

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

CIN: U65100TG2011PTC077131

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, 4th Floor,
Plot No. 114, Phase - I, Kavuri Hills
Hyderabad - 500033
Telangana, India

Annual Report 2014-2015

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

NOTICE

Notice is hereby given that the 4th Annual General Meeting of the Members of the Company will be held on the Monday the 28th Day of September, 2015 at 12.00 Noon at the "KNR House, Plot No. 114, Phase - I, Kavuri Hills, Hyderabad - 500033 at to transact the following business:

ORDINARY BUSINESS:

1. To Receive, consider and adopt the audited Balance Sheet for the year ended March 31, 2015 and Profit and Loss account along with the report of the Directors and Auditors thereon
2. To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution

"RESOLVED THAT, pursuant to Section 139, 142 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby appointment of M/s. Sukumar Babu & Co., Chartered Accountants (Reg. No. 004188S), Hyderabad as the Statutory Auditors of the Company for a period of 4 years (i.e 2015-16, 2016-17 , 2017-18 and 2018-19) subject to ratification at every Annual General Meeting, to hold office from the conclusion of the this meeting until the conclusion of fourth Annual General Meeting on such remuneration as may be determined by the Board of Directors."

By Order of the Board



K Jalandhar Reddy

Director

DIN: 00434911

Place: Hyderabad

Date: 24.08.2015

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
4. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

DIRECTORS' REPORT

To,
The Members,
KNRC Holdings & Investments Private Limited

Your Directors are happy to present their 4th Annual Report on the business and operations of the Company and the Financial Accounts for the year ended 31st March, 2015.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2015 are summarized below:
(in Rupees)

Particulars	2014-15	2013-14
Total Revenue	Nil	Nil
Profit Before Interest, Depreciation & Tax	Nil	Nil
Less: Depreciation	Nil	Nil
Less: Interest	Nil	Nil
Profit for the year before Taxes	(35700)	Nil
Profit after Taxes	Nil	Nil

2. COMPANY'S AFFAIRS & FUTURE OUTLOOK

There is no business operation during the reporting period under review.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended 31st March, 2015.

4. AMOUNT TRANSFERRED TO RESERVES

Your directors have decided not to make any transfer to reserves.

5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relates and the date of this report.

6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review there has been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

7. DIRECTORS

The Board of Directors is duly constituted with Shri K Jalandhar Reddy and Shri K Narasimha Reddy as Directors of the Company.

8. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During period under review, there is no change in Directors of the Company.

9. MEETINGS OF THE BOARD OF DIRECTORS

The Company had 5 (Five) Board meetings during the financial year under review.

10. FIXED DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

11. SUBSIDIARY COMPANY

The Company have the following Subsidiary, Joint venture or Associate Company

S. N	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Holding	Applicable Section
1	MESMERIC SOFTWARE SOLUTIONS PRIVATE LIMITED	U72900TG2008PTC058813	SUBSIDIARY OF (KNRCHIPL)	100%	2 (87)
2	NAG TALENT VENTURES AND INFOTECH PRIVATE LIMITED	U7220TG2005PTC048640	SUBSIDIARY OF (KNRCHIPL)	100%	2 (87)
3	GRADIENT ESTATES PRIVATE LIMITED	U70102TG2008PTC062280	SUBSIDIARY OF (KNRCHIPL)	100%	2 (87)
4	GRADIENT REALITY VENTURES PRIVATE LIMITED	U70102TG2008PTC062313	SUBSIDIARY OF (KNRCHIPL)	100%	2 (87)
5	ROCHE POLYMERS AND ADDITIVES PRIVATE LIMITED	U24100TG2011PTC072948	SUBSIDIARY OF (KNRCHIPL)	100%	2 (87)
6	ASARA CONSTRUCTION AND PROJECTS PRIVATE LIMITED	U45209TG2007PTC056847	SUBSIDIARY OF (KNRCHIPL)	100%	2 (87)
7	KNR MUZAFFARPUR HOLDINGS	U65923TG2011PTC077094	SUBSIDIARY OF	100%	2 (87)

