

**3<sup>RD</sup> ANNUAL REPORT 2013-14**  
**OF**  
**KNRC HOLDINGS AND INVESTMENTS**  
**PRIVATE LIMITED**

**BOARD OF DIRECTORS**

Shri K Narasimha Reddy

Shri K. Jalandhar Reddy

**AUDITORS**

**M/s. Sukumar Babu & Co.,**  
Chartered Accountants,  
Flat. No: 513, Aditya Enclave, Annapurna Block,  
Ameerpet, Hyderabad.

**REGISTERED OFFICE**

KNR House, 4<sup>th</sup> Floor,  
Plot No. 114, Phase – I, Kavuri Hills  
Hyderabad – 500033  
Andhra Pradesh, India

## NOTICE

Notice is hereby given that the **3<sup>RD</sup> Annual General Meeting** of the members of **KNRC Holdings and Investments Private Limited** will be held at its registered office at KNR House, 4<sup>th</sup> Floor, Phase – I, Kavuri Hills, Hyderabad 500033 on Friday, the 27<sup>th</sup> day of September 2013 at 11.00 A.M to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014, together with the Reports of the Directors and the Auditors thereon.
2. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Sukumar Babu & Co., Chartered Accountants (Registration No. 004188S) be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company.

BY ORDER OF THE BOARD

For KNRC Holdings & Investments Private Limited

Sd/-

Director

Place: Hyderabad

Date: 25.08.2014

## **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Members/proxies are requested to bring the attendance slips duly filled in for attending the meeting and to bring their copies of the Annual Report to the meeting as copies will not be distributed at the meeting.
3. Members desiring to seek any information on the annual accounts are requested to write to the company at an early date to enable compilation of information.

## **BY ORDER OF THE BOARD**

For KNRC Holdings & Investments Private Limited

Sd/-  
Director

Place: Hyderabad  
Date: 25.08.2014

## **DIRECTOR'S REPORT**

**To  
The Members,**

Your Directors take pleasure in presenting the **3<sup>rd</sup> Annual Report** together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2014.

### **FIXED DEPOSITS**

The company has neither accepted nor renewed any deposits falling within the purview of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 from the public during the year under review.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state that

- i) in the preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanations relating to material departure;
- ii) we 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, 2013 and profit for the year ended on that date;
- iii) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- iv) the accounts for the year ended March 31, 2013 have been prepared on a going concern basis.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as required under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are as follows

**a) Conservation of Energy: Not Applicable**

**b) Technology absorption, Adoption and Innovation: Not Applicable**

No technology absorption is involved and there is no import of technology.

**c) Foreign Exchange earnings and outgo - Nil**

**PARTICULARS OF EMPLOYEES:**

There are no employees to whom the provisions of section 217 (2A) of the Companies Act, 1956 will apply.

**AUDITORS:**

The Statutory Auditors of the Company viz., M/s. Sukumar Babu & Co., Chartered Accountants retire at the conclusion of the next Annual General Meeting and being eligible have offered themselves for reappointment to hold office from the conclusion of the this Annual General Meeting till the conclusion of the next Annual General Meeting.

**ACKNOWLEDGEMENTS:**

Your Directors like to place on record their appreciation to the Company's Members for the support and co-operation extended to the Company.

For and on behalf of the Board

Sd/-  
Director

Sd/-  
Director

Place: Hyderabad

Date: 25.08.2014

## **Sukumar Babu & Co**

Chartered Accountants,

Flat. No: 513, Aditya Enclave, Annapurna Block, Ameerpet, Hyderabad-500016

### ***Independent Auditor's Report***

To the Members of

**KNRC Holdings & Investments Pvt. Ltd.,**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **KNRC Holdings & Investments Pvt. Ltd.**, ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, is not applicable to the company.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for **SUKUMAR BABU & CO.,**  
Chartered Accountants  
Firm Regn. No: 004188S

Sd/-  
**C. SUKUMAR BABU**  
Partner  
Membership No: 024293

Place: Hyderabad  
Date: 15-05-2014

# KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

## BALANCE SHEET AS AT 31st March 2014

(Amount in Rs.)

