

SRI KPR INDUSTRIES LIMITED



KPR

**29th
Annual Report
2016-2017**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Jagadeeshwar Reddy Prodduturi	Chairman (Independent Director)
Shri. Kishan Reddy Nalla	Managing Director
Shri. Srinath Reddy Nalla	Whole time Director
Shri. Bhoopal Reddy Aleti	Whole time Director
Shri. Raja Reddy Gaddam	Whole time Director
Shri. Naveena Chandra Thammishetty	Independent Director
Shri. Krishna Prasad Srinivas	Independent Director
Shri. Vineel Reddy Nalla	Director
Shri. Vinitha Reddy Nalla	Director
Shri. Nandu Siddha Reddy	Chief Financial Officer
Ms. Meenakshi Deepak Navalakhe	Company Secretary

COMMITTEES

AUDIT COMMITTEE

Shri. Naveena Chandra Thammishetty	Chairman
Shri. Jagadeeshwar Reddy Prodduturi	Member
Shri. Krishna Prasad Srinivas	Member
Shri. Vineel Reddy Nalla	Member

NOMINATION & REMUNERATION COMMITTEE

Shri. Krishna Prasad Srinivas	Chairman
Shri. Naveena Chandra Thammishetty	Member
Shri. Jagadeeshwar Reddy Prodduturi	Member
Shri. Vineel Reddy Nalla	Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Shri. Vineel Reddy Nalla	Chairman
Shri. Kishan Reddy Nalla	Member
Shri. Srinath Reddy Nalla	Member

AUDITORS

Statutory Auditors

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

Internal Auditors

M/s. A.M. Reddy & D.R. Reddy
Chartered Accountants,
Hyderabad

COMPANY BANKERS

State Bank of India, SME Branch, Saifabad, Hyderabad

REGISTERED & CORPORATE OFFICE

Vth Floor, K. P. R. House Sardar Patel Road, Secunderabad, Telangana – 500003

Tel: 040-27847121; Fax: 040 – 27892076;

E-Mail Id: bwpl9@yahoo.com;

Website: <http://www.kprindustries.in>

PLANT LOCATION

Sy No. 12, Gundlapochampally, Medchal, R.R. Dist.

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Pvt Ltd

Regd Off: KarvyHouse, 46, Avenue 4, Street No 1, BanjaraHills, Hyderabad – 500 034

Tel: +91-04-2331-2452/2332-0751/752/251

Fax: +91-40-2331-1968

Corporate Off: Karvy Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, Telangana

Tel: +91-40-67162222, 33211000

Fax: +91-40-23420814

Email Id: support@karvy.com;

Website: www.karvycomputershare.com

SRI KPR INDUSTRIES LIMITED

CIN: L20200TG1988PLC009157
5th Floor, KPR House, Sardar Patel Road, Secunderabad-500 003;
Tel: +91 40 27847121, 27819868; Fax: +91 40 27892076
E-mail: bwpi9@yahoo.com; Website: www.kprindustries.in

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 29th Annual General Meeting (AGM) of SRI KPR INDUSTRIES LIMITED will be held on Friday, the 29th day of September, 2017 at 10.00 A.M. at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda, (Behind Chermas Showroom), Ameerpet, Hyderabad-500073, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt :
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Report of the Auditors thereon.
2. To declare Dividend on equity shares for the financial year ended March 31, 2017.
3. To consider appointment of Shri. Raja Reddy Gaddam, who retires by rotation and being eligible, offers himself for re-appointment.

"RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for re-appointment of Shri. Raja Reddy Gaddam as Director, to the extent that he is required to retire by rotation and continuation as Whole time Director of the Company."

4. To consider and approve the appointment of M/s. Ayyadevara & Co., Chartered Accountants (Firm Registration No. 0002785), Hyderabad as the Statutory Auditors of the Company and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. Ayyadevara & Co., Chartered Accountants (Firm Reg No. 0002785), Hyderabad be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. V. Sridhar & Co., Chartered

Accountants, Hyderabad (Firm Reg No. 0062065), to hold office from the conclusion of this Annual General Meeting until the conclusion of 34th Annual General Meeting of the Company, subject to ratification by shareholders at every AGM, at such remuneration as may be mutually agreed by them."

SPECIAL BUSINESS:

5. To re-appoint Shri. Kishan Reddy Nalla as Managing Director of the Company and to pass with or without modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT in supersession to the earlier resolution passed and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded for re-appointment of Shri. Kishan Reddy Nalla as Managing Director of the Company for a period of 5 (Five) years on a remuneration not exceeding Rs. 48 Lakhs per annum for a period of 3 years, w.e.f. October 1, 2017, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit subject to aforesaid limits."

"RESOLVED FURTHER THAT the Chairman or any other Board member or Company Secretary be and are hereby severally authorized to do all such things, deeds, matters and acts as may be necessary, proper or expedient to give effect to this resolution."

6. To re-appoint Shri. Srinath Reddy Nalla as Whole time Director and to pass with or without modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT in supersession to the earlier resolution passed and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded for re-appointment of Shri. Srinath Reddy Nalla, as Whole-time Director of the Company for a period of 5 (Five) years on a remuneration not exceeding Rs. 24 Lakhs per annum for a period of 3 years, w.e.f. October 1, 2017, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit subject to aforesaid limits."

"RESOLVED FURTHER THAT the Chairman or any other Board Member or Company Secretary be and are hereby severally authorized to do all such things, deeds, matters and acts as may be necessary, proper or expedient to give effect to this resolution."

7. To re-appoint Shri. Raja Reddy Gaddam as Whole time Director and to pass with or without modification(s) the following as a Special Resolution:

"RESOLVED THAT in supersession to the earlier resolution passed and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to his attaining the age of 76 years, consent of the members be and is hereby accorded for re-appointment of Shri. Raja Reddy Gaddam as Whole-time Director of the Company for a period of 5 (Five) years on a remuneration not exceeding Rs. 24 Lakhs per annum for a period of 3 years, w.e.f. October 1, 2017, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit subject to aforesaid limits."

"RESOLVED FURTHER THAT the Chairman or any other Board Member or Company Secretary be and are hereby severally authorized to do all such things, deeds, matters and acts as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Regulation 31A and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) applicable provisions, if any of the Companies Act, 2013 read with rules made thereunder and in view of the request received from the following promoters by virtue of their shareholding, consent of the members be and is hereby accorded for reclassification of the below said promoters ("hereinafter termed as Subject promoters") as Public Shareholders of the Company with immediate effect."

1. Mr. A. Prathap Reddy
2. Mrs. A. Shakuntala Devi
3. Mr. A. Srinivas Reddy

"RESOLVED FURTHER that the subject promoters will not:

- have any special rights through formal or informal agreements.
- hold more than 10% of the paid-up capital of the Company.
- act as a Key Managerial person for a period of more than three years from the date of Shareholders approval.
- directly or indirectly, exercise control, over the affairs of the entity.

"RESOLVED FURTHER THAT the board be and is hereby authorized to execute such documents, deeds, writings, papers and/ or agreements as may be required and to do all such acts, deeds, matters and things as may be necessary or expedient including making of necessary applications to the concerned authorities and filing of necessary documents and making of necessary intimations to the concerned authorities and to settle any questions, difficulties or doubts which may arise in this regard at any time, including in connection with the proposed re-classification of the aforesaid "Subject Promoters" as Public Shareholders of the Company".

9. 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 of the Company."

By Order of the Board of Directors

Sd/-
KISHAN REDDY NALLA
MANAGING DIRECTOR
DIN: 00038966

Place: Secunderabad
Date: September 2, 2017

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. Details of directors retiring by rotation/ seeking appointment/ re-appointment at the ensuing Meeting are provided in the "Annexure" to this notice pursuant to provisions of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. The directors have furnished their consent/ declaration for appointment/ re-appointment as required under the Companies Act, 2013 and the Rules made thereunder.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013 read with Rule 19 of Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members 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 member.
4. The instrument of proxy in order to be effective should be deposited at the Registered Office of the Company, duly filled, stamped and signed, not later than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed. Proxies submitted on behalf of the Limited Companies, societies etc., must be supported by an appropriate resolution/ authority as applicable.
5. Corporate members intending to send their authorized representative(s) to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send the Company, a certified copy of the relevant Board Resolution together with the respective specimen signature of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
6. Members/ proxies/ authorized representatives are requested to bring the Attendance Slip enclosed herewith, duly filled and signed, mentioning therein the details of their DP ID and Client ID/ Folio No.
7. The Register of Members and Share Transfer books of the Company will remain closed from September 23, 2017 to September 29, 2017 (both days inclusive).
8. The Dividend for the financial year ended March 31, 2017, as recommended by the Board, if approved at this AGM, will be paid after September 29, 2017 to those Members whose name appears in the Register of Members of the Company as at the closing business hours on September 22, 2017.
9. Members who hold shares in the dematerialized form and want to change/ correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, Registrar is obliged to use only the data provided by the Depositories, in case of such demat shares.
10. Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent, M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, 31-32, Financial District, Nanakramguda, Gachibowli, Hyderabad 500 032.
11. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or M/s Karvy Computershare Private Limited for assistance in this regard.
12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13.

14. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant provisions of Companies (Management and Administration) Rules, 2014, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository.
15. Physical copy of the Notice of AGM, Annual Report and Attendance Slip along with proxy form is being sent to those members who have not registered their e-mail address with the Company. Members who have received the notice of AGM, Annual Report and Attendance slip along with the proxy form in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration counter at the AGM.
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has also provided a facility to members to exercise their right to vote electronically through the electronic voting service facility arranged by Karvy Computershare Private Limited on all the resolutions set forth in this Notice. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not casted their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the notice. Resolution(s) passed by the members through e-voting is/ are deemed to have been passed as if they have been passed at the AGM.
17. The Board has appointed Mr. A. Ravi Shankar, Practising Company Secretary (Membership No. FCS 5335) to act as the Scrutinizer, to Scrutinize the entire e-voting process in a fair and transparent manner.
18. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with M/s. Karvy Computershare Private Limited. Members are requested to update their e-mail address along with their Client ID/ DP ID with their respective DP for their demat account(s). The registered e-mail address will be used for sending future communications.
19. The route map showing directions to reach the venue of the 29th AGM is annexed to this notice.
20. Members may also note that the notice of the 29th AGM and the Annual report for the year 2016-17 will be available on the Company's website www.kprindustries.in. The physical copies of the said documents shall be open for inspection by Members at the Company's registered office on all working days (except holidays) between 11.00 a.m. and 1.00 p.m. up to September 28, 2017.
21. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting.
22. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are requested to submit their PAN details to the Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032.
23. Members who wish to claim Dividends, which remain unclaimed are requested to either correspond with the Company's Registrar and Share Transfer Agent (Karvy Computershare Private Limited) Members are requested to note that dividends not encashed/ claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
24. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
25. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into single folio.

PROCEDURE FOR REMOTE E-VOTING

A. The Company has appointed M/s. Karvy Computershare Private Limited ("Karvy") to provide the remote e-voting facility. The instructions for remote e-voting are as under:

1. In case of members receiving an email from M/s. Karvy Computershare Private Limited:

i. The e-voting commences on Monday, September 25, 2017 at 10 A.M. and ends

iii. Enter the login credentials i.e User ID and password, provided in the email received from M/s. Karvy Computershare Private Limited as below:

User - ID	<p>For Members holding shares in Demat form:-</p> <p>a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID</p> <p>b) For CDSL :- 16 digits beneficiary ID</p> <p>For Members holding shares in Physical Form:-</p> <p>Event no. followed by Folio Number registered with the Company.</p>
Password	Your password is sent through e-mail/ printed on the covering letter
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

iv. After entering the above details click on - Login.

v. Password change menu will appear. Change the password with a new password of your choice. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. After changing the password, you need to login again with the new credentials.

vi. If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any Company, then your exiting login id and password are to be used.

vii. On successful login, the system will prompt you to select the E-voting event.

on Thursday, September 28, 2017 at 5 P.M. IST. During this period, Members of the Company holding shares either in physical form or dematerialized form, as on the cut-off date i.e., September 21, 2017, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter.

ii. Launch an internet browser and open <http://evoting.karvy.com>

viii. Select 'EVENT' of SRI KPR INDUSTRIES LIMITED and click on - Submit.

ix. Now you are ready for e-voting as 'Ballot Form' page opens.

x. On the voting page, you will see Resolution Description and against the same the option 'FOR/ AGAINST/ ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/ AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/ AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'.

xi. After selecting the resolution you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xii. Upon confirmation, the message "Vote cast successfully" will be displayed.

- xiii. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - xiv. Corporate/ Institutional members (Corporates/ Financial Institutions/ FII's/ Trust/ Mutual Funds/ Banks. HUF, NRI etc) are required to send scanned copy (PDF/ JPEG format) of the relevant Board resolution/ Authority Letter together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mail@rsfcs.com with a copy to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned document should be in the naming format "Corporate Name_ Event no."
2. In case of members receiving Physical copy of Notice of AGM and Attendance Slip [for members whose e-mail IDs are not registered with the Company/ Depository Participant(s)]:
- i. USER ID and Password is provided separately.
 - ii. Please follow all steps from Sr. No. (a)(i) to (a)(xiii) mentioned above, to cast vote.
- B. In case of any queries relating to e-voting, please visit "Help & FAQs" section on Karvy's website: <https://evoting.karvy.com>.
- i. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through electronic voting system or poll paper.
 - ii. Members who have acquired shares after the dispatch of Notice of AGM and holding shares as on the cut-off date, may obtain the user ID and Password by sending a request at evoting@karvy.com.
 - a. However, if you are already registered with M/s. Karvy Computershare Private Limited for remote e-voting, then you can use your existing user ID and Password/PIN for casting your vote.
 - b. If you forget your password, you can reset your password by using "Forgot User Details/ Password" option available on <https://evoting.karvy.com>.
 - iii. The scrutinizer shall, immediately after the conclusion of remote e-voting at the Annual General Meeting, first count the votes casted at the meeting and thereafter unblock the votes cast through remote e-voting in presence of at least two (2) witnesses not in the employment of the Company and make within a period not exceeding 3 (Three) days from conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or person authorized by him of the Company.
 - iv. The Results of the voting declared along with Scrutinizer's Report(s) will be placed on the website of the Company <http://www.kprinindustries.in>. The Company shall simultaneously forward the results to BSE Limited where the shares of the Company are listed.
 - v. The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of voting results (i.e. remote e-voting along with the voting held at the AGM).

EXPLANATORY STATEMENT**ITEM NO 3:**

In terms of Section 152(6)(a) of the Companies Act, 2013, not less than two-third of the 'total number of directors' of a Public Company are liable to retire by rotation, unless the articles of association of such Company provide for retirement of all directors at every Annual General Meeting. The explanation to Section 152(6)(a) of the Companies Act, 2013, states that the term 'total number of directors' shall not include Independent Directors of a Company. Further, Section 149(13) of the Companies Act, 2013, provides that, Sections 152(6) and 152(7) dealing with retirement of directors by rotation shall not be applicable to Independent Directors.

In accordance with Section 152(6)(c) of the Companies Act, 2013 one-third of the total number of directors are liable to retire by rotation, or if their number is neither three or a multiple of three, then the number nearest to one-third shall retire at the AGM of a Company every year.

The Company has 9 Directors, out of whom 4 are executive Directors, 2 are Non-executive Directors and 3 are Independent Directors, out of whom Shri. Kishan Reddy Nalla, Managing Director and Shri. Raja Reddy Gaddam, Whole time Director has been in the office since long. In order to ensure compliance of Section 152 of the Companies Act, 2013, Shri. Raja Reddy Gaddam agreed to retire by rotation at this ensuing Annual General Meeting and being eligible is seeking re-appointment. This retirement and re-appointment is only to comply with the provisions of the Companies Act, 2013 and as such shall not be treated as break in the employment of Shri. Raja Reddy Gaddam as Whole time Director.

In view of the above, the board recommends the re-appointment of Shri. Raja Reddy Gaddam as Director and his continuation as a Whole time Director of the Company on terms and conditions approved by the members.

ITEM NO: 5

The Board of Directors of the Company at their meeting held on September 2, 2017 has pursuant to Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, in supersession to earlier resolution passed and based on the recommendation of Nomination & Remuneration Committee has re-appointed Shri. Kishan Reddy Nalla as the Managing Director of the Company for a period of 5 (Five) years on a remuneration of Rs. 24 Lakhs per annum with power to vary the same subject to a limit of Rs. 48 Lakhs

per annum (if approved by the Members) for a period of 3 years. w.e.f. October 1, 2017.

Shri. Kishan Reddy Nalla satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Brief particulars of the terms of re-appointment:

- i. The Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- ii. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- iii. The Managing Director shall adhere to the Company's Code of Conduct.

The above may be treated as a written memorandum setting out the terms under Section 190 of the Act.

Disclosures pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided in the Annexure which forms part of this notice.

As per the provisions of Section 196, 197 read with Schedule V, members' approval is required by way of an Ordinary Resolution for re-appointment of Shri. Kishan Reddy Nalla as Managing Director of the Company and payment of remuneration thereon.

None of the Directors except Shri. Kishan Reddy Nalla, Shri. Vineel Reddy Nalla, Smt. Vinitha Reddy Nalla and Shri. Srinath Reddy Nalla along with their relatives are concerned or interested or otherwise in the aforesaid resolution except as shareholders of the Company.

ITEM NO: 6

The Board of Directors of the Company at their meeting held on September 2, 2017 has pursuant to Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, in supersession to earlier resolution passed and based on the recommendation of Nomination & Remuneration Committee has re-

appointed Shri. Srinath Reddy Nalla as Whole-time Director of the Company for a period of 5 (Five) years on a remuneration of Rs. 12 Lakhs per annum with power to vary the same subject to a limit of Rs. 24 Lakhs per annum (if approved by Members) for a period of 3 years, w.e.f. October 1, 2017.

