

SRI KPR INDUSTRIES LIMITED



KPR

**30th
Annual Report
2017-2018**

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. Ms. V Satya Lakshmi Sambhavi	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. Ayyadevara & 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
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

5th Floor, KPR House, Sardar Patel Road, Secunderabad-500 003;

Tel: +91 40 27847121, 27819868; Fax: +91 40 27892076

E-mail: hwpi9@yahoo.com; Website: www.kprindustries.in

CIN: L20200TG1988PLC009157

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 30th Annual General Meeting (AGM) of **SRI KPR INDUSTRIES LIMITED** will be held on Saturday, the 29th day of September, 2018 at 10.00 A.M. at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda, (Behind Chermas Showroom), Ammerpet, Hyderabad-500 073 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt :
 - A. The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018 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, 2018 together with the Report of the Auditors thereon.
2. To declare Dividend on equity shares for the financial year ended March 31, 2018.
3. To consider appointment of Shri. Srinath Reddy Nalla, who retires by rotation and being eligible, offers himself for re-appointment and to pass with or without modification(s) the following as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed there under (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. Srinath Reddy Nalla, Director, to the extent that he is required to retire by rotation and continuation as Whole time Director of the Company."

4. To consider appointment of Shri. Kishan Reddy Nalla, who retires by rotation and being eligible, offers himself for re-appointment and to pass with or without modification(s) the following as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies

Act, 2013, read with rules framed there under (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. Kishan Reddy Nalla, Director, to the extent that he is required to retire by rotation and continuation as Managing Director of the Company."

5. To Consider and if thought fit to pass with or without modification 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 and pursuant to resolution passed by the Members at the Annual General Meeting held on September 29, 2017 Consent of the Members be and is hereby accorded ratifying the appointment of M/s. Ayyadevara & Co., Chartered Accountants (Firm Reg No. 0002785), Hyderabad as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at such remuneration as may be mutually agreed by them."

SPECIAL BUSINESS:

6. To consider and ratify the appointment of Shri. Bhoopal Reddy Aleti (DIN: 00043263), 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 Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of managerial persons) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) consent of the members be and is hereby accorded for re-appointment of Shri Bhoopal Reddy Aleti as

Whole Time Director of the Company for a period of 5 (Five) Years on remuneration not exceeding 24 Lakhs per annum for a period of 3 years w.e.f. October 1, 2018 with liberty to the Board of Directors (hereinafter referred to as "the Board" which terms 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."

By Order of the Board of Directors

Sd/-

KISHAN REDDY NALLA
MANAGING DIRECTOR
DIN: 00038966

Place: Secunderabad

Date: 03.09.2018

NOTES:

1. 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 there under.
2. **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.
3. 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.
4. 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.

5. 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.
6. The Register of Members and Share Transfer books of the Company will remain closed from September 22, 2018 to September 29, 2018 (both days inclusive).
7. The Dividend for the financial year ended March 31, 2018, as recommended by the Board, if approved at this AGM, will be paid to those Members whose name appears in the Register of Members of the Company as at the closing business hours on September 21, 2018.
8. 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.
9. 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.

10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. The Board has appointed Ms. D. Soumya, Practicing Company Secretary (Membership No. ACS 29312) to act as the Scrutinizer, to Scrutinize the entire e-voting process in a fair and transparent manner.
17. 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.
18. The route map showing directions to reach the venue of the 30th AGM is annexed to this notice.
19. Members may also note that the notice of the 30th AGM and the Annual report for the year 2017-18 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 of the company during the normal business hours on all working days till the date of the Annual General Meeting.
20. 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.
21. 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, Serlingampally, Hyderabad-500032.
22. 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.
23. 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.
24. 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:

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

i. The e-voting commences on Wednesday, September 26, 2018 at 10.00 A.M. and ends on Friday, September 28, 2018 at

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	<u>For Members holding shares in Demat form:-</u> a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID <u>For Members holding shares in Physical Form:-</u> Event no. followed by Folio Number registered with the Company.
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.

5.00 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, 2018, 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 gsoumya.cs@gmail.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.kprindustries.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&4:

In terms of Section 152(6)(a) of the Companies Act, 2013, not less than two-third of the total number of directors of the 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 of "total number of directors" shall not include Independent Directors of a company. Further, Section 149(13) of the Companies Act, 2013, provides that Section 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 the 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 Srinath Reddy Nalla, Whole Time Director have been long in the office. In order to ensure compliance of section 152 of the Companies Act, 2013, Shri. Kishan Reddy Nalla and Shri Srinath Reddy Nalla retire by rotation at this Annual General Meeting and being eligible are seeking re-appointment. This retirement and reappointment 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. Kishan Reddy Nalla and Shri Srinath Reddy Nalla as Managing Director and Whole Time Director of the Company.

In view of the above, the Board recommends the re-appointment of Shri. Kishan Reddy Nalla and Shri Srinath Reddy Nalla as Directors of the Company and their continuation as Managing Director and whole time Director of the Company on terms and conditions approved by the members.

The Board of Directors recommends the resolution set out in Item No. 3&4 for approval of members.

None of the directors except Shri. Srinath Reddy Nalla, Smt. Vinitha Reddy Nalla, Shri Kishan Reddy Nalla and Shri. Vineel Reddy Nalla are concerned or interested or otherwise in the aforesaid resolution except as shareholder of the company.

Item No. 5

The Board of Directors of the Company at their meeting held on September 3, 2018 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. Bhoopal Reddy Aleti 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, 2018.

Shri. Bhoopal Reddy Aleti (DIN: 00043263) 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. Bhoopal Reddy Aleti as Whole-time Director of the Company and payment of remuneration thereon.

The Board of Directors recommends the resolution set out in Item No. 6 for approval of members.

None of the Directors are concerned or interested or otherwise in the aforesaid resolution except the appointee.

By Order of the Board of Directors

Sd/-

KISHAN REDDY NALLA
MANAGING DIRECTOR
DIN: 00038966

Place: Secunderabad

Date: 03.09.2018

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. Srinath Reddy Nalla	Shri. Kishan Reddy Nalla
DIN:	00052862	00038966
Age	52 years	70 Years
Nationality	Indian	Indian
Date of first appointment on the board	September 9, 2001	April 1, 1994
Qualification	MBA	Civil Engineering
Experience including expertise in specific functional areas/ Brief Resume	23 experience in Marketing & General Administration.	Wide Experience of 40 years in marketing & Administration
Terms and Conditions of Appointment/ Re-appointment	As per the resolution and explanatory statement set out for item no. 3 of the notice.	As per the resolution and explanatory statement set out for item no. 4 of the notice.
Remuneration last drawn	Rs. 12 Lakhs	Rs. 24 Lakhs
Remuneration proposed	As per the resolution and explanatory statement set out for item no. 6 of the notice of the Annual General Meeting held for the FY 2016-17.	As per the resolution and explanatory statement set out for item no. 5 of the notice of the Annual General Meeting held for the FY 2016-17
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. Srinath 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. Kishan 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, 2018	8,03,622	19,51,739
Directorships held in other Companies as on March 31, 2018	➤ Sri KPR Infra & Projects Limited ➤ Hanu Energy Private Limited ➤ Sri Vijayeebhava Enterprises Private Limited ➤ Vinshri Energy Private Limited	➤ Sri KPR Infra & Projects Limited ➤ NBOS Technology Private Limited ➤ Sri Vijayeebhava Enterprises Private Limited
Chairmanships/ Memberships of Committees of other Boards	Nil	Nil
Relationship with other Directors	Son-in-law of Shri. Kishan Reddy Nalla, Spouse of Smt. Vinitha Reddy Nalla.	Father of Shri. Vineel Reddy Nalla & Smt. Vinitha Reddy Nalla: Father in law of Shri Srinath Reddy Nalla.
Number of meetings attended during the year	5	5

Particulars	Bhoopal Reddy Aleti
DIN:	00043263
Age	62 years
Nationality	Indian
Date of first appointment on the board	30.09.2013
Qualification	B.A.
Experience including expertise in specific functional areas/ Brief Resume	Technical and Production expertise
Terms and Conditions of Appointment/ Re-appointment	As per the resolution and explanatory statement set out for item no. 6 of the notice.
Remuneration last drawn	Rs. 12 Lakhs P.A.
Remuneration proposed	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. Bhoopal Reddy Aleti and the type of the Industry, the proposed remuneration is reasonable.
Recognition and Awards	Nil

Shareholding in the Company as on March 31, 2018	6,33,620
Directorships held in other Companies as on March 31, 2018	➤ Mahitha Energy Private Limited
Chairmanships/ Memberships of Committees of other Boards	NIL
Relationship with other Directors	NIL
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><tr><th>Financial Year</th><th>Revenue from Operations</th><th>Profit before Tax</th><th>Profit after Tax</th></tr><tr><td>2016-17</td><td>Rs. 14,71,81,267/-</td><td>Rs. 2,66,65,733/-</td><td>Rs. 2,32,07,571/-</td></tr><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></table>				Financial Year	Revenue from Operations	Profit before Tax	Profit after Tax	2016-17	Rs. 14,71,81,267/-	Rs. 2,66,65,733/-	Rs. 2,32,07,571/-	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/-
Financial Year	Revenue from Operations	Profit before Tax	Profit after Tax																		
2016-17	Rs. 14,71,81,267/-	Rs. 2,66,65,733/-	Rs. 2,32,07,571/-																		
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/-																		
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,
Yellareddyguda, 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, 2018.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2018	2017	2018	2017
Income from operations	17,27,88,245	14,71,81,267	58,41,05,460	90,78,81,609
Other income	2,29,82,937	1,98,09,534	2,10,57,666	2,20,28,318
Total Income	19,57,71,182	16,69,90,801	60,51,63,126	92,99,09,927
Consumption of Raw materials	6,61,57,297	3,20,86,088	12,60,32,206	40,68,39,178
Changes in inventories	(65,71,080)	64,19,923	(21,42,353)	7,39,21,507
Employee benefit expenses	1,40,61,007	1,23,72,083	1,97,86,997	1,81,40,559
Finance cost	1,20,66,807	1,67,74,114	3,28,40,720	3,43,32,474
Depreciation	2,55,61,668	2,63,56,490	4,15,03,814	3,57,74,521
Other expenses	5,31,39,668	4,49,90,988	30,12,68,809	24,70,19,304
Total expenses	16,44,15,367	13,89,99,686	51,92,90,193	81,60,27,543
Profit/ (Loss) before tax & exceptional items	3,13,55,815	2,79,91,115	8,58,72,933	11,38,82,384
Exceptional items	14,75,811	(13,25,382)	14,75,881	(13,25,382)
Prior period items	--	-	--	-
Profit/ (Loss) before tax	3,28,31,626	2,66,65,733	8,73,48,814	11,25,57,002
Current tax	(44,05,836)	(49,35,567)	(1,72,64,132)	(2,31,61,407)
Deferred tax	6,00,104	14,77,405	(70,80,059)	(68,10,446)
Profit/ (Loss) after tax	2,90,25,894	2,32,07,571	6,30,04,623	8,25,85,149

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.17.27crores as against previous turnover of Rs.14.71 crores thereby resulting increase in the turnover. Earned net profit of Rs.2.90crores as against the previous year Profit of Rs.2.32 crores.

On a consolidated basis, the Company has achieved a turnover of Rs. 58.41 crores as against the previous year turnover of Rs. 90.78crores thereby resulting decrease in the turnover and achieved net profit of Rs. 6.30crores as against the previous net profit of Rs. 8.25crores.

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 2017-18.

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 except for the details provided in Note to the Financial Statements of the Company.

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 were as expected by the Management and the subsidiary company is also giving reasonable returns from execution of Drinking Water Supply Schemes and the dividends are also being paid to the parent company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri. Srinath Reddy Nalla and Shri. Kishan Reddy Nalla retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Further the Board has also proposed for re-appointment of Shri. Bhoopal Reddy Aleti as Whole Time Director of the Company.

During the year, Ms. Meenakshi Navalakhe has resigned as Company Secretary w.e.f. 1st October, 2017 and Mr. Dilip Kumar Toshniwal (membership Number: A-27978) was appointed as Company Secretary w.e.f. 16th November, 2017.

Mr. Dilip Kumar Toshniwal has resigned as Company Secretary w.e.f. 16th July, 2018 and Ms. V Satya Lakshmi Sambhavi (membership Number: A-55250) was appointed as Company Secretary w.e.f. August 13, 2018.

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, 2018 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-1 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, M/s. Ayyadevara & Co, Chartered Accountants have been appointed as Statutory Auditors for a period of 5 (Five) years in the AGM held in 2017 subject to ratification at every Annual General Meeting.

M/s. Ayyadevara & Co, Chartered Accountants have informed the Company that their appointment, if ratified, 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.

