	-	-	88,292,570	21,315,154	3,738,284	25,053,438	63239132	66977416
17	Wind Mill - Project II	85905944	-	-	85,905,944	18,476,246	3,763,518	22,239,764	63666180	67429698
18	Wind Mill (Gandikota)	104937664	-	-	104,937,664	5,540,709	4,733,188	10,273,897	94663767	99396955
<b>Total</b>		424275170			424275170	108943192	0	19,272,912	289738921	315331978

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Sri KPR Industries Limited on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Sri KPR Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in Annexure a statement on matters specified in paragraphs 3 and 4 of the said order .
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) In the course of our audit we have not come across any transactions or matters which have any adverse effects on the functioning of the company.
  - (f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) In our opinion, the company has adequate internal financial control systems in place and the same are effective and commensurate with the nature of business of the company and the scale of its operations.
  - (h) 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 which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Sd/-  
 For V. Sridhar & Co.,  
 Chartered Accountants,  
 FRN: 006206S

Sd/-  
 Vemulapati Sridhar  
 Proprietor  
 ICAI Membership No: 202337  
 Secunderabad. May 29, 2015

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

**Reg : Sri KPR Industries Limited,**

**Year Ended March 31, 2015**

Referred to in Para 1 of our report of even date 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 situation of fixed assets.  
  
(b) The fixed assets of the company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
2. (a) The inventory has been physically verified at reasonable intervals during the year, by the management and internal auditors.  
  
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.  
  
(c) The company is maintaining proper records of inventory and according to information and explanations given to us no material discrepancies have been noticed on such physical verification.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained U/s.189 of the Companies Act, 2013.
4. In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of the business with regard to the purchase of the inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. The company has not accepted any deposits from the public.
6. We have broadly reviewed the records maintained by the company pursuant to the rules made by the Central Government for the maintenance of Cost Records under sub-section (1) of Section 148 of the Companies Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed audit of the same.
7. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. No undisputed amounts in respect of these statutory payments were in arrear as on March 31, 2015 for a period of more than

six months from the date they became payable.

- (b) There are no amounts that are required to be transferred to Investor Education and Protection Fund.

- 8 The company does not have any accumulated losses.
9. The company has not defaulted in repayment of dues to financial institution or banks. The company has not issued debentures.
10. The company has not given guarantee for any loans taken by others.
11. The company has not raised any term loans during the year.
12. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the year.

Sd/-

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

Sd/-

Vemulapati Sridhar  
Proprietor  
ICAI Membership No: 202337  
Secunderabad. May 29, 2015

**NOTES TO FINANCIAL STATEMENTS****1. SIGNIFICANT ACCOUNTING POLICIES****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 prescribed under the provisions of the Companies Act, 2013.
- iii. Financial statements are prepared on historical cost basis and as a going concern.

**B. Revenue Recognition :**

- i. Sale of goods is recognized at the point of despatch of goods to customers and Gross Sales are inclusive of duties and taxes.
- ii. Income from Sale of Wind Power is recognized on the basis of units measured and certified by the concerned State Authorities.
- iii. Dividends are recognized as income of the year in which the same are received.

**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 in accordance with Schedule II of the Companies Act, 2013 in respect of the remaining useful life of the asset as far as the existing assets are concerned. In respect of additions, depreciation is provided on the basis of the useful life of the assets as prescribed by Schedule II of Companies Act, 2013.
- iv. During the year the company had carried out technical evaluation of the useful life of the existing assets and applied the method of depreciation as prescribed by Schedule II of the Companies Act, 2013. The adjustment as a result of the re-computation is made to the opening balance of profit and loss account.
- v. The residential units received by the company towards its share in the development agreement in respect of the land belonging to the company, entered into an earlier year, are treated as fixed assets and no depreciation is charged on the same.
- vi. In the current year the application of Schedule II method is made for the first time and the difference arising on account of reworking the useful life of the assets is adjusted to the opening balance of reserves.

**D. Investments**

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



**E. Inventories**

Stocks are valued at cost or realizable value whichever is lower. Cost of finished goods for this purpose is arrived at on absorption costing basis and is inclusive of excise duty.

**F. Staff Benefits**

Provident Fund Contributions and other staff benefits are accounted on accrual basis. The company is in the process ascertaining appropriate Group Gratuity Scheme for subscription and the premium / contributions towards the same will be charged to revenue as and when paid. Pending the finalization of the scheme gratuity payments if any, made to the employees is charged to revenue as and when paid.