	PRIVATE LIMITED (KMHPL)		(KNRCHIPL)		
8	KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED	U45209TG2011PTC077925	SUBSIDIARY OF KMHPL	51 %	2 (87)

12. SHARE CAPITAL

The Authorised Share Capital of the Company as at 31st March, 2015 is Rs 2,00,00,000 (Rupees Two Crores) divided into 20,00,000 (Twenty Lakhs) Equity Shares of Rs. 10/- each and Paid-Up Share Capital Rs.1,00,000/- divided into 10,000 equity shares of Rs.10/- each respectively.

During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity nor made any provision of money for purchase of or subscription for, shares in the Company, if the purchase of, or the subscription for, the shares by trustees is for the shares to be held by or for the benefit of the employees of the Company as provided in the rules of Companies (Share Capital and Debentures) Rule, 2014.

13. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

There were no cases during the year under review.

14. PARTICULARS OF LOANS, GURANTEES OR INVESTMENT UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 disclosed in Form No. AOC -2 and is set out as Annexure and forms part of this report.

16. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to the Financial statements. During the period under review, such controls were tested and no reportable material weakness in the design or operation was observed.

17. RISK MANAGEMENT

There is a risk management policy in place to take care of identification of risks which in the opinion of the Board may threaten the existence of the Company.

18. DIRECTORS RESPONSIBILITY STATEMENT

The Directors Responsibility statement referred to in clause (c) of sub-section (3) of Section 134 of the companies Act, 2013, shall state that:

- a) in the preparation of Annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed;
- b) the Directors' had selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and Profit of the Company for the year under review;
- c) the Directors' had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d) The Directors' had prepared the accounts for the financial year ended 31st March 2015 on a going concern basis.
- e) The directors had devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. STATUTORY AUDITORS & AUDIT REPORT

The Statutory Auditors, M/s Sukumar Babu & Co., Chartered Accountants, Hyderabad were appointed for three years at ensuring Annual General Meeting. They have confirmed their eligibility and willingness to accept the assignment as Statutory Auditors of the Company, if ratified.

There are no qualifications or observations or remarks made by the Auditors in their Report.

20. EXTRACT OF THE ANNUAL RETURN

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as at 31st March, 2015 is disclosed in Form No. MGT -9 and set out as Annexure and forms part of this report.

21. CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

22. STATUTORY DISCLOSURES

a) ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

b) PARTICULARS OF EMPLOYEES

During the period under review, no employee of the Company is employed throughout the financial year and in receipt of remuneration of Rs.60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.


23. ACKNOWLEDGEMENT

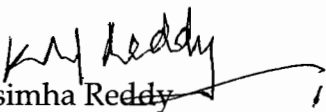
Your Directors take this opportunity to place on record their appreciation and sincere gratitude to the Bankers to of the Company for their valuable support and look forward to their continued co-operation in the years to come.

Your Directors acknowledge the support and co-operation received from the employees and all those who have helped in the day to day management.

ON BEHALF OF THE BOARD

Place: Hyderabad
Date: 24.08.2015


K Jalandhar Reddy
Director
DIN: 00434911


K Narasimha Reddy
Director
DIN: 00382412

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

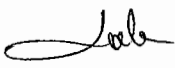
2. Details of contracts or arrangements or transactions at Arm's length basis.

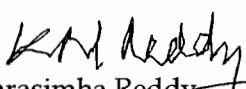
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/ arrangements/ transaction	
c)	Duration of the contracts/ arrangements/ transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

There are no related party transactions entered by the company which has to be reported under this section, however there, are some related party transactions for the details please refer to notes to auditors report