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 B S & 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, 2018 is annexed herewith marked as "Annexure V" to this Report. The Secretarial Audit Report contains the following observations:

1. All the shares held by Promoters are in dematerialization mode except 300 shares which are held in physical form. the Promoters are unable to trace the existing share Certificates relating to shares held by them in physical mode. The Promoters are unable to trace the existing Share Certificates and the Management

has advised them for applying duplicate share certificates and dematerialize the same.

2. 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.*

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.

ACKNOWLEDGEMENTS

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: 03.09.2018

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, 2017 to March 31, 2018
2.	Reporting Currency	INR
3.	Share Capital	3,50,00,000
4.	Reserve and Surplus	24,14,86,210
5.	Total Assets	73,50,59,754
6.	Total Liabilities	45,85,73,544
7.	Investments (current)	-
8.	Turnover	42,15,21,459
9.	Profit/ (Loss) before Taxation	6,49,57,294
10.	Provision for taxation including Deferred Tax	2,05,38,459
11.	Profit after taxation	4,44,18,835
12.	Proposed Dividend	20%
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/-
DILIP KUMAR TOSHNIWAL
COMPANY SECRETARY

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	2017-18	2016-17
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

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 2017-18:

S.No	Name of the Director & Designation	Remuneration of Directors for the F.Y 2017-2018 (Amount in Rs.)	Ratio of remuneration of each Director to median remuneration of employee
1.	Shri. Kishan Reddy Nalla, Managing Director	24,00,000	27.03
2.	Shri. Srinath Reddy Nalla, Whole time Director	12,00,000	13.51
3.	Shri. Bhoopal Reddy Aleti, Whole time Director	12,00,000	13.51
4.	Shri. Raja Reddy Gaddam, Whole time Director	12,00,000	13.51

- 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
		2017-18	2016-17	
1.	Shri. Kishan Reddy Nalla, Managing Director	24,00,000	24,00,000	-
2.	Shri. Srinath Reddy Nalla, Whole time Director	12,00,000	12,00,000	-
3.	Shri. Bhoopal Reddy Aleti, Whole time Director	12,00,000	12,00,000	-
4.	Shri. Raja Reddy Gaddam, Whole time Director	12,00,000	12,00,000	-
5.	Shri. N. Siddha Reddy, Chief Financial Officer	3,50,400	3,24,000	8.15%
@6.	Ms. Meenakshi D. N., Company Secretary	1,20,000	2,40,000	-
@7.	Mr. Dilip Kumar Toshniwal, Company Secretary	1,50,000	NIL	-

@The aforesaid details has been provided for the period employed.

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

Particulars	2017-18	2016-17	Increase (%)
Median remuneration of employees	Rs. 88,796/-	Rs. 93,600/-	(5.13)%

*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: **77 (Seventy Seven)**

- 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
	2017-18	2016-17	
Employees	92,560	1,06,209	(12.85)
Managerial Personnel	11,03,400	10,94,000	0.86

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

- VII) Top ten employees in terms of remuneration drawn

SRI KPR INDUSTRIES LIMITED

S. N o.	Name	Designation	Qualification(s) & Experience	Age (In years)	Date of commencement of employment	Nature of duties	Gross Remuneration	Previous Employment	% of equity shares held	Name of the related Director
1.	Kishan Reddy Nalla,	Managing Director	Civil Engineer, 40 years	70	01.04.1994	Management & Administration	24,00,000	None	9.69	Shri. Srinath Reddy Nalla, Smt. Vinitha Reddy Nalla, ShriKishan Reddy Nalla and Shri. Vineel Reddy Nalla
2.	Srinath Reddy Nalla	Whole time Director	MBA, 23 years	52	29.09.2001	Management & General Administration	12,00,000	None	3.99	Do -
3.	Bhoopal Reddy Aleti	Whole time Director	BA, 35 years	62	30.09.2013	Overseeing Manufacturing activities	12,00,000	None	3.15	-
4.	Raja Reddy Gaddam	Whole time Director	HSC, 40 years	77	29.12.2000	Finance and general administration	12,00,000	None	7.37	-
5.	N. Siddha Reddy	CFO	B.Com	51	1997	Finance administration	3,50,400	None	-	-
#6	Meenakshi D.N	Company Secretary	CS, LLB, B.Com	24	16.11.2015	Secretarial Compliances	1,20,000	None	-	-
##7.	Dilip Kumar Toshniwal	Company Secretary	CS	34	16.11.2017	Secretarial Compliances	1,50,000	CS	-	-
8.	N. Vijith Reddy	Manager Finance	B.Com	42	1997	Finance administration	2,11,830	-	-	-
9.	K. Meena Reddy	QC Incharge	SSC	60	2005	Quality Control	2,11,800	-	-	-
10	S.K. Patak	Maintenance	Inter	60	2002	Plant maintenance	1,78,020	-	-	-
11.	M. Bhoopanj u Reddy	Administration	SSC	40	1997	Foreman	1,65,141	-	-	-

Resigned as Company Secretary w.e.f. October 1, 2017.

Appointed as Company Secretary w.e.f. November 16, 2017.

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, 2018

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: 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: KarvyHouse, 46, Avenue 4, Street No 1, BanjaraHills, 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 BUISNESS 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	67.46
2	Sale of wind electric power	40108	32.20

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, S.P. 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	1,20,94,277	300	1,20,94,577	60.04	1,18,09,395	300	1,18,09,395	58.62	(1.41)
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	1,31,99,877	300	1,32,00,177	65.52	1,29,14,995	300	1,29,15,295	64.11	(1.41)
FOREIGN									
NRI's Individual	-	-	-	-	-	-	-	-	-
Other Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks / FI's	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total A-2	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDING OF PROMOTERS (A1 + A2)	1,31,99,877	300	1,32,00,177	65.52	1,29,14,995	300	1,29,15,295	64.11	(1.41)

B. PUBLIC SHAREHOLDING									
1. 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	-	-	-	-	-	-	-	-	-
FII's	-	3,500	3,500	0.02	-	3,500	3,500	0.02	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL – B1	200	11,900	12,100	0.06	200	11,900	12,100	0.06	-
2. NON INSTITUTIONS									
a) Bodies Corporate									
Indian	5,47,860	47,401	5,95,261	2.95	5,64,860	47,401	6,12,261	3.04	0.08
Overseas	-	-	-	-	-	-	-	-	-
b) INDIVIDUAL									
Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	10,06,099	7,82,406	1,78,87,505	8.88	9,96,342	7,75,736	17,72,078	8.80	(0.08)
Individual Shareholders holding nominal	16,67,305	28,65,570	45,32,875	22.50	20,44,390	27,39,570	47,83,960	23.75	1.25

SRI KPR INDUSTRIES LIMITED

share capital in excess of Rs. 1 Lakh									
Others (Specify)									
Non Resident Indians	15.687	-	15.687	0.08	50.000	-	50.000	0.25	0.17
Clearing Members	1,090	-	1,090	0.01	1	-	1	-	(0.01)
SUB TOTAL B2	32,38,041	36,95,377	69,33,418	34.42	36,55,593	35,62,707	72,18,300	35.83	1.41
TOTAL PUBLIC SHAREHOLDING (B1+B2)	32,38,241	37,07,277	69,45,518	34.48	36,55,793	35,74,607	72,304,00	35.89	1.41
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	1,64,38,118	37,07,577	2,01,45,695	100	1,65,70,788	35,74,907	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	19,47,089	9.67	-	19,51,739	9.69	-	0.02
2.	Vineel Reddy Nalla	18,95,454	9.41	-	18,99,654	9.43	-	0.02
3.	Vijaya Nalla	17,28,485	8.58	-	17,33,085	8.60	-	0.02
4.	Vinitha Nalla	16,95,562	8.42	-	16,99,062	8.43	-	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	8,38,622	4.16	-	8,03,622	3.99	-	(0.17)
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	-	-

SRI KPR INDUSTRIES LIMITED

10.	Nomula Sarita	3,19,867	1.59	-	3,19,867	1.59	-	-
11.	Nomula Deepti	2,24,587	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	-	-	-	-	-
14.	Gaddam Madhumathi	93,256	0.46	-	93,256	0.46	-	-
15.	*Ande Prathap Reddy	88,710	0.44	-	-	-	-	-
16.	*A. Shakunthala Devi	72,266	0.36	-	-	-	-	-
17.	N. Rajeshwar Reddy	53,828	0.27	-	53,828	0.27	-	-
Total		1,32,00,177	65.52	-	1,29,15,295	64.11	-	(1.41)

*Re-classified into public category w.e.f. January 29, 2018, the shareholding at the end of the year has not been considered.

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	19,47,089	9.67	05.05.2017	Purchase	2900	-	19,51,739	9.69
				08.09.2017	Purchase	1750			
2.	Vineel Reddy Nalla	18,95,454	9.41	19.05.2017	Purchase	4200	-	18,99,654	9.43
3.	Vijaya Nalla	17,28,485	8.58	05.05.2017	Purchase	3,850	-	17,33,085	8.60
				16.06.2017		250			
				01.09.2017		500			
4.	Vinitha Nalla	16,95,562	8.42	19.05.2017	Purchase	3500	-	16,99,062	8.43
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	8,38,622	4.16	19.05.2017	Sale	-	5000	8,03,622	3.99
				02.06.2017		-	10,000		
				23.06.2017		-	5000		
				07.07.2017		-	5000		
				04.08.2017		-	10,000		
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	3,19,867	1.59	-	-	-	-	3,19,867	1.59
11.	Nomula Deepti	2,24,587	1.11	-	-	-	-	2,24,587	1.11

12.	Gaddam Hemanth Reddy	1,53,130	0.76	-	-	-	-	1,53,130	0.76
13.	Gaddam Madhumathi	93,256	0.46	-	-	-	-	93,256	0.46
14.	N. Rajeshwar Reddy	53,828	0.27	-	-	-	-	53,828	0.27

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

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	Date	INCREASE	DECREASE	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1.	Anitha Reddy	27,91,250	13.86	25.08.2017	-	1,26,000	26,65,250	13.23
2.	*APR Holdings And Investments LLP	3,92,800	1.95	-	-	-	3,92,800	1.95
3.	MahithaAleti	1,89,350	0.94	-	-	-	1,89,350	0.94
4.	Eeshan Reddy	1,53,500	0.76	24-11-2017	1,40,000	-	1,53,500	0.76
				24-11-2017	-	1,40,000		
5.	Subramanian P	1,18,760	0.59	07.04.2017	1,240	-	1,20,000	0.60
6.	**A Srinivas Reddy	1,05,856	0.53	-	-	-	1,05,856	0.53
7.	Housing And Urban Development Corporation Ltd	96,500	0.48	-	-	-	96,500	0.48
8.	Premalatha Reddy Eleti	-	-	25.08.2017	1,26,000	-	1,26,000	0.63
				01.09.2017	-	503	1,25,497	0.62
				15.09.2017	-	5050	1,20,447	0.60
				22.09.2017	-	5039	1,15,408	0.57
				06.10.2017	-	325	1,15,083	0.57
				27.10.2017	-	2055	1,13,032	0.56
				31.10.2017	-	996	1,12,032	0.56
				10.11.2017	-	30	1,12,002	0.56
				17.11.2017	-	4000	1,08,002	0.54
				24.11.2017	-	9010	98,992	0.49
				01.12.2017	-	3000	95,992	0.48
				08.12.2017	-	3000	92,992	0.46
				22.12.2017	-	1460	91,532	0.45
				29.12.2017	-	226	91,306	0.45
				05.01.2018	-	31	91,275	0.45
				12.01.2018	-	1431	89,844	0.45
				19.01.2018	-	1001	88,843	0.44
9.	**AndePrathap Reddy	88,710	0.44	-	-	-	88,710	0.44
10.	Yuvraj Reddy	77,200	0.38	-	-	-	77,200	0.38

* The Company has converted into LLP.

** Re-Classified from Promoter Category to Public Category.

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	19,47,089	9.67	05.05.2017 08.09.2017	Purchase Purchase	2900 1750	-	19,51,739	9.69
2.	Bhoopal Reddy Aleti	6,33,620	3.15	-	-	-	-	6,33,620	3.15
3.	Srinath Reddy Nalla	8,38,622	4.16	19.05.2017	Sale	-	5,000	8,33,622	4.14
				02.06.2017	Sale	-	10,000	8,23,622	4.09
				23.06.2017	Sale	-	5,000	8,18,622	4.06
				07.07.2017	Sale	-	5,000	8,13,622	4.04
				04.08.2017	Sale	-	10,000	8,03,622	3.99
4.	Raja Reddy Gaddam	14,83,802	7.37	-	-	-	-	14,83,802	7.37
5.	Vineel Reddy Nalla	18,95,354	9.41	19.05.2017	Purchase	4200	-	18,99,554	9.43
6.	Vinitha Reddy Nalla	16,95,562	8.42	19.05.2017	Purchase	3500	-	16,99,062	8.43
7.	N. Siddha Reddy	-	-	-	-	-	-	-	-
8.	#MeenakshiD. N	-	-	-	-	-	-	-	-
9.	##Dilip Kumar Toshniwal	-	-	-	-	-	-	-	-

Resigned as Company secretary w.e.f. October 1, 2017 .