**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. 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.

- 2. Contingent Liability. :** Disputed Income Tax liability. Rs.32.50 lacs. The first appeal of the company before the Hon'ble Commissioner of Income Tax (Appeals) has been allowed in favor of the company. A second appeal has been preferred by the department to the Hon'ble Income Tax Appellate Tribunal, Hyderabad.

**3. Related Party Transactions**

Name of the Related Party (Relation)	Nature of Transaction	Transaction Value	Maximum Balance	Year-end balance (+) Receivable / (-) Payable	Amount written-off returned back
Sri KPR Infra & Projects Ltd (A 100% Subsidiary)	Sale of Pipes	856.96	1069.12	-	-
- Do -	Advance for supplies	856.96	1300.22	(-)231.10	-
Sri. N. Kishan Reddy	Director's remuneration	24.00	2.00	(-) 2.00	-
Sri. N. Srinath Reddy	Director's remuneration	12.00	1.00	(-) 1.00	-
Sri. G. Raja Reddy	Director's remuneration	12.00	1.00	(-) 1.00	-
Sri. A. Bhoopal Reddy	Director's remuneration	12.00	1.00	(-) 1.00	-



**4. Segment Reporting**

(Rupees in Lacs)

Particulars	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
Nature of the Segment	Wind Power	Wind Power
Revenues	<b>378.41</b>	281.72
Identifiable Operating Expenses		
a. Maintenance and Other Expenses	<b>53.15</b>	43.21
b. Interest	<b>23.95</b>	46.26
c. Depreciation	<b>122.35</b>	147.17
Allocated Expenses	-	-
Unallocable Expenses	-	-
Segment Operating Income	<b>178.96</b>	45.08
Segment Assets	<b>2253.91</b>	2447.13
Segment Liabilities	<b>140.00</b>	232.00

**5. Foreign exchange earnings & outgo**

Rupees

Particulars	Current Year	Previous Year
Earning	-	-
Outgo – Towards import of raw material	-	-
In US \$	-	11,66,452
In Indian Rupees	-	6,98,42,872

6. Other income includes Rs 1,40,00,000/- being dividend received from 100% subsidiary Sri KPR Infra & Projects Ltd.

7. Previous year's figures have been regrouped wherever considered necessary.

**CONSOLIDATED BALANCE SHEET AS AT MARCH, 31, 2015**

		Rupees		
S.No	PARTICULARS	NOTE	As at MARCH 31, 2015	As at March 31, 2014
I	<b>EQUITY AND LIABILITIES</b>			
	<b><u>(1) Shareholders Funds</u></b>			
	(a) Share Capital	2	201,456,950	201,456,950
	(b) Reserves and Surplus	3	231,494,936	177,729,344
	(c )Money received against share warrants		-	-
	<b><u>(2) Share application money pending allotment</u></b>			
	<b><u>(3) Non- Current Liabilities</u></b>			
	(a) Long term borrowings	4	105,759,720	121,071,373
	(b) Deferred tax liabilities(net)	5	98,022,477	99,409,925
	(c ) Other Long term Liabilities	6	30,176,303	-
	(d) Long term provisions		-	-
	<b><u>(4) Current Liabilities</u></b>			
	(a) Short term borrowings	7	65,828,663	121,811,826
	(b) Trade payables	8	101,924,131	192,182,242
	(c ) Other current liabilities	9	25,546,832	24,000,000
	(d) Short term provisions	10	47,601,783	54,153,225
	<b>Total Equity &amp; Liabilities</b>		<b>907,811,796</b>	<b>991,814,885</b>
II	<b>Assets</b>			
	<b><u>(1) Non current assets</u></b>			
	(a) Fixed Assets			
	(i) Tangible assets	11	458,095,828	490,981,794
	(ii) Intangible assets		-	-
	(iii) Capital work in progress		1,236,161	1,139,660
	(iv) Intangible assets under development		-	-
	(b) Non current investments	12	3,199,700	4,546,100
	(c )Deferred tax assets(net)		-	-
	(d) Long term loans and advances		-	-
	(e) Other non current assets	13	6,760,981	8,930,481
	<b><u>(2) Current assets</u></b>			
	(a) Current investments	14	7,197,120	7,197,120
	(b) Inventories	15	194,821,793	198,092,891
	(c )Trade receivables	16	75,556,808	163,101,405
	(d) Cash and cash equivalents	17	22,503,493	40,058,058
	(e) Short term loans and advances	18	22,503,493	20,738,955
	(f) Other current assets		58,730,680	57,028,421
	<b>Total Assets</b>		<b>907,811,796</b>	<b>991,814,885</b>
	Significant Accounting Policies and other information	1		