ON BEHALF OF THE BOARD

Place: Hyderabad
Date: 24.08.2015


K Jalandhar Reddy
Director
DIN: 00434911


K Narasimha Reddy
Director
DIN: 00382412

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[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:- : U65100TG2011PTC077131
- ii) Registration Date : 24.10.2011
- iii) Name of the Company : KNRC HOLDINGS AND INVESTMENS PRIVATE LIMITED
- iv) Category / Sub-Category of the Company : Unlisted Private Company / Indian Non Govt. Company
- v) Address of the Registered office and contact details : KNR House, 4th Floor, Plot No. 114, Phase - I, Kavuri Hills, Hyderabad - 500033
- vi) Whether listed company Yes / No : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	FINANCIAL INTERMEDIATION	65993	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Holding	Applicable Section
1	MESMERIC SOFTWARE SOLUTIONS PRIVATE LIMITED	U72900TG2008PTC058813	SUBSIDIARY OF (KNRCHIPL)	100%	2 (87)
2	NAG TALENT VENTURES AND INFOTECH PRIVATE LIMITED	U7220TG2005PTC048640	SUBSIDIARY OF (KNRCHIPL)	100%	2 (87)
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7	KNR MUZAFFARPUR HOLDINGS PRIVATE LIMITED (KMHPL)	U65923TG2011PTC077094	SUBSIDIARY OF (KNRCHIPL)	100%	2 (87)
8	KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED	U45209TG2011PTC077925	SUBSIDIARY OF KMHPL	51 %	2 (87)
9	KNR Constructions Limited	L74210DL1995PLC238364	Holding Company	100%	2(46)

b) Individuals	--	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	--	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of Rs.1	--	--	--	--	--	--	--	--	--	--
c) Others-NRIs/OCBs	--	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	--	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs &	--	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	--	10000	10000	100.00	--	10000	10000	100.00	--	--

*** Nominee shareholders of KNR Constructions Limited**

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	KNR Constructions Limited	10000	100	--	10000	100	--	Nil
	Total	10000	100	--	10000	100	--	Nil

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of		Shareholding at the end of the	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Not Applicable					

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
1.	Sri. K Jalandhar Reddy *				
	At the beginning of the year	1	Neg	1	Neg
	Date wise increase / decrease in shareholding	--	--	--	--
	At the end of the year	1	Neg	1	Neg
2.	Sri. K Narasimha Reddy *				
	At the beginning of the year	1	Neg	1	Neg
	Date wise increase / decrease in	--	--	--	--
	At the end of the year	1	Neg	1	Neg

* Nominee Shareholders of KNR Constructions Limited

V. INDEBTEDNESS - NIL

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Description	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		22367039		22367039
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		22367039		22367039
Change in Indebtedness during the financial year				
· Addition		8286970		8286970
· Reduction				
Net Change		8286970		8286970
Indebtedness at the end of the financial year				
i) Principal Amount		30654009		30654009
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		30654009		30654009

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
Not Applicable			

B. Remuneration to other directors: - NIL

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	Other Non-Executive Directors					
	· Fee for attending board committee meetings					
	· Commission					
	· Others, please specify					
	Total					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
Not Applicable				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

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 And Investments Private Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 hereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, in the case of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements: -

- a) The company not having any lawsuit filed against the Company.

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, 2015 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (18 of 2013), is not applicable to the company.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The company does not have any branches.
 - d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f) There are no Financial Transactions or matters which have any adverse effect on the functioning of the Company.
 - g) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - h) There are no qualification, reservation or adverse remark on the maintenance of accounts and other matters connected therewith.
 - i) The Company has adequate internal financial control system commensurate with the size of the Company and nature of business and are effective.

j) 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 derivatives contracts for which there were any material foreseeable losses.
- iii) The Company not issued dividend from inspection of the company, hence transfer of funds not arising.

for **SUKUMAR BABU & CO.,**
Chartered Accountants
Firm Regn. No: 0041885


C. SUKUMAR BABU
Partner
Membership No: 024295



Place: Hyderabad
Date: 20-04-2015

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

BALANCE SHEET AS AT 31st March 2015

(Amount in Rs.)