Appointed as Company Secretary w.e.f. November 16, 2017.

V. INDEBTEDNESS

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning 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
Change in Indebtedness during the year				
Addition	NIL	NIL	NIL	NIL
Reduction	5,25,81,725	1,03,950	NIL	5,26,85,675
Indebtedness at the end of the financial year				
Principal Amount	7,29,20,766	10,00,000	NIL	7,39,20,766
Interest due but not paid	NIL	NIL	NIL	NIL
Interest accrued but not due	NIL	NIL	NIL	NIL
Total	7,29,20,766	10,00,000	NIL	7,39,20,766

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			
1.	INDEPENDENT DIRECTORS						
	a) Fee for attending Board/ Committee meetings	-	-	-	-	-	-
	b) Commission	-	-	-	-	-	-
	c) Others, Pls Specify	-	-	-	-	-	-
	TOTAL - 1	-	-	-	-	-	-
2.	OTHER NON EXECUTIVE DIRECTORS	Vineel Reddy Nalla	Vinitha Reddy Nalla				
	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	@MeenakshiNavalkh e (Resigned w.e.f. 1st October, 2017)	@Dillip Kumar Toshniwal (Appointed w.e.f. 16th November, 2017)	
1.	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	Rs. 3,50,400/-	Rs. 1,20,000	Rs. 1,50,000/-	Rs. 6,20,400/-
	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. 3,50,400/-	Rs. 1,20,000	Rs. 1,50,000/-	Rs. 6,20,400/-

@The aforesaid details has been provided for the period employed.

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

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, 2018**

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, 2018.

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, 2018** 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, 2018**, 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 Factories Act, 1948 and Rules made there under
2. The Telangana Fire Services Act, 1999
3. Electricity Act, 2003
4. The Environment Protection Act, 1986
5. The Air (Prevention and Control of Pollution) Act, 1981
6. The Water (Prevention and Control of Pollution) Act, 1974

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. *All the shares held by Promoters are in dematerialization mode except 300 shares which are held in physical form.*

2. *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.*

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.

The compliance by the Company of the applicable Labour laws and financial laws, filing of periodical returns, maintenance of financial records and books of accounts has not been reviewed by us since the same have been subject to review by Statutory Auditors, Internal Auditors and other professionals.

We further report that during the audit period:

- i. The company has re-appointed Mr. N. Kishan Reddy as the Managing Director w.e.f. 01.10.2017 for a period of 5 years at a remuneration valid for 3 years.
- ii. The company has re-appointed Mr. N. Srinath Reddy as the Whole Time Director w.e.f. 01.10.2017 for a period of 5 years at a remuneration valid for 3 years.
- iii. The company has re-appointed Mr. G. Raja Reddy as the Whole Time Director w.e.f. 01.10.2017 for a period of 5 years at a remuneration valid for 3 years.
- iv. The company has re-classified certain promoter shareholders into public shareholders category in its Annual General Meeting held on 29.09.2017.
- v. Ms. Meenakshi Deepak Navalakhe resigned as the Company Secretary w.e.f. 01.10.2017 and Mr. Dilip Kumar Toshniwal was appointed in her place w.e.f. 16.11.2017.

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

Date: 29.08.2018
Place: Hyderabad

DafthardarSoumya
Designated partner
M. No.: 29312
C P No.: 13199

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

'Annexure'

To,
The Members,
Sri KPR Industries Limited
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 Auditors and other designated professionals.

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

Date: 29.08.2018
Place: Hyderabad

DafthardarSoumya
Designated partner
M. No.: 29312
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, 2018, 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, 2018 are as follows:

DIN	Name	Category & Designation	Directorship 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, 2018
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	19,51,739
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	8,03,622
00126854	Shri. Raja Reddy Gaddam	Promoter, Executive, Whole time Director	1	Nil	Nil	14,83,802
00231636	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	18,99,554
01636570	Smt. Vinitha Reddy Nalla	Non-Executive Director	4	Nil	Nil	16,99,062

*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 2017-18 on May 24, 2017; August 11, 2017;

September 2, 2017; November 13, 2017 and February 12, 2018.

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

Attendance of Directors during 2017-18

Name of the Director	No. of Board Meetings			% of attendance	Attendance at the last AGM held on September 29, 2017
	Held	Entitled	Attended		
Shri. Jagadeeshwar Reddy Prodduturi	5	5	2	40	No
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	5	5	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 12, 2018.

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 reports 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 (5) times during the financial year 2017-18 on May 24, 2017; August 11, 2017; September 2, 2017; November 13, 2017 and February 12, 2018. 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 2017-18		
			Held	Entitled	Attended
Shri. Naveena Chandra Thamlishetty	Non-Executive Independent Director	Chairman	5	5	5
Shri. Jagadeeshwar Reddy Produtturi	Non-Executive Independent Director	Member	5	5	2
**Shri. Vineel Reddy Nalla	Non-Executive Director	Member	5	4	4
Shri. Krishna Prasad Srinivas	Non-Executive Independent Director	Member	5	5	5
*Shri. Raja Reddy Gaddam	Executive Whole Time Director	Member	5	1	1

* Ceased to be Member w.e.f. May 24, 2017.

** Appointed as Member w.e.f. May 24, 2017.

B. NOMINATION AND REMUNERATION COMMITTEE

1. 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.
2. 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.
3. 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

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

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
3. Formulation of criteria for evaluation of Independent Director and the Board.
4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
6. To provide to Key Managerial Personnel and Senior Management reward linked directly to

their effort, performance, dedication and achievement relating to the Company's operations.

7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
8. To develop a succession plan for the Board and to regularly review the plan.
9. To assist the Board in fulfilling responsibilities.
10. To implement and monitor policies and processes regarding principles of corporate governance.

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

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

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.

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

5. The Nomination and Remuneration committee met 3 (Three) times during the financial year 2017-18 on May 24, 2017; September 2, 2017 and November 13, 2017. 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 2017-18		
			Held	Entitled	Attended
Shri. Krishna Prasad Srinivas	Non-Executive, Independent Director	Chairman	3	3	3
Shri. Naveena Chandra Thammishetty	Non-Executive, Independent Director	Member	3	3	3
Shri. Jagadeeshwar Reddy Produtturi	Non-Executive, Independent Director	Member	3	3	1
Shri. Vineel Reddy Nalla	Non-Executive Director	Member	3	3	3

Note: There was re-constitution of Committee twice by re-designating of Chairman during the financial year.

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.

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.

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

SRI KPR INDUSTRIES LIMITED

- ❖ 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. 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.

1. The Stakeholder Relationship committee met 5 (Five) times during the year 2017-18 on May 24, 2017; August 11, 2017; September 2, 2017; November 13, 2017 and February 12, 2018. The necessary quorum was present for all the meetings.

2. 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 2017-18		
			Held	Entitled	Attended
Shri. Vineel Reddy Nalla	Non-Executive Director	Chairman	5	5	5
Shri. Kishan Reddy Nalla	Managing Director	Member	5	5	5
**Shri. Srinath Reddy Nalla	Executive, Whole time Director	Member	5	4	4
*Shri Raja Reddy Gaddam	Executive, Whole time Director	Member	5	1	1

* Ceased to be Member w.e.f. May 24, 2017.

** Appointed as Member w.e.f. May 24, 2017.

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

Ms. V SatyaLakshmiSambhavi, Company Secretary and Compliance Officer

Vth Floor, K.P.R.House, Sardar Patel Road, Secunderabad, Telangana; E-mail: bwpl9@yahoo.com

4. Details of investor complaints received and redressed during the year 2017-18 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	2	2	0
Non receipt of Dividend Warrants	0	4	4	0
Non receipt of Annual Reports	0	3	3	0
Total	0	9	9	0

IV REMUNERATION OF DIRECTORS

Details of remuneration paid to the Directors for the services rendered during the financial year 2017-18 are given below:

Particulars	Name of the Director& Designation									Amount (In Lakhs)
	Shri. Kishan Reddy Nalla	Shri. Srinath Reddy Nalla	Shri. Bhoopal Reddy Aleti	Shri. Raja Reddy Gaddam	Shri. Naveena Chandra Thammisichetty	Shri. Krishna Prasad Srinivas	Shri. Vineel Reddy Nalla	Smt. Vinitha 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 2017-18.

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:

- a) Financial statements, in particular the investments made by the unlisted subsidiary company are reviewed quarterly by the Audit Committee of the Company.
- b) All minutes of Board Meetings of the unlisted subsidiary Company are placed before the Company's Board regularly.
- c) 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
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.
2016-17	29.09.2017	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
30.09.2015	1 (One)	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.
30.09.2016	Nil	Nil
29.09.2017	2(Two)	a) Approval under first proviso to section 196(3) for Re appointment of Shri. Raja Reddy Gaddam as whole time director of the company. b) Approval for Reclassification of Promoters shareholders as public shareholders under regulation 31A of SEBI (LODR) Regulations, 2015.

c) Special resolutions passed through Postal ballot

No Special Resolution was passed through Postal Ballot during the financial year 2017-18. None of the resolutions proposed in the ensuing Annual General Meeting need to be passed by Postal Ballot.

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.

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/ Namastey Telangana". Simultaneously they are also uploaded on

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 2017-18

Date	29.09.2018
Venue	Nagarjuna Community Hall, Nagarjuna Nagar, Yellareddyguda, Ameerpet, Hyderabad-500073
Time	10.00A.M.
Book closure dates for final dividend	September 22, 2018 to September 29, 2018 (both days inclusive).

ii. Financial year: April 1, 2017 to March 31, 2018

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, 2018. The dividend if approved by the members, will be paid after September 29, 2018.

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.

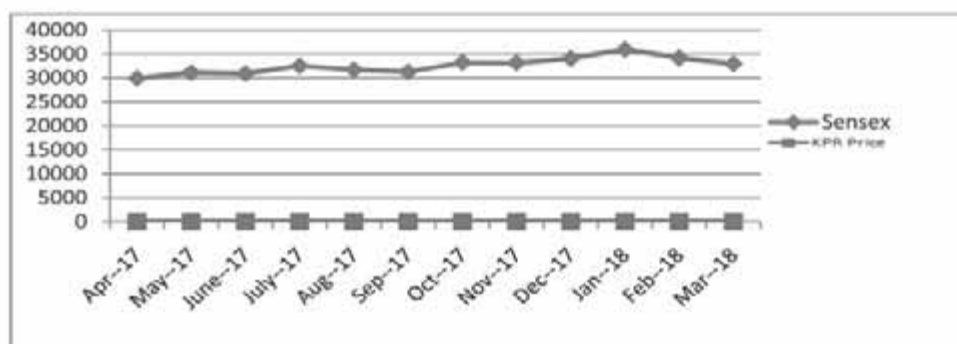
- The Company has paid the requisite Annual Filing Fees to the stock exchange for the financial year 2017-18. The securities have not been suspended from trading.
- The Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India is L20200TG1988PLC009157 and the 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, 2018 are as under:

Month	HIGH	LOW	VOLUME
April 2017	27.00	21.50	66,537
May 2017	27.85	22.35	1,03,763
June 2017	29.40	24.05	76,142
July 2017	29.25	24.50	33,579
August 2017	28.95	23.75	13,184
September 2017	26.75	22.00	40,269
October 2017	27.20	22.95	31,485
November 2017	29.25	23.90	1,21,525
December 2017	31.00	25.90	83,032
January 2018	31.85	27.20	82,743
February 2018	30.00	24.95	36,236
March 2018	28.00	23.55	9,559

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, 2018:

Category	No of shareholders	Shareholders (%)	Number of shares held	Shareholding (%)
1-5000	5539	89.15	89,92,050	4.46
5001-10,000	321	5.17	26,12,160	1.30
10,001-20,000	177	2.85	26,85,310	1.33
20,001-30,000	50	0.80	12,59,230	0.63
30,001-40,000	23	0.37	8,17,400	0.41
40,001-50,000	15	0.24	7,02,590	0.35
50,001-1,00,000	25	0.40	16,24,790	0.81
1,00,001 & above	63	1.01	18,27,63,420	90.72
Total	6213	100	20,14,56,950	100

x. Dematerialization of shares and liquidity:

1,65,70,788 equity shares representing 82.25% 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, 2018.

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, 2018, the Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

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: bwp19@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.

the Company's website
<http://www.kprindustries.in/investor.html>

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.

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:

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.

❖ **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.

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 sub-regulation (2) of regulation 46 of the Listing Regulations.

❖ **Audit Qualifications:** The Company's financial statements for the financial year 2017-18 do not contain any audit qualification.

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

❖ **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.