Shri. Srinath Reddy Nalla satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Brief particulars of the terms of re-appointment:

- i. The Whole-time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board/ Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board/ Managing Director and the functions of the Whole-time Director will be under the overall authority of the Managing Director.
- ii. The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- iii. The Whole-time Director shall adhere to the Company's Code of Conduct.
- iv. The office of the Whole-time Director may be terminated by the Company or by him by giving the other 1 (One) months' prior notice in writing or such period as may be agreed by Managing Director.

The above may be treated as a written memorandum setting out the terms under Section 190 of the Act.

Disclosures pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided in the Annexure which forms part of this Notice.

As per the provisions of Section 196, 197 and Schedule V, members' approval is required by way of an Ordinary resolution for re-appointment of Shri. Srinath Reddy Nalla as Whole-time Director of the Company and payment of remuneration thereon.

None of the Directors except Shri. Srinath Reddy Nalla, Smt. Vinitha Reddy Nalla, Shri. Kishan Reddy Nalla, Shri. Vineel Reddy Nalla along with their relatives are concerned or interested or otherwise in the aforesaid resolution except as shareholders of the Company.

ITEM NO: 7

The Board of Directors of the Company at their meeting held on September 2, 2017 has pursuant to Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, in supersession to earlier resolution passed and based on the recommendation of Nomination & Remuneration Committee has re-appointed Shri. Raja Reddy Gaddam as Whole-time Director of the Company for a period of 5 (Five) years on a remuneration of Rs. 12 Lakhs per annum with power to vary the same subject to a limit of Rs. 24 Lakhs per annum (if approved by Members) for a period of 3 years, w.e.f. October 1, 2017.

Shri. Raja Reddy Gaddam has attained the age 76 years on May 5, 2017. He has rich and varied experience in the industry and has been involved in the operations of the Company. It would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint Shri. Raja Reddy Gaddam as Whole-time Director.

Accordingly, approval of members is sought for passing a Special Resolution for re-appointment of Shri. Raja Reddy Gaddam as Whole-time Director, as set out in Part-I of Schedule V to the Act as also under sub-section (3) of Section 196 of the Act.

Save and except as provided in the foregoing paragraph, Shri Raja Reddy Gaddam satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Brief particulars of the terms of re-appointment:

- i. The Whole-time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board/ Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board/ Managing Director and the functions of the Whole-time Director will be under the overall authority of the Managing Director.

- ii. The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- iii. The Whole-time Director shall adhere to the Company's Code of Conduct.
- iv. The office of the Whole-time Director may be terminated by the Company or by him by giving the other 1 (One) months' prior notice in writing or such period as may be agreed by Managing Director.

The above may be treated as a written memorandum setting out the terms under Section 190 of the Act.

Disclosures pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are provided in the Annexure which forms part of this Notice.

As per the provisions of Section 196, 197 and Schedule V, members' approval is required by way of Special resolution for reappointment of Shri. Raja Reddy Gaddam as Whole-time Director of the Company and payment of remuneration thereon.

None of the Directors except Shri. Raja Reddy Gaddam along with his relatives are concerned or interested or otherwise in the aforesaid resolution except as shareholders of the Company.

ITEM NO: 8

On or around August 23, 2017 the Board has received letters from the following present Promoters ("the subject Promoters") of the Company, in which they have mentioned that they are presently the Promoters of the Company by virtue of the manner in which they had acquired shares of the Company; however:

- (i) they are not acting in concert with the other existing Promoters and have no relationship with the other existing Promoters;
- (ii) there is no formal or informal arrangement with the other promoters in respect of exercise of their respective voting strength in shareholder meetings;
- (iii) they have never in any manner been involved in the functioning of the Company.
- (iv) none of the subject Promoters are acting in concert with the Shri. Kishan Reddy Nalla and his associates, who hold 58.68% of the equity

capital of the Company and who controls and manages the Company;

- (v) therefore, for all practical purposes, for the last several years, the other promoters' status has been no different from that of the public shareholders of the Company.

The subject Promoters have proceeded to state that in view of this, they are desirous of dissociating themselves as promoters of the Company (even while retaining their shareholding in the Company at their pleasure). The shareholding of each of the following Promoters is as follows:

Sr. No.	Name of the Promoter	Equity Shares held	% of holding
1.	A. Prathap Reddy	88,710	0.44
2.	A. Srinivas Reddy	1,05,856	0.53
3.	A. Shakuntala Devi	72,266	0.36

In light of the above, at a meeting of the Board of Directors of the Company held on September 2, 2017 the Board of Directors granted in-principle approval to the proposal for re-classification of the aforementioned Promoters subject to the approval of the shareholders and accordingly, decided to place the matter before the shareholders for their approval. As per Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the shareholders in the general meeting is required for reclassifying the subject Promoters into/ under the Public Category.

In terms of Regulation 31A and other relevant provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and the Procedure and Checklist for Reclassification of Promoter as issued by the Bombay Stock Exchange, an application for reclassification has to be filed with the concerned authorities, post approval of the Board of Directors and the shareholders of the Company.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, under the Scheme and to the extent of their shareholding as Members, if any.

The Board of Directors recommends the Special resolution set out at Item No. 8 for approval of the Members.

ITEM NO 9:

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.

The Board of Directors recommends the resolution set out at Item No. 9 for approval of the Members.

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

By Order of the Board of Directors

Sd/-
KISHAN REDDY NALLA
MANAGING DIRECTOR
DIN: 00038966

SRI KPR INDUSTRIES LIMITED

ANNEXURE TO THE NOTICE

DETAILS OF DIRECTORS RETIRING BY ROTATION/ SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

{Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
Secretarial Standards on General Meetings}

Particulars	Shri. Kishan Reddy Nalla	Shri. Srinath Reddy Nalla
DIN:	00038966	00052862
Age	69 years	51 years
Nationality	Indian	Indian
Date of first appointment on the board	April 1, 1994	September 9, 2001
Qualification	Civil Engineer	MBA
Experience including expertise in specific functional areas/ Brief Resume	Wide experience of 40 years in Marketing & Administration.	23 experience in Marketing & General Administration.
Terms and Conditions of Appointment/ Re-appointment	As per the resolution and explanatory statement set out for item no. 5 of the notice.	As per the resolution and explanatory statement set out for item no. 6 of the notice.
Remuneration last drawn	Rs. 24 Lakhs	Rs. 12 Lakhs
Remuneration proposed	As per the resolution and explanatory statement set out for item no. 5 of the notice.	As per the resolution and explanatory statement set out for item no. 6 of the notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the positions and person.	Compared to the size of the Company and the position of Shri. Kishan Reddy Nalla and the type of the Industry, the proposed remuneration is reasonable.	Compared to the size of the Company and the position of Shri. Srinath Reddy Nalla and the type of the Industry, the proposed remuneration is reasonable.
Recognition and Awards	Nil	Nil
Shareholding in the Company as on March 31, 2017	19,47,089	8,38,622
Directorships held in other Companies as on March 31, 2017	<ul style="list-style-type: none"> ➤ Sri KPR Infra & Projects Limited ➤ NBOS Technology Private Limited ➤ Sri Vijayeebhava Enterprises Private Limited 	<ul style="list-style-type: none"> ➤ Sri KPR Infra & Projects Limited ➤ Hanu Energy Private Limited ➤ Sri Vijayeebhava Enterprises Private Limited ➤ Vinshri Energy Private Limited
Chairmanships/ Memberships of Committees of other Boards	Nil	Nil
Relationship with other Directors	Father of Shri. Vineel Reddy Nalla & Smt. Vinitha Reddy Nalla; Father-in-law of Shri. Srinath Reddy Nalla.	Son-in-law of Shri. Kishan Reddy Nalla, Spouse of Smt. Vinitha Reddy Nalla.
Number of meetings attended during the year	5	5

Particulars	Shri. Raja Reddy Gaddam
DIN:	00126854
Age	76 years
Nationality	Indian
Date of first appointment on the board	December 29, 2000
Qualification	HSC
Experience including expertise in specific functional areas/ Brief Resume	Experience of 40 years in Finance & General Administration.
Terms and Conditions of Appointment/ Re-appointment	As per the resolution and explanatory statement set out for item no. 7 of the notice.
Remuneration last drawn	Rs. 12 Lakhs
Remuneration proposed	As per the resolution and explanatory statement set out for item no. 7 of the notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the positions and person.	Compared to the size of the Company and the position of Shri. Raja Reddy Gaddam and the type of the Industry, the proposed remuneration is reasonable.

SRI KPR INDUSTRIES LIMITED

Recognition and Awards	Nil
Shareholding in the Company as on March 31, 2017	14,83,802
Directorships held in other Companies as on March 31, 2017	➤ Sri KPR Infra & Projects Limited
Chairmanships/ Memberships of Committees of other Boards	Nil
Relationship with other Directors	Not related to any Director
Number of meetings attended during the year	5

ADDITIONAL INFORMATION OF THE APPOINTEE AS PER PART I OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION

1.	Nature of Industry	The Company is engaged in the business of manufacturing various water supply pipes such as AC Pressure Pipes & Fitting under Mazza process. The Company is also engaged in generation of wind electric power.																
2.	Date of commencement of commercial production	The Company has commenced its operations in the year 1997.																
3.	Financial performance based on given indicators	<table border="1"> <thead> <tr> <th>Financial Year</th> <th>Revenue from Operations</th> <th>Profit before Tax</th> <th>Profit after Tax</th> </tr> </thead> <tbody> <tr> <td>2015-16</td> <td>Rs. 13,43,16,684/-</td> <td>Rs. 7,20,14,792/-</td> <td>Rs. 6,08,51,002/-</td> </tr> <tr> <td>2014-15</td> <td>Rs. 36,72,97,849/-</td> <td>Rs. 6,38,08,893/-</td> <td>Rs. 5,63,66,921/-</td> </tr> <tr> <td>2013-14</td> <td>Rs. 43,48,56,138/-</td> <td>Rs. 5,51,25,771/-</td> <td>Rs. 3,89,16,797/-</td> </tr> </tbody> </table>	Financial Year	Revenue from Operations	Profit before Tax	Profit after Tax	2015-16	Rs. 13,43,16,684/-	Rs. 7,20,14,792/-	Rs. 6,08,51,002/-	2014-15	Rs. 36,72,97,849/-	Rs. 6,38,08,893/-	Rs. 5,63,66,921/-	2013-14	Rs. 43,48,56,138/-	Rs. 5,51,25,771/-	Rs. 3,89,16,797/-
Financial Year	Revenue from Operations	Profit before Tax	Profit after Tax															
2015-16	Rs. 13,43,16,684/-	Rs. 7,20,14,792/-	Rs. 6,08,51,002/-															
2014-15	Rs. 36,72,97,849/-	Rs. 6,38,08,893/-	Rs. 5,63,66,921/-															
2013-14	Rs. 43,48,56,138/-	Rs. 5,51,25,771/-	Rs. 3,89,16,797/-															
4.	Foreign Investments or Collaborations, if any	Nil																

II. INFORMATION ABOUT THE APPOINTEE: As disclosed above.

III. OTHER INFORMATION

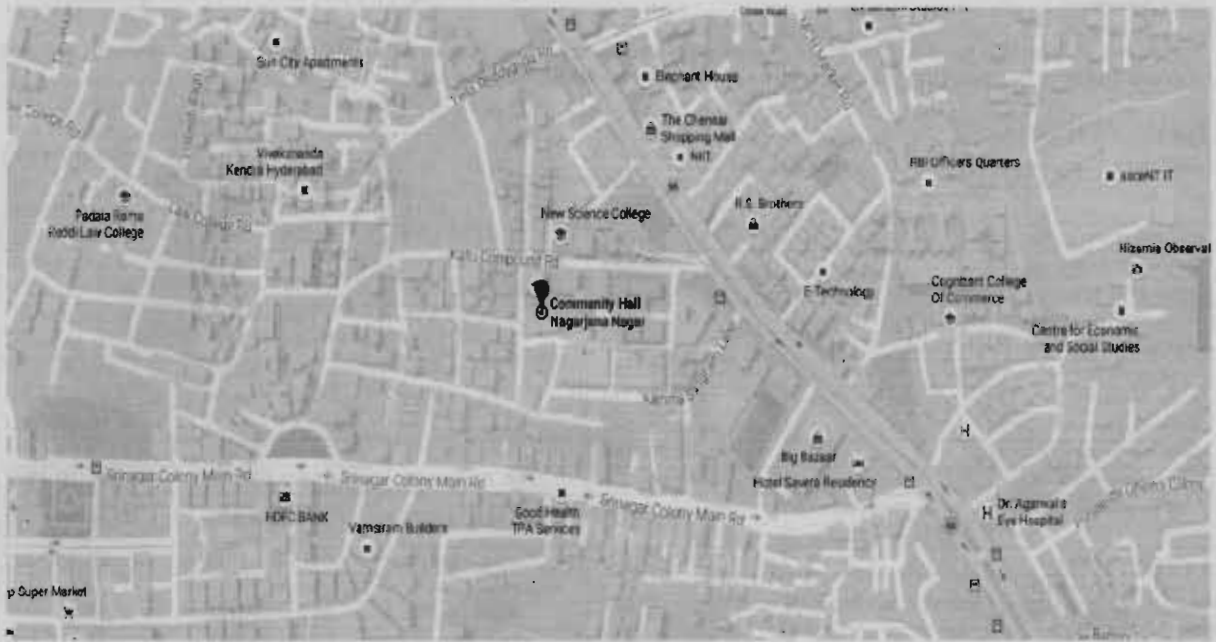
1.	Reasons of loss or inadequate profits	The inadequate profits are due to coming down of manufacturing activity because of preferring of metal pipes over diversifying to execution of A.C. Pipes by the user departments.
2.	Steps taken or proposed to be taken for improvement	Steps have been already taken by drinking water supply schemes duly forming 100% subsidiary company by name of Sri KPR Infra & Projects Ltd.
3.	Expected increase in productivity and profits in measurable terms	In view of the above diversification profits have been increased in consolidated balance sheet.

IV. DISCLOSURES: All the elements of remuneration are covered under Report on Corporate Governance.

By Order of the Board of Directors

Sd/-
KISHAN REDDY NALLA
MANAGING DIRECTOR
DIN: 00038966

Route Map to the venue of the Annual General Meeting



Venue:

Nagarjuna Function Hall, Nagarjuna Nagar,
Yeilareddyguda, Ameerpet,
Hyderabad-500073

Landmark:

Behind Chermas Showroom

BOARD'S REPORT

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company, along with the audited financial statements (Standalone & Consolidated) for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2017	2016	2017	2016
Income from operations	14,71,81,267	13,43,16,684	90,78,81,609	32,60,05,596
Other income	1,98,09,534	5,97,28,621	2,20,28,318	5,63,46,081
Gross profit	16,69,90,801	19,40,45,305	92,99,09,927	38,23,51,677
Consumption of Raw materials	3,20,86,088	3,14,93,420	40,68,39,178	10,89,21,641
Changes in inventories	64,19,923	(26,21,342)	7,39,21,507	(2,58,36,521)
Employee benefit expenses	1,23,72,083	1,39,79,669	1,81,40,559	1,91,19,261
Finance cost	1,67,74,114	1,38,57,635	3,43,32,474	3,23,41,675
Depreciation	2,63,56,490	2,42,23,486	3,57,74,521	3,35,07,052
Other expenses	4,49,90,988	4,63,08,831	24,70,19,304	15,09,57,677
Total expenses	13,89,99,686	12,72,41,699	81,60,27,543	31,90,10,785
Profit/ (Loss) before tax & exceptional items	2,79,91,115	6,68,03,606	11,38,82,384	6,33,40,892
Exceptional items	(13,25,382)	52,11,186	(13,25,382)	67,33,723
Prior period items	-	-	-	-
Profit/ (Loss) before tax	2,66,65,733	7,20,14,792	11,25,57,002	7,00,74,615
Current tax	(49,35,567)	(1,14,79,658)	2,31,61,407	1,28,20,613
Deferred tax	14,77,405	3,15,867	68,10,446	(24,52,946)
Profit/ (Loss) after tax	2,32,07,571	6,08,51,002	8,25,85,149	5,97,06,948

BUSINESS OPERATIONS

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

Presently, the Company has interest in pipe manufacturing and wind power generation. During the year under review the Company has made a turnover of Rs. 14.71 crores as against previous turnover of Rs. 13.43 crores thereby resulting increase in the turnover. Earned net profit of Rs. 2.32 crores as against the previous year Profit of Rs. 6.08 crores.

On a consolidated basis, the Company has achieved a turnover of Rs. 90 crores as against the previous year turnover of Rs. 32.60 crores thereby resulting increase in the turnover and achieved net profit of Rs. 8.26 crores as against the previous net profit of Rs. 5.97 crores.

As seen from the above, the turnover from pipe manufacturing activity has come down due to preferring of metal pipes over A.C. pipes by the user departments. You are aware that to service the large equity, the Company has entered into new avenue of execution of drinking water supply schemes by owning a 100% subsidiary Company "Sri KPR Infra & Projects Ltd." which

is yielding reasonable profits and also dividends to the parent Company and thereby to shareholders of Sri KPR Industries Ltd. Further, the Subsidiary company "Sri KPR Infra & Projects Ltd" has also expanded wind power generation by setting up 2.0 MW wind power mill at Tallimadugula in Anantapuram District of Andhra Pradesh which has also been commissioned during March, 2017.

The Company is further trying to explore other avenues in view of decrease in pipe manufacturing activity.

DIVIDEND

The board has recommended a dividend of 10% i.e. Rs. 1/- per share.

RESERVES

The board has not transferred any amount to Reserves for the year 2016-17.

DEPOSITS

Your Company has not accepted any deposits from public and as such, no amount on account of principal or

interest on deposits from public was outstanding as on the date of the balance sheet.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not given any loan, provided guarantee or made any investment falling under the provisions of Section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

STATE OF COMPANY AFFAIRS:

The operations of the Company was not as expected by the Management and the same has been effected due to various reasons.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri. Raja Reddy Gaddam retire by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

Term of Shri. Kishan Reddy Nalla, Shri. Srinath Reddy Nalla, and Shri. Raja Reddy Gaddam is upto July 31, 2018. The Board of Directors on the recommendation of Nomination and Remuneration Committee and in supersession to earlier resolution passed by the members has re-appointed Shri. Kishan Reddy Nalla as Managing Director, Shri. Srinath Reddy Nalla and Shri. Raja Reddy Gaddam as Whole-time Directors of the Company for a period of 5 (Five) years w.e.f. October 1, 2017, subject to approval of members at this ensuing Annual General Meeting.