Notes 1 to 27 form integral part of financial statements

As per our report of even date

For V.Sridhar & Co.,

Chartered Accountants

FRN No: 006206S

Sd/-

Vemulapati Sridhar

Proprietor

ICAI Membership No: 202337

Secunderabad. May 29, 2015

For and on behalf of the Board of Directors

Sd/-

KISHAN REDDY NALLA

WHOLE-TIME DIRECTOR

DIN: 00038966

Sd/-

SRINATH REDDY NALLA

WHOLE-TIME DIRECTOR

DIN: 00052862

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH, 31, 2015**

Rupees

S.No	PARTICULARS	NOTE	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
I	Revenue from operations	19	706,194,153	789,834,175
II	Other income	20	39,624,453	10,288,219
III	<b>Total Revenue(I+II)</b>		<b>745,818,606</b>	<b>800,122,394</b>
IV	<b>Expenses:</b>			
	Material Consumed	21	209,324,180	317,684,175
	Changes in Inventories of Work in Progress/Finished Goods	22	(3,867,038)	(26,550,827)
	Civil work expenses	23	208,731,845	164,647,713
	Other Manufacturing expenses	24	21,868,203	24,759,853
	Employee Benefits Expense	25	29,269,423	22,760,249
	Finance Costs	26	33,202,995	38,794,078
	Depreciation	11	28,348,490	29,148,893
	Other Expenses	27	116,011,916	121,665,623
	<b>Total Expenses</b>		<b>642,890,015</b>	<b>692,909,757</b>
V	Profit before exceptional and extraordinary items and tax(III-IV)		102,928,592	107,212,637
VI	Exceptional items		2,823,477	81,901
VII	Profit before extraordinary items and tax(V-VI)		105,752,069	107,130,736
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII-VIII)		105,752,069	107,130,736
X	Tax expenses:			
	(1) Current tax		20,179,833	21,303,450
	(2) Deferred tax		(1,387,448)	14,568,695
XI	Profit/(Loss) for the period from continuing operations		86,959,683	71,258,591
XII	Profit/(Loss) from discontinuing operations			
XIII	Tax expense of discontinuing operations			
XIV	Profit/(Loss) from discontinuing operations(after tax) (XII-XIII)			
XV	Profit/(Loss) for the period (XI + XIV)		86,959,683	71,258,591
XVI	Earnings per equity share:			
	(1) Basic		4.32	3.54
	(2) Diluted		4.32	3.54
	Significant Accounting Policies & Notes on Financial Statements	1		