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

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
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
Fee/ 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: 03.09.2018

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: 01.09.2018

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, 2018 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, 2018.
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 Ayyadevara & Co.
Chartered Accountants
FRN No. 0002785

Sd/-

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803

Place: Hyderabad
Date: May 28, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

As informed in earlier years the demand for Asbestos Cement Pipe is coming down due to use of metal pipes in Drinking Water Supply Schemes. Keeping in view this present scenario, the company has incorporated 100% subsidiary viz., Sri KPR Infra & Projects Limited with the main object of executing Drinking Water Supply Schemes. And as a part of diversification, the investments were also made in Wind Power Projects both in the company and its subsidiary. Presently the total capacity of Wind Power Projects are 12.70MW inclusive of its subsidiary company. The subsidiary company is also giving reasonable returns from execution of Drinking Water Supply Schemes and the dividends are also being paid to the parent company.

OPPORTUNITIES

Recently, its 100% subsidiary company i.e. Sri KPR Infra & Projects Ltd has been entered in to MOU with M/s. INOX Wind Infrastructure Services Ltd for setting up 6.0MW Wind Generation Project in the State of Maharashtra through an SPV for supply of Wind Power to Railway Energy Management Company Ltd (Indian Railways) which is expected to give returns to the company in the years to come.

OUTLOOK, RISKS AND CONCERNS

The outlook, risks and concerns are as follows :

- The procedural hurdles may cause delay in implementing the present 6.0MW Wind Generation Project.
- The delay in receipt of payment from State Electricity Boards may cause liquidity problem.

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

Standalone:

During the year under review, revenue from operations increased from Rs.14.72 crores to Rs.17.28 crores. The net profit for year has been increased from Rs. 2.32 crores to Rs. 2.90 Crores. The earning per share for the year is Rs. 1.44/- as against Rs.1.15/- of the previous year.

However, under the consolidated balance sheet during the year, the revenue from the operations has decreased from Rs. 90.78 crores to Rs. 58.41 crores. The net profit is also decreased from Rs. 8.25 crores to Rs.6.30 crores. The earning per share is Rs. 3.13/- as against Rs. 4.10/- of the previous year.

SEGMENT WISE PERFORMANCE

Standalone:

The revenue from sale of Wind Electric Power decreased from Rs. 5.96 crores to Rs. 5.56 crores due to low wind during the year. Revenue from the sale of A.C. Pipes has been increased from Rs.8.57Crores to Rs.11.65 Crores.

However, in consolidated balance sheet the revenue from sale of Wind Electric Power increased from Rs.8.62 crores to Rs.10.13 crores due to setting up one more Wind Mill during the year in its subsidiary.

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.

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 statements. Important factors that would influence the Company's operations include cost of raw materials, tax laws, procedural hurdles of Government Agencies, delay in release of wind Electric payments 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

INDEPENDENT AUDITOR'S REPORT

To The Members of SRI KPR INDUSTRIES LIMITED.

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of SRI KPR INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006

audited by the predecessor auditor whose report for the year ended March 31, 2018 and March 31, 2017 dated May 28, 2018 and May 24, 2017, respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of these matters.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 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 it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Ayyadevara & Co.,
Chartered Accountants
FRN No. 0002785

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803

Hyderabad. May 28, 2018.

SRI KPR INDUSTRIES LIMITED

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SRI KPR INDUSTRIES LIMITED [Referred to in para 1 under the heading 'Report on Other Legal and Regulatory Requirements'] For Year ended March 31, 2018

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 are held in the name of the company.
2.		Physical verification of inventory has been conducted at reasonable intervals by the management and we are informed that no material discrepancies were noticed during such verification.
3.		The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4.		The company has not made any new investments during the year. The company has not granted any loans.
5.		The company has not accepted any Deposits.
6.		In respect of the records maintained by the company under Rules made by the Central Government for maintenance of Cost Records under section 148(1) 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 such records.
7.	a.	There are no undisputed statutory dues that are outstanding for more than six months from the date they became payable.
	b.	There are no disputed amounts in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax.
8.		The company has not defaulted in repayment of borrowings from Financial Institutions / Banks. The company does not have any borrowings from Government or Debenture holders.
9.		The company has not raised any monies by way of any Public Offer or Term Loans during the year under review.
10.		To the best of our information and according to explanations given to us no fraud by the company or on the company by its officers or employees has been noticed or reported during the year under review.
11.		The managerial remuneration paid / provided by the company is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V, to the Companies Act.
12.		The company is not a <i>Nidhi Company</i> .
13.		The transactions with related parties are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
14.		The company has not made any preferential allotment or private placement of shares or debentures during the year under review.
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 Ayyadevara & Co.,
Chartered Accountants
FRN No. 0002785

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803

Hyderabad, May 28, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SRI KPR INDUSTRIES LIMITED

Year ended March 31, 2018

[Referred to in para.2 (f) under the heading 'Report on Other Legal and Regulatory Requirements']

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

We have audited the internal financial controls over financial reporting of Sri KPR Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the 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 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 controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In my / 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, 2018, 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 Ayyadevara & Co.,
Chartered Accountants
FRN No. 0002785

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803

Hyderabad. May 28, 2018.

SRI KPR INDUSTRIES LIMITED

**SRI KPR INDUSTRIES LIMITED
Balance Sheet As at March 31, 2018**

			Rupees	
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
1. Non - current assets				
a. Property, Plant and Equipment	2	64,19,52,945	38,11,21,284	40,75,58,359
b. Capital work - in -progress		12,36,161	12,36,161	12,36,161
c. Investment Property		-	-	-
d. Goodwill		-	-	-
e. Other Intangible assets		-	-	-
f. Intangible assets under development		-	-	-
g. Biological Assets other than bearer plants		-	-	-
h. Financial Assets				
(i) Investments	3	3,79,69,700	3,79,69,700	3,79,69,700
(ii) Trade Receivables				
(iii) Loans	4	2,04,95,831	4,00,89,946	7,73,89,946
(iv) Others (to be specified)	5	87,25,253	87,42,612	87,42,612
i. Deferred tax assets (net)		-	-	-
j. Other non-current assets		-	-	-
2. Current assets				
(a) Inventories	6	7,34,30,590	6,87,02,371	7,45,20,139
(b) Financial Assets				
(i) Investments	7	-	25,00,000	-
(ii) Trade Receivables	8	6,82,33,366	5,75,53,431	4,54,53,941
(iii) Cash and cash equivalents	9	4,00,962	7,06,243	2,17,178
(iv) Bank balances other than (iii) above	10	60,37,669	53,37,299	12,791
(v) Loans		-	-	-
(vi) Others (to be specified)	11	1,27,51,785	1,66,94,629	1,13,63,200
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets		-	-	-
Total Assets		87,12,34,262	62,06,53,676	66,44,64,027
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	12	20,14,56,950	20,14,56,950	20,14,56,950
(b) Other Equity	13	44,89,01,748	15,72,08,925	15,02,09,828
LIABILITIES				
1. Non -current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	6,13,70,411	7,45,07,690	9,46,86,329
(ii) Trade payables				
(iii) Other financial liabilities [other than those specified in item (b)]	15	3,01,76,303	3,01,76,303	3,01,76,303
(b) Provisions		-	-	-
(c) Deferred tax liabilities (Net)	16	6,12,12,688	6,18,12,792	6,32,90,197
(d) Other non-current liabilities		-	-	-
2. Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	1,79,44,787	6,01,46,548	7,95,51,032
(ii) Trade payables	18	1,76,77,136	1,52,28,901	1,84,33,730
(iii) Other financial liabilities [other than those specified in item(c)]	19	2,80,88,403	1,51,80,000	1,51,80,000
(b) Other current liabilities				
(c) Provisions	20	-	-	1,14,79,658
(d) Current Tax Liabilities (Net)		44,05,836	49,35,567	-
Total Equity and Liabilities		87,12,34,262	62,06,53,676	66,44,64,027
Significant Accounting Policies and other Information	1			

As per our report of even date
For Ayyadevara & Co,
Chartered Accountants.
FRN No.002785

For and on behalf of the Board of Directors

Ayyadevara Srinivas
Proprietor
ICAI Memb No: 028803
Secunderabad , May 28, 2018

N.Kishan Reddy
Managing Director

N.Srinath Reddy
Whole Time Director

Company Secretary

N Sidda Reddy
CFO

SRI KPR INDUSTRIES LIMITED
Statement of Profit and Loss for the period ended March 31, 2018

Rupees

Particulars	Note No.	For the Period ended March 31, 2018	For the Period ended March 31, 2017
I Revenue from operations	21	17,27,88,245	14,71,81,267
II Other income	22	2,29,82,937	1,98,09,534
III Total Income (I+II)		19,57,71,182	16,69,90,801
IV EXPENSES			
Cost of Material Consumed	23	6,61,57,297	3,20,86,088
Changes in inventories of finished goods and work-in-progress	24	(6,571,080)	64,19,923
Other manufacturing expenses	25	1,87,72,552	97,47,919
Employee benefits expense	26	1,40,61,007	12,372,083
Finance costs	27	1,20,66,807	1,67,74,114
Depreciation and amortization expense	2	2,55,61,668	2,63,56,490
Other expenses	28	3,43,67,116	3,52,43,069
Total Expenses (IV)		16,44,15,367	13,89,99,686
V Profit/(loss) before exceptional items and tax (III - IV)		3,13,55,815	2,79,91,115
VI Exceptional items		14,75,811	(1,325,382)
VII Profit/(Loss) before tax (V - VI)		3,28,31,626	2,66,65,733
VIII Tax Expenses:			
1. Current Tax		(4,405,836)	(4,935,567)
2. Deferred Tax	16	6,00,104	14,77,405
IX Profit (Loss) for the period from continuing operations (VII-VIII)		2,90,25,894	2,32,07,571
X Profit/loss from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from discontinued operations (after tax)(X-XI)		-	-
XIII Profit /Loss for the period (IX + XII)		2,90,25,894	2,32,07,571
XIV Other Comprehensive Income			
A (i) items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV Total Comprehensive Income for the period (XIII + XIV) (Comprising profit/loss and other Comprehensive Income for the period)		2,90,25,894	2,32,07,571
XVI Earning per equity share (for continuing operation):			
(1) Basic		1.44	1.15
(2) Diluted		1.44	1.15
XVII Earning per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XVIII Earning per equity share (for discontinued & continuing operations)			
(1) Basic		1.44	1.15
(2) Diluted		1.44	1.15

Significant Accounting Policies and other Information

1

As per our report of even date

For Ayyadevara & Co.

Chartered Accountants

FRN No.002785

For and on behalf of the Board of Directors

N.Kishan Reddy
Managing Director

N.Srinath Reddy
Whole Time Director

Ayyadevara Srinivas
Proprietor
ICAI Memb No: 028803
Secunderabad . May 28, 2018

Company Secretary

N Sidda Reddy
CFO

**SRI KPR INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2018**

Equity Share Capital	Rupees
Balance as on 01.04.2016	20,14,56,950
Changes During the year	-
Balance as on 31.03.2017	20,14,56,950
Changes During the year	-
Balance as on 31.03.2018	20,14,56,950

II	Other Equity	Rupees			
		Reserves and Surplus			
		State Subsidy	General Reserve	Other Capital Surplus	Retained Earnings
1	Balance as on 01.04.2016	47,02,036	1,17,91,496		13,37,16,296
	After adjustment of provision for Dividend and DDT as on 31.03.2016				
	Add : Transfer from Profit & Loss	-	-		
	Add: Profit for the year				2,32,07,571
	Less: Dividend for 2016				14,101,987
	Less: DDT paid - 2016				2,106,487
3	Balance as on 31.03.2017	47,02,036	1,17,91,496	0	14,07,15,393
	Being increase in value			28,48,30,966	
	Add : Transfer from Profit & Loss				
	Add: Profit for the year				2,90,25,894
	Less: Dividend for the year paid				(20,145,695)
	Less DDT paid for the year				(2,018,342)
	Less: Transfer to General Reserve				
4	Balance as on 31.03.2018	4,702,036	11,791,496	28,48,30,966	14,75,77,250

SRI KPR INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rupees in lakhs

Particulars	Current Period 31.03.2018	Previous Year 31.03.2017
A. Cash Flow from Operating Activities		
Profit before Depreciation, Interest and Tax	689.85	697.96
Less : Other Income considered separately	(229.83)	(198.10)
Net	460.02	499.86
(Increase) / Decrease in Inventories	(47.28)	58.18
(Increase) / Decrease in Receivables	(106.80)	(121.00)
(Increase) / Decrease in Loans & Advances	39.43	(53.31)
Increase / (Decrease) in Current Liabilities	(268.67)	(32.00)
Excess Provision written back	(14.76)	
Income Tax Paid (including Dividend distribution tax paid)	(69.54)	(135.86)
Total A	(7.60)	215.87
B. Cash Flow from Investing Activities		
(Increase)/Decrease in Fixed Assets	16.11	0.81
(Increase)/Decrease in Current Investments	25.00	(25.00)
Other Income	229.83	198.10
Total B	270.94	173.91
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Long Term Borrowings	(133.37)	(395.90)
Increase/(Decrease) in Long Term Advances	196.11	373.00
Interest Paid	(120.67)	(141.01)
Dividend paid	(201.46)	
Total C	(259.39)	(163.91)
D. Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	3.95	58.13
Cash and cash equivalents at the beginning of the year	60.43	2.30
Cash and cash equivalents at the end of the Period (20.02.2017)	64.38	60.43
Increase/(-)Decrease	3.95	58.13

As per our report of even date

For Ayyadevara & Co.