During the year, Shri. Naveena Chandra Thammishetty resigned w.e.f. August 13, 2016 and was again appointed as Additional Independent Director w.e.f. September 2, 2016 and ratified as Independent Director for a period of 5 (Five) years at the 28th Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

- ii. the Directors have 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 as at March 31, 2017 and of the profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company as required under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 5 (Five) times during the year. Particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of the report.

COMMITTEES OF THE BOARD

Currently the Board has 3 committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholder Relationship Committee.

A detailed note on the composition of the board and its committees is provided in the Corporate Governance Report. Further during the year, all the recommendations made by Audit committee were accepted by the Board.

DETAILS OF SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES

During the year, the Board of Directors ('the Board') reviewed the affairs of its Wholly Owned Subsidiary i.e. Sri KPR Infra & Projects Limited. In accordance with Section 129(3) of the Companies Act, 2013 consolidated financial statements of the Company forms part of the

Annual Report. A statement containing the salient features of the financial statements of the Subsidiary Company in the prescribed Form AOC-I is appended as "Annexure I" to the Board's report.

In accordance with Section 136 of the Companies Act, 2013 the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of M/s. Sri KPR Infra & Projects Limited, Wholly owned subsidiary is available on our website, www.kprindustries.in. These documents will also be available for inspection during business hours at our registered office on all working days except on Saturday up to 1 P.M.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the year your Company has not entered into any fresh contracts/ arrangements falling under the provisions of Section 188 of the Companies Act, 2013.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and is enclosed as "Annexure II".

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The details in respect of internal financial control and their adequacy are included in the management discussion & analysis report, which forms part of this report.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act, Rule 5(1) and top ten employees in terms of remuneration drawn as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial

Personnel) Amendment Rules, 2016 has been appended as "Annexure III" to this Report. Further as stipulated under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, no employee who was employed for the whole of the financial year was in receipt of remuneration exceeding Rs. 1.02 Crores per annum and no employee who was employed for part of the financial year was in receipt of remuneration of Rs. 8 Lakhs per month.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company's policy on Director's appointment and remuneration and other matters provided under Section 178(3) of the Companies Act, 2013 has been disclosed under Corporate Governance Report, which forms part of this report.

CHANGE IN THE NATURE OF BUSINESS

During the year, there was no change in the nature of business carried out by the Company.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as "Annexure IV" to the Board's report.

BOARD EVALUATION

The board has carried out an annual evaluation of its own performance, its committees and Individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The performance of the board and committees constituted was evaluated after seeking inputs from all the Directors such as effectiveness of board processes, information and functioning, etc.

The board and the Nomination & Remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

AUDITORS

Statutory Auditors

As per the provisions of the Act, the period of office of M/s. V. Sridhar & Co., Chartered Accountants, Statutory Auditors of the Company, retires at the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s. Ayyadevara & Co. Chartered Accountants as the new Statutory Auditors of the Company for a period of 5 (Five) consecutive years i.e., from the conclusion of 29th Annual General Meeting until the conclusion of the 34th Annual General Meeting of the Company.

M/s. Ayyadevara & Co. Chartered Accountants have informed the Company that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and they have also furnished a declaration in terms of section 141 of the Companies Act, 2013 that they are eligible to be appointed as auditors and that they have not incurred any disqualification under the Companies Act, 2013.

The Board recommends appointment of M/s. Ayyadevara & Co. Chartered Accountants as Statutory Auditors of the Company. Accordingly, a resolution proposing appointment of M/s. Ayyadevara & Co., as Statutory Auditors of the Company for a period of 5 years which forms part of the notice is placed before the members for their approval.

The Board of Directors places on record its appreciation for the services rendered by M/s. V. Sridhar & Co. Chartered Accountants as the Statutory Auditors of the Company.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the board has re-appointed B5 & Company Company Secretaries LLP for a consecutive period of 3 consecutive years to conduct Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as "Annexure V" to this Report. The Secretarial Audit Report contains the following observations:

1. The consent for operations from the Telangana Pollution Control Board (the Board) expired on 30.09.2014 and is in the process of renewal with the Board. *The Company is in the process of renewal of license.*

2. The Company has not obtained insurance policy under the Employees Compensation Act and the Payment of Gratuity Act. *The Company is in the process of obtaining the same.*
3. The Company is yet to file certain returns under some of the applicable Labour Laws. *The Company is in the process of filing the pending returns with the requisite authorities.*

FRAUDS REPORTED BY AUDITORS

During the year, there were no frauds reported by the Auditors falling under Section 143 of the Companies Act, 2013.

RISK MANAGEMENT POLICY

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.

CORPORATE GOVERNANCE

In terms of Schedule V of Listing Regulations, a detailed report on Corporate Governance along with Compliance certificate issued by Statutory Auditors of the Company is attached and forms integral part of this Annual Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report as required under LODR Regulations, is disclosed separately in the current Annual Report.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2014

Your Company is committed in creating and maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation. As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013, your Company has constituted an Internal Complaints Committee. No complaints were received by the committee during the year under review. Since the number of complaints filed during the year was NIL, the Committee prepared a NIL complaints report. This is in compliance with section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

ACKNOWLEDGMENTS

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-
KISHAN REDDY NALLA
MANAGING DIRECTOR
DIN: 00038966

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

Place: Secunderabad
Date: September 2, 2017

SRI KPR INDUSTRIES LIMITED

ANNEXURE - I

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries/
Associate Companies/ Joint Ventures

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in Rs)

S.NO	PARTICULARS	NAME OF THE SUBSIDIARY
		SRI KPR INFRA & PROJECTS LIMITED
1.	Reporting Period	April 1, 2016 to March 31, 2017
2.	Reporting Currency	INR
3.	Share Capital	3,50,00,000
4.	Reserve and Surplus	19,70,67,375
5.	Total Assets	65,05,04,920
6.	Total Liabilities	65,05,04,920
7.	Investments (current)	25,00,000
8.	Turnover	76,25,12,014
9.	Profit/ (Loss) before Taxation	8,93,91,270
10.	Provision for taxation	2,65,13,691
11.	Profit after taxation	6,28,77,580
12.	Proposed Dividend	35,00,000
13.	% of Shareholding	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
MANAGING DIRECTOR
DIN: 00038966

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

Sd/-
NANDU SIDDHA REDDY
CFO

Sd/-
MEENAKSHI DEEPAK NAVALAKHE
COMPANY SECRETARY

SRI KPR INDUSTRIES LIMITED

ANNEXURE-II

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy:

Initiatives to integrate energy efficiency into overall operations are undertaken through design considerations and operational practices. The key initiatives towards conservation of energy are:

- Improved monitoring of energy consumption through smart metering and integration with building management systems;
- Continuously replacing the inefficient equipment with latest energy efficient technology and up gradation of equipment's continually.
- Increasing the awareness of energy saving within the organization to avoid wastage of energy.

ii) Steps taken by the Company to utilize alternate source of energy

- Enhancing utilization of Renewable Energy Sources.
- Exploring the feasibility of utilization of solar power at plant locations wherever possible.

iii) Capital investment on energy conservation equipment.

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

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption

- Development & Implementation of new technique & process for manufacture of products.
- Evaluation of the alternative materials to reduce the cost of raw material
- Solar technologies for common area, parking and street lighting.

ii) Benefits derived like product improvement, cost reduction, product development or import substitution.

- Cost optimization
- Improvement in quality of products.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of financial year) – NOT APPLICABLE

iv) Expenditure incurred on Research & Development – NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in Rs.)

Particulars	2016-17	2015-16
Earnings	Nil	Nil
Outgo	Nil	Nil

For and on behalf of the board of directors
FOR SRI KPR INDUSTRIES LIMITED

Sd/-
KISHAN REDDY NALLA
MANAGING DIRECTOR
DIN: 00038966

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

SRI KPR INDUSTRIES LIMITED

ANNEXURE - III

STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17:

S.No	Name of the Director & Designation	Remuneration of Directors for the F.Y 2016-2017 (Amount in Rs.)	Ratio of remuneration of each Director to median remuneration of employee
1.	Shri. Kishan Reddy Nalla, Managing Director	24,00,000	25.64
2.	Shri. Srinath Reddy Nalla, Whole time Director	12,00,000	12.82
3.	Shri. Bhoopal Reddy Aleti, Whole time Director	12,00,000	12.82
4.	Shri. Raja Reddy Gaddam, Whole time Director	12,00,000	12.82

II) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year:

S. No	Name of the Director/ KMP & Designation	Remuneration		% increase in remuneration
		2016-17	2015-16	
1.	Shri. Kishan Reddy Nalla, Managing Director	24,00,000	24,00,000	NIL
2.	Shri. Srinath Reddy Nalla, Whole time Director	12,00,000	12,00,000	NIL
3.	Shri. Bhoopal Reddy Aleti, Whole time Director	12,00,000	12,00,000	NIL
4.	Shri. Raja Reddy Gaddam, Whole time Director	12,00,000	12,00,000	NIL
5.	Shri. N. Siddha Reddy, Chief Financial Officer	3,24,000	2,94,360	9.15%
6.	Ms. Meenakshi D. N., Company Secretary	2,40,000	1,00,000	NIL

III) The percentage increase in the median remuneration of employees in the financial year:

Particulars	2016-17	2015-16	Increase (%)
Median remuneration of employees	Rs. 93,600/-	Rs. 1,13,712/-	(17.69)*

*Percentage is negative due to increase in number of employees during the year.

IV) The number of permanent employees on the roll of the Company: 55 (Fifty Five)

V) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	Average Salary		% Increase
	2015-16	2016-17	
Employees	1,25,989	1,06,209	(15.70)
Managerial personnel	10,65,727	10,94,000	2.65

VI) Affirmation that the remuneration is as per the remuneration policy of the Company: YES

VII) Top ten employees in terms of remuneration drawn

S. No.	Name	Designation	Qualification(s) & Experience	Age (In years)	Date of commencement of employment	Nature of duties	Gross Remuneration	Previous Employment
1.	Kishan Reddy Nalla.	Managing Director	Civil Engineer. 40 years	69	01.04.1994	Management & Administration	24,00,000	None
2.	Srinath Reddy Nalla	Whole time Director	MBA. 23 years	51	29.09.2001	Management & General Administration	12,00,000	None

SRI KPR INDUSTRIES LIMITED

3.	Bhoopal Reddy Aleti	Whole time Director	BA, 35 years	61	30.09.2013	Overseeing Manufacturing activities	12,00,000	None
4.	Raja Reddy Gaddam	Whole time Director	HSC, 40 years	76	29.12.2000	Finance and general administration	12,00,000	None
5.	N. Siddha Reddy	CFO	B.Com	50	1997	Finance administration	3,24,000	None
6.	Meenakshi D.N	Company Secretary	CS, LLB, B.Com	23	16.11.2015	Secretarial Compliances	2,40,000	None
7.	N. Vijith Reddy	Manager Finance	B.Com	40	1997	Finance administration	1,99,320	None
8.	K. Meena Reddy	QC Incharge	SSC	58	2005	Quality Control	1,99,200	None
9.	G. Srikanth Reddy	Forman Plant	SSC	45	2006	Plant maintenance	1,92,840	None
10.	S.K. Patak	Mainten- ance	Inter	58	2002	Plant maintenance	1,72,080	None

For and on behalf of the board of directors
FOR SRI KPR INDUSTRIES LIMITED

Sd/-
KISHAN REDDY NALLA
MANAGING DIRECTOR
DIN: 00038966

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

SRI KPR INDUSTRIES LIMITED

**ANNEXURE -IV
EXTRACTS OF ANNUAL RETURN AS ON MARCH 31, 2017
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]

I. REGISTRATION AND OTHER DETAILS	
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: bwpl9@yahoo.com Website: http://www.kprindustries.in
vi)	Whether Listed Company Yes
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 - 500 034 Tel: +91-04-2331-2454/2332-0751/752/251 Fax: +91-40-2331-1968 Corporate Off: Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India. Tel: +91-40-67162222 Fax: +91-40-67161791 Email Id: support@karvy.com Website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

SL NO	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% OF THE TOTAL TURNOVER OF THE COMPANY
1	Sale of asbestos cement pressure pipes	26959	58.29
2	Sale of wind electric power	40108	40.54

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. Regd Off: 5 th Floor, KPR House, SP Road, Secunderabad-500003, Telangana	U45209TG2007PLC055010	Wholly-owned Subsidiary	100%	Section 2(87)

SRI KPR INDUSTRIES LIMITED

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

i) Category wise Share Holding

Category of the shareholders	No of shares held at the beginning of the year				No of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS									
INDIAN									
Individual / HUF	1,21,73,154	26,038	1,21,99,192	60.55	1,20,94,277	300	1,20,94,577	60.04	(0.52)
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									-
Sub Total A-1	1,32,78,754	26,038	1,33,04,792	66.04	1,31,99,877	300	1,32,00,177	65.52	(0.52)
FOREIGN									
NRI's									
Individual	-	-	-	-	-	-	-	-	-
Other Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks / FI's	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total A-2	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDING OF PROMOTERS (A1 + A2)	1,32,78,754	26,038	1,33,04,792	66.04	1,31,99,877	300	1,32,00,177	65.52	(0.52)
B. PUBLIC SHAREHOLDING									

SRI KPR INDUSTRIES LIMITED

I. INSTITUTIONS									
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	-	3,500	3,500	0.02	(0.48)
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL - B1	200	1,08,400	1,08,600	0.54	200	11,900	12,100	0.06	(0.48)
2. NON INSTITUTIONS									
a) Bodies Corporate									
Indian	4,60,863	47,401	508,264	2.52	5,47,860	47,401	5,95,261	2.95	0.43
Overseas	-	-	-	-	-	-	-	-	-
b) INDIVIDUAL									
Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	9,65,571	7,85,306	17,50,877	8.69	10,06,099	7,82,406	17,88,505	8.88	0.19
Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	15,86,891	28,65,570	44,52,461	22.10	16,67,305	28,65,570	45,32,875	22.50	0.40
Others (Specify)									

SRI KPR INDUSTRIES LIMITED

Non Resident Indians	18,727	-	18,727	0.09	15,687	-	15,687	0.07	(0.02)
Clearing Members	1,974	-	1,974	0.01	1,090	-	1,090	0.01	-
SUB TOTAL B2	30,34,026	36,98,277	67,32,303	33.42	32,38,041	36,95,377	69,33,418	34.43	1
TOTAL PUBLIC SHAREHOLDING (B1+B2)	30,34,226	38,06,677	68,40,903	33.96	32,38,241	37,07,277	69,45,518	34.48	0.52
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	1,63,12,980	38,32,715	2,01,45,695	100	1,64,38,118	37,07,577	2,01,45,695	100	-

ii) **Shareholding of Promoters**

Sl No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	19,45,854	9.66	-	19,47,089	9.67	-	0.01
2.	Vineel Reddy Nalla	18,93,054	9.40	-	18,95,454	9.41	-	0.01
3.	Vijaya Nalla	17,28,485	8.58	-	17,28,485	8.58	-	-
4.	Vinitha Nalla	16,93,812	8.41	-	16,95,562	8.42	-	0.01
5.	Gaddam Raja Reddy	14,83,802	7.37	-	14,83,802	7.37	-	-
6.	NBOS Technologies Private Limited	11,05,600	5.49	-	11,05,600	5.49	-	-
7.	N. Srinath Reddy	9,48,622	4.71	-	8,38,622	4.16	-	(0.55)
8.	Vineela Reddy N	7,11,300	3.53	-	7,11,300	3.53	-	-
9.	G. Sunitha	6,82,763	3.39	-	6,82,763	3.39	-	-
10.	Nomula Sarita	3,19,667	1.59	-	3,19,867	1.59	-	-
11.	Nomula Deepti	2,24,341	1.11	-	2,24,587	1.11	-	-
12.	Gaddam Hemanth Reddy	1,53,130	0.76	-	1,53,130	0.76	-	-
13.	A Srinivas Reddy	1,05,856	0.53	-	1,05,856	0.53	-	-
14.	Gaddam Macchumathi	93,256	0.46	-	93,256	0.46	-	-
15.	Ande Prathap Reddy	88,710	0.44	-	88,710	0.44	-	-
16.	A. Shakunthala Devi	72,266	0.36	-	72,266	0.36	-	-
17.	N. Rajeshwar Reddy	53,828	0.27	-	53,828	0.27	-	-
	Total	1,33,04,792	66.04		1,32,00,177	65.52		(0.52)

SRI KPR INDUSTRIES LIMITED

iii) Change in Promoters Shareholding:

S. NO	NAME OF THE SHAREHOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR		Date	Reason	CHANGE IN SHAREHOLDING (No. of Shares)		CUMULATIVE 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	19,45,854	9.66	15.04.2016	Purchase	1235	-	19,47,089	9.67
2.	Vineel Reddy Nalla	18,92,954	9.40	15.04.2016	Purchase	2400	-	18,95,454	9.41
3.	Vinitha Nalla	16,93,812	8.41	15.04.2016	Purchase	1750	-	16,95,562	8.42
4.	N. Srinath Reddy	9,48,622	4.71	01.04.2016	Sale	-	10,000	9,38,622	4.66
				08.04.2016	Sale	-	10,000	9,28,622	4.61
				06.05.2016	Sale	-	10,000	9,18,622	4.56
				20.05.2016	Sale	-	10,000	9,08,622	4.51
				19.08.2016	Sale	-	20,000	8,88,622	4.41
				09.09.2016	Sale	-	10,000	8,78,622	4.36
				07.10.2016	Sale	-	10,000	8,68,622	4.31
				14.10.2016	Sale	-	10,000	8,58,622	4.26
				11.11.2016	Sale	-	10,000	8,48,622	4.21
				13.01.2017	Sale	-	10,000	8,38,622	4.16