PARTICULARS	NOTE No.	As At 31-03-2015	As At 31-03-2014
I EQUITY AND LIABILITIES			
1) SHAREHOLDERS' FUNDS			
a) Share Capital	3	100,000	100,000
b) Reserves and Surplus	4	(358,014)	(322,314)
2) SHARE APPLICATION MONEY PENDING ALLOTMENT			
		-	-
3) NON - CURRENT LIABILITIES			
Long Term Borrowings	5	30,654,009	22,367,039
4) CURRENT LIABILITIES			
Other Current Liabilities	6	10,000	10,000
TOTAL		30,405,995	22,154,725
II ASSETS			
1) NON-CURRENT ASSETS			
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	14,336,042	6,084,772
		30,305,995	22,054,725
2) CURRENT ASSETS			
a) Cash and Cash Equivalents	10	100,000	100,000
TOTAL		30,405,995	22,154,725
Significant Accounting Policies	1 & 2		
Notes referred to above form an integral part of the accounts			

As per our report of even date attached

For Sukumar Babu & Co.

Chartered Accountants

(Firm Regn. No. 004188S)

C. Sukumar Babu

Partner

Membership No: 024293

Place : Hyderabad

Date : 20-04-2015



For and on behalf of the Board of Directors

K. Narasimha Reddy
K. Narasimha Reddy

Director

K. Jalandhar Reddy
K. Jalandhar Reddy

Director

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

(Amount in Rs.)

PARTICULARS	NOTE No	Year ended 31-03-2015	Year ended 31-03-2014
I Income			
Revenue from operations		-	-
Other income		-	-
Total Revenue		-	-
II Expenses:			
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	11.	35,700	24,500
Total expenses		35,700	24,500
Profit before tax (I- II)		(35,700)	(24,500)
Tax expense:			
1) Current tax.		-	-
2) Deferred tax.		-	-
Profit (Loss) for the period		(35,700)	(24,500)
Earnings per equity share:			
1) Basic		(3.57)	(2.45)
2) Diluted		(3.57)	(2.45)
Significant Accounting Policies	1&2		
Notes referred to above form an integral part of the accounts			

As per our report of even date attached.

For Sukumar Babu & Co.,

Chartered Accountants

(Firm Regn. No. 004188S)

C.Sukumar Babu

Partner

Membership No: 024293

Place : Hyderabad

Date : 20-04-2015



For and on behalf of the Board

K.Narasimha Reddy
Director

K. Jalandhar Reddy
Director

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

(Amount in Rs.)

PARTICULARS	For the Year ended 31-03-2015	For the Year ended 31-03-2014
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before Tax	(35,700)	(24,500)
Adjustments for		
Depreciation	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(35,700)	(24,500)
(Increase)/Decrease in Other Current Assets	-	-
Increase/(Decrease) in Other Current Liabilities	-	-
CASH GENERATED FROM OPERATIONS	(35,700)	(24,500)
Taxes paid	-	-
NET CASH USED IN OPERATING ACTIVITIES	(35,700)	(24,500)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Loans/Advances given to subsidiaries	(8,251,270)	(144,100)
NET CASH USED IN INVESTING ACTIVITIES	(8,251,270)	(144,100)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	8,286,970	168,600
NET CASH FROM FINANCING ACTIVITIES	8,286,970	168,600
	-	-
Cash and Cash Equivalents as at the beginning of the year	100,000	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)

C. Sukumar Babu
Partner
Membership No: 024293



For and on behalf of the Board

K. Narasimha Reddy
Director

K. Jalandhar Reddy
Director

Place: Hyderabad
Date: 20-04-2015

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

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, 2014 and the relevant provisions of the Companies Act, 2013. 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.

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 AND INVESTMENTS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

3 SHARE CAPITAL

(Amount in Rs.)

Particulars	As at	
	'March 31, 2015	'March 31, 2014
EQUITY SHARE CAPITAL		
Authorised Share capital		
2,000,000 Equity Shares of Rs. 10/- each	20,000,000	20,000,000
Issued, subscribed & fully paid share capital		
10,000 Equity Shares of Rs. 10/- each (Wholly Owned Subsidiary of KNR Constructions Ltd)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

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, 2015 and March 31, 2014 is set out below:

Name of the shareholder	As at March 31, 2015		As at March 31, 2014	
	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, 2015		As at March 31, 2014	
	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	<u>10000</u>	<u>100,000</u>	<u>10000</u>	<u>100,000</u>

4 RESERVES AND SURPLUS

(Amount in Rs.)