Chartered Accountants

FRN No.002785

Ayyadevara Srinivas

Proprietor

ICAI Memb No: 028803

Secunderabad . May 28, 2018

For and on behalf of the Board of Directors

N.Kishan Reddy
Managing Director

Company Secretary

N.Srinath Reddy
Whole Time Director

N Sidda Reddy
CFO

Sri KPR Industries Limited

Year ended March 31, 2018.

Notes forming part of financial statements

Note 1: SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION

I. GENERAL CORPORATE INFORMATION.

Sri KPR Industries Limited ('Sri KPR') is a Public Limited company incorporated and Domiciled in India, having its registered office at Secunderabad, Telangana, India. Sri KPR has its primary listing on the Bombay Stock Exchange (BSE) in India.

Sri KPR is engaged in the business of manufacture and sale of AC Pressure Pipes and Couplings. Sri KPR has primarily two segments viz., Pipes Division and Wind Power Division. AC Pressure Pipes are manufactured at its facility located at Gundlapochampally (V), Medchal, Telangana State. Wind Power is generated through own Wind Mills located in the states of Andhra Pradesh, Tamil Nadu and Madhya Pradesh. Sri KPR has a wholly owned subsidiary by name Sri KPR Infra & Projects Limited engaged in the business of Civil Contracts.

II. Compliance with Indian Accounting Standards

- a. The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act 2013 (the Act), read with Companies (Indian Accounting Standard) Rules 2015. The company has uniformly applied all the applicable accounting policies during the periods presented.
- b. The financial statements up to and for the period ended March 31, 2017 were prepared in accordance with the Companies (Accounting Standards) Rules 2006, notified under section 133 of the Act. The company has adopted all the Ind AS standard and the adoption was carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles Generally Accepted in India as prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.
- c. Year ended March 31, 2018 is the first time of adoption of Ind AS. Accordingly the opening Balance Sheet of the company as at April 01, 2016 is presented, based on which the Balance Sheets of March 31, 2017 and March 31, 2018 are prepared under Ind AS. In preparing the said Balance Sheets the company has opted for the exemptions given in Ind AS 101 for first time adoption of Ind AS.

III. Overall Considerations

- a. The financial statements have been prepared using significant accounting policies that are in effect as at March 31, 2018 as presented in detail hereunder.
- b. In accordance with Ind AS 101, "First Time Adoption of Indian Accounting Standards", the company presents Balance Sheets for three years, Statement of Profit and Loss and Cash Flows for two years, and related notes including comparative information for all these statements.

IV. 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 Indian Accounting Standards (Ind AS) 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. On commencement of GST, sales are net of GST.
- 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. Property, Plant & Equipment and Depreciation

- i. Property, Plant & Equipment 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. Revaluation of Land

The difference between the cost of the land (hitherto reported) and the Fair Market Value determined in revaluation is classified as "Revaluation Reserve" and reported under the head "Other Equity" / Reserves & Surplus. Freehold Land being a non-depreciable asset no transfers are effected to statement of Profit and Loss from the revaluation reserve.

E. 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

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.

G. Staff Benefits

Provident Fund Contributions and other staff benefits are accounted on accrual basis. The company is in the process of 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.

H. Borrowing Costs:

Costs in respect of borrowings for acquiring / constructing fixed investments, relating to the period they are operational, are capitalized to such investments. Borrowing costs relating to period after the commencement of operations of the project are charged to revenue.

I. Current and Deferred Tax

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

J. 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.

K. Earnings Per Share (EPS):

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

L. Proposed Dividends

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including DDT thereon) as at 31 March 2018. In respect of the first-time application of Ind AS, the provision for dividend made in the earlier years (including DDT thereon) have been reversed to balance of Profit & Loss Account.

V. Foreign exchange earnings & outgo

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

VI. 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	102.04	69.22	69.22	-
- Do -	Advance Given	-	400.89	204.96	-
Sri N Kishan Reddy	Amount Borrowed	-	(-) 28.00	(-) 13.00	-
Sri. N. Kishan Reddy	Director's remuneration	24.00	--	(-) 1.51	-
Sri. N. Srinath Reddy	Director's remuneration	12.00	--	(-) 0.86	-
Sri. G. Raja Reddy	Director's remuneration	12.00	--	(-) 0.86	-
Sri. A. Bhoopal Reddy	Director's remuneration	12.00	--	(-) 0.10	-

VII. Segment Particulars

Rupees in Lacs

Particulars	Current Year		Previous Year	
	Wind Power	Pipes	Wind Power	Pipes
Revenues	610.27	1347.44	621.46	1045.44
Identifiable Operating Expenses				
a. Maintenance and Other Expenses	122.08	1131.23	82.97	875.72
b. Interest	71.08	49.39	88.89	78.85
c. Depreciation	186.00	69.61	189.34	74.22
Segment Operating Income	231.11	97.21	260.26	19.66
Segment Assets	3180.05	5532.29	3551.05	2655.48
Segment Liabilities	549.76	2208.76	653.56	2187.97

- VIII. The details with respect to the dues under MSME Act are not being furnished as the details are not available with the company, in spite of the company having written to its creditors seeking details of their status under the MSME Act. However, there are no dues to the creditors that are more than one year old.
- IX. Previous year's figures are regrouped and reclassified wherever considered necessary to conform with the current year grouping / classifications. This includes the reclassification necessitated by conversion into Ind AS and amalgamation of the subsidiaries.
- X. The Financial statements are presented in Indian Rupees which is also the functional and presentation currency of the company and all amounts are rounded off to nearest rupee.

Note 2: Property, Plant & Equipment

Particulars	Land	Furniture & Fixtures	Office equipment	Vehicles	Factory Building	Non - Factory Building	Plant & Machinery	Diesel Generator	Misc Fixed assets	Pollution Control Equipment	Office Equipment	Wind Mills	Total
Year ended 31 March 2017													
Gross carrying amount:													
Deemed cost as at 1 April 2016	6,313,748	1,285,634	2,550,250	4,694,047	45,463,369	2,402,597	62,122,395	2,063,318	6,765,028	6,080,237	30,993	426,546,478	566,318,094
Additions													
Disposals				(1,611,692)									(1,611,692)
Closing gross carrying amount 31.03.2017	63,13,748	12,85,634	25,50,250	63,05,739	4,54,63,368	24,02,597	6,21,22,395	20,63,318	67,65,028	60,80,237	30,993	42,65,46,478	56,47,06,402
Accumulated depreciation													
As on April 01, 2016		1,285,634	1,660,258	4,009,844	20,943,952	793,683	43,133,587	1,855,206	4,055,495	6,065,186	29,443	74,827,447	158,793,735
Depreciation charge during the year			291,378	366,030	1,886,094	793,683	3,592,707	104,055	387,076			18,935,467	26,356,490
Disposals				-1,531,107									-1,531,107
Closing accumulated depreciation 31.03.2017	-	1,285,634	1,951,636	2,944,767	21,830,046	1,587,366	46,726,294	1,959,261	4,442,571	6,065,186	29,443	93,762,914	183,585,118
Net carrying amount 31.03.2017	63,13,748		5,98,614	33,60,972	2,36,33,323	8,15,231	1,53,96,101	1,04,057	23,22,457	15,051	1,550	332,783,564	38,11,21,284
Year ended 31 March 2018													
Gross carrying amount:													
As on April 01, 2017	63,13,748	12,85,634	25,50,250	63,05,739	4,54,63,368	24,02,597	6,21,22,395	20,63,318	67,65,028	60,80,237	30,993	426,546,478	56,47,06,402
Additions **	28,63,06,777		17,999	68,553									28,63,33,329
Disposals													
Closing gross carrying amount 31.03.2018	29,26,20,525	12,85,634	25,68,249	63,74,292	4,54,63,369	24,02,597	6,21,22,395	20,63,318	67,65,028	60,80,237	30,993	42,65,46,478	85,10,99,731
Accumulated depreciation													
As on April 01, 2017	-	1,285,634	1,951,636	2,944,767	21,830,046	1,587,366	46,726,294	1,959,261	4,442,571	6,065,186	29,443	93,762,914	183,585,118
Depreciation charge during the year	-		299,518	2,137	1,886,094	793,683	3,592,707		387,086			18,600,443	25,561,668
Disposals	-												
Closing accumulated depreciation 31.03.2018	-	12,85,634	22,51,154	29,46,904	2,47,16,140	23,81,049	5,03,19,001	19,59,261	48,29,657	60,65,186	29,443	11,23,63,357	20,91,46,786
Net carrying amount 31.03.2018	29,26,20,525	0	3,17,095	34,27,388	2,07,47,229	21,548	1,18,03,394	1,04,057	19,35,371	15,051	1,550	31,41,83,121	64,19,52,945
** Addition to land is on account of Revaluation													

		Rupees		
Particulars		As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Note 3 : Non current investments				
4,51,776 equity shares of Rs.2/- each in Balaji Amines Limited including bonus shares (Quoted value as 31.03.2018 - 25.42 crores)		29,44,000	29,44,000	29,44,000
In Subsidiaries				
35,00,000 equity shares of Rs.10/- each in Sri Kpr Infra & Projects Ltd. (100% subsidiary)		3,50,00,000	3,50,00,000	3,50,00,000
Indira Vikas Patra (to be encashed)		200	200	200
National Savings Certificate (to be encashed)		25,500	25,500	25,500
Total		3,79,69,700	3,79,69,700	3,79,69,700
Note 4 : Loans				
Loans to related party (100% subsidiary)		2,04,95,831	4,00,89,946	7,73,89,946
Total		2,04,95,831	4,00,89,946	7,73,89,946
Note 5 : Others				
Deposits		87,25,253	87,42,612	87,42,612
Total		87,25,253	87,42,612	87,42,612
Note 6 : Inventories				
(As verified, valued and certified by the management)				
Raw materials		25,14,150	43,57,011	37,54,856
Finished goods		5,95,73,528	4,68,39,393	6,24,38,772
Work - in - progress		1,07,53,682	1,69,16,737	77,37,281
Traded shares		5,89,230	5,89,230	5,89,230
Total		7,34,30,590	6,87,02,371	7,45,20,139
Note 7 : Investments				
Mutual Fund Investments		-	25,00,000	-
Total		-	25,00,000	-
Note 8 : Trade receivables				
(Unsecured and considered good)				
Over six months		-	3,07,33,645	2,85,16,242
Others		6,82,33,366	2,68,19,786	1,69,37,699
Total		6,82,33,366	5,75,53,431	4,54,53,941
Note 9 : Cash & cash equivalents				
Cash in hand		4,00,962	7,06,243	2,17,178
Total		4,00,962	7,06,243	2,17,178
Note 10 : Bank balances				
Balance with scheduled banks				
In current accounts		60,37,669	53,37,299	12,791
Total		60,37,669	53,37,299	12,791
Note 11 : Others				
Balance with Revenue Authorities		15643	1,24,008	1,83,583
Income Tax & TDS		35,36,418	78,99,641	23,99,641
Advances recoverable in cash or in kind		85,32,772	69,48,184	77,60,091
Others		6,66,952	17,22,796	10,19,885
Total		1,27,51,785	1,66,94,629	1,13,63,200