Notes 1 to 27 form integral part of financial statements

As per our report of even date

For V.Sridhar & Co.,

Chartered Accountants

FRN No:006206S

Sd/-

Vemulapati Sridhar

Proprietor

ICAI Membership No: 202337

Secunderabad. May 29, 2015

For and on behalf of the Board of Directors

Sd/-

KISHAN REDDY NALLA

WHOLE-TIME DIRECTOR

DIN: 00038966

Sd/-

SRINATH REDDY NALLA

WHOLE-TIME DIRECTOR

DIN: 00052862

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	Particulars	As at March 31, 2015	As at March 31, 2014
<b>2</b>	<b>Share Capital</b>		
	<b>a. Authorised</b>		
	40,00,000 Equity Shares of Rs.10 each	<b>250,000,000</b>	250,000,000
		<b>250,000,000</b>	250,000,000
	<b>b. Issued &amp; Subscribed &amp; paid up</b>		
	35,00,000 Equity shares of Rs.10/- each fully paid up	<b>201,456,950</b>	201,456,950
		<b>201,456,950</b>	201,456,950
	<b>c. Par value of shares</b>	Rs.10/-	Rs.10/-
	<b>d. Number of Shares outstanding at beginning the year</b>	20,145,495	20,145,495
	Changes during the year	-	-
	Number of Shares outstanding at end of the year	20,145,495	20,145,495
	<b>e. Details of Shareholder holding more than 5% Shares</b>		
	<b>Sr No Name of the Shareholder</b>	<b>No of shares %</b>	<b>No of shares %</b>
	1. N. Kishan Reddy	1945854 (9.66)	1942605 (9.64)
	2. N. Vinil Reddy	1892954 (9.40)	1891454 (9.39)
	3. N. Vijaya	1728485 (8.58)	1726110 (8.57)
	4. N. Vinitha	1693812 (8.41)	1690852 (8.39)
	5. G. Raja Reddy	1483802 (7.37)	1483310 (7.36)
	6. NBOS Technologies Private Ltd	1105600 (5.49)	1105600 (5.49)
	7. N. Srinath Reddy	1058622 (5.24)	1058622 (5.24)
<b>3</b>	<b>Reserve &amp; Surplus</b>		
	<b>A. State Subsidy</b>		
	Balance Brought Forward	4,369,086	4,369,086
	Add: Current Year	-	-
	<b>Total (A)</b>	<b>4,369,086</b>	<b>4,369,086</b>
	<b>I. General Reserve</b>		
	Opening Balance	12,207,329	8,973,150
	Add : Current Year	5,877,622	3,234,179
	<b>Total (A)</b>	<b>18,084,951</b>	<b>12,207,329</b>
	Surplus being balance in Profit and Loss Statement brought forward from previous year	161,152,929	125,859,581
	Less Adjustments to opening balance of reserves on account of change in depreciation - Schedule II to Companies Act, 2013	6,573,997	-
	<b>Total (B)</b>	<b>154,578,932</b>	<b>125,859,581</b>
	Profit /(Loss) before appopriations	86,959,683	71,258,591
	Less: Proposed Dividend on Equity Shares	(24,601,987)	(30,116,556)
	Less: Tax on Distributed profits	(2,018,108)	(2,614,508)
	Transfer to General reserve	(5,877,622)	(3,234,179)
	Profit /(Loss) for the period	<b>54,461,967</b>	<b>35,293,348</b>
	<b>Total (C)</b>	<b>54,461,967</b>	<b>35,293,348</b>
	<b>Total Balance transferred to Balance Sheet</b>	<b>231,494,936</b>	<b>177,729,344</b>
<b>4</b>	<b>Long Term Borrowings</b>		
	<b>a) Term Loans</b>		
	- From Banks	38,447,745	60,694,923
	Rupee Term Loan		
	-Axis Bank Car Loan	831,575	-
	<b>b) Unsecured Loans</b>	66,480,400	30,100,000
	Deferred Sales Tax	-	30,276,450
	<b>Total</b>	<b>105,759,720</b>	<b>121,071,373</b>

**SRI KPR INDUSTRIES LIMITED**

	Particulars	As at March 31, 2015	As at March 31, 2014
<b>5</b>	<b>Deferred Tax Liabilities</b>		
	Deferred Tax Liabilities (a) on account of Timing Difference	99,409,925	84,841,230
	Timing Difference originating during the year	(1,387,448)	14,568,695
	Balance tranferred to Balance sheet	<b>98,022,477</b>	<b>99,409,925</b>
<b>6</b>	<b>Other Long Term Borrowings</b>	<b>30,176,303</b>	-
<b>7</b>	<b>Short Term Borrowings</b>		
	<b>Secured</b>		
	Cash Credit - State Bank of India, Commercial Branch, Koti, Hyderabad	65,828,663	121,811,826
	<b>Total</b>	<b>65,828,663</b>	<b>121,811,826</b>
<b>8</b>	<b>Trade Payables</b>		
	Suppliers	6,391,153	49,263,479
	Contracts	70,235,254	77,971,254
	Others	969,105	-
	Sundry Creditors	3,211,070	360,524
	Dues to Small scale Industries	5,910,064	5,345,063
	Sundry creditors - Raw Material	4,790,750	3,665,632
	Sundry creditors - Expenses	4,804,867	13,980,230
	Sundry creditors - Others	5,611,869	41,596,060
	<b>Total</b>	<b>101,924,131</b>	<b>192,182,242</b>
<b>9</b>	<b>Other Current Liabilities</b>		
	Instalement of Secured Loans due within one year	24,271,992	24,000,000
	Creditors for expenses	1,274,840	-
	<b>Total</b>	<b>25,546,832</b>	<b>24,000,000</b>
<b>10</b>	<b>Short Term Provisions</b>		
	Income Tax	20,864,989	21,303,450
	Dividend	24,601,987	30,116,556
	Tax on Distributed Profits	2,018,108	2,614,508
	Employee Benefits	116,700	118,711
	<b>Total</b>	<b>47,601,783</b>	<b>54,153,225</b>
<b>12</b>	<b>Non Current Investments</b>		
	Quoted		
	4,81,776 equity shares of Rs.2/- each in Balaji Amines Ltd including 84,413 bonus shares (Quoted value as on 31-03-2015 - Rs.3.93 Crores)	2,944,000	2,944,000
	The company in an earlier year received 3,68,000 bonus shares of Rs.2/- each fully paid up and during the year out of these bonus shares the company has sold 2,83,587 shares.		
	Unquoted		
	In Subsidiaries		
	Sri KPR Renewable Energy Limited	230,000	500,000
	Indira Vikas Patra (to be encashed)	200	200
	National Savings Certificate (Rs.15,500 overdue for encashing)	25,500	15,500
	Others	-	1,086,400
	<b>Total</b>	<b>3,199,700</b>	<b>4,546,100</b>