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

S.NO.	FOR EACH OF THE TOP 10 SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CHANGE IN SHAREHOLDING (No. of Shares)		CUMULATIVE 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	-	-	6,73,750	3.34
2.	Bhoopal Reddy Aleti	6,33,620	3.15	-	-	6,33,620	3.15
3.	A Naveen Chandra Reddy	6,03,750	3.00	-	-	6,03,750	3.00
4.	Gaddam Sushila Raja Reddy Foundation	5,25,000	2.61	-	-	5,25,000	2.61
5.	Praveen Reddy	4,67,250	2.32	-	-	4,67,250	2.32
6.	APR Holdings Investment Pvt Ltd	3,92,800	1.95	-	-	3,92,800	1.95
7.	Mahitha Aleti	1,89,350	0.94	-	-	1,89,350	0.94
8.	Padmini	1,54,000	0.76	-	-	1,54,000	0.76
9.	Eeshan Reddy	1,40,000	0.69	-	-	1,40,000	0.69
10.	A Vasantha	1,36,500	0.68	-	-	1,36,500	0.68

SRI KPR INDUSTRIES LIMITED

v. Shareholding of Directors and Key Managerial Personnel:

S. NO	NAME OF THE DIRECTOR / KMP	SHAREHOLDING AT THE BEGINNING OF THE YEAR		Date	Reason	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	19,45,854	9.66	15.04.2016	Purchase	1235	-	19,47,089	9.67
2.	Bhoopal Reddy Aleti	6,33,620	3.15	-	-	-	-	6,33,620	3.15
3.	Srinath Reddy Nalla	9,48,622	4.71	01.04.2016	Sale	-	10,000		
				08.04.2016	Sale	-	10,000		
				06.05.2016	Sale	-	10,000		
				20.05.2016	Sale	-	10,000		
				19.08.2016	Sale	-	20,000		
				09.09.2016	Sale	-	10,000		
				07.10.2016	Sale	-	10,000		
				14.10.2016	Sale	-	10,000		
				11.11.2016	Sale	-	10,000		
				13.01.2017	Sale	-	10,000	8,38,622	4.16
4.	Raja Reddy Gaddam	14,83,802	7.37	-	-	-	-	14,83,802	7.37
5.	Vineel Reddy Nalla	18,92,954	9.40	15.04.2016	Purchase	2400	-	18,95,454	9.41
6.	Vinitha Reddy Nalla	16,93,812	8.41	15.04.2016	Purchase	1750	-	16,95,562	8.42
7.	N. Siddha Reddy	4,000	0.02	-	-	-	-	-	-
8.	Meenakshi D.N	-	-	-	-	-	-	-	-

v. INDEBTEDNESS

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
Principal Amount	16,00,87,033	1,11,03,950	NIL	17,11,90,983
Interest due but not paid	NIL	NIL	NIL	NIL
Interest accrued but not due	NIL	NIL	NIL	NIL
Total	16,00,87,033	1,11,03,950	NIL	17,11,90,983
Change in Indebtedness during the year				
Addition	NIL	NIL	NIL	NIL
Reduction	3,45,84,542	NIL	NIL	3,45,84,542
Indebtedness at the end of the financial year				
Principal Amount	12,55,02,491	11,03,950	NIL	12,66,06,441
Interest due but not paid	NIL	NIL	NIL	NIL
Interest accrued but not due	NIL	NIL	NIL	NIL
Total	12,55,02,491	11,03,950	NIL	12,66,06,441

SRI KPR INDUSTRIES LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

S.N	PARTICULARS OF REMUNERATION	NAME OF THE MD / WTD / MANAGER				TOTAL
		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	Rs. 24,00,000/-	Rs. 12,00,000/-	Rs. 12,00,000/-	Rs.12,00,000/-	Rs. 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	Rs. 24,00,000/-	Rs. 12,00,000/-	Rs. 12,00,000/-	Rs. 12,00,000/-	Rs. 60,00,000/-
	Ceiling as per Act	As per Part-II of Schedule V of the Companies Act, 2013				

B. REMUNERATION TO OTHER DIRECTORS: NIL

SL. NO	PARTICULARS OF REMUNERATION	NAME OF THE DIRECTOR					TOTAL AMOUNT
		Naveena Chandra Thammishetty	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	1 % of the net profits of the Company					

SRI KPR INDUSTRIES LIMITED

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	MEENAKSHI D.N	
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	Rs. 3,24,000/-	Rs. 2,40,000/-	Rs. 5,64,000/-
	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	-	Rs. 3,24,000/-	Rs. 2,40,000/-	Rs. 5,64,000/-

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/COURT]	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)
MANAGING DIRECTOR
DIN: 00038966

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

SRI KPR INDUSTRIES LIMITED

ANNEXURE - V

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 31st MARCH, 2017**

To,
The Members,
Sri KPR Industries Limited
Secunderabad.

We were appointed by the Board of Directors of Sri KPR Industries Limited ("the Company") to conduct the Secretarial Audit for the financial year ended March 31, 2017.

We have conducted the Secretarial audit in respect of compliance with applicable statutory provisions and the adherence to good corporate practices by 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 Company's books, papers, minute books, forms and returns filed and other documents/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 March 31, 2017 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 the Company for the financial year ended March 31, 2017, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has identified the following laws, Regulations, Guidelines, Rules, etc., as applicable to the Company:

1. The Minimum Wages Act, 1948
2. The Payment of Wages Act, 1936
3. The Payment of Bonus Act, 1965
4. The Payment of Gratuity Act, 1972
5. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
6. The Employees State Insurance Act, 1948
7. The Factories Act, 1948 and Rules made thereunder
8. The Telangana Factories and Establishments (National Festival and Other Holidays) Act, 1974
9. The Telangana Fire Services Act, 1999 read with Telangana Fire and Emergency Operations and Levy of Fee Rules, 2006
10. The Telangana Shops and Establishments Act, 1988
11. Electricity Act, 2003
12. The Environment Protection Act, 1986 read with Rules made thereunder
13. Air (Prevention and Control of Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. *The consent for operations from the Telangana Pollution Control Board (the Board) expired on 30.09.2014 and is in the process of renewal with the Board.*
2. *The company has not obtained insurance policy under the Employees Compensation Act and the Payment of Gratuity Act.*
3. *The company is yet to file certain returns under some of the applicable Labour Laws.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. 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.

Adequate notice was given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, resolutions were carried through majority. The minutes of the meetings held during the audit period did not reveal any dissenting member's view. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meetings held during the period under review.

Based on the information, documents provided and the representations made by the Company, there are adequate systems and processes exists in the Company to 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 audit period the Company has:

- i. Re-Constituted Audit, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility committee of the Company
- ii. Declared and paid dividend of Rs. 0.70/- per share on equity shares to the members of the Company.
- iii. Obtained resignation letter from Mr. Naveen Chandra as Independent Director and the Board has approved the resignation
- iv. Appointed Mr. Naveen Chandra as Independent Director of the another term in the Company

For BS & Company Company Secretaries LLP
(Formerly known as BS & Company, Company Secretaries)

Sd/-

Date: 20.08.2017
Place: Hyderabad

Dafthardar Soumya
Designated partner
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
Secunderabad.

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of applicable laws, rules and regulations etc.
5. The compliance of the provisions of Companies Act, 2013 and other applicable laws, Rules, Regulations, secretarial standards issued by ICSI is the responsibility of the 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.
7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/ Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BS & Company Company Secretaries LLP
(Formerly known as BS & Company, Company Secretaries)

Sd/-

Date: 20.08.2017
Place: Hyderabad

Dafthardar Soumya
Designated partner
C P No.: 13199

CORPORATE GOVERNANCE REPORT

I. OUR CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is about internalizing and manifesting a firm commitment to the adoption of ethical practices across the Company to deliver value in all of its dealings with a wide group of stakeholders encompassing associates, customers, vendors, regulators and shareholders at all times. The Company believes that Corporate Governance is an integral means for the existence of the Company. Good Corporate practices stem from the dynamic culture and positive mindset of the organization. The board is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis.

The Corporate Governance requires professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Finance, Stakeholder Relationship Committee, Auditors and the Senior Management.

We believe Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward moving target that we collectively strive towards achieving.

II. BOARD OF DIRECTORS

Your Company has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the board is in conformity with Regulation 17(1) of Listing Regulations. Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.

A. COMPOSITION

Listing regulations mandate that for a Company with a non executive Chairman, at least one-third of the Board should be Independent Directors. As on March 31, 2017, our board consists of 9 (Nine) Directors, of the Nine Directors, 4 (Four) of whom are Executive Directors, while the remaining 5 (Five) are Non-Executive Directors. Of the Five Non-Executive Directors, 3 (Three) are Independent Directors. The Company in compliance with Companies Act, 2013 & SEBI (LODR) Regulations, 2015 has already appointed a Women Director.

Composition of Board, Shareholding and Directorships held as on March 31, 2017 are as follows:

DIN	Name	Category & Designation	Director ship in other Companies	Membership in board committees of other Companies	Chairmanship in board committees of other Companies	No of shares held as on March 31, 2017
02582809	Shri. Jagadeeshwar Reddy Prodduturi	Chairman, Non-Executive Independent Director	1	Nil	Nil	Nil
00038966	Shri. Kishan Reddy Nalla	Promoter, Executive, Managing Director	3	Nil	Nil	19,47,089
00043263	Shri. Bhoopal Reddy Aleti	Executive, Whole time Director	1	Nil	Nil	6,33,620
00052862	Shri. Srinath Reddy Nalla	Promoter, Executive, Whole time Director	4	Nil	Nil	8,38,622
00126854	Shri. Raja Reddy Gaddam	Promoter, Executive, Whole time Director	1	Nil	Nil	14,83,802
00052923	Shri. Naveena Thammishetty Chandra	Non-Executive Independent Director	6	1	1	Nil
00360198	Shri. Krishna Prasad Srinivas	Non-Executive Independent Director	Nil	Nil	Nil	Nil
01514842	Shri. Vineel Reddy Nalla	Non-Executive, Director	7	Nil	Nil	18,95,454
01636570	Smt. Vinitha Reddy Nalla	Non-Executive Director	4	Nil	Nil	16,95,562

*Including Unlisted Public & Private Companies.

Further the Company has not issued any convertible instruments.

B. BOARD MEETINGS

- a. The board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held when necessary. Committees of the Board usually meet the same day or a day before the formal board meeting or whenever the need arises for transacting business.
- b. Five Board meetings were held during the year 2016-17 on May 28, 2016; August 13, 2016;

September 2, 2016; November 10, 2016 and February 11, 2017.

- c. The necessary quorum was present for all the meetings.
- d. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year are given herein below:

Attendance of Directors during 2016-17

Name of the Director	No. of Board Meetings			% of attendance	Attendance at the last AGM held on September 30, 2016
	Held	Entitled	Attended		
Shri. Jagadeeshwar Reddy Prodduturi	5	5	2	40	Yes
Shri. Kishan Reddy Nalla	5	5	5	100	Yes
Shri. Bhoopal Reddy Aleti	5	5	5	100	Yes
Shri. Srinath Reddy Nalla	5	5	5	100	Yes
Shri. Raja Reddy Gaddam	5	5	5	100	Yes
Shri. Naveena Chandra Thammishetty	5	3	3	100	No
Shri. Krishna Prasad Srinivas	5	5	5	100	No
Shri. Vineel Reddy Nalla	5	5	5	100	No
Smt. Vinitha Reddy Nalla	5	5	5	100	No

Relationships between Directors inter – se:

Except as disclosed below, no Director of the Company is related to any other Director on the Board in terms of the meaning of the term 'relative' given under the Companies Act, 2013.

- i. Shri. Kishan Reddy Nalla is father of Shri. Vineel Reddy Nalla and Smt. Vinitha Reddy Nalla.
- ii. Shri. Vineel Reddy Nalla is brother of Smt. Vinitha Reddy Nalla.
- iii. Shri. Srinath Reddy Nalla is Son-in-Law of Shri. Kishan Reddy Nalla.

INDEPENDENT DIRECTORS

Independent Directors are non-executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

The Company has issued a formal letter of appointment to the Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company.

Schedule IV of the Companies Act, 2013 and the Rules made there under mandates that the Independent Directors of the Company shall hold at least one meeting

in a year, without the attendance of non Independent Directors and members of the Management.

These meetings are expected to review the performance of non Independent Directors and the board as a whole and as well as the performance of Chairman of the board taking into account the views of the executive directors and non executive directors; assess the quality, quantity and timeliness of the flow of information between the management and the Board that is necessary for it to effectively and reasonably perform its duties.

The Independent Directors met once during the year on February 11, 2017.

The details of familiarization programme of the Independent Directors are available on the website of the Company (<http://www.kprindustries.in>).

III COMMITTEES OF THE BOARD

Presently, the board has three committees: Audit committee, Nomination and Remuneration committee and Stakeholder Relationship Committee.

A. AUDIT COMMITTEE

1. The audit committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.
2. The terms of reference of the audit committee are broadly as under:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
- ❖ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - ❖ Changes, if any, in accounting policies and practices and reasons for the same.
 - ❖ Major accounting entries involving estimates based on the exercise of judgment by management.
 - ❖ Significant adjustments made in the financial statements arising out of audit findings.
 - ❖ Compliance with listing and other legal requirements relating to financial statements.
 - ❖ Disclosure of any related party transactions.
 - ❖ Qualifications in the draft audit report.
- d) Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- e) Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- f) Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- g) Approval or any subsequent modification of transactions of the Company with related parties;
- h) Scrutiny of inter-corporate loans and investments;
- i) Examination of the financial statements and the auditors' report thereon;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- m) The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- n) The audit committee shall review the information required as per SEBI Listing Regulations.
3. The Company Secretary acts as the Secretary to the Audit Committee.
4. The Audit Committee met Five times during the financial year 2016-17 on May 28, 2016; August 13, 2016; September 2, 2016; November 10, 2016 and February 11, 2017. The necessary quorum was present for all the meetings.

5. The composition and the details of meetings attended by the members of Audit Committee are given below:

Name	Category	Position	No of meetings during the financial year 2016-17		
			Held	Entitled	Attended
Shri. Jagadeeshwar Reddy Produtturi	Non-Executive Independent Director	Chairman	5	4	2
Shri. Naveena Chandra Thammishetty	Non-Executive Independent Director	Member	5	3	3
Shri. Raja Reddy Gaddam	Executive Whole Time Director	Member	5	5	5
Shri. Krishna Prasad Srinivas	Non-Executive and Independent Director	Member	5	5	5

SRI KPR INDUSTRIES LIMITED

However the board has reconstituted the Audit committee in its meeting held on August 11, 2017 consequent to appointment of Shri. Vineel Reddy Nalla and cessation of Shri. Raja Reddy Gaddam as Committee member.

Name	Category	Position
Shri. Naveena Chandra Thammishetty	Non-Executive Independent Director	Chairman
Shri. Jagadeeshwar Reddy Productturi	Non-Executive Independent Director	Member
Shri. Krishna Prasad Srinivas	Non-Executive Independent Director	Member
Shri. Vineel Reddy Nalla	Non-Executive Director	Member

B. NOMINATION AND REMUNERATION COMMITTEE

- The Nomination and Remuneration committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013.
- The Nomination and Remuneration committee looks at all matters pertaining to appointment and remuneration of the Managing Director, the Executive Directors, Key Managerial Personnel and all other Non executive Directors of the Company.
- The broad terms of reference of the nomination and remuneration committee are as under:

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
- carry on the evaluation of every director's performance; formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity; and
- recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- whether to extend or continue the appointment of Independent Director, on the basis of the report of performance evaluation of independent directors;
- any other matter as the Board may decide from time to time.

4. 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 Exchange as per the requirements of SEBI (LODR) Regulations, 2015 as amended from time to time, 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.

I. DEFINITIONS

- "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- "Board" means Board of Directors of the Company.
- "Company" means Sri KPR Industries Limited.
- "Directors" mean Director appointed to the Board of a Company.
- "Committee" means Nomination and Remuneration committee constituted or re-constituted by the Board, from time to time.
- "Key Managerial Personnel" means
 - Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
 - Chief Financial Officer;
 - Company Secretary; and
 - such other officer as may be prescribed.
- "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.
- "Independent Director" means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.

II. OBJECTIVES

The Key Objectives are:

- 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.

III. 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 non-executive directors out of which not less than one-half are independent directors. The Board is further authorized to re-constitute the said committee from time to time complying with the provisions of Companies Act, 2013 and Listing Regulations, 2015.

IV. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

I. 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 of 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 are 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

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.

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IV. 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 of 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 are 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.

Every Independent Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change, give a declaration that he meets the criteria of independence.

3. Evaluation

The Committee shall carry out the performance evaluation of every Director including Independent Director, KMP and Senior Management Personnel at regular interval (yearly). Based on the evaluation performance report of the board, it shall be determined whether to extend or continue the term of appointment of the independent Directors

V 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

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.

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.

VI POLICY REVIEW

This policy is framed based on the provisions of the Companies Act, 2013 read with rules made there under and the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

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.

5. The Nomination and Remuneration committee met 2 (Two) times during the financial year 2016-17 on August 13, 2016 and September 2, 2016. The necessary quorum was present for all the meetings.

6. The composition of Nomination and Remuneration committee and the details of meetings attended by its members are given below:

Name	Category	Position	No of meetings during the financial year 2016-17		
			Held	Entitled	Attended
Shri. Jagadeeshwar Reddy Produtturi	Non-Executive Independent Director	Chairman	2	2	2
Shri. Krishna Prasad Srinivas	Non-Executive Independent Director	Member	2	2	2
Shri. Vineel Reddy Nalla	Non-Executive Director	Member	2	2	2

However the board has reconstituted the Nomination and Remuneration committee in its meeting held on August 11, 2017 consequent to appointment of Shri. Naveena Chandra Thammishetty as Committee member and appointment of Shri. Krishna Prasad Srinivas as Chairman of the committee.