SRI KPR INDUSTRIES LIMITED

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016			
Note12 : Equity share capital						
a. Authorised						
2,10,00,000 Equity Shares of Rs. 10/- each.	4,00,00,000	21,00,00,000	21,00,00,000			
	21,00,00,000	21,00,00,000	21,00,00,000			
b. Issued, subscribed & paid up						
20145695 Equity Shares of Rs. 10/- each fully paid up	20,14,56,950	20,14,56,950	20,14,56,950			
	20,14,56,950	20,14,56,950	20,14,56,950			
c. Par value of shares	Rs.10/-	Rs.10/-	Rs.10/-			
d. Number of shares outstanding at begining of the year	2,01,45,695	2,01,45,695	2,01,45,695			
Changes during the year	-	-	-			
Number of shares outstanding at end of the year	2,01,45,695	2,01,45,695	2,01,45,695			
e. Restriction on disbursement of Dividend: As part of the general terms & conditions in respect of borrowings from Banks, prior permission should be taken from the lending Banksbefore distribution of dividend. Similarly, the term lenders have imposed a condition that, no dividend shall be declared in the event of default in the scheduled repayment of instalment.						
f. Particulars of each shareholder holding more than 5% of share capital:						
	No. of shares	%	No. of shares	%	No. of shares	%
1.N.Kishan Reddy	1947089	9.67	1947089	9.67	1945854	9.66
2.N.Vinil Reddy	1895354	9.41	1895354	9.41	1892954	9.40
3.N.Vijaya	1733085	8.60	1728485	8.58	1728485	8.58
4..N.Vinitha	1699062	8.43	1695562	8.41	1693812	8.41
5.G.Raja Reddy	1483802	7.37	1483802	7.37	1483802	7.37
6.NBOS technologies Private Limited	1105600	5.49	1105600	5.49	1105600	5.49
g. During the five years immediately preceding the current financial year , the company has not issued any shares without payment being received in cash, nor issued any bonus shares. The company did not buy back any shares during the said period.						
h. The company has only one class of shares i.e. Equity Shares.						
Note 13 : Other Equity - Reserves & Surplus						
State Subsidy	47,02,036		47,02,036		47,02,036	
General Reserve	11,791,496		11,791,496		1,17,91,496	
Revaluation Reserve	28,48,30,966					
Retained Earnings	14,75,77,250		14,07,15,393		13,37,16,296	
Total	44,89,01,748		15,72,08,925		15,02,09,828	
Note 14 : Borrowings Non- Current						
a. Secured						
Term loans						
(i) The borrowings from IREDA	3,97,95,979		5,01,75,942		6,53,56,000	
(Secured by first charge on wind electric generator at Madhya Pradesh and further guaranteed by the Directors of the company Sri.A.Bhoopal Reddy,Sri.N.K.Sudershan Reddy, Sri.N.Kishan Reddy and Sri.N.Raja Reddy. The extent of guarantee provided by all Directors is Rs.10.38 crores. the term loan is payable in 40 quarterly instalments)						
b. Un Secured loans from						
Others	10,00,000		11,03,950		11,03,950	
c.Deferred Sales Tax	2,05,74,432		2,32,27,798		2,82,26,379	
Total	6,13,70,411		7,45,07,690		9,46,86,329	

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Note 15 : Other finance obligations			
Performance retention monies	3,01,76,303	3,01,76,303	3,01,76,303
Total	3,01,76,303	3,01,76,303	3,01,76,303
Note 16 : Deferred tax liability			
On account of timing difference brought forward	6,18,12,792	6,32,90,197	6,36,06,064
Add/Less : Timing difference originating during the year	6,00,104	(1,477,405)	(315,867)
Total	6,12,12,688	6,18,12,792	6,32,90,197
Note 17 : Borrowings - Current Financial Liabilities			
a. Secured			
Towards working capital - Repayable on demand			
State Bank of India	1,79,44,787	6,01,46,548	7,95,51,032
Total	1,79,44,787	6,01,46,548	7,95,51,032
(The borrowings from SBI, Commercial branch, Koti, Hyderabad towards working capital limits, are secured by way of hypothecation of stocks and debtors and second charge on all fixed assets of the company both the present and future and are further guaranteed by the Directors of the company Sr.A.Bhoopal Reddy, Sri.N.K.Suderashan Reddy, Sri.N.Kishan Reddy and Sri.G.Raja Reddy. The extent of guarantee provided by all the Directors are as under :			
	Aggregate amount of guarantee as per sanction letter		
Name of the bank / Name of facility		Repayment terms	Repayment terms
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.9.00crores	On demand	On demand
In addition to the guarantee above Sri N.Kishan Reddy provided collateral security by way of deposit of title deeds of his house property	Rs.8.29crores		
Note 18 : Trade payables			
Sundry creditors	-	3,15,604	7,67,866
Dues to small scale industries	24,51,867	22,96,148	24,40,192
Sundry creditors - Raw materials	10,02,945	26,45,342	33,76,085
Sundry creditors - Expenses	98,47,418	57,24,633	41,65,586
Sundry creditors - Others	43,74,906	42,47,174	76,84,001
Total	1,76,77,136	1,52,28,901	1,84,33,730
Note 19 : Other financial liabilities			
Instalment of secured loans due within an year	1,51,80,000	1,51,80,000	1,51,80,000
Creditors for expenses	1,29,08,403	-	-
Total	2,80,88,403	1,51,80,000	1,51,80,000
Note 20 : Provisions			
Income Tax			1,14,79,658
Proposed dividend	-	-	-
Tax on distributed profits	-	-	-
Total	-	-	1,14,79,658

SRI KPR INDUSTRIES LIMITED

		Rupees	
Particulars	For the Period ended March 31, 2018	For the Period ended March 31, 2017	
Note 21 : Revenue From Operations			
Sale of asbetos cement pressure pipes	13,45,33,565	9,39,46,209	
Less : Excise duty	1,79,59,923	81,61,456	
Net sales	11,65,73,642	8,57,84,753	
Sale of traded items	5,76,401	17,35,882	
Sale of wind electric power	5,56,38,202	5,96,60,632	
Total	17,27,88,245	14,71,81,267	
Note 22 : Other Income			
Dividend	1,08,12,319	37,83,926	
Interest	1,09,311	48,854	
Profit on sale of vehicles	-	239,364	
Profit on sale of long term investment being shares	-	8,034,140	
Profit on sale of long term investments being mutual funds	9,84,465	-	
Proceeds from insurance maturity	56,87,500	5,018,400	
Incentives from IREDA	5,389,342	2,486,637	
Misc.credits	-	198,213	
Total	2,29,82,937	1,98,09,534	
Note 23 : Cost of material consumed			
Opening Stock	43,57,011	37,54,856	
Add: Purchase of material	6,43,14,436	3,26,88,243	
Sub- Total	6,86,71,447	3,64,43,099	
Less : Closing stock	25,14,150	43,57,011	
Material consumed	6,61,57,297	3,20,86,088	
Note 24 : Changes in inventory of finshed goods & work in - progress			
Stock at close - Work-in-progress	1,07,53,682	1,69,16,737	
Finished goods	5,95,73,528	4,68,39,393	
Sub - Total	7,03,27,210	6,37,56,130	
Stock at opening - Work-in-progress	1,69,16,737	77,37,281	
Finished goods	4,68,39,393	6,24,38,772	
Sub - Total	6,37,56,130	7,01,76,053	
Difference of (a) and (b) Increase (-) / Decrease(+)	6,571,080	(6,419,923)	
Note 25: Other manufacturing expenses			
Repairs & Mainatinace - Plant & Machinery	3,91,900	10,550	
Repairs & Mainatinace - Building & Others	14,33,584	15,26,116	
Power & Fuel	6943863	54,95,472	
Stores & Spares consuked	21,81,995	8,66,764	
Loading & Unloading expenes	72,56,103	18,36,603	
Other expenes	5,65,107	12,414	
Total	1,87,72,552	97,47,919	
Note 26 : Employee benfit expenses			
Salaries, wages and bonus	1,05,04,616	87,92,725	
Contribution to PF	984872	9,71,124	
Contribution to ESI	3,88,222	3,49,428	
Gratuity	13,71,644	14,89,001	
Staff welfare expenses	302139	2,27,956	
Security services	4,87,014	5,19,349	
Professional tax	22,500	22,500	
Total	1,40,61,007	1,23,72,083	

SRI KPR INDUSTRIES LIMITED

Particulars	For the Period ended March 31, 2018	For the Period ended March 31, 2017
Note 27 : Finance cost		
Interest on term loan	71,27,656	88,89,652
Interest on cash credit	40,30,274	69,03,303
Interest on unsecured loans & others	1,83,996	7,87,527
Bank charges	7,24,881	1,93,632
Total	1,20,66,807	1,67,74,114
Note 28 : Other expenses		
Rent	2,00,250	1,80,000
Trading items	45,17,106	37,59,313
Auditors remuneration	5,00,000	5,75,000
Insurance	28,36,764	31,42,291
VAT/GST	7,37,392	23,43,250
Directors remuneration	60,00,000	60,00,000
Wind mill expenses	1,22,08,314	82,97,702
Other expenses	73,67,290	1,09,45,513
Total	3,43,67,116	3,52,43,069

Signatories to Notes 1 to 28

As per our report of even date
For Ayyadevara & Co.
Chartered Accountants
FRN No.002785

For and on behalf of the Board of Directors

Ayyadevara Srinivas
Proprietor
ICAI Memb No: 028803
Secunderabad . May 28, 2018

N.Kishan Reddy
Managing Director

N.Srinath Reddy
Whole Time Director

Company Secretary

N Sidda Reddy
CFO

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SRI KPR INDUSTRIES LIMITED

Report on the Consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of **Sri KPR Industries Limited** ("the Holding Company") and its subsidiary Sri KPR Infra & Projects Limited ("the subsidiary") (collectively referred to as "the Group") which comprise the Balance Sheet as at March 31, 2018, the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the Company are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated Ind AS financial statements based on our audit. While conducting the 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 consolidated Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including Ind AS, of the Financial position of the Company as at March 31, 2018, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated Ind AS financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the subsidiary, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a Director of that company in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) there are no pending litigations which impact the financial position of the company;
 - (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

Other Matter

The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS, included in these Ind AS financial statements, have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet, dated May 24, 2017 expressed an unmodified opinion.

For Ayyadevara & Co.,
Chartered Accountants
FRN No. 0002785

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803

Hyderabad. May 28, 2018

Annexure A to the Auditor's Report

Reg: Consolidated financial statements of Sri KPR Industries Limited as of and for the year ended March 31, 2018.

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **Sri KPR Industries Limited** ("the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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") issued by ICAI 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 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, 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, 2018, 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 ICAI.

For Ayyadevara & Co.,
Chartered Accountants
FRN No. 000278S

Ayyadevara Srinivas
Proprietor
ICAI Membership No. 028803

Hyderabad. May 28, 2018.

SRI KPR INDUSTRIES LIMITED
Consolidated Balance Sheet as at March 31, 2018

(Rupees)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
ASSETS				
1. Non - current assets				
a. Property, Plant and Equipment	2	91,69,42,289	66,26,50,982	570312760
b. Tangible Assets		-	-	-
c. Capital Work in Progress		12,36,161	12,36,161	1236161
d. Goodwill		-	-	-
e. Other Intangible assets		-	-	-
f. Intangible assets under development		-	-	-
g. Biological Assets other than bearer plants		-	-	-
h. Financial Assets		-	-	-
(i) Investments	3	29,69,700	29,69,700	2969700
(ii) Trade Receivables		-	-	-
(iii) Loans		-	-	-
(iv) Others		-	-	-
i. Deferred tax assets (net)		-	-	-
j. Other non-current assets	4	87,25,253	87,42,612	8742612
2. Current assets				
(a) Inventories	5	15,00,21,098	14,97,21,606	223040958
(b) Financial Assets				
(i) Investments	6	-	50,00,000	-
(ii) Trade Receivables	7	20,98,88,384	8,41,17,353	107341105
(iii) Cash and cash equivalents	8	9,03,281	17,39,010	717672
(iv) Bank balances other than (iii) above	9	2,98,23,219	12,59,76,180	6,69,86,687
(v) Loans		-	-	-
(vi) Others	10	22,34,26,423	15,39,15,316	9,11,14,761
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets		-	-	-
Total Assets		154,39,35,808	119,60,68,920	107,24,62,416

EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	11	20,14,56,950	20,14,56,950	20,14,56,950
(b) Other Equity	12	69,04,47,854	36,69,73,406	30,12,32,904
LIABILITIES				
1. Non -current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	19,54,00,618	13,65,03,978	12,96,38,960
(ii) Trade payables		-	-	-
(iii) Other financial liabilities (other than those specified in item (b).	14	3,01,76,303	3,01,76,303	3,01,76,303
(b) Provisions		-	-	-
(c) Deferred tax liabilities (Net)	15	10,94,60,034	10,23,79,976	9,55,69,531
(d) Other non-current liabilities		-	-	-
2. Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	7,20,45,539	12,00,31,309	13,33,99,189
(ii) Trade payables	17	17,85,22,527	16,99,75,525	12,40,34,455
(iii) Other financial liabilities (other than those specified in item (c)		-	-	-
(b) Other current liabilities	18	5,16,18,965	4,38,96,482	4,40,44,268
(c) Provisions	19	15,46,187	15,13,584	1,29,09,856
(d) Current Tax Liabilities (Net)		1,32,60,831	2,31,61,407	-
Total Equity and Liabilities		154,39,35,808	119,60,68,920	107,24,62,416
Significant Accounting Policies	1			

As per our report of even date
For Ayyadevara & Co.,
Chartered Accountants

A.Srinivas
Proprietor
ICAI Memb No: 028803
Hyderabad. May 28, 2018

For and on Behalf of the Board of Directors

Kishan Reddy Nalla Srinath Reddy Nalla
Managing Director Whole time Director
DIN:00038966 DIN:00052862

Company Secretary CFO

SRI KPR INDUSTRIES LIMITED
Consolidated Statement of Profit and Loss for the period ended March 31, 2018 Rupees