		Rupees	
	Particulars	As at March 31, 2015	As at March 31, 2014
<b>13</b>	<b>Other Non Current Assets</b>		
	Deposits	3,984,360	6,070,735
	Others	2,399,641	2,482,766
	Miscellaneous Expenditure to the extent not written off or adjusted	376,980	376,980
	<b>Total</b>	<b>6,760,981</b>	<b>8,930,481</b>
<b>14</b>	<b>Current Investments</b>		
	TATA AIG Mutual Funds	7,197,120	7,197,120
	<b>Total</b>	<b>7,197,120</b>	<b>7,197,120</b>
<b>15</b>	<b>Inventories</b> [ As verified ,valued and certified by the Management]		
	Raw material	700,537	7,838,673
	Finished goods	61,129,130	48,592,735
	Work -in-progress	6,425,581	15,150,126
	Traded Shares	1,260,905	1,260,905
	Contract Work in progress	125,305,640	125,250,452
	<b>Total</b>	<b>194,821,793</b>	<b>198,092,891</b>
<b>16</b>	<b>Trade Receivables</b> (Unsecured and Considered good)		
	Over Six months	21,293,798	101,722,753
	Others	54,263,010	61,378,652
	<b>Total</b>	<b>75,556,808</b>	<b>163,101,405</b>
<b>17</b>	<b>Cash and Cash equivalents</b>		
	Cash in hand	1,305,053	2,964,959
	In Current Accounts	1,164,508	272,223
	Short Term Deposits with State Bank of India	20,033,932	29,755,079
	Balance in ICICI - HYD (OD)	-	5,081,391
	Margin Money on BG	-	1,984,406
	<b>Total</b>	<b>22,503,493</b>	<b>40,058,058</b>
<b>18</b>	<b>Short term Loans and Advances</b>		
	Incometax & TDS	12,102,542	12,305,045
	Others	47,035,113	1,821,392
	Balances with Central Excise	119,892	213,870
	Advance recoverable in cash or in kind or for value to be received	20,451,686	6,398,648
	<b>Total</b>	<b>79,709,233</b>	<b>20,738,955</b>
<b>19</b>	<b>Revenue from Operations</b>		
	Gross Contract Receipts from Government departments	395,586,686	466,003,664
	Sale of asbestos cement pressure pipes	243,559,744	266,486,194
	Less : Excise duty	7,117,181	3,429,242
	<b>Net Sales</b>	<b>236,442,563</b>	<b>263,056,952</b>
	Sale of traded items	7,317,827	12,319,485
	Sale of wind electric power	66,847,077	48,454,074
	<b>Total Income from operations</b>	<b>706,194,153</b>	<b>789,834,175</b>
<b>20</b>	<b>Other Income</b>		
	Interest	2,587,631	2,372,234
	Dividend	14,602,363	4,494,582
	Profit on sale of residential units received under Development Agreement	-	2,094,232
	Profit/(Loss) on sale of Assets	-	(18,928)
	Profit on sale of shares	22,434,459	-
	Others	-	1,346,099
	<b>Total</b>	<b>39,624,453</b>	<b>10,288,219</b>