S.No.	Name	Category	Position
1.	Shri. Krishna Prasad Srinivas	Non-Executive, Independent Director	Chairman
2.	Shri. Naveena Chandra Thammishetty	Non-Executive, Independent Director	Member
3.	Shri. Jagadeeshwar Reddy Produtturi	Non-Executive, Independent Director	Member
4.	Shri. Vineel Reddy Nalla	Non-Executive Director	Member

7. Performance Evaluation criteria for Independent Directors

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

C. STAKEHOLDER RELATIONSHIP COMMITTEE

1. The Stakeholder Relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013.

and all other securities-holders related matters.

❖ Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

2. The broad terms of reference of the Stakeholder Relationship committee are as under:

❖ Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/ notice/ annual reports, etc.

3. The Stakeholder Relationship committee met 4 (Four) times during the year 2016-17 on May 27, 2016; August 13, 2016; November 10, 2016 and February 11, 2017. The necessary quorum was present for all the meetings.

4. The composition of Stakeholder Relationship committee and the details of meetings attended by its members are given below:

Name	Category	Position	No of meetings during the financial year 2016-17		
			Held	Entitled	Attended
Shri. Vineel Reddy Nalla	Non-Executive Director	Chairman	4	3	3
Shri. Krishna Prasad Srinivas	Non-Executive Independent Director	Member	4	1	1
Shri. Raja Reddy Gaddam	Executive Whole time Director	Member	4	4	4
Shri. Kishan Reddy Nalla	Managing Director	Member	4	4	4

However the board has reconstituted the Stakeholder Relationship committee in its meeting held on May 24, 2017 consequent to cessation of Shri. Raja Reddy Gaddam as Committee member.

The board has reconstituted the committee in its meeting held on May 24, 2017 as follows:

S.No.	Name of the Member	Category	Position
1.	Shri. Vineel Reddy Nalla	Non-Executive Director	Chairman
2.	Shri. Kishan Reddy Nalla	Managing Director	Member
3.	Shri. Srinath Reddy Nalla	Executive, Whole time Director	Member

5. Name, designation and address for correspondence of Compliance officer

Ms. Meenakshi Deepak Navalakhe, Company Secretary and Compliance Officer
Vth Floor, K.P.R. House, Sardar Patel Road, Secunderabad, Telangana; E-mail: bwpl9@yahoo.com

6. Details of investor complaints received and redressed during the year 2016-17 are as follows:

Particulars	No of Investor complaints pending at the beginning of the Year	No of Investor Complaints received during the Year	No of Investor Complaints disposed of during the Year	No of Investor Complaints remaining unresolved at the end of the Year
Non receipt of Share Certificates	0	1	1	0
Non receipt of Dividend Warrants	0	6	6	0
Total	0	7	7	0

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IV REMUNERATION OF DIRECTORS

Details of remuneration paid to the Directors for the services rendered during the financial year 2016-17 are given below:
Amount (In Lakhs)

Particulars	Name of the Director & Designation									
	Shri. Kishan Reddy Nalla	Shri. Srinath Reddy Nalla	Shri. Bhooopal Reddy Aleti	Shri. Raja Reddy Caddam	Shri. Naveena Chandra Thammishetty	Shri. Krishna Prasad Srinivas	Shri. Vineel Reddy Nalla	Smt. Vinita Reddy Nalla	Shri. Jagadeeshwar Reddy Prodduturi	
	MD	WTD	WTD	WTD	Independent Director	Independent Director	Non-executive Director	Non-executive Director	Chairman Independent Director	
Salary	24	12	12	12	-	-	-	-	-	
Allowances	-	-	-	-	-	-	-	-	-	
Commission/ Incentives/ Variable Pay	-	-	-	-	-	-	-	-	-	
Sitting fees	-	-	-	-	-	-	-	-	-	

No remuneration is being paid to Non-executive Directors. Further they do not have any pecuniary relationship or transactions with the Company or its Directors, senior management, subsidiary, other than in normal course of business.

No stock options were issued to any of the Independent Directors and Promoter Directors during the year 2016-17.

V. SUBSIDIARY COMPANY

The Subsidiary Company is managed by its respective Board having the rights and obligations to manage Company in the best interest of their stakeholders. The

Company monitors performance of subsidiary company, inter-alia, by the following means:

- Financial statements, in particular the investments made by the unlisted subsidiary company are reviewed quarterly by the Audit Committee of the Company.
- All minutes of Board Meetings of the unlisted subsidiary Company are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary Company is placed before the Company's Board.

VI GENERAL BODY MEETINGS

- a) Details of last three Annual General Meetings of the Company.

YEAR	DATE	VENUE	TIME
2013-14	30.09.2014	Nagarjuna Community Hall, Nagarjuna Nagar, Yellareddyguda, Ameerpet, Hyderabad-500073	10.00 A.M.
2014-15	30.09.2015	Nagarjuna Community Hall, Nagarjuna Nagar, Yellareddyguda, Ameerpet, Hyderabad-500073	10.00 A.M.
2015-16	30.09.2016	Nagarjuna Community Hall, Nagarjuna Nagar, Yellareddyguda, Ameerpet, Hyderabad-500073	10.00 A.M.

- b) Details of special resolutions passed in the previous three Annual General Meetings.

DATE OF AGM	NUMBER OF SPECIAL RESOLUTION PASSED	DETAILS OF SPECIAL RESOLUTION PASSED
30.09.2014	3 (Three)	a. Approval under Section 180(1) (a) to create charge by way of mortgage and /or hypothecate the assets of the Company b. Approval under Section 180(1) (c) to borrow monies in excess of paid up capital

SRI KPR INDUSTRIES LIMITED

		and frees reserves subject to limit of Rs. 300 crores at any time.
30.09.2015	1 (One)	c. Approval under Section 14 for alteration of Article 1 of the Articles of Association of the Company.
30.09.2016	Nil	Approval 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."
		Nil

c) Special resolutions passed through Postal ballot
No Special Resolution was passed through Postal Ballot during the financial year 2016-17. None of the resolutions proposed in the ensuing Annual General Meeting need to be passed by Postal Ballot.

VII MEANS OF COMMUNICATION

The Company's quarterly/ half yearly/ annual financial results are sent to the Stock exchange and published in "Financial Express" and "Nava Telangana/ Namasteey Telangana". Simultaneously they are also uploaded on

the Company's website www.kprindustries.in. Official news release are sent to the Stock Exchange and also displayed on the website of the Company. The Company files electronically the quarterly results, Corporate Governance report, Share holding pattern, etc. through BSE Listing Centre.

There was no presentation made by the Company to any of the Institutional Investors or Analysts. The Company has not entered into agreement with any Media Companies.

VIII GENERAL SHAREHOLDERS INFORMATION

i. Annual General meeting for the financial year 2016-17

Date	29.09.2017
Venue	Nagarjuna Community Hall, Nagarjuna Nagar, Yellareddyguda, Ameerpet, Hyderabad-500073
Time	10.00A.M.
Book closure dates for final dividend	23.09.2017 to 29.09.2017 (Both days inclusive)

ii. Financial year: April 1 to March 31, 2017

iii. Dividend Payment Date

The board recommended a final dividend of Rs. 1/- per equity share of face value of Rs. 10/- each, for the financial year ended March 31, 2017. The dividend if approved by the members, will be paid after September 29, 2017.

iv. Listing information

- The Company's equity shares (Stock Code: 514442) are listed on BSE Limited (BSE), Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001.
- The ISIN Number of the Company is INE009CO1019.

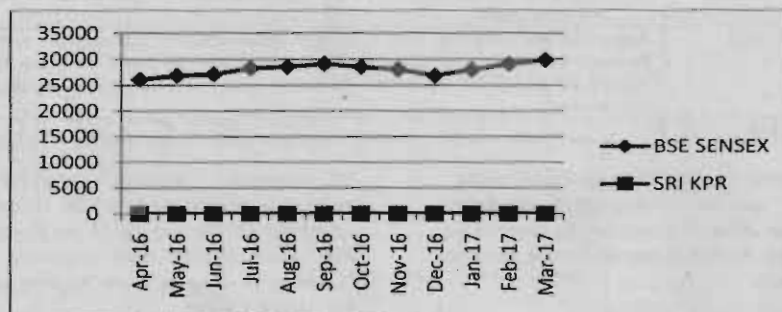
- The Company has paid the requisite Annual Filing Fees to the stock exchange for the financial year 2016-17. The securities have not been suspended from trading.
- The Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India is L20200TG1988PLC009157 and the Company's Registration Number is 009157.

v. Market Information

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended March 31, 2017 are as under:

Month	BSE		
	HIGH	LOW	VOLUME
April 2016	23.50	19.00	46,063
May 2016	24.00	20.00	43,076
June 2016	22.55	16.70	44,402
July 2016	21.50	18.05	27,606
August 2016	24.60	17.05	1,03,900
September 2016	22.50	18.70	59,494
October 2016	26.90	19.75	1,39,404
November 2016	31.05	24.00	1,75,570
December 2016	27.05	23.00	41,677
January 2017	27.15	23.10	67,962
February 2017	25.00	19.95	52,616
March 2017	24.15	19.80	1,14,990

vi. The Company's Share performance compared to the BSE sensex



vii. Registrar and Share Transfer Agents:

Name	Karvy Computershare Private Limited
Address	Karvy House, 46, Avenue 4, Street No 1, Banjara Hills, Hyderabad - 500 034
	Tel: +91-04-2331-2452/2332-0751/752/251
	Fax: +91-40-2331-1968
	Corporate Off: Karvy Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032, Telangana
	Tel: +91-40-67162222, 33211000
	Fax: +91-40-23420814
Email Id:	support@karvy.com
Website:	www.karvycomputershare.com

viii. Share Transfer System

Presently the shares, which are received in physical form, are transferred within a period of 10-12 days from the date of receipt, subject to the documents being valid and complete in all respects. Adequate care is taken to ensure that, no transfers are pending for more than a fortnight.

ix. Distribution of shareholding as on March 31, 2017:

Category	No of shareholders	Shareholders (%)	Number of shares held	Shareholding (%)
1-5000	5517	88.98	9,34,046	4.63
5001-10,000	332	5.35	2,70,117	1.34
10,001-20,000	181	2.92	2,73,127	1.35
20,001-30,000	54	0.87	1,38,843	0.69
30,001-40,000	20	0.32	72,118	0.36
40,001-50,000	13	0.21	58,507	0.29
50,001-1,00,000	22	0.35	1,59,151	0.79
1,00,001 & above	61	0.98	1,82,39,786	90.54
Total	6200	100	2,01,45,695	100

x. Dematerialization of shares and liquidity:

1,64,38,118 equity shares representing 81.60% of the total paid up equity capital were held in dematerialized form with the National Securities Depository Limited and Central Depository Services (India) Ltd. as on March 31, 2017.

Shareholders holding shares in physical form are requested to convert their physical holdings to demat/electronic form through any of the registered Depository participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation,

etc and also to ensure safe and speedy transaction in respect of the shares held and payment of dividend thereof.

xi. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments in the past and hence as on March 31, 2017, the Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

SRI KPR INDUSTRIES LIMITED

xii. Commodity price risk or foreign exchange risk and hedging activities - Nil

xiii. Plant Locations

Sy No. 12, Gundlapochampally, Medchal, R.R. Dist.

xiv. Address for correspondence

Sri KPR Industries Limited
Vth Floor, K.P.R. House Sardar Patel Road,
Secunderabad, TG 500003
Tel no: 040-27847121; Fax no. 040 27892076
Email: bwpl9@yahoo.com;
Website: www.kprindustries.in

IX OTHER DISCLOSURES

a. Materially significant related party transactions that may have potential conflict of interests of listed entity at large: There are no materially significant related party transactions between the Company and its promoters, directors or key managerial personnel or their relatives having any potential conflict with interest of the Company at large.

b. Details of non-compliance: There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

c. Whistle blower policy: The establishment of vigil mechanism and Whistle Blower Policy approved by the board has been implemented and no personnel has been denied access for making disclosure or report under the policy to the Audit Committee.

g. Compliance of Corporate Governance Requirements as specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of Listing Regulations.

d. Details of compliance with mandatory requirement: Your Company has complied with all the mandatory requirements of the Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of subregulation (2) of regulation 46 of the Listing Regulations.

e. Web links: A policy on material subsidiaries and Policy on dealing with related party transactions has been formulated and the same is posted on the Company's website <http://www.kprindustries.in/investor.html>

f. Details of compliance with discretionary requirements

The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:

❖ Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.

❖ Audit Qualifications: The Company's financial statements for the financial year 2016-17 do not contain any audit qualification.

❖ Separate posts of Chairperson and Managing Director: The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director. Shri. Jagadeeshwar Reddy Prodduturi, Non-executive Independent Director is the Chairman of the Company and Shri. Kishan Reddy Nalla is the Managing Director of the Company.

I. DISCLOSURE ON WEBSITE IN TERMS OF LISTING REGULATIONS	
Item	Compliance (Yes/ No/ NA)
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
Email address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes

SRI KPR INDUSTRIES LIMITED

Details of agreements entered into with the media companies and/or their associates	Not Applicable
New name and the old name of the listed entity	Not Applicable

II. ANNUAL AFFIRMATIONS		
PARTICULARS	REG NO	COMPLIANCE
Board Composition	17(1)	YES
Meeting of Board of Directors	17(2)	YES
Review of Compliance Reports	17(3)	YES
Plans for orderly succession for appointments	17(4)	YES
Code of Conduct	17(5)	YES
Fees/ Compensation	17(6)	NA
Minimum information	17(7)	YES
Compliance Certificate	17(8)	YES
Risk Assessment & Management	17(9)	YES
Performance Evaluation of Independent Director	17(10)	YES
Composition of Audit Committee	18(1)	YES
Meeting of Audit Committee	18(2)	YES
Composition of Nomination & Remuneration Committee	19(1) & (2)	YES
Composition of Stakeholder Relationship Committee	20(1) & (2)	YES
Composition and role of Risk Management Committee	21(1), (2), (3), (4)	NA
Vigil Mechanism	22	YES
Policy for related party transactions	23(1), (5), (6), (7) & (8)	YES
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2) & (3)	NA
Approval for material related party transactions	23(4)	YES
Composition of Board of Directors of unlisted material subsidiary	24(1)	YES
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2), (3), (4), (5) & (6)	YES
Maximum Directorship & Tenure	25(1) & (2)	YES
Meeting of Independent Directors	25(3) & (4)	YES
Familiarization of Independent Directors	25(7)	YES
Memberships in Committees	26(1)	YES
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	YES
Disclosure of shareholding by Non-Executive Directors	26(4)	YES
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	YES
Other corporate governance requirements	27	YES

X. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

The Company does not have any balance with respect to Demat suspense account/ unclaimed suspense account.

FOR SRI KPR INDUSTRIES LIMITED

Sd/-
KISHAN REDDY NALLA
MANAGING DIRECTOR
DIN: 00038966

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

Place: Secunderabad
Date: September 2, 2017

COMPLIANCE CERTIFICATE

Dear Members,

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Sri KPR Industries Limited ("the Company"), to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report.
2. These statements does not contain any materially untrue statement or omit to state a material fact necessary to make the statements, made in light of circumstances and under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respect a true and fair view of the Company's affairs, the financial conditions, results of operations and cash flow of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/ or applicable laws and regulations.
4. We are responsible for establishing and maintaining internal controls over financial reporting by the Company and we have:
 - i. Designed such controls to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others;
 - ii. Designed or caused to be designed, such internal control systems over financial reporting, so as to provide reasonable assurance regarding the preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India; and
 - iii. Evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
5. During the year, we have disclosed to the Company's Auditors and the Audit Committee of the Board of Directors:
 - i. Any change, that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting;
 - ii. Any significant changes in accounting policies during the year, and that the same have been disclosed appropriately in the notes to the financial statements;
 - iii. Instances of significant fraud, if any, that we are aware especially if any Member of management or employee involved in financial reporting related process. No such instances were noticed during the year;
 - iv. All significant changes and deficiencies, if any, in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data; and
 - v. Any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
6. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's code of conduct and ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
7. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle blowers from unfair termination and other unfair prejudicial employment practices.
8. We further declare that all Board members and senior management personnel have affirmed compliance with the code of conduct and ethics for the year covered by this report.

Place: Secunderabad
Date: August 20, 2017

Sd/-
KISHAN REDDY NALLA
MANAGING DIRECTOR
DIN: 00038966

Sd/-
NANDU SIDDHA REDDY
CHIEF FINANCIAL OFFICER

SRI KPR INDUSTRIES LIMITED

Auditors Certificate on the Compliance of conditions of Corporate Governance under Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

To
The Members of
SRI KPR INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by SRI KPR INDUSTRIES LIMITED ("the Company"), for the year ended on March 31, 2017 as stipulated under Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations.
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2017.
5. We 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.

For V. Sridhar & Co.
Chartered Accountants
(Firm's Registration No. 0062065)

Sd/-
Vemulapati Sridhar
Proprietor
(M.No. 202337)

Secunderabad, August 20, 2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Asbestos Cement Pressure Pipes have, since long, been used in Drinking Water Supply Schemes by various state Government departments such as Public Health, Panchayat Raj to cater to the needs of drinking water supply particularly under the Rural Water Supply Schemes. The Company has initially established a manufacturing plant and subsequently keeping in tune with the demand situation expanded the same. The recent trend however is that the purchase departments are preferring Metal Pipes in comparison to the Asbestos Cement Pressure Pipes and therefore the demand for the products of the Company is on the lower side. This trend is expected to continue.

Keeping in view the current scenario which was envisaged at an early stage by the management, investments were made in Wind Power Projects over a period of last few years. The Company owns a 100% subsidiary, viz., Sri KPR Infra & Projects Limited, with the main object of executing Water Supply Schemes and also owns wind electric generators. The subsidiary Company has been consistently giving reasonable returns in the form of Dividends to the parent company. The subsidiary and the wind mills are expected to generate reasonable returns to the Company in the years to come.

OPPORTUNITIES

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 different business verticals in which your Company operates. Your Company continues to explore new opportunities.