PARTICULARS	NOTE No.	As At 31-03-2014	As At 31-03-2013
<b>I EQUITY AND LIABILITIES</b>			
<b>1) SHAREHOLDERS' FUNDS</b>			
a) Share Capital	3	100,000	100,000
b) Reserves and Surplus	4	(322,314)	(297,814)
<b>2) SHARE APPLICATION MONEY     PENDING ALLOTMENT</b>		-	-
<b>3) NON - CURRENT LIABILITIES</b>			
Long Term Liabilities	5	22,367,039	22,198,439
<b>4) CURRENT LIABILITIES</b>			
Other Current Liabilities	6	10,000	10,000
<b>TOTAL</b>		<b>22,154,725</b>	<b>22,010,625</b>
<b>II ASSETS</b>			
<b>1) NON-CURRENT ASSETS</b>			
a) Fixed Assets	7		
Tangible Assets		15,195,013	15,195,013
b) Non-current Investments	8	774,940	774,940
c) Long-Term Loans and Advance	9	6,084,772	5,940,672
		22,054,725	21,910,625
<b>2) CURRENT ASSETS</b>			
a) Cash and Cash Equivalents	10	100,000	100,000
c) Other Current Assets	11	-	100,000
		100,000	100,000
<b>TOTAL</b>		<b>22,154,725</b>	<b>22,010,625</b>
Significant Accounting Policies	1 & 2		
Notes referred to above form an intergral part of the accounts			

As per our report of even date attached

**For Sukumar Babu & Co.**

Chartered Accountants

(Firm Regn. No. 004188S)

**For and on behalf of the Board of Directors**

**C.Sukumar Babu**

Partner

Membership No: 024293

Place : Hyderabad

Date : 15-05-2014

**K. Narasimha Reddy**

Director

**K. Jalandhar Reddy**

Director



# KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

(Amount in Rs.)

PARTICULARS	NOTE No.	For The Year ended 31-03-14	For The Year ended 31-03-13
<b>I Income</b>			
Revenue from operations		-	-
Other income		-	-
<b>Total Revenue</b>		-	-
<b>II Expenses:</b>			
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	12	24,500	297,814
<b>Total expenses</b>		<b>24,500</b>	<b>297,814</b>
<b>Profit before tax (I- II)</b>		<b>(24,500)</b>	<b>(297,814)</b>
Tax expense:			
1) Current tax		-	-
2) Deferred tax		-	-
<b>Profit (Loss) for the period</b>		<b>(24,500)</b>	<b>(297,814)</b>
Earnings per equity share:			
1) Basic		(2.45)	(2.98)
2) Diluted		(2.45)	(2.98)
Significant Accounting Policies	1&2		
Notes referred to above form an intergral part of the accounts			
As per our report of even date attached			
<b>For Sukumar Babu &amp; Co.,</b>			
Chartered Accountants			
(Firm Regn. No. 004188S)			
<b>For and on behalf of the Board</b>			
<b>C.Sukumar Babu</b>	<b>K.Narasimha Reddy</b>	<b>K. Jalandhar Reddy</b>	
Partner	Director	Director	
Membership No: 024293			
Place : Hyderabad			
Date : 15-05-2014			

# KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

(Amount in Rs.)		
PARTICULARS	For the Year ended 31-03-2014	For the Year ended 31-03-2013
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(loss) before Tax	(24,500)	(297,814)
<b>Adjustments for</b>		
Depreciation	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	(24,500)	(297,814)
(Increase)/Decrease in Trade and Other Receivables	-	-
Increase/(Decrease) in Trade Payables and Other Liabilities	-	-
<b>CASH GENERATED FROM OPERATIONS</b>	(24,500)	(297,814)
Taxes paid	-	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(24,500)</b>	<b>(297,814)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(15,195,013)
Purchase long-term investments - Subsidiaries	-	(674,940)
Loans/Advances given to subsidiaries	(144,100)	(5,659,960)
(Increase)/Decrease in Other Receivables	-	272,314
Increase/(Decrease) in Other Payable & Liabilities	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(144,100)</b>	<b>(21,257,599)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Equity Capital subscribed	-	-
Un-secured loans or Advances received / (Repaid)	168,600	21,655,413
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>168,600</b>	<b>21,655,413</b>
	-	100,000
Cash and Cash Equivalents as at the beginning of the year	100,000	-
Cash and Cash Equivalents as at the end of the year (refer note 10)	100,000	100,000

### Notes:

- 1 The Cash flow statement is prepared in accordance with the Indirect Method stated in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.
- 2 Previous year's figures have been regrouped, wherever necessary.
- 3 Figures in brackets represent cash outflows.

The Schedules referred above form an integral part of the Balance Sheet.

**For Sukumar Babu & Co.,**

Chartered Accountants  
(Firm Regn. No. 004188S)

**For and on behalf of the Board**

**C.Sukumar Babu**

Partner

Membership No: 024293

**K. Narasimha Reddy**

Director

**K. Jalandhar Reddy**

Director

Place: Hyderabad

Date : 15-05-2014

# KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

### 3 SHARE CAPITAL

(Amount in Rs.)

Particulars	As at 'March 31, 2014	As at 'March 31, 2013
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorised Share capital</b>		
2,000,000 Equity Shares of Rs. 10/- each	20,000,000	20,000,000
<b>Issued, subscribed &amp; fully paid share capital</b>		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
(Wholly Owned Subsidiary of KNR Constructions Ltd)		
	<b>100,000</b>	<b>100,000</b>

3.1 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- . Each holder of equity shares is entitled to one vote per share.