		Rupees	
	Particulars	As at March 31, 2015	As at March 31, 2014
<b>21</b>	<b>Material Consumed</b>		
	Opening stock	7,838,673	1,535,531
	Add: Purchase of Material	202,186,044	323,987,317
	Sub-Total	210,024,717	325,522,848
	Less: Closing stock	700,537	7,838,673
	Net Total	<b>209,324,180</b>	<b>317,684,175</b>
<b>22</b>	<b>Changes in Inventories of stock at site &amp; work in progress</b>		
	- Stock at close - Work-in- Progress	131,731,221	140,400,578
	- Finished goods	61,129,130	48,592,735
		<b>192,860,351</b>	<b>188,993,313</b>
	- Stock at opening - Work in Progress	140,400,578	114,885,935
	- Finished goods	48,592,735	47,556,551
		<b>188,993,313</b>	<b>162,442,486</b>
	Increase/(Decrease) in Stock	<b>3,867,038</b>	<b>26,550,827</b>
<b>23</b>	<b>Civil Work Expenses</b>		
	Direct Civil Work expenses	187,825,344	140,440,594
	Duties & Taxes	20,277,150	22,574,320
	Insurance premium on contracts	629,351	1,632,799
	Total	<b>208,731,845</b>	<b>164,647,713</b>
<b>24</b>	<b>Other Manufacturing Expenses</b>		
	Repairs & Maintenance-Plant & Machinery	641,363	953,356
	Repairs & Maintenance-Building & Others	4,025,596	4,036,981
	Power & Fuel	10,959,020	12,660,497
	Stores & spares consumed	2,793,473	1,559,494
	Other expenses	1,790,554	5,217,442
	Loading & unloading expenses	1,658,197	332,083
	Total	<b>21,868,203</b>	<b>24,759,853</b>
<b>25</b>	<b>Employee Benefit Expenses</b>		
	Salaries, wages and Bonus	18,334,260	16,834,448
	Contribution to PF	1,277,768	1,212,521
	Other allowances	219,308	178,666
	Conveyance	1,746,901	1,795,930
	Professional tax	1,500	25,000
	Contribution to ESI	586,875	639,023
	Staff welfare expenses	661,440	1,092,535
	Security services	428,991	963,074
	Gratuity	6,012,380	19,052
	Total	<b>29,269,423</b>	<b>22,760,249</b>



SRI KPR INDUSTRIES LIMITED

		Rupees	
	Particulars	As at March 31, 2015	As at March 31, 2014
<b>26</b>	<b>Finance Cost</b>		
	Interest on term loan & overdraft	13,145,258	31,398,848
	Finance & Bank charges	20,057,737	7,395,230
	<b>Total</b>	<b>33,202,995</b>	<b>38,794,078</b>
<b>27</b>	<b>Other Expenses</b>		
	Office Rent	612,794	292,080
	Insurance	2,957,303	3,676,421
	Directors Remuneration	12,000,000	12,000,000
	Auditor's Remuneration-As Auditors	1,011,240	955,060
	Other Expenses	69,832,900	65,827,237
	Trading items	16,045,063	18,242,661
	Business Promotion expenses	-	92,518
	VAT / CST	13,552,617	20,579,646
	<b>Total</b>	<b>116,011,916</b>	<b>121,665,623</b>

Notes 1 to 27 form integral part of financial statements

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

For and behalf of Board of Directors

Sd/-  
Vemulapati Sridhar  
Proprietor  
ICAI Membership No: 202337  
Secunderabad. May 29, 2015

Sd/-	Sd/-
KISHAN REDDY NALLA	SRINATH REDDY NALLA
WHOLE-TIME DIRECTOR	WHOLE-TIME DIRECTOR
DIN: 00038966	DIN: 00052862

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## Notes to Accounts - 11 Tangible Assets

Particulars	Gross Block		Depreciation				Net Block			
	As At 01.04.2014	Additions/ (Deletions)	As At 31.03.2015	Up to 01.04.2014	For the Year	Deletion	Up to 31.03.2015	Adjustment	As At 31.03.2015	As At 31.03.2014
Land	10,096,524	-	10,096,524	-	-	-	-	-	10,096,524	10,096,524
Building - Flats	3,508,200	-	3,508,200	-	-	-	-	-	3,508,200	3,508,200
Furniture & Fixtures	1,372,576	-	1,372,576	1,266,559	39,776	-	1,306,335	62,929	3,312	106,017
Office equipment	2,602,043	-	2,602,043	1,092,529	295,179	-	1,387,708	15,838	1,198,497	1,509,514
Vehicles	5,681,960	2,036,520	7,718,480	3,867,096	579,423	-	4,446,519	-	3,271,961	1,814,864
Computers	265,510	-	265,510	128,644	-	-	128,644	122,212	14,654	136,866
Testing equipment	95,772	-	95,772	23,444	-	-	23,444	68,711	3,617	72,328
Factory building	45,463,169	-	45,463,169	17,171,764	1,886,094	-	19,057,858	-	26,405,311	28,291,405
Non-factory building	2,402,597	-	2,402,597	546,159	123,762	-	669,921	-	1,732,676	1,856,438
Plant & Machinery	62,122,395	-	62,122,395	32,068,901	3,592,707	-	35,661,608	3,879,272	22,581,515	30,053,494
DG Set	2,063,318	-	2,063,318	1,647,096	104,055	-	1,751,151	-	312,167	416,222
Misc. fixed assets	6,765,028	-	6,765,028	3,281,343	387,076	-	3,668,419	-	3,096,609	3,483,685
Pollution control equipment	6,080,237	-	6,080,237	3,033,019	321,168	-	3,354,187	2,425,035	301,015	3,047,218
Wind Electric Generators	474,855,526	-	474,855,526	68,266,507	21,019,249	-	89,285,756	-	385,569,770	406,589,019
Total	623,374,855	2,036,520	625,411,375	132,393,061	28,348,490	-	160,741,551	6,573,997	458,095,828	490,981,794

**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

The Members of Sri KPR Industries Limited.  
Secunderabad.