Particulars	Note No.	For the period ended March 31, 2018	For the period ended March 31, 2017
I Revenue from operations	20	58,41,05,460	90,78,81,608
II Other income	21	2,10,57,666	2,20,28,318
III Total Income (I+II)		60,51,63,126	92,99,09,926
IV EXPENSES			
Cost of Material Consumed	22	12,60,32,206	40,68,39,178
Changes in inventories of finished goods and work-in-progress	23	(2,142,353)	7,39,21,505
Manufacturing & Contract Expenses	24	24,41,16,002	19,05,09,164
Employee benefits expense	25	1,97,86,997	1,81,40,559
Finance costs	26	3,28,40,720	3,43,32,474
Depreciation and amortization expense	2	4,15,03,814	3,57,74,521
Other expenses	27	5,71,52,807	5,65,10,140
Total Expenses (IV)		51,92,90,193	81,60,27,541
V Profit/(loss) before exceptional items and tax (III - IV)		8,58,72,933	11,38,82,385
VI Exceptional items {(Short)/Excess provision of IT]		14,75,881	(1,325,382)
VII Profit/(loss) before tax (V - VI)		873,48,814	11,25,57,003
VIII Tax Expenses:			
1. Current Tax		(17,264,132)	(23,161,407)
2. Deferred Tax		(7,080,059)	(6,810,446)
IX Profit (Loss) for the period from continuing operations (VII-VIII)		63,00,46,23	8,25,85,150
X Profit/loss from discontinued operations			
XI Tax expense of discontinued operations			
XII Profit/(loss) from discontinued operations (after tax)(X-XI)			
XIII Profit /Loss for the period (IX + XII)		63,00,46,23	8,25,85,150

XIV Other Comprehensive Income			
A (i) items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
XV Total Comprehensive Income for the period (XIII + XIV) (Comprising profit/loss and other Comprehensive Income for the period)			
		6,30,04,623	8,25,85,150
XVI Earning per equity share (for continuing operation):			
(1) Basic		3.13	4.10
(2) Diluted		3.13	4.10
XVII Earning per equity share (for discontinued operation):			
(1) Basic			
(2) Diluted			
XVIII Earning per equity share (for discontinued & continuing operations)			
(1) Basic			
(2) Diluted			
Accompanying notes to the financial statements	1		

As per our report of even date
For Ayyadevara & Co.,
Chartered Accountants

A.Srinivas
Proprietor
ICAI Memb No: 028803
Hyderabad. May 28, 2018

For and on Behalf of the Board of Directors

Kishan Reddy Nalla Managing Director DIN:00038966	Srinath Reddy Nalla Whole time Director DIN:00052862
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Company Secretary	CFO
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SRI KPR INDUSTRIES LIMNITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2018

I	Equity Share Capital	Rupees
	Balance as on 01.04.2016	20,14,56,950
	Changes During the year	-
	Balance as on 31.03.2017	20,14,56,950
	Changes During the year	-
	Balance as on 31.03.2018	20,14,56,950

II	Other Equity	State Subsidy	General Reserve	Revaluation Reserve	Rupees Retained Earnings
1	Balance as on 01.04.2016	47,02,036	1,80,84,951		27,84,45,917
	Add : Adjustment for Dividend				35,00,000
	Add: Profit for the year				8,25,85,150
	Less: Dividend for the year paid				(17,601,987)
	Less : Dividend Distribution Tax Paid				(2,742,661)
2	Balance as on 01.04.2017	47,02,036	18,084,951		34,41,86,419
	Adjustment for Interim Dividend				1,05,00,000
	Add: Profit for the year			28,48,30,966	6,30,04,623
	Add: Capital Surplus on Revaluation of Land				
	Less : Dividend for the year paid				(30,645,695)
	Less : Dividend Distribution Tax Paid				(4,215,446)
3	Balance as on 31.03.2018	47,02,036	1,80,84,951	28,48,30,966	38,28,29,901

SRI KPR INDUSTRIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Rupees in lakhs	
	Current Year 31.03.2018	Previous Year 31.03.2017
A. Cash Flow from Operating Activities		
Profit before Depreciation, Interest and Tax	1616.93	1875.04
Less : Other Income considered separately	(210.58)	(220.28)
Net	1406.35	1654.76
(Increase) / Decrease in Inventories	(2.99)	733.21
(Increase) / Decrease in Receivables	(1257.71)	232.24
Increase / (Decrease) in Current Liabilities	(316.84)	212.08
Increase / (Decrease) in Current Investments	50.00	(50.00)
Increase / (Decrease) in Other Current assets	(695.11)	(628.01)
Excess Provision written back	(14.76)	
Income Tax Paid (including Dividend distribution tax paid)	(233.66)	
Total A	(1064.72)	2154.28
B. Cash Flow from Investing Activities		
(Increase)/Decrease in Fixed Assets	(94.88)	(1281.13)
(Increase)/Decrease in Non Current Investments	(0.17)	
Other Income	210.58	220.28
Total B	115.53	(1060.85)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Long Term Advances		
Interest Paid	(328.41)	(343.32)
Dividend paid	(306.46)	(306.45)
Total C	(45.90)	(468.12)
D. Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	(995.09)	625.31
Cash and cash equivalents at the beginning of the year	1302.35	677.04
Cash and cash equivalents at the end of the Period	307.26	1302.35
Increase/(-)Decrease	(995.09)	625.31

As per our report of even date
For Ayyadevara & Co.,
Chartered Accountants

For and on Behalf of the Board of Directors

A.Srinivas
Proprietor
ICAI Memb No: 028803
Hyderabad, May 28, 2018

Kishan Reddy Nalla Srinath Reddy Nalla
Managing Director Whole time Director
DIN:00038966 DIN:00052862

Company Secretary CFO

Sri KPR Industries Limited

Year ended March 31, 2018.

Notes forming part of 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 Indian Accounting Standard 110, Ind AS – 110 “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.
- iii. Minority Interest: As the subsidiary is wholly owned, no minority arises.

B. GENERAL CORPORATE INFORMATION.

The holding company is engaged in the business of manufacture of A C Pressure Pipes and Couplings. The wholly owned subsidiary which is engaged in the business of civil contracts. Both the companies generate Wind Power through the Wind Power Units respectively owned by them.

C. FIRST TIME ADOPTION OF Ind AS

The group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the ‘first Ind AS financial statements’ for the year ended March 31, 2018 be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the group has availed of certain exemptions and exceptions (as applicable to the company) in accordance with Ind AS 101, to the extent that the group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

D. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015. Up to the financial year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Section 133 of the Companies Act, 2013. These are the Companies’ first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

E. 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.

F. 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 received.
- 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 Indian Accounting Standard 115. (Ind AS 115) Revenue from Contracts with Customers 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.

G. PROPERTY, PLANT & EQUIPMENT AND DEPRECIATION:

- i. Property, Plant & Equipment 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.

H. REVALUATION OF LAND

During the year the holding company has carried out revaluation of land owned by it. The difference between the cost of the land (hitherto reported) and the Fair Market Value determined in revaluation is classified as "Revaluation Reserve" and reported under the head "Other Equity" / Reserves & Surplus. Freehold Land being a non-depreciable asset no transfers are effected to statement of Profit and Loss from the revaluation reserve.

I. 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 or fair value.

J. 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.

K. 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.

L. BORROWING COSTS:

Costs in respect of borrowings for acquiring / constructing fixed investments, relating to the period they are operational, are capitalized to such investments. Borrowing costs relating to period after the commencement of operations of the project are charged to revenue.

M. CURRENT TAX AND DEFERRED TAX:

Accounting treatment in respect of current tax and deferred taxation is in accordance with Indian Accounting Standard 12: "Income Taxes".

2. SEGMENT PARTICULARS

Particulars	Civil Contracts for Government		Wind Power	
Nature of the Segment	Rupees in Lacs		Rupees in Lacs	
	Current Year	Previous Year	Current Year	Previous Year
Revenues	3483.75	7417.03	1013.59	861.88
Identifiable Operating Expenses	3021.73	6627.06	649.04	502.65
Allocated Expenses	--	--	--	--
Unallocable Expenses	--	--	--	--
Segment Operating Income	462.02	797.97	364.55	359.33
Segment Assets	4087.02	3586.19	5820.05	6335.40
Segment Liabilities	3199.76	3562.78	1111.79	1284.65

3. 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	Nil
In Indian Rupees	Nil	Nil

4. Additional Information pursuant to Schedule III of Companies Act, 2013

S.No.	Particulars	Particulars
1.	Name of the entity in the group	Sri KPR Infra & Projects Limited
2.	Nature of Subsidiary	Indian Subsidiary
3.	Net Assets i.e. total assets minus total liabilities	
	a. As % of Consolidated net assets	31.00%
	b. Amount – Rs In lakhs	2764.86
4.	Share in profit or loss	
	a. As % of consolidated profit or loss	70%
	b. Amount – Rs. in Lakhs	444.18
5.	Share in other comprehensive income	
	a. As % of consolidated other comprehensive income	Nil
	b. Amount	Nil
6.	Share in total comprehensive income	
	a. As % of consolidated total comprehensive income	Nil
	b. Amount	Nil
7.	Foreign Subsidiaries	Nil
8.	Associates	Nil
9.	Joint Ventures	Nil

5. The above notes are the disclosures relevant to consolidated financial statements only. The completed disclosures, as required are made in the standalone and the financial statements of the holding and subsidiary companies respectively. Material items however are disclosed as part of notes to consolidated financial statements.

6. Previous year's figures are regrouped and reclassified wherever considered necessary.

Note: 2

Particulars	Land	Furniture & Fixtures	Office equipment	Vehicles	Factory Building	Non - Factory building	Plant & Machinery	Diesel Generator	Misc. Fixed assets	Pollution Control Equipment	Testing Equipment	Computers	Wind Mill	Wind Mill Land Lease	Total
Year ended 31 March 2017															
Gross carrying amount															
Deemed cost as at 1 April 2016	8,214,743	1,372,576	2,640,443	7,717,725	46,461,669	2,402,597	63,121,395	2,063,318	6,765,028	6,086,237	95,772	299,790	627,266,026	3,588,498	771,112,282
Additions		48,400	15,360	1,984,767								13,000	127,000,000		179,067,282
Disposals				(2,895,051)											(2,895,051)
Closing gross carrying amount 31.03.2017	82,24,748	14,20,576	26,55,533	68,17,434	4,54,63,169	24,02,597	63,122,395	20,63,318	67,65,028	60,86,237	95,772	3,12,790	74,92,66,026	35,88,498	89,72,78,472
Accumulated depreciation															
As on April 01, 2016		1,369,264	1,701,261	5,010,507	20,941,952	793,683	43,133,587	1,855,206	4,395,495	6,065,186	92,155	251,693	115,339,363	196,520	20,07,96,522
Depreciation charge during the year			297,845	726,279	1,886,264	793,683	3,592,707	334,055	387,876			837	27,789,315	196,620	3,57,78,520
Disposals				(1,546,554)											(1,546,554)
Closing accumulated depreciation 31.03.2017		1,369,264	1,999,236	3,790,042	22,828,046	1,587,366	46,726,294	1,899,261	4,442,571	6,065,186	92,155	251,530	143,128,678	393,140	23,94,27,489
Net carrying amount 31.03.2017	82,24,748	51,712	6,56,297	30,26,702	2,26,33,123	8,15,231	1,39,66,101	1,04,057	23,22,457	15,802	3,617	60,260	60,45,46,348	31,95,238	66,26,50,982
Year ended 31 March 2018															
Gross carrying amount															
As on April 01, 2017	82,24,748	14,20,576	26,55,533	68,17,434	4,54,63,169	24,02,597	63,122,395	20,63,318	67,65,028	60,86,237	95,772	3,12,790	74,92,66,026	35,88,498	89,72,78,472
Additions	286,335,777	74,480	62,710	9,375,995				24,152							29,17,95,118
Disposals															
Closing gross carrying amount 31.03.2018	29,45,31,525	14,95,056	27,18,243	1,61,44,423	4,54,63,169	24,02,597	63,122,395	20,67,470	67,65,028	60,86,237	95,772	3,12,790	74,92,66,026	35,88,498	119,30,73,595
Accumulated depreciation															
As on April 01, 2017		1,369,264	1,999,236	3,790,042	22,828,046	1,587,366	46,726,294	1,899,261	4,442,571	6,065,186	92,155	251,530	143,128,678	393,140	23,94,27,489
Depreciation charge during the year		4,618	302,390	1,462,627	1,886,264	793,683	3,592,707	2,868	387,886			4,125	31,882,792	196,620	4,15,69,812
Disposals															
Closing accumulated depreciation 31.03.2018		1,373,882	2,301,626	5,252,669	24,716,340	2,381,049	50,319,001	1,902,129	4,829,657	6,065,186	92,155	256,646	175,088,470	592,860	27,61,31,300
Net carrying amount 31.03.2018	29,45,31,525	1,21,574	4,16,617	1,06,18,754	2,07,47,829	21,548	1,18,89,394	1,25,341	19,82,371	15,802	3,617	56,144	57,42,77,556	26,95,638	91,69,42,295