THREATS

- Slow growth of the manufacturing could affect demand.
- Erratic supply of electricity and declaration of 'power holidays' may increase input costs.
- Procedural hurdles can prevent larger investment.
- Competition from other Parties
- Change in Governmental Policies.

OUTLOOK, RISKS AND CONCERNS

This section lists forward looking statements that involve risks and uncertainties. Our actual risks could differ materially from those anticipated in these statements as a result of certain factors. Our outlook, risks and concerns are as follows:

- Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share price to decline.
- Any inability to manage our growth could disrupt our business, reduce our profitability and adversely impact our ability to implement our growth strategy.
- New and changing corporate governance and public disclosure requirements add uncertainty to our compliance policies and increase our costs of compliance.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal audit and control systems. Both internal auditors and statutory auditors independently evaluate the adequacy of internal control system. Based on the audit observations and suggestions, follow up, remedial measures are being taken including review and increase in the scope of coverage, if necessary. The Audit Committee of Directors, in its periodical meetings, reviews the adequacy of internal control systems and procedures and suggests areas of improvements.

Information technology base created by the Company over the period is providing a very useful helping hand in the process. Needless to mention, that ensuring maintenance of proper accounting records, safeguarding assets against loss and misappropriation, compliance of applicable laws, rules and regulations and providing reasonable assurance against fraud and errors will continue to remain central point of the entire control systems.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, revenue from operations increased from Rs. 13.43 crores to Rs. 14.72 crores. However with the increased materials cost and other direct expenses, the profit before exceptional items and tax decreased from Rs. 6.68 crores to Rs. 2.80 Crores. Further the net profit for the year decreased from Rs. 6.09 crores to Rs. 2.32 crores. The earnings per share for the year is Rs. 1.15/-.

SEGMENT WISE PERFORMANCE

Revenue from sale of Wind electric Power increased from Rs. 3.98 crores to Rs. 6.21 crores. Revenue from sale of asbestos cement pressure pipes decreased from Rs. 9.13 crores to Rs. 8.58 crores.

HUMAN RESOURCE DEVELOPMENT

Human resource is considered as key to the future growth strategy of the Company and looks upon to focus its efforts to further align human resource policies, processes and initiatives to meet its business needs. In order to focus on keeping employees abreast of technological and technical developments, the Company provides opportunity for training and learning within the country and abroad. Industrial relations at all the units and locations are cordial.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that would influence the Company's operations include cost of raw materials, tax laws, interest and power cost and economic developments and such other factors within the Country.

FOR SRI KPR INDUSTRIES LIMITED

Sd/-
KISHAN REDDY NALLA
MANAGING DIRECTOR
DIN: 00038966

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

SRI KPR INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT

The Members of Sri KPR Industries Limited
Secunderabad.

Report on the Standalone Financial Statements

We have audited the accompanying standalone Financial Statements of Sri KPR Industries Limited. ("the Company"), which comprise of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, and 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 standalone 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 stand alone 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 standalone 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 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, 2017, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 4 and 5 of the 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 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 the audit, we have not come across any financial transactions or matters that have an adverse effect on the functioning of the company.
 - f. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'.
 - 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.
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

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

Sd/-
Vemulapati Sridhar
Proprietor
Membership No. 202337

Secunderabad. May 24, 2017.

SRI KPR INDUSTRIES LIMITED

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STAND ALONE FINANCIAL STATEMENTS OF SRI KPR INDUSTRIES LIMITED [Referred to in para 1 under the heading 'Report on Other Legal and Regulatory Requirements']

1.	a.	The company is maintaining proper records showing full particulars, including quantitative details and details about the situation of Fixed Assets.
	b.	These Fixed Assets have been verified by the Management at reasonable intervals. According to information and explanations given to us no material discrepancies have been noticed on such verification.
	c.	The title deeds of immovable properties belonging to the company are held in the name of the company.
2.		Physical verification of inventory has been conducted by the management during the year under review at reasonable intervals. According to information and explanation given to us no material discrepancies have been noticed.
3.		The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4.		The company has not granted any loans or provided security or guarantees to which provisions of section 185 apply. As regards the investments made by the company the provisions of section 186 have been complied with.
5.		The company has not accepted any Deposits.
6.		In respect of the records maintained by the company in accordance with the Rule made by the Central Government regarding maintenance of Cost Records under the provisions of sub section (1) of section 148 of the Companies Act, 2013, we have broadly reviewed the same and we are of the opinion that the prescribed accounts and records have been kept and maintained. However, we have not carried out a detailed audit of the same.
7.	a.	The company generally is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Customs and Excise Duty or Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.
	b.	The company did not incur any dues on account of any dispute in respect of Sales Tax, Customs and Excise Duty or Value Added Tax during the year under review.
8.		The company has not defaulted in repayment of loans/ borrowings from Financial Institutions, Banks. The company does not have any borrowings from Government or Debenture Holders.
9.		The company has not raised any monies by way of any Public Offer. The Term Loans have been utilised for the purpose for which they have been borrowed.
10.		To the best of our information and according to explanations given to us no fraud by the company or on the company by its officers or employees has been noticed or reported during the year under review.
11.		The overall remuneration paid to the Managing Director and Whole Time Directors and the remuneration paid to each of them taken individually is not in excess of the limits specified under section 197 of the Companies Act, 2013
12.		The company is not a <i>Nidhi Company</i> .
13.		The transactions with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standards.
14.		The company has not made any preferential allotment or private placement of shares or debentures during the year under review.
15.		The company has not entered into any non-cash transactions with its Directors or persons connected with them.
16.		The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For V.Sridhar & Co.,
Chartered Accountants
FRN 0062065

Sd/-
Vemulapati Sridhar
Proprietor
ICAI Membership No. 202337

Secunderabad, May 24, 2017.

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STAND ALONE FINANCIAL STATEMENTS OF SRI KPR INDUSTRIES LIMITED [Referred to in para.2 (g) under the heading 'Report on Other Legal and Regulatory Requirements']

Year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sri KPR Industries Limited ("the Company") as at March 31, 2017 in conjunction with our audit of the standalone Financial Statements of the Company for the year ended at that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Opinion In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V.Sridhar & Co.,
Chartered Accountants
FRN 0062065

Sd/-
Vemulapati Sridhar
Proprietor
ICAI Membership No. 202337

Secunderabad. May 24, 2017.

SRI KPR INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

S.No.	Particulars	Note No.	Rupees	
			As at March 31, 2017	As at March 31, 2016
I	<u>EQUITY AND LIABILITIES</u>			
	(1) Shareholders' funds			
	(a) Share capital	2	201,456,950	201,456,950
	(b) Reserves and surplus	3	135,044,888	134,001,354
	(c) Money received against share warrants			
	(2) Share application money pending allotment			
	(3) Non-current liabilities			
	(a) Long term borrowings	4	74,507,690	94,686,329
	(b) Deferred tax liabilities(net)	5	61,812,791	63,290,197
	(c) Other long term borrowings	6	30,176,303	30,176,303
	(d) Long -term provisions		-	-
	(4) Current liabilities			
	(a) Short-term borrowings	7	60,146,549	79,551,033
	(b) Trade payables	8	15,228,901	18,433,730
	(c) Other current liabilities	9	15,180,000	15,180,000
	(d) Short term provisions	10	27,099,604	27,688,132
	Total Equity & Liabilities		620,653,676	664,464,027
II	<u>ASSETS</u>			
	(1) Non current assets			
	(a) Fixed Assets			
	(i) Tangible assets	11	381,121,284	407,558,359
	(ii) Intangible assets			
	(iii) Capital work in progress		1,236,161	1,236,161
	(iv) Intangible assets under development			
	(b) Non current investments	12	37,969,700	37,969,700
	(c) Deferred tax assets (Net)			
	(d) Long term loans and advances	13	40,089,946	77,389,946
	(e) Other non current assets	14	8,742,612	8,742,612
	(2) Current assets			
	(a) Current investments	15	2,500,000	-
	(b) Inventories	16	68,702,371	74,520,139
	(c) Trade receivables	17	57,553,431	45,453,941
	(d) Cash and cash equivalents	18	6,043,542	229,969
	(e) Short term loans and advances	19	16,694,629	11,363,200
	(f) Other current assets		-	-
	Total Assets		620,653,676	664,464,027
	Significant Accounting Policies & 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 : 0062065

Sd/-
Vemulapati Sridhar
Proprietor
ICAI Membership No: 202337

Secunderabad
May 24, 2017

For and on behalf of the Board of Directors

Sd/-
N. Kishan Reddy
Managing Director
DIN:00038966

Sd/-
Meenakshi D.N.
Company Secretary

Sd/-
N. Srinath Reddy
Whole time Director
DIN: 00052862

Sd/-
N. Siddha Reddy
CFO

SRI KPR INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

		Rupees		
S.No.	Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from operations	20	147,181,267	134,316,684
II	Other income	21	19,809,534	59,728,621
III	Total Revenue(I+II)		166,990,801	194,045,305
IV	Expenses:			
	Raw materials consumed	22	32,086,088	31,493,420
	Changes in inventories of finished goods and WIP	23	6,419,923	(2,621,342)
	Other manufacturing expenses	24	9,747,919	9,705,909
	Employee benefits expense	25	12,372,083	13,979,669
	Finance costs	26	16,774,114	13,857,635
	Depreciation	11	26,356,490	24,223,486
	Other expenses	27	35,243,069	36,602,922
	Total Expenses		138,999,686	127,241,699
V	Profit before exceptional and extraordinary items and tax (III-IV)		27,991,115	66,803,606
VI	Exceptional items [(Short)/ Excess provision of IT]		(1,325,382)	5,211,186
VII	Profit before extraordinary items and tax (V-VI)		26,665,733	72,014,792
VIII	Extraordinary Items			
IX	Profit before tax (VII-VIII)		26,665,733	72,014,792
X	Tax expense:			
	(1) Current tax		(4,935,567)	(11,479,658)
	(2) Deferred tax	5	1,477,405	315,867
XI	Profit/(Loss) for the period from continuing operations		23,207,571	60,851,002
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)		23,207,571	60,851,002
XVI	Earnings per equity share:			
	(1) Basic		1.15	3.02
	(2) Diluted		1.15	3.02
Significant Accounting Policies & 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: 0062065

Sd/-

Vemulapati Sridhar

Proprietor

ICAI Memb No: 202337

Secunderabad.

May 24, 2017

For and on behalf of the Board of Directors

Sd/-

N. Kishan Reddy

Managing Director

DIN:00038966

Sd/-

Meenakshi D.N.

Company Secretary

Sd/-

N. Srinath Reddy

Whole time Director

DIN: 00052862

Sd/-

N. Siddha Reddy

CFO

SRI KPR INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Rupees in lakhs	
	Current Period 31.03.2017	Previous Year 31.03.2016
A. Cash Flow from Operating Activities		
Profit before Depreciation, Interest and Tax	697.96	1100.97
Less : Other Income considered separately	-198.10	-597.29
Net	499.86	503.68
(Increase) / Decrease in Inventories	58.18	-50.04
(Increase) / Decrease in Receivables	-121.00	241.63
(Increase) / Decrease in Loans & Advances	-53.31	572.73
(Increase) / Decrease in Other Current Assets	0.00	0.00
Increase / (Decrease) in Current Liabilities	-32.00	170.95
Income Tax Paid (including Dividend Distribution Tax)	-135.86	-109.94
Income tax paid		
Total A	215.87	1329.01
B. Cash Flow from Investing Activities		
(Increase)/Decrease in Fixed Assets	0.81	-1420.43
(Increase)/Decrease in Non Current Assets	0.00	-19.82
(Increase)/Decrease in Current Investments	-25.00	71.97
Other Income	198.10	597.29
Total B	173.91	-770.99
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Secured Loans	-345.84	485.06
Increase/(Decrease) in Long Term Borrowings	-50.06	-773.90
Increase/(Decrease) in Long Term Advances	373.00	0.00
Interest Paid	-167.74	-138.58
Dividend Paid	-141.01	-141.02
Total C	-331.65	-568.44
D. Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	58.13	-10.42
Cash and cash equivalents at the beginning of the year	2.30	12.72
Cash and cash equivalents at the end of the Period (20.02.2017)	60.43	2.30
Increase/(-)Decrease	58.13	-10.42

As per our report of even date
For V.Sridhar & Co.
Chartered Accountants
FRN No.0062065

Sd/-
Vemulapati Sridhar
Proprietor
ICAI Memb No: 202337

Secunderabad
May 24, 2017

For and on behalf of the Board of Directors

Sd/-
Kishan Reddy Nalla
Managing Director
DIN: 00038966

Sd/-
Meenakshi D.N.
Company Secretary

Sd/-
Srinath Reddy Nalla
Whole time Director
DIN: 00052862

Sd/-
N. Siddha Reddy
CFO

SRI KPR INDUSTRIES LIMITED Notes to Financial Statements

Note	Particulars	Rupees		
		As at March 31, 2017	As at March 31, 2016	
2	Share Capital			
	a. Authorised			
	2,10,00,000 Equity shares of Rs.10/- each.	210,000,000	210,000,000	
		210,000,000	210,000,000	
	b. Issued, subscribed & Paid up			
	2,01,45,695 Equity shares of Rs.10/- each fully paid up	201,456,950	201,456,950	
		201,456,950	201,456,950	
	c. Par value of shares	Rs.10	Rs.10	
	d. Number of Shares outstanding at beginning of the year	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	
	e. Details of Shareholder holding more than 5% Shares			
	Sl. No.	Name of the Share Holder	No of % Shares	No of % Shares
	1.	N.Kishan Reddy	1947089 (9.67)	1945854 (9.66)
2.	N.Vineel Reddy	1895354 (9.41)	1892954 (9.40)	
3.	N.Vijaya	1728485 (8.58)	1728485 (8.58)	
4.	N.Vineetha	1695562 (8.41)	1693812 (8.41)	
5.	G.Raja Reddy	1483802 (7.37)	1483802 (7.37)	
6.	NBOS Technologies (India) Private Ltd	-	1105600 (5.49)	
	^a Current Year shareholding is less than 5%			
f.	The Company has only one class of Shares i.e. Equity Shares			
g.	The company has not made any bonus issue during preceding five years			
h.	As part of the general conditions of sanction of term loans no dividend can be paid out if any portion of principal or interest of loans sanctioned is pending			
3	Reserves & Surplus			
	A. State Subsidy			
	At the beginning of the year	4,702,036	4,369,086	
	Amount received during the year	-	332,950	
	Total (A)	4,702,036	4,702,036	
	B. General Reserve			
	As per Last Balance Sheet	11,791,496	11,791,496	
	Additions during the year	-	-	
	Total (B)	11,791,496	11,791,496	
	C. Balance in statement of Profit & Loss			
	As per Last Balance Sheet	117,507,822	73,270,855	
	Add: Current year Profit	23,207,571	60,851,002	
	Balance before appropriations	140,715,393	134,121,857	
	Proposed Dividend on Equity Shares (Rs.1/- for each share of Rs.10/-)	(20,145,695)	(14,101,987)	
Dividend Distribution Tax	(2,018,342)	(2,106,487)		
Short provision in DDT of earlier year	-	(402,561)		
Total C	118,551,356	117,507,822		
Total (A+B+C)	135,044,888	134,001,354		

SRI KPR INDUSTRIES LIMITED Notes to Financial Statements

Note No.	Particulars	Rupees	
		As at March 31, 2017	As at March 31, 2016
4	Long Term Borrowings		
	a) Term Loans		
	- From Banks		
	Indian Renewable Energy Development Agency Limited	50,175,942	65,356,000
	b) Unsecured loans from- Others	1,103,950	1,103,950
	c) Deferred Sales tax	23,227,798	28,226,379
	Total	74,507,690	94,686,329
5	Deferred Tax Liabilities		
	Beginning of the year relating to the fixed Assets	63,290,197	63,606,064
	Less :Timing difference originating during the year (Current year-reversal)	(1,477,405)	(315,867)
	Total	61,812,791	63,290,197
6	Other Long Term Borrowings		
	Performance retention monies	30,176,303	30,176,303
	Total	30,176,303	30,176,303
7	Short Term Borrowings		
	Secured		
	Cash Credit - State Bank of India, Commercial Branch, Koti, Hyderabad	60,146,549	79,551,033
	Total	60,146,549	79,551,033
	The borrowings from State Bank of India, Commercial Branch, Koti, Hyderabad towards working capital limits, are secured by way of hypothecation of stocks and book debts and second charge on all fixed assets of the company both present and future and are further guaranteed by the Directors of the company Sri. A. Bhoopal Reddy, Sri. A. Narasimha Reddy and Sri. N.K. Sudershan Reddy, Sri N. Kishan Reddy and Sri. G. Raja Reddy. The extent of guarantee provided by all the Directors are as under :		
Sl.No	Name of the Bank / Nature of Facility	Aggregate amount of guarantee as per sanction letter	Repayment terms
a	State Bank of India, Commercial Branch, Koti, Hyderabad - Working capital Fund Based Rs.6.00 Crores and Non Fund Based Rs.3.00 Crores	Rs.9 crores	on demand
b	In addition to the guarantees as above, Sri.N. Kishan Reddy provided Collateral Security by way of deposit of Title Deeds of his house property.	Rs. 8.29 crores	