1. We have audited the attached Consolidated Balance Sheet of Sri KPR Industries Limited and its subsidiary Sri KPR Infra & Projects Limited as at March 31, 2015, the Consolidated Statement of Profit and Loss for the year ended on that date and the Consolidated cash flow statement annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with 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 for our opinion.
3. We report that the consolidated financial statements have been prepared by the management of Sri KPR Industries Limited in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements". And other applicable standards issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanations given to us, the said Consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Consolidated Balance Sheet, of the state of affairs of Sri KPR Industries Limited and its subsidiary Sri KPR Infra & Projects Limited as at March 31, 2015;
  - b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated profit for the year ended on that date; and
  - c) in the case of the Consolidated Statement of Cash flow statement, of the consolidated Cash flows for the year ended on that date.

Sd/-  
For V. Sridhar & Co.,  
Chartered Accountants  
Firm No. 006206S

Sd/-  
Vemulapati Sridhar  
Proprietor  
Membership No : 202337  
Secunderabad. May 29, 2015

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES & OTHER INFORMATION

#### A. Basis of Consolidation and presentation

- i. The financial statements of Sri KPR Industries Limited (Holding Company) and Sri KPR Infra & Projects Limited (a 100% Subsidiary) have been consolidated in accordance with the Accounting Standard 21, AS – 21 on “Consolidated Financial Statements”, issued by Institute of Chartered Accountants of India and are presented to the extent possible in the same manner as the Company’s separate financial statements.
- ii. The both the holding company and the subsidiary follow same set of accounting policies in the preparation and presentation of the financial statements.

#### B. 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 under the Companies Act, 2013.
- iii. Financial statements are prepared on historical cost basis and as a going concern.

#### C. Revenue Recognition :

- i. Sale of goods is recognized at the point of despatch of goods to customers and Gross Sales are inclusive of Excise Duty and net of Value Added Tax.
- ii. Income from Sale of Wind Power is recognized on the basis of units measured and certified by the concerned Electricity Board Authorities.
- iii. Dividends are recognized as income of the year in which the same are declared
- iv. Income from traded shares is recognized upon sale of the same and until then the shares on hand are valued at cost or market value whichever is lower.
- v. Income in respect of laying and jointing civil works is accounted in accordance with Accounting Standard 7, Construction Contracts and the revenues in respect of the same are recognized on the basis of work completion certificates issued by the contractees (viz., the Government Departments) and the work in progress is accounted on the basis of costs incurred pending billing.

#### D. 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 in accordance with Schedule II of the Companies Act, 2013 in respect of the remaining useful life of the asset as far as the existing assets are concerned. In respect of additions, depreciation is provided on the basis of the useful life of the assets as prescribed by

Schedule II of Companies Act, 2013.

- iv. During the year the companies had carried out technical evaluation of the useful life of the existing assets and applied the method of depreciation as prescribed by Schedule II of the Companies Act, 2013. The adjustment as a result of the re-computation is made to the opening balance of profit and loss account.
- v. The residential units received towards share in the development agreement in respect of the land belonging to the company, entered into an earlier year, are treated as fixed assets and no depreciation is charged on the same.

#### E. Investments

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

#### F. Inventories

Stocks are valued at cost or realizable value whichever is lower. Cost of finished goods for this purpose is arrived at on absorption costing basis and is inclusive of excise duty. Civil contract work in progress is valued at cost.

#### G. Staff Benefits

Provident Fund Contributions and other staff benefits are accounted on accrual basis. The company is in the process ascertaining appropriate Group Gratuity Scheme for subscription and the premium / contributions towards the same will be charged to revenue as and when paid.

#### H. 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.

- I. **Contingent Liability.** : Disputed Income Tax liability. Rs.32.50 lacs. The first appeal of the company before the Hon'ble Commissioner of Income Tax (Appeals) has been allowed in favor of the company. A second appeal has been preferred by the department to the Hon'ble Income Tax Appellate Tribunal, Hyderabad.