SRI KPR INDUSTRIES LIMITED
Notes forming part of the Consolidated Financial Statements

Rupees

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Note 3: Investments			
Equity Shares in Balaji Amines Ltd	2,944,000	2,944,000	2,944,000
(Including bonus shares (Quoted value as on 31.03.2018 Rs.25.42/-	-	-	-
In Subsidiaries	-	-	-
Sri KPR Infra & Projects Ltd	-	-	-
Indira Vikas Patra (To be encashed)	200	200	200
National Savings Certificate(To be encashed)	25,500	25,500	25,500
Total	2,969,700	2,969,700	2,969,700
Note : Loans			
Loan to related party (Subsidiary)	-	-	-
Total	-	-	-
Note 4: Others non Current Assets			
Deposits	8,725,253	8,742,612	8,742,612
Others	-	-	-
Total	8,725,253	8,742,612	8,742,612
Note 5 : Inventories [As verified, valued and certified by the Management]			
Raw Material	2,514,150	4,357,011	3,754,856
Work-in-Process	10,753,682	16,916,737	7,737,281
Finished Goods	59,633,352	46,839,393	62,438,772
Traded Shares	589,230	589,230	589,230
Contract work in progress	76,530,684	81,019,235	148,520,819
Total	150,021,098	149,721,606	223,040,958
Note 6: Investments			
Mutual Fund Investments	-	5,000,000	-
Total	-	5,000,000	-
Note 7: Trade Receivables (Unsecured and considered good)			
Secured considered good	209,888,384	84,117,353	107,341,105
Total	209,888,384	84,117,353	107,341,105
Note 8: Cash and cash equivalents			
Cash in hand	903,281	1,739,010	717,672
Total	903,281	1,739,010	717,672
Note 9: Bank balances other than above balances with scheduled banks			
In current accounts	6,520,852	6,016,423	213,133
In margin money on term loan (TMD)	-	20,000,000	-
Short term deposit with SBI	23,302,367	99,959,757	66,773,554
Total	29,823,219	125,976,180	66,986,687
Note 10 : Others			
GST credit	15,877,010	124,008	183,583
Income Tax Paid including TDS	7,363,891	21,365,166	7,516,232
FSD	110,683,953	122,511,786	73,248,964
Investment in chits	700,000	-	-
Advance for capital goods	78,400,000	-	-
Others	10,401,569	9,914,356	10,165,982
Total	223,426,423	153,915,316	91,114,761

Note 11 : Equity 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	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	201,456,950	201,456,950
c. Par value of shares	10/-	10/-	10/-
d. Number of shares outstanding at begining of the year	20,145,695	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	20,145,695
f. Particulars of each shareholder holding more than 5% of share capital			
Sl. No. Name of the Shareholder	No. of shares %	No. of shares %	No. of shares %
1. N.kishan Reddy	1947089 9.67	1947089 9.67	1947089 9.67
2. N.Vineel Reddy	1895354 9.41	1895354 9.41	1895354 9.41
3. N. Vijaya	1733085 8.60	1733085 8.60	1733085 8.60
4. N. Vineeta	1699062 8.43	1699062 8.43	1699062 8.43
5. G. Raja Reddy	1483802 7.37	1483802 7.37	1483802 7.37
6. NBOS Technologies Private Limited	1105600 5.49	1105600 5.49	1105600 5.49
h. The company has only one class of shares i.e. Equity Shares.			
Note 12 : Other Equity - Reserves & Surplus			
State Subsidy	4,702,036	4,702,036	4,702,036
General Reserve	18,084,951	18,084,951	18,084,951
Revaluation Reserve	284,830,966	-	-
Retained Earnings	382,829,901	344,186,419	278,445,917
Total	690,447,854	366,973,406	301,232,904
Note 13 : Borrowings			
Secured			
Term Loans			
State Bank of India, SME branch, Saifabad	47,082,777	51,182,905	13,840,920
(The above term loan is issued by first charge in wind mill at Ananapur, Andhra Pradesh, (Previous year SBI Commercial Branch Koti, secured by wind mill at Gandikota, Kdapa, Andhra Pradesh) and secured by second charge on earlier assets acquired out of bank finance. Collateral of personnel property both immovable and movable (shares held in listed company) of N.Kishan Reddy Director of the company. The following is guaranteed by Directors of the company Sri.N.Kishan Reddy, Sri.N.Srinath Reddy, Sri.Indrasena Reddy, Sri.G.Raja Reddy, Sri.N.K.Sudarshan Reddy, Sri.N.vinil Reddy, Smt.N.Vinitha, Smt.G.Sunitha and Smt.Rachana Reddy in addition thereto personnel guarantees of Sri.A.Narasimha Reddy and Sri.A.Bhoopal Reddy. The total amount guaranteed as above is term loan - Rs.6.35 crores payable in 28 quarterly instalments)			
Indian Renewable Energy Development Agency Limited	39,795,979	53,089,325	65,356,000
(Secured by first charge on wind electric generator at Madhya Pradesh and further guaranteed by the Directors of the company Sri.A.Bhoopal Reddy, Sri.A.Narasimha Reddy, Sri.N.K.Sudershan Reddy, Sri.N.Kishan Reddy and Sri.N.Raja Reddy. The extent of guarantee provided by all Directors is Rs.10.38 crores. the term loan is payable in 40 quarterly instalments)			

SRI KPR INDUSTRIES LIMITED

(iii) Bajaj Finance	80,000,000		
(ii) SBI car loan	680,629		
(iii) Kotak Mahindra car loan	6,266,801		
(iv) Axis Bank Car loan	-	-	11,710
Unsecured			
Others	1,000,000	9,003,950	22,203,951
From Directors			
Deferred Sales Tax	20,574,432	23,227,798	28,226,379
Total	195,400,618	136,503,978	129,638,960
NOTE 14 : Other finance obligations			
Performance Retention Monies	30,176,303	30,176,303	30,176,303
Total	30,176,303	30,176,303	30,176,303
NOTE 15 : Deferred Tax Liability			
Beginning of the year	102,379,976	95,569,531	98,022,477
Add : Deferred tax liability/asset arising on account of fiscal allowance on fixed assets	7,080,059	6,810,446	(2,452,946)
		-	
Net Deferred Tax Liability	109,460,034	102,379,976	95,569,531
Note 16 : Borrowings			
Cash credit facility - State Bank of India, Commercial Branch, K	72,045,539	120,031,309	133,399,189
Total	72,045,539	120,031,309	133,399,189
Note 17 : Trade payables			
Sundry Creditors	-	315,604	767,866
Dues to Small Scale Industries	-	2,296,148	2,440,192
Raw materials	2,451,867	2,645,342	3,376,085
Expenses	1,002,945	5,667,133	4,165,586
Suppliers	23,549,005	70,180,391	57,441,976
Contracts	145,026,781	83,992,347	47,590,480
Others	6,491,929	4,878,560	8,252,270
Total	178,522,527	169,975,525	124,034,455
Note 18 : Other Current liabilities			
Installment for secured term Loans due within one year	24,300,338	24,300,338	34,172,068
Others	27,318,627	8,296,144	9,872,200
Others	-	11,300,000	-
Total	51,618,965	43,896,482	44,044,268
Note 19 : Provisions			
Income Tax	1,340,955	1,340,957	12,820,613
Others	205,231	172,627	89,243
Total	1,546,186	1,513,584	12,909,856

SRI KPR INDUSTRIES LIMITED

Notes forming part of the Financial Statements

(Rupees)

Particulars	For the Period ended March 31, 2018	For the Period ended March 31, 2017
Note 20 : Revenue From Operations		
Sale of Asbestos Cement Pressure Pipes	12,43,29,321	9,21,34,536
Less : Excise duty	1,79,59,923	81,61,456
	10,63,69,398	8,39,73,080
Sale of traded goods	5,76,401	17,35,882
Gross Contract Receipts	37,58,00,591	73,59,84,905
Sale of Wind Electric Power	10,13,59,070	8,61,87,741
Total	58,41,05,460	90,78,81,608
Note 21 : Other Income		
Interest income	15,91,078	43,23,906
Dividend Income	3,12,319	2,88,926
Profit on sale of vehicles	-	2,31,410
Profit on sale of mutual funds	19,68,930	83,39,233
Proceeds of Insurance Maturity	71,92,965	-
Incentive from IREDA	53,89,342	7,98,345
Discount Received	3,90,242	3,43,248
Company supervision charges	40,37,790	77,03,250
Chit dividend	1,75,000	-
Total	2,10,57,666	2,20,28,318
Note 22 : Cost of material consumed		
Opening Stock	43,57,011	38,03,19,618
Add: Purchases	12,41,89,345	3,08,76,571
	12,85,46,356	41,11,96,189
Less : Closing stock	25,14,150	43,57,011
Total	12,60,32,206	40,68,39,178
Note 23: Changes in Inventories of Finished Goods & Work in Process		
(a) Opening Stock		
Finished Goods	4,68,39,393	4,68,39,395
Work-in -process	9,79,35,972	9,79,35,972
Sub- Total (a)	14,47,75,365	14,47,75,367
(b) Closing Stock		
Finished Goods	5,96,33,352	6,24,38,772
Work-in -process	8,72,84,366	15,62,58,100
Sub- Total (b)	14,69,17,718	21,86,96,872
Difference of (a) and (b) Increase (-) / Decrease(+)	(2,142,353)	(73,921,505)

Note 24: Manufacturing and civil work expense Expenses		
Repairs & Maintenance - Plant & Machinery	391,900	10,550
Building & Others	1,433,584	1,526,116
Power & Fuel	6,943,863	5,495,472
Stores & Spares Consumed	2,181,995	766,764
Loading & Unloading Expenses	7,256,103	1,836,603
Other Expenses	565,107	112,414
Direct Civil Work Expenses	224,434,840	179,122,317
Duties and Taxes	728,090	1,500,000
Insurance premium on contracts	180,520	138,928
Total	24,41,16,002	19,05,09,164
Note 25 : Employee benefits		
Salaries, Wages and other allowances	1,28,28,617	1,08,75,758
Contribution to Provident Fund	12,24,768	11,63,510
Contribution to ESI	4,63,451	4,67,715
Staff Welfare Expenses	4,14,261	36,02,726
Conveyance	21,39,526	-
Security Services	4,87,014	5,19,349
Gratuity	22,06,860	14,89,001
Professional Tax	22,500	22,500
Total	1,97,86,997	1,81,40,559
Note 26 : Finance Cost		
Interest on Term Loan	1,48,82,202	3,09,02,367
Interest on Cash Credit	88,54,396	-
Interest on Unsecured Loans & Others	20,00,291	-
Bank Charges	71,03,831	34,30,107
Total	3,28,40,720	3,43,32,474
Note 27: Other Expenses		
Rent	4,00,500	3,60,000
Insurance	33,98,716	34,02,440
Trading Items	45,17,106	37,59,313
Auditors Remuneration	8,50,000	11,50,000
VAT/CST	7,37,392	23,43,250
Directors Remuneration	1,69,00,000	1,47,00,000
Windmill Expenses	1,22,08,314	-
Other Expenses	1,81,40,779	3,07,95,137
Total	5,71,52,807	5,65,10,140

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 Saturday, the 29th day of September, 2018 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:

Rsl. No.	RESOLUTION	VOTE (Pls mention no of shares)		
ORDINARY BUSINESS		FOR	AGAINST	ABSTAIN
1.	Adoption of Standalone & Consolidated Financial Statements.			
2.	Declaration of Dividend.			
3.	Re-appointment of Shri. Srinath Reddy Nallaas Director liable to retire by rotation.			
4.	Re-appointment of Shri. Kishan Reddy Nallaas Director liable to retire by rotation.			
5.	Ratification of Appointment of Statutory Auditors			
SPECIAL BUSINESS				
5.	Re-appointment of Shri. Bhoopal Reddy Aletias Whole-time Director including remuneration thereon.			

Signed this _____ day of _____, 2018.

Signature of the member

Signature of Proxy holder(s)

Affix
Revenue
Stamp

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, 2018 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

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E-mail: bwpl9@yahoo.com

ATTENDANCE SLIP

(To be presented at the entrance)

Name	
Address	
DP Id ^a	
Client Id ^a	
Folio No.	
No. of shares held	

^aApplicable 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 30th Annual General Meeting of the Company to be held at Nagarjuna Function Hall, Nagarjuna Nagar, Yellareddyguda, (Behind Chermas Showroom), Ameerpet, Hyderabad - 500073 on Saturday, the 29th day of September, 2018 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.

PRINTED MATTER
BOOK-POST

If undelivered please return to :
SRI KPR INDUSTRIES LIMITED
5th Floor, KPR House,
S.P. Road, Secunderabad- 500 003.
Telangana, INDIA.