SRI KPR INDUSTRIES LIMITED Notes to Financial Statements

Note No.	Particulars	As at March 31, 2017	As at March 31, 2016
8	<i>Trade Payables</i>		
	Sundry Creditors	315,604	767,866
	Dues to Small scale Industries	2,296,148	2,440,192
	Sundry creditors - Raw Material	2,645,342	3,376,085
	Sundry creditors - Expenses	5,724,633	4,165,586
	Sundry creditors - Others	4,247,174	7,684,001
	Total	15,228,901	18,433,730
9	<i>Other Current Liabilities</i>		
	Installment for secured term loans due with in one year	15,180,000	15,180,000
	Total	15,180,000	15,180,000
10	<i>Short Term Provisions</i>		
	Income Tax	4,935,567	11,479,658
	Proposed Dividend	20,145,695	14,101,987
	Provision for Dividend Distribution Tax	2,018,342	2,106,487
	Total	27,099,604	27,688,132
12	<i>Non Current Investments</i> [All unquoted unless otherwise specified] 4,51,776 equity shares of Rs.2/- each , in Balaji amines Ltd including bonus shares (Quoted value as on 31-03-2017 - Rs.17.12 crores)	2,944,000	2,944,000
	In Subsidiaries		
	35,00,000 equity shares of Rs.10/- each, in Sri KPR Infra & Projects Ltd (a 100% subsidiary)	35,000,000	35,000,000
	Indira Vikas Patra (To be encashed)	200	200
	National Savings Certificate (To be encashed)	25,500	25,500
	Total	37,969,700	37,969,700
13	<i>Long term loans and advances</i>		
	Loan to related party (Subsidiary)	40,089,946	77,389,946
	Total	40,089,946	77,389,946
14	<i>Other Non Current Assets</i>		
	Deposits	8,742,612	8,742,612
	Total	8,742,612	8,742,612
15	<i>Current Investments</i>		
	Mutual Fund Investments (Fair value on 31.03.2017 Rs.27.07 Lakhs)	2,500,000	-
	Total	2,500,000	-
16	<i>Inventories</i> [As verified, valued and certified by the Management]		
	Raw material	4,357,011	3,754,856
	Finished goods	46,839,393	62,438,772
	Work -in-progress	16,916,737	7,737,281
	Traded Shares	589,230	589,230
	Total	68,702,371	74,520,139
17	<i>Trade Receivables</i> (Unsecured and considered good)		
	Over six months	30,733,645	28,516,242
	Others	26,819,786	16,937,699
	Total	57,553,431	45,453,941

SRI KPR INDUSTRIES LIMITED Notes to Financial Statements

Note No.	Particulars	Rupees	
		As at March 31, 2017	As at March 31, 2016
18	<i>Cash and Cash equivalents</i>		
	Cash on hand	706,243	217,178
	In Current Accounts	5,337,299	12,791
	Total	6,043,542	229,969
19	<i>Short term Loans and Advances</i>		
	Balances with Central Excise	124,008	183,583
	Income tax (including TDS)	7,899,641	2,399,641
	Advance recoverable in cash or in kind or for value to be received	6,948,184	7,760,091
	Others	1,722,796	1,019,885
Total	16,694,629	11,363,200	
20	<i>Revenue from Operations</i>		
	Sale of asbestos cement pressure pipes	93,946,209	99,114,791
	Less : Excise duty	8,161,456	7,853,897
	Net Sales	85,784,753	91,260,894
	Sale of traded items	1,735,882	3,172,020
	Sale of wind electric power	59,660,632	39,883,770
Total Income from operations	147,181,267	134,316,684	
21	<i>Other Income</i>		
	Dividend	3,783,926	10,500,000
	Interest	48,854	-
	Profit on Sale of Vehicles	239,364	-
	Profit on sale of residential units received under Development Agreement	-	1,767,024
	Profit on sale of long term investment being shares	8,034,140	39,893,949
	Profit on sale of longterm investment being mutual funds	-	1,965,421
	Proceeds of Insurance Maturity	5,018,400	2,202,000
	Incentive from IREDA	2,486,637	3,400,228
	Miscellaneous credits	198,213	-
Total	19,809,534	59,728,621	
22	<i>Raw Material Consumed</i>		
	Opening Stock	3,754,856	700,537
	Add: Purchase of Raw Material	32,688,243	34,547,739
	Sub-Total	36,443,099	35,248,276
Less: Closing Stock	4,357,011	3,754,856	
Net Total	32,086,088	31,493,420	
23	<i>Changes in Inventories of Finished Goods & Work in process</i>		
	<i>Closing stock</i>		
	Work in Process	16,916,737	7,737,281
	Finished Goods	46,839,393	62,438,772
	Sub-Total	63,756,130	70,176,053
	<i>Opening Stock</i>		
	Work in Process	7,737,281	6,425,581
	Finished Goods	62,438,772	61,179,130
Sub-Total	70,176,053	67,554,711	
Increase/(Decrease) in Stock	(6,419,923)	2,621,342	

SRI KPR INDUSTRIES LIMITED

SRI KPR INDUSTRIES LIMITED Notes to Financial Statements

Note	Particulars	Rupees	
		As at March 31, 2017	As at March 31, 2016
24	<i>Other Manufacturing Expenses</i>		
	Repairs & Maintenance-Plant & Machinery	10.550	-
	Repairs & Maintenance- Building & Others	1,526,116	1,572,538
	Power & Fuel	5,495,472	5,301,148
	Stores & spares consumed	866,764	1,576,606
	Loading & unloading expenses	1,836,603	1,181,038
	Other expenses	12,414	74,579
	Total	9,747,919	9,705,909
25	<i>Employee Benefits Expenses</i>		
	Salaries, wages and bonus	8,792,725	7,792,150
	Contribution to PF	971,124	627,247
	Contribution to ESI	349,428	202,052
	Staff welfare expenses	227,956	258,475
	Security services	519,349	558,602
	Gratuity	1,489,001	4,518,643
	Professional tax	22,500	22,500
	Total	12,372,083	13,979,669
26	<i>Finance Cost</i>		
	Interest on term loan	8,889,652	6,624,039
	Interest on cash credit	6,903,303	6,060,634
	Interest on unsecured loan & others	787,527	353,605
	Bank charges	193,632	819,357
	Total	16,774,114	13,857,635
27	<i>Other Expenses</i>		
	Rent	180,000	329,400
	Trading items	3,759,313	4,041,667
	Auditor's Remuneration	575,000	515,250
	Insurance	3,142,291	2,760,808
	VAT / CST	2,343,250	3,387,905
	Directors Remuneration	6,000,000	6,000,000
	Wind Mill Expenses	8,297,702	7,977,718
	Other Expenses	10,945,513	11,590,174
	Total	35,243,069	36,602,922

Notes 1 to 27 form integral part of financial statements

As per our report of even date

For V.Sridhar & Co.,

Chartered Accountants

FRN : 0062065

Sd/-

Vemulapati Sridhar

Proprietor

ICAI Membership No: 202337

Secunderabad.

May 24, 2017

For and on behalf of the Board of Directors

Sd/-

Kishan Reddy Nalla

Managing Director

DIN: 00038966

Sd/-

Meenakshi D.N.

Company Secretary

Sd/-

Srinath Reddy Nalla

Whole time Director

DIN: 00058262

Sd/-

N. Siddha Reddy

CFO

SRI KPR INDUSTRIES LIMITED Notes to Financial Statements

11. Tangible Assets

Sl.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		Rupees
		As at 01-04-2016	Additions during the year	Deletions during the year	As at 31-03-2017	As at 01-04-2016	Adjustments	Depreciation for the year	Total as at 31-03-2017	As at 31-03-2017	
1	Land (Kasulbad Solar Power Project)	2,491,748	-	-	2,491,748	-	-	-	-	2,491,748	2,491,748
2	Furniture & Fixtures	1,285,634	-	-	1,285,634	1,285,634	-	-	1,285,634	-	-
3	Office Equipment	2,550,250	-	-	2,550,250	1,660,258	-	291,378	1,951,636	598,614	889,992
4	Vehicles	4,694,047	-	(1,611,692)	3,082,355	4,109,844	(1,531,107)	366,030	2,944,767	137,588	584,203
5	Factory building	45,463,169	-	-	45,463,169	20,943,952	-	1,886,094	22,830,046	22,633,123	24,519,217
6	Non-factory building	2,402,597	-	-	2,402,597	793,683	-	793,683	1,587,366	815,231	1,608,914
7	Plant & Machinery	62,122,395	-	-	62,122,395	43,133,587	-	3,592,707	46,726,294	15,396,101	18,988,808
8	Diesel generator	2,063,318	-	-	2,063,318	1,855,206	-	104,055	1,959,261	104,057	208,112
9	Misc. Fixed assets	6,765,028	-	-	6,765,028	4,055,495	-	387,076	4,442,571	2,322,457	2,709,533
10	Pollution control equip	6,080,237	-	-	6,080,237	6,065,186	-	-	6,065,186	15,051	15,051
11	Office equip- Armour	30,993	-	-	30,993	29,443	-	-	29,443	1,550	1,550
12	Land - Wind Project I	1,911,000	-	-	1,911,000	-	-	-	-	1,911,000	1,911,000
13	Land - Wind Project II	1,911,000	-	-	1,911,000	-	-	-	-	1,911,000	1,911,000
14	Wind Mill - Project I	88,292,570	-	-	88,292,570	28,791,722	-	3,738,284	32,530,006	55,762,564	59,500,646
15	Wind Mill - Project II	85,905,944	-	-	85,905,944	26,003,282	-	3,763,518	29,766,800	56,139,144	59,902,662
16	Wind Mill (Gandikota)	104,937,664	-	-	104,937,664	15,007,085	-	4,733,188	19,740,273	85,197,391	89,930,579
17	Wind Mill (MP)	147,410,500	-	-	147,410,500	5,025,358	-	6,700,477	11,725,835	135,684,665	142,385,142
	Total	566,318,094	-	(1,611,692)	564,706,402	198,799,735	(1,531,107)	26,356,490	183,585,118	381,121,284	407,558,359

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 dispatch 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.

D. Investments

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

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. Particulars of holdings and dealings in Specified Bank Notes (SBN) during the period 8th November 2016 to 30th December 2016

Particulars	Rupees		
	SBNs	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	0	6,26,060	6,26,060
(+) Permitted receipts	0	3,82,862	3,82,862
(-) Permitted payments	0	8,76,792	8,76,792
(-) Amount deposited in Banks	0	0	0
Closing cash in hand as on 30.12.2016	0	1,32,130	1,32,130

3. Related Party Transactions

(Rupees in Lacs)

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	18.20	18.20	-	-
Do -	Advance for supplies	152.50	152.50	(+400.89	-
Sri. N. Kishan Reddy	Director's remuneration	24.00	24.00	-	-
Sri. N. Srinath Reddy	Director's remuneration	12.00	12.00	-	-
Sri. G. Raja Reddy	Director's remuneration	12.00	12.00	-	-
Sri. A. Bhoopal Reddy	Director's remuneration	12.00	12.00	-	-

4. Segment Reporting

Particulars	Current Year	Previous Year	Current Year	Previous Year
	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)
Nature of the Segment	Pipes	Pipes	Wind Power	Wind Power
Revenues	1045.44	1175.16	621.46	398.84
Identifiable Operating Expenses				
Maintenance and Other Expenses	875.72	811.84	82.97	79.77
Interest	78.85	72.33	88.89	66.24
Depreciation	74.22	69.64	189.34	172.51
Allocated Expenses	-	-	-	-
Unallocable Expenses	-	-	-	-
Segment Operating Income	19.66	221.35	260.26	80.24
Segment Assets	2655.48	2953.77	3551.05	3690.67
Segment Liabilities	2187.97	2484.71	653.56	805.38

5. Foreign exchange earnings & outgo

Particulars	Current Year	Previous Year
Earning	-	-
Outgo – Towards import of raw material	-	-
In US \$	-	-
In Indian Rupees	-	-

6. Other income includes Rs. 35,00,000/- being dividend received from 100% subsidiary Sri KPR Infra & Projects Ltd.

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

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members
Sri KPR Industries Limited
Secunderabad

We have audited the accompanying consolidated financial statements of Sri KPR Industries Limited ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2017, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 stand alone 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 consolidated 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 the Company as at March 31, 2017; (b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, we furnish a separate Report in "Annexure A".

For V. Sridhar & Co.,
Chartered Accountants
FRN - 0062065

Sd/-
Vemulapati Sridhar
Proprietor
ICAI Membership No. 202337

Secunderabad May 24, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SRI KPR INDUSTRIES LIMITED [Referred to in 'Report on Other Legal and Regulatory Requirements']

Year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For V. Sridhar & Co.,
Chartered Accountants
FRN 0062065

Sd/-
Vemulapati Sridhar
Proprietor
ICAI Membership No. 202337

Secunderabad. May 24, 2017

SRI KPR INDUSTRIES LIMITED

SRI KPR INDUSTRIES LTD
Consolidated Balance Sheet as at March 31, 2017

S.No	PARTICULARS	NOTE	Rupees	
			As at March 31, 2017	As at March 31, 2016
I	EQUITY AND LIABILITIES			
	(1) Shareholders Funds			
	(a) Share Capital	2	201,456,950	201,456,950
	(b) Reserves and Surplus	3	332,112,533	280,888,256
	(c) Money received against share warrants		-	-
	(2) Share application money pending allotment			
	(3) Non- Current Liabilities			
	(a) Long term borrowings	4	147,803,978	129,638,960
	(b) Deferred tax liabilities(net)	5	102,379,977	95,569,531
	(c) Other Long term Liabilities	6	30,176,303	30,176,303
	(d) Long term provisions			
	(4) Current Liabilities			
	(a) Short term borrowings	7	120,031,309	133,399,189
	(b) Trade payables	8	169,975,525	124,034,455
	(c) Other current liabilities	9	32,596,213	44,044,268
	(d) Short term provisions	10	59,536,133	33,254,504
	Total Equity & Liabilities		1,196,068,920	1,072,462,416
II	Assets			
	(1) Non current assets			
	(a) Fixed Assets			
	(i) Tangible assets	11	662,650,982	570,312,760
	(ii) Intangible assets			
	(iii) Capital work in progress		1,236,161	1,236,161
	(iv) Intangible assets under development			
	(b) Non current investments	12	2,969,700	2,969,700
	(c) Deferred tax assets(net)			
	(d) Long term loans and advances			
	(e) Other non current assets	13	8,742,612	8,742,612
	(2) Current assets			
	(a) Current investments	14	5,000,000	
	(b) Inventories	15	149,721,606	223,040,958
	(c) Trade receivables	16	84,117,353	107,341,105
	(d) Cash and cash equivalents	17	127,715,190	67,704,359
	(e) Short term loans and advances	18	31,403,530	17,865,797
	(f) Other current assets		122,511,786	73,248,964
	Total Assets		1,196,068,920	1,072,462,416
	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: 0062065

For and on behalf of the Board of Directors

Sd/-
Vemulapati Sridhar
Proprietor
ICAI Membership No: 202337

Sd/-
Kishan Reddy Nalla
Managing Director
DIN: 00038966

Sd/-
Srinath Reddy Nalla
Whole time Director
DIN: 00058262

Secunderabad, May 24, 2017

Sd/-
Meenakshi D.N.
Company Secretary

Sd/-
N. Siddha Reddy
CFO

SRI KPR INDUSTRIES LIMITED

SRI KPR INDUSTRIES LTD
Consolidated Statement of Profit & Loss for the year ended March 31, 2017

S.No	PARTICULARS	NOTE	As at March 31, 2017	As at March 31, 2016
I	Revenue from operations	19	907,881,609	326,005,596
II	Other income	20	22,028,318	56,346,081
III	<i>Total Revenue(I+II)</i>		929,909,927	382,351,677
IV	<u>Expenses:</u>			
	Material Consumed	21	406,839,178	108,921,641
	Changes in Inventories of Work in Progress/Finished Goods	22	73,921,507	(25,836,521)
	Civil work expenses	23	180,761,245	88,436,657
	Other Manufacturing expenses	24	9,747,919	9,705,909
	Employee Benefits Expense	25	18,140,559	19,119,261
	Finance Costs	26	34,332,474	32,341,675
	Depreciation	11	35,774,521	33,507,052
	Other Expenses	27	56,510,140	52,815,111
	Total Expenses		816,027,543	319,010,785
V	Profit before exceptional and extraordinary items and tax(III-IV)		113,882,384	63,340,892
VI	Exceptional items		(1,325,382)	6,733,723
VII	Profit before extraordinary items and tax(V-VI)		112,557,002	70,074,615
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII-VIII)		112,557,002	70,074,615
X	Tax expenses:			
	(1) Current tax		23,161,407	12,820,613
	(2) Deferred tax		6,810,446	(2,452,946)
XI	Profit/(Loss) for the period from continuing operations		82,585,149	59,706,948
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)		82,585,149	59,706,948
XVI	Earnings per equity share:			
	(1) Basic		4.10	2.96
	(2) Diluted		4.10	2.96
	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:0062065

Sd/-

Vemulapati Sridhar

Proprietor

ICAI Membership No: 202337

Secunderabad, May 24, 2017

For and on behalf of the Board of Directors

Sd/-

Kishan Reddy Nalla

Managing Director

DIN: 00038966

Sd/-

Meenakshi D.N.