#### J. Segment Reporting

Particulars	Civil Contracts for Government		Wind Power	
	Rupees in Lacs		Rupees in Lacs	
Nature of the Segment	Current Year	Previous Year	Current Year	Previous Year
Revenues	<b>3995.87</b>	4660.04	<b>668.47</b>	484.54
Identifiable Operating Expenses	<b>3713.34</b>	4467.09	<b>385.09</b>	327.81
Allocated Expenses	<b>Nil</b>	Nil	<b>Nil</b>	Nil
Unallocable Expenses	<b>Nil</b>	Nil	<b>Nil</b>	Nil
Segment Operating Income	<b>242.53</b>	192.95	<b>178.91</b>	156.73
Segment Assets	<b>2475.65</b>	3319.75	<b>3913.03</b>	4232.10
Segment Liabilities	<b>1876.94</b>	4480.11	<b>627.20</b>	856.61

**K. FOREIGN EXCHANGE EARNINGS & OUTGO**

Particulars	Current Year 31.03.2015	Previous Year 31.03.2014
Earnings	Nil	Nil
Outgo – Towards import of raw material		
In US \$	Nil	11,66,452
In Indian Rupees	Nil	6,98,42,872

L. Previous year's figures have been regrouped wherever considered necessary.

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## NOTES

[illegible]



**SRI KPR INDUSTRIES LIMITED**

CIN: L20200TG1988PLC009157

Regd. Office: V<sup>th</sup> Floor, K.P.R. House, Sardar Patel Road, Secunderabad 500003, Telangana.Telephone No. 040-27847121; Fax No. 040-27892076; Email: [bwpl9@yahoo.com](mailto:bwpl9@yahoo.com)**ATTENDANCE SLIP**

(To be presented at the entrance)

DP ID		Name and address of the registered shareholder
Folio No. / Client ID		
No. of Shares held		

I/We hereby record my/our presence at the 27<sup>th</sup> Annual General Meeting of the Company to be held on 30<sup>th</sup> day of September 2015 at 10.00 A.M. at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda, (Backside of Chermas Showroom), Ameerpet, Hyderabad-500073.

\_\_\_\_\_  
Name of the Member / Proxy  
(Block Letters)

\_\_\_\_\_  
Signature of Member / Proxy

**Note: Please complete this Attendance Slip and hand it over at the entrance of the venue of the AGM.**

**SRI KPR INDUSTRIES LIMITED**

CIN: L20200TG1988PLC009157

Regd. Office: V<sup>th</sup> Floor, K.P.R. House, Sardar Patel Road, Secunderabad 500003, Telangana.Telephone No. 040-27847121; Fax No. 040-27892076; Email: [bwpl9@yahoo.com](mailto:bwpl9@yahoo.com)**FORM No. MGT-11****PROXY FORM**

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

Name of the Members(s) :
Registered Address :
E-mail Id :
Folio No/Client ID :
DP ID :

I/We, being the member (s) of Sri KPR Industries Limited, holding \_\_\_\_\_ shares of the Company, hereby appoint:-

A. Name: \_\_\_\_\_  
Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_  
or failing him/her

B. Name: \_\_\_\_\_  
Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_  
or failing him/her

C. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on the 30th day of September 2015 at 10.00 a.m. at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda, (Backside of Chermas Showroom), Ameerpet, Hyderabad-500073 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.	Resolutions	Vote		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ending 31 <sup>st</sup> March, 2015 and the report of the Directors and Auditors thereon.			
2.	Declaration of Dividend on the equity shares of the Company for the Financial Year ending 31 <sup>st</sup> March, 2015.			
3.	Re-appointment of Mr. Bhoopal Reddy Aleti (DIN: 00043263), who retires by rotation and being eligible offers himself for re-appointment.			
4.	Re-appointment of Mr. Vineel Reddy Nalla (DIN: 01514842), who retires by rotation and being eligible offers himself for re-appointment.			
5.	Appointment M/s. V. Sridhar & Co, Chartered Accountants (FRN 006206S) as the Statutory Auditors of the Company.			
Special Business				
6.	Approval for entering into contract /arrangement / transaction with M/s. Sri KPR Infra & Projects Limited (Wholly owned subsidiary of the Company).			
7.	Consideration of granting exemption to the Auditors of the Company to attend the General Meetings.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of the Member \_\_\_\_\_

Affix Revenue Stamp
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\_\_\_\_\_  
 Signature of first Proxy holder    Signature of second Proxy holder    Signature of third Proxy holder

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

[illegible]

PRINTED MATTER  
BOOK-POST

*If undelivered please return to :*

**SRI KPR INDUSTRIES LIMITED**

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

S.P. Road, Secunderabad- 500 003.

Telangana, INDIA.