3.2 The details of shareholder holding more than 5% shares as at March 31, 2014 and March 31, 2013 is set out below:

Name of the shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% held	No. of Shares	% held
KNR Constructions Ltd.,	10000	100%	10000	100%

3.3 The reconciliation of the number of shares outstanding at the beginning and at the end of the year is set out below:

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Number of Equity Shares at the beginning	10000	100,000	10000	100,000
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end of the year	<b>10000</b>	<b>100,000</b>	<b>10000</b>	<b>100,000</b>

### 4 RESERVES AND SURPLUS

(Amount in Rs.)

Particulars	As at 'March 31, 2014	As at 'March 31, 2013
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening balance	(297,814)	-
Add: Profit/(Loss) for the year	(24,500)	(297,814)
	<b>(322,314)</b>	<b>(297,814)</b>

# KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

### 5 LONG TERM BORROWINGS

(Amount in Rs.)		
Particulars	As at 'March 31, 2014	As at 'March 31, 2013
<b>UNSECURED LOANS</b>		
<b>LOANS AND ADVANCE FROM RELATED PARTIES</b>		
(refer note 15)		
KNR Constructions Ltd.,	21,867,039	21,698,439
KNR Energy Ltd.,	500,000	500,000
	<b>22,367,039</b>	<b>22,198,439</b>

### 6 OTHER CURRENT LIABILITIES

(Amount in Rs.)		
Particulars	As at 'March 31, 2014	As at 'March 31, 2013
Audit Fee Payable	10,000	10,000
	<b>10,000</b>	<b>10,000</b>

# KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

### 8 NON- CURRENT INVESTMENTS

(Amount in Rs.)		
Particulars	As at 'March 31, 2014	As at 'March 31, 2013
<b>TRADE INVESTMENTS (Un-quoted) (At Cost)</b>		
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>		
Wholly Owned Subsidiary - 100%		
Related parties		
KNR Muzaffarpur Holdings Pvt. Ltd., (10000 Equity Shares of Rs.10/- each)	100,000	100,000
Roche Polymers & Additives Pvt. Ltd., (10000 Equity Shares of Rs.10/- each)	100,000	100,000
Gradient Estates Pvt. Ltd., (10000 Equity Shares of Rs.10/- each)	100,000	100,000
Gradient Realty Ventures Pvt. Ltd., (10000 Equity Shares of Rs.10/- each)	100,000	100,000
Asara Construction & Projects Pvt. Ltd., (10000 Equity Shares of Rs.10/- each)	100,000	100,000
Mesmeric Software Solutions Pvt. Ltd., (10000 Equity Shares of Rs.10/- each)	100,000	100,000
Nag Talent Ventures and Infotech Pvt. Ltd., (10000 Equity Shares of Rs.17.49/- each)	174,940	174,940
	<b>774,940</b>	<b>774,940</b>

### 9 LONG TERM LOANS & ADVANCES

(Amount in Rs.)		
Particulars	As at 'March 31, 2014	As at 'March 31, 2013
<b>UNSECURED, CONSIDERED GOOD</b>		
Loans and Advances to related parties (refer note 15) (Wholly Owned Subsidiary)		
KNR Muzaffarpur Holding Pvt. Ltd.,	494,712	480,712
Mesmeric Software Solutions Pvt. Ltd.,	2,156,600	2,125,500
Nag Talent Ventures and Infotech Pvt. Ltd.,	3,359,100	3,325,200
Asara Construction & Projects Pvt Ltd.,	18,415	2,315
Gradient Estates Pvt Ltd.,	18,415	2,315
Gradient Realty Ventures Pvt Ltd.,	18,415	2,315
Roche Polymers & Additives Pvt Ltd.	19,115	2,315
	<b>6,084,772</b>	<b>5,940,672</b>

# KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

### 10 CASH AND CASH EQUIVALENTS

(Amount in Rs.)		
Particulars	As at 'March 31, 2014	As at 'March 31, 2013
Balance with Banks		
In Current accounts	100,000	100,000
	<b>100,000</b>	<b>100,000</b>

### 11 OTHER CURRENT ASSETS

(Amount in Rs.)		
Particulars	As at 'March 31, 2014	As at 'March 31, 2013
Miscellaneous Expenditure (Asset)		
(To the extent not written off or adjusted)		
Preliminary Expenses	-	260,080
Pre- Operative Expenses	-	12,234
Less: Written off during the period / year	-	272,314
	<b>-</b>	<b>-</b>

# KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

## 7 FIXED ASSETS

(Amount in Rs.)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2013	Additions	Deductions/A djustment	As at March 31, 2014	As at April 1, 2013	For the Period	Deductions/ Adjustment	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>I Tangible Assets</b>										
Land	15,195,013	-	-	15,195,013	-	-	-	-	15,195,013	15,195,013
<b>TOTAL</b>	<b>15,195,013</b>	<b>-</b>	<b>-</b>	<b>15,195,013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,195,013</b>	<b>15,195,013</b>
As at 31st March, 2013	-	15,195,013	-	15,195,013	-	-	-	-	15,195,013	-

# KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 12 OTHER EXPENSES

(Amount in Rs.)		
PARTICULARS	As At 31-03-2014	As At 31-03-2013
<b>Administration And Other Expenses</b>		
Audit Fees	10,000	10,000
Filing Charges	4,500	8,000
Preliminary & Pre-operative Exp. Written off	-	272,314
Professional Fee	10,000	7,500
<b>TOTAL</b>	<b>24,500</b>	<b>297,814</b>



**KNRC HOLDINGS & INVESTMENTS PVT LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

**1 Basis of Accounting and preparation of financial statements:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year unless otherwise stated separately herein below.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Fixed Assets and Depreciation:**

Fixed Assets are stated at cost of acquisition, or construction including any attributable cost of bringing the assets to its working condition for its intended use less accumulated depreciation. Depreciation is provided on Written Down Value (WDV) method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

**2.2 Impairment of Assets:**

The carrying amount of assets other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount.

**2.3 Investments**

Investments are classified as long term investment and current investments. Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

**KNRC HOLDINGS & INVESTMENTS PVT LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

**13.** Segmental Reporting – Not Applicable

**14.** Auditor's remuneration charged to the accounts:

Particulars	2013-14 (Amt. in Rs.)
Audit fees	10,000

**15.** As per Accounting Standard 18, "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the Related Parties as defined in the Accounting Standard are as follows:

A . Following is the list of related parties and relationships:

Sl. No	Particulars
<b>A</b>	<b>Holding Company</b>
	KNR Constructions Ltd.,
<b>B</b>	<b>Subsidiaries of Holding company</b>
	KNR Energy Ltd.,
<b>C</b>	<b>Subsidiaries</b>
	KNR Muzaffarpur Holdings Pvt. Ltd.,
	Mesmeric Software Solutions Pvt. Ltd.,
	Nag Talent Ventures and Infotech Pvt. Ltd.,
	Roche Polymers & Additives Pvt. Ltd.,
	Gradient Estates Pvt. Ltd.,
	Gradient Realty Ventures Pvt. Ltd.,
	Asara Construction & Projects Pvt. Ltd.,
<b>D</b>	<b>Associates to KNR Muzaffarpur Holdings Pvt. Ltd.,</b>
	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.,
<b>E</b>	<b>Key Management Personnel</b>
	Sri. K. Narasimha Reddy
	Sri. K. Jalandhar Reddy
<b>F</b>	<b>Relatives of Key Management Personnel</b>
	Nil

**KNRC HOLDINGS & INVESTMENTS PVT LTD.**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

B. Related party transactions during the year ended 31<sup>st</sup> March 2014 are as follows:  
(Previous year's figures are given in brackets below the current year figures)

(Amount in Rs.)

SL. NO	PARTICULARS	HOLDING COMPANY AND ITS SUBSIDIARIES	SUBSIDIARY COMPANY	KEY MANAGEMENT PERSONNEL	ENTERPRISES OWNED OR SIGNIFICANTLY INFLUENCED BY KEY MANAGEMENT PERSONNEL OR THEIR RELATIVES	BALANCE OUTSTANDING AS ON 31 <sup>st</sup> MARCH 2014
1	Unsecured loan / advance received	1,68,600 (2,16,55,413)	- (Nil)	- (Nil)	- (Nil)	2,23,67,039 (2,21,98,439)
2	Unsecured loan / advance given	- (Nil)	1,44,100 (56,59,960)	- (Nil)	- (Nil)	60,84,772 (59,40,672)
3	Equity Shares Purchased	- (Nil)	- (Nil)	- (2,74,940)	- (Nil)	- Nil

**16.** Debit and credit balances of parties are subject to confirmation by the respective parties.

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As per our report of even date  
**For Sukumar Babu & Co.,**  
Chartered Accountants  
(ICAI Registration  
No.004188S)

**For and on behalf of the Board of Directors**

**Sd/-**  
**C. Sukumar Babu**  
Partner  
Membership No: 024293  
Place: Hyderabad  
Date: 15-05-2014

**Sd/-**  
**K. Narasimha Reddy**  
Director

**Sd/-**  
**K.Jalandhar Reddy**  
Director