Company Secretary

Sd/-

Srinath Reddy Nalla

Whole time Director

DIN: 00052862

Sd/-

N. Siddha Reddy

CFO

SRI KPR INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Current Year 30.03.2017	Previous Year 31.03.2016
A. Cash Flow from Operating Activities		
Profit before Depreciation, Interest and Tax	1875.04	1359.23
Less : Other Income considered separately	-220.28	-563.46
Net	1654.76	795.77
(Increase) / Decrease in Inventories	733.21	-282.19
(Increase) / Decrease in Receivables	232.24	-317.85
(Increase) / Decrease in Loans & Advances	-135.38	620.73
Increase / (Decrease) in Current Liabilities	212.08	1076.79
(Increase) / (Decrease) in Other Current Investments	-50.00	71.97
(Increase) / (Decrease) in Other current Assets	-492.63	-145.17
Income tax paid (including Dividend Distribution Tax)	-155.63	-228.82
Total A	1998.65	1591.23
B. Cash Flow from Investing Activities		
(Increase)/Decrease in Fixed Assets	-1281.13	-1457.21
(Increase)/Decrease in Non Current Assets		-19.82
(Increase)/Decrease in Non Current Investments		
Other Income	220.28	563.46
Total B	-1060.85	-913.57
C. Cash Flow from Financing Activities		
Increase / (Decrease) in Secured Loans	181.65	238.79
Interest Paid	-343.32	-323.42
Dividend Paid	-176.02	-141.02
Total C	-337.69	-225.65
D. Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	600.11	452.01
Cash and cash equivalents at the beginning of the year (01.04.2014)	677.04	225.03
Cash and cash equivalents at the end of the year (31.03.2015)	1277.15	677.04
Increase/(-)Decrease	600.11	452.01

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 24, 2017

For and on behalf of the Board of Directors

Sd/-
Kishan Reddy Nalla
Managing Director
DIN: 00038966

Sd/-
Meenakshi D.N.
Company Secretary

Sd/-
Srinath Reddy Nalla
Whole time Director
DIN: 00052862

Sd/-
N. Siddha Reddy
CFO

SRI KPR INDUSTRIES LIMITED Notes to Consolidated Financial Statements

Particulars		Rupees	
		As at March 31, 2017	As at March 31, 2016
2	Share Capital		
	a. Authorised 21000000 Equity Shares of Rs.10 each	210,000,000	210,000,000
		210,000,000	210,000,000
	b. Issued & Subscribed & paid up		
	20145695 Equity shares of Rs.10/- each fully paid up	201,456,950	201,456,950
		201,456,950	201,456,950
	c. Par value of shares	Rs.10/-	Rs.10/-
	d. Number of Shares outstanding at beginning the year	20,145,695	20,145,495
	Changes during the year		
	Number of Shares outstanding at end of the year	20,145,695	20,145,495
	e. Details of Shareholder holding more than 5% Shares		
	Sr No Name of the Shareholder	No of % shares	No of % shares
	1. N. Kishan Reddy	1947089 (9.67)	1945854 (9.66)
	2. N. Vinil Reddy	1895354 (9.41)	1892954 (9.40)
	3. N. Vijaya	1728485 (8.58)	1728485 (8.58)
	4. N. Vinitha	1695562 (8.41)	1693812 (8.41)
	5. G. Raja Reddy	1483802 (7.37)	1483802 (7.37)
	6. NBO5 Technologies Private Ltd*	-	1105600 (5.48)
	* Current Year shareholding is less than 5%		
3	Reserve & Surplus		
	A. State Subsidy		
	Balance Brought Forward	4,702,306	4,369,086
	Add: Current Year	-	332,950
	Total (A)	4,702,306	4,702,036
	I. General Reserve		
	Opening Balance	18,084,951	18,084,951
	Add : Current Year	-	-
	Total (A)	18,084,951	18,084,951
	Surplus being balance in Profit and Loss Statement brought forward from previous year	258,101,268	209,040,899
	Add: Adjustment on account of intra unit dividend	3,500,000	10,500,000
	Total (B)	261,601,268	219,540,899
	Profit/(Loss) before appropriations	82,585,149	59,706,948
	Less: Proposed Dividend on Equity Shares	(30,645,695)	(17,601,987)
	Less: Tax on Distributed profits	(4,215,446)	(2,742,661)
	Less: Tax on Distributed profits(prior period item)	-	(801,930)
	Transfer to General reserve	-	-
	Profit/(Loss) for the period Total (C)	47,724,008	38,560,370
	Total Balance transferred to Balance Sheet	332,112,533	280,888,256
4	Long Term Borrowings		
	a) Term Loans		
	- From Banks		
	State Bank Of India, Commercial Branch, Koti, Hyderabad [The above Term Loan is secured by first charge on Wind Mill and secured by first charge on stock and book debts of the company and this borrowings is guaranteed by N.Kishan Reddy, Director of the company. The total amount sanctioned was Rs.600 lacs and the same is repayable in sixteen quarterly installments.]	50,175,942	13,840,920
	Indian Renewable Energy Development Agency Limited	53,089,325	65,356,000
	Axis Bank Car Loan	-	11,770
	Sbi Car Loan	1,006,963	-
	b) Unsecured Loans	20,303,950	22,203,930
	c)Deferred Sales Tax	23,227,798	28,226,375
	Total	147,803,978	129,638,966

SRI KPR INDUSTRIES LIMITED

SRI KPR INDUSTRIES LIMITED Notes to Consolidated Financial Statements

		Rupees	
	Particulars	As at March 31, 2017	As at March 31, 2016
5	Deferred Tax Liabilities		
	Deferred Tax Liabilities (a) on account of Timing Difference	95,569,531	98,022,477
	Timing Difference originating during the year	6,810,446	(2,452,946)
	Balance transferred to Balance sheet	102,379,977	95,569,531
6	Other Long Term Borrowings		
	Performance retention monies	30,176,303	30,176,303
	Total	30,176,303	30,176,303
7	Short Term Borrowings		
	Secured		
	Cash Credit - State Bank of India, Commercial Branch, Koti, Hyderabad	120,031,309	133,399,189
	Total	120,031,309	133,399,189
8	Trade Payables		
	Suppliers	70,180,391	57,441,976
	Contracts	83,992,347	47,590,480
	Others	573,886	568,269
	Sundry Creditors	315,604	767,866
	Dues to Small scale Industries	2,296,148	2,440,192
	Sundry creditors - Raw Material	2,645,342	3,376,085
	Sundry creditors - Expenses	5,667,133	4,165,586
	Sundry creditors - Others	4,304,674	7,684,001
	Total	169,975,525	124,034,455
9	Other Current Liabilities		
	Instalment of Secured Loans due within one year	24,300,338	34,172,068
	Creditors for expenses	8,295,875	9,872,200
	Total	32,596,213	44,044,268
10	Short Term Provisions		
	Income Tax	24,502,362	12,820,613
	Dividend	30,645,695	17,601,987
	Dividend Distribution Tax	4,215,449	2,742,661
	Employee Benefits	172,627	89,243
	Total	59,536,133	33,254,504
12	Non Current Investments		
	Quoted		
	451776 equity shares of Rs.2/- each, investment in Balaji amines Ltd including bonus shares(Quoted value as on 31-03-2017 - Rs.17.12 crs)	2,944,000	2,944,000
	Indira Vikas Patra (to be encashed)	200	200
	National Savings Certificate (Rs.15,500 overdue for encashing)	25,500	25,500
	Total	2,969,700	2,969,700

SRI KPR INDUSTRIES LIMITED Notes to Consolidated Financial Statements

		Rupee	
Particulars		As at March 31, 2017	As at March 31, 2016
13	<i>Other Non Current Assets</i>		
	Deposits	8,742,612	8,742,612
	Total	8,742,612	8,742,612
14	<i>Current Investments</i>		
	Mutual Fund Investments	5,000,000	-
	Total	5,000,000	-
15	<i>Inventories</i> [As verified ,valued and certified by the Management]		
	Raw material	4,357,011	3,754,856
	Finished goods	46,839,393	62,438,772
	Work -in-progress	16,916,737	7,737,281
	Traded Shares	589,230	589,230
	Contract Work in progress	81,019,235	148,520,819
	Total	149,721,606	223,040,958
16	<i>Trade Receivables</i> (Unsecured and Considered good)		
	Over Six months	30,733,645	28,516,242
	Others	53,383,708	78,824,863
	Total	84,117,353	107,341,105
17	<i>Cash and Cash equivalents</i>		
	Cash in hand	1,739,010	717,672
	In Current Accounts	6,016,423	213,133
	Short Term Deposits with State Bank of India	99,959,757	66,773,554
	Margin money on Term loan-TMAD	20,000,000	-
	Total	127,715,190	67,704,359
18	<i>Short term Loans and Advances</i>		
	Incometax & TDS	21,365,166	7,516,232
	Others	2,965,903	2,150,891
	Balances with Central Excise	124,008	183,583
	Advance recoverable in cash or in kind or for value to be received	6,948,453	8,015,091
	Total	31,403,530	17,865,797
19	<i>Revenue from Operations</i>		
	Gross Contract Receipts from Government departments	735,984,905	172,973,187
	Sale of asbestos cement pressure pipes	92,134,537	94,208,439
	Less : Excise duty	8,161,456	7,853,891
	Net Sales	819,957,986	259,327,735
	Sale of traded items	1,735,882	3,172,020
	Sale of wind electric power	86,187,741	63,505,851
	Total Income from operations	907,881,609	326,005,596
20	<i>Other Income</i>		
	Interest	4,323,906	1,801,052
	Incentive from government under GBI Scheme	798,345	7,721,118
	Dividend	288,926	-
	Profit on sale of residential units received under Development Agreement	-	1,767,024
	Profit/(Loss) on sale of Assets	231,410	(4,510)
	Profit on sale of shares	8,339,233	41,859,369
	Prior period income	343,248	-
	Others	7,703,250	3,202,000
	Total	22,028,318	56,346,053

SRI KPR INDUSTRIES LIMITED Notes to Consolidated Financial Statements

		Rupees	
	Particulars	As at March 31, 2017	As at March 31, 2016
21	<i>Material Consumed</i>		
	Opening stock	380,319,618	700,537
	Add: Purchase of Material	30,876,571	111,975,960
	Sub-Total	411,196,189	112,676,497
	Less: Closing stock	4,357,011	3,754,856
	Net Total	406,839,178	108,921,641
22	<i>Changes in Inventories of stock at site & work in progress</i>		
	Stock at close - Work-in- Progress	97,935,972	156,258,100
	Finished goods	46,839,393	62,438,772
		144,775,365	218,696,872
	Stock at opening - Work in Progress	156,258,100	131,731,221
	Finished goods	62,438,772	61,129,130
		218,696,872	192,860,351
	Increase/(Decrease) in Stock	(73,921,507)	25,836,521
23	<i>Civil Work Expenses</i>		
	Direct Civil Work expenses	179,122,317	87,287,225
	Duties & Taxes	1,500,000	599,975
	Insurance premium on contracts	138,928	549,457
	Total	180,761,245	88,436,657
24	<i>Other Manufacturing Expenses</i>		
	Repairs & Maintenance-Plant & Machinery	10,550	-
	Repairs & Maintenance-Building & Others	1,526,116	1,572,538
	Power & Fuel	5,495,472	5,301,148
	Stores & spares consumed	866,764	1,576,606
	Loading & unloading expenses	1,836,603	1,181,038
	Other expenses	12,414	74,579
	Total	9,747,919	9,705,909
25	<i>Employee Benefit Expenses</i>		
	Salaries, wages and Bonus	10,875,758	9,592,787
	Contribution to PF	1,163,510	809,239
	Other allowances	250,302	260,083
	Conveyance	1,688,868	1,404,651
	Professional tax	22,500	22,500
	Contribution to ESI	467,715	258,681
	Staff welfare expenses	227,956	258,475
	Security services	519,349	558,602
	Group Insurance	1,435,600	1,435,600
	Gratuity	1,489,001	4,518,643
	Total	18,140,559	19,119,261

SRI KPR INDUSTRIES LIMITED Notes to Consolidated Financial Statements

		Rupee	
	Particulars	As at March 31, 2017	As at March 31, 2016
26	<i>Finance Cost</i>		
	Interest	30,902,367	25,256,683
	Finance & Bank charges	3,430,107	7,084,992
	Total	34,332,474	32,341,675
27	<i>Other Expenses</i>		
	Rent	360,000	508,200
	Insurance	3,402,440	2,950,959
	Directors Remuneration	14,700,000	12,000,000
	Auditor's Remuneration-As Auditors	1,150,000	973,250
	Other Expenses	30,795,137	28,953,130
	Trading items	3,759,313	4,041,667
	VAT / CST	2,343,250	3,387,905
	Total	56,510,140	52,815,111

Notes 1 to 27 form integral part of financial statements

As per our report of even date
For V.Sridhar & Co.,
Chartered Accountants
FRN :0062065

Sd/-
Vemulapati Sridhar
Proprietor
ICAI Membership No: 202337

Secunderabad. May 24, 2017

For and behalf of Board of Directors

Sd/- Kishan Reddy Nalla Managing Director DIN: 00038966	Sd/- Srinath Reddy Nalla Whole time Director DIN: 00052862
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Sd/- Meenakshi D.N. Company Secretary	Sd/- N. Siddha Reddy CFO
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SRI KPR INDUSTRIES LIMITED

SRI KPR INDUSTRIES LIMITED Notes to Financial Statements

ii. Tangible Assets

Sl. No.	PARTICULARS	Gross Block			Depreciation		Net Block		
		As at March 31, 2016	Additions (Deletions)	As at March 31, 2017	Up to March 31, 2016	Deletion	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
1	Land	8,224,748	-	8,224,748	-	-	-	8,224,748	8,224,748
2	Furniture & Fixtures	1,372,576	48,400	1,420,976	-	-	1,369,264	51,712	3,312
3	Office Equipment	2,640,443	15,090	2,655,533	-	-	1,999,236	656,297	939,052
4	Vehicles	7,727,725	1,984,792	6,817,424	(2,895,093)	(1,946,554)	3,790,642	3,026,782	2,716,808
5	Factory building	45,463,169	-	45,463,169	-	-	22,830,046	22,633,123	24,519,217
6	Non-factory building	2,402,597	-	2,402,597	-	-	1,587,366	815,231	1,608,914
7	Plant & Machinery	62,122,395	-	62,122,395	-	-	46,726,294	15,396,101	18,988,808
8	Diesel generator	2,063,318	-	2,063,318	-	-	1,959,261	104,057	208,112
9	Misc. Fixed assets	6,765,028	-	6,765,028	-	-	4,442,571	2,322,457	2,709,533
10	Pollution control equip	6,080,237	-	6,080,237	-	-	6,065,186	15,051	15,051
11	Wind Electric Generator	622,266,026	127,000,000	749,266,026	-	-	143,119,678	606,146,348	506,935,663
12	Testing Equipment	95,772	-	95,772	-	-	92,155	3,617	3,617
13	Computers	299,750	13,000	312,750	-	-	252,530	60,220	48,057
14	Wind Mill land (Lease)	3,588,498	-	3,588,498	-	-	393,260	3,195,238	3,391,868
	Total	771,112,282	129,061,282	897,278,471	(2,895,093)	(1,946,554)	234,627,489	662,650,982	570,312,760

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", and are presented to the extent possible in the same manner as the Company's separate financial statements.
- ii. 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.

SRI KPR INDUSTRIES LIMITED

E. Investments:

Non-current investments are stated at cost. Traded shares are stated at cost or market value whichever is lower. Investment in Mutual Funds are stated at lower of cost of fair value.

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. Segment Reporting

Particulars	Civil Contracts for Government		Wind Power	
	Rupees in Lacs		Rupees in Lacs	
	Current Year	Previous Year	Current Year	Previous Year
Revenues	7409.05	1729.73	861.88	635.05
Identifiable Operating Expenses	6621.08	1689.64	502.55	509.10
Allocated Expenses				
Unallocable Expenses				
Segment Operating Income	787.97	40.09	359.33	125.95
Segment Assets	3430.08	3586.19	6626.02	5161.32
Segment Liabilities	3562.78	4930.54	1284.65	1030.41

J. FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars	Current Year 31.03.2017	Previous Year 31.03.2016
Earnings	Nil	Nil
Outgo – Towards import of raw material		
In US \$	Nil	
In Indian Rupees	Nil	

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

SRI KPR INDUSTRIES LIMITED

FORM MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013
and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

SRI KPR INDUSTRIES LIMITED

CIN: L20200TG1988PLC009157

5th Floor, KPR House, Near Anand Theatre, Sardar Patel Road, Secunderabad – 500 003

Phone: +91 40 27847121, 27819868, Fax: +91 40 27892076

E-mail: bwpl9@yahoo.com

Name of the member:	_____
Registered Address:	_____ _____
E-mail Id:	_____
Folio No/ Client Id*:	_____
DP ID*:	_____

*Applicable for investors holding shares in electronic form.

I/ We, being the member(s) of the above named Company, hereby appoint

1. Name: _____
Address: _____
E-mail Id: _____
Signature: _____

Or failing him

2. Name: _____
Address: _____
E-mail Id: _____
Signature: _____

Or failing him

3. Name: _____
Address: _____
E-mail Id: _____
Signature: _____

as my proxy to attend and vote (on a poll) for me and on my behalf at the Annual General Meeting to be held on Friday, the 29th day of September, 2017 at 10.00 A.M at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda, (Backside of Chermas Showroom), Ameerpet, Hyderabad-500073, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

SRI KPR INDUSTRIES LIMITED

Rsl. No.	RESOLUTION	VOTE (Pls mention no of shares)		
		FOR	AGAINST	ABSTAIN
ORDINARY BUSINESS				
1.	Adoption of Standalone & Consolidated Financial Statements.			
2.	Declaration of Dividend.			
3.	Re-appointment of Shri. Raja Reddy Gaddam as Director liable to retire by rotation.			
4.	Appointment of Statutory Auditors in place of retiring auditors.			
SPECIAL BUSINESS				
5.	Re-appointment of Shri. Kishan Reddy Nalla as Managing Director & fixing of remuneration thereof.			
6.	Re-appointment of Shri. Shrinath Reddy Nalla as Whole-time Director & fixing of remuneration thereof.			
7.	Re-appointment of Shri. Raja Reddy Gaddam as Whole-time Director & fixing of remuneration thereof.			
8.	Re-classification of Subject Promoters from Promoter category to Public Category.			
9.	To consider giving exemption to Auditors from attending general meeting.			

Signed this _____ day of _____, 2017.

<p>Affix Revenue Stamp</p>

Signature of the member

Signature of Proxy holder(s)

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before September 27, 2017 at 10.00 A.M. IST)
2. Member/ Proxy holder should bring his/ her copy of the Annual Report for reference at the Meeting.

SRI KPR INDUSTRIES LIMITED

CIN: L20200TG1988PLC009157

5th Floor, KPR House, Near Anand Theatre, Sardar Patel Road, Secunderabad – 500 003

Phone: +91 40 27847121, 27819868, Fax: +91 40 27892076

E-mail: bwpl9@yahoo.com

ATTENDANCE SLIP

(To be presented at the entrance)

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

*Applicable for investors holding shares in electronic form.

I certify that I am a member/ proxy/ authorized representative for the member of the Company.

I hereby record my presence at the 29th Annual General Meeting of the Company to be held at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda, (Behind Chermas Showroom), Ameerpet, Hyderabad - 500073 on Friday, the 29th day of September, 2017 at 10.00 A.M.

Member's/ Proxy's Signature

Note: Please fill up the attendance slip and hand it over at the entrance of the meeting hall.