Particulars	As at	
	'March 31, 2015	'March 31, 2014
Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	(322,314)	(297,814)
Add: Profit/(Loss) for the year	(35,700)	(24,500)
	<u>(358,014)</u>	<u>(322,314)</u>

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

5 LONG TERM BORROWINGS

Particulars	(Amount in Rs.)	
	As at 'March 31, 2015	As at 'March 31, 2014
UNSECURED		
LOANS AND ADVANCE FROM RELATED PARTIES (refer note 14)		
KNR Constructions Ltd.,	30,154,009	21,867,039
KNR Energy Ltd.,	500,000	500,000
	<u>30,654,009</u>	<u>22,367,039</u>

5.1 Unsecured loan taken from Holding Company, payable on the availability of cash surplus.

5.2 The above loan is interest free unsecured loan.

8 OTHER CURRENT LIABILITIES

Particulars	(Amount in Rs.)	
	As at 'March 31, 2015	As at 'March 31, 2014
Audit Fee Payable	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

7. FIXED ASSETS

Particulars	Gross Block		Accumulated Depreciation		Net Block			
	As at April 1, 2014	Additions	Deductions/Amortment	As at March 31, 2015	For the Period	Deductions/Amortment	As at March 31, 2015	As at March 31, 2014
I Tangible Assets								
Land	15,195,013	-	-	15,195,013	-	-	15,195,013	15,195,013
TOTAL	15,195,013	-	-	15,195,013	-	-	15,195,013	15,195,013
As at 31st March, 2014	15,195,013	-	-	15,195,013	-	-	15,195,013	-

(Amount in Rs.)

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

8. NON-CURRENT INVESTMENTS

(Amount in Rs.)

Particulars	(Amount in Rs.)	
	As at 'March 31, 2015	As at 'March 31, 2014
TRADE INVESTMENTS (Un-quoted) (At Cost)		
INVESTMENT IN EQUITY INSTRUMENTS		
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
	774,940	774,940

9. LONG TERM LOANS & ADVANCES

(Amount in Rs.)

Particulars	(Amount in Rs.)	
	As at 'March 31, 2015	As at 'March 31, 2014
UNSECURED, CONSIDERED GOOD		
Loans and Advances to related parties (refer note 14)		
KNR Muzaffarpur Holding Pvt. Ltd.,	498,952	494,712
Mesmeric Software Solutions Pvt. Ltd.,	2,177,550	2,156,600
Nag Talent Ventures and Infotech Pvt. Ltd.,	3,375,660	3,359,100
Asara Construction & Projects Pvt Ltd.,	5,610,005	18,415
Gradient Estates Pvt Ltd.,	2,589,005	18,415
Gradient Realty Ventures Pvt Ltd.,	44,805	18,415
Roche Polymers & Additives Pvt Ltd.	40,065	19,115
	14,336,042	6,084,772

9.1 Repayable on the availability of cash surplus at subsidiaries

10. CASH AND CASH EQUIVALENTS

(Amount in Rs.)

Particulars	(Amount in Rs.)	
	As at 'March 31, 2015	As at 'March 31, 2014
Balance with Banks		
In Current accounts	100,000	100,000
	100,000	100,000

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

11 OTHER EXPENSES

PARTICULARS	(Amount in Rs.)	
	Year ended 31-03-2015	Year ended 31-03-2014
Administration And Other Expenses		
Audit Fees	10,000	10,000
Filing Charges	9,700	4,500
Professional Fee	16,000	10,000
TOTAL	35,700	24,500

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

12. Segmental Reporting – Not Applicable

13. Auditor's remuneration charged to the accounts:

Particulars	2014-15 (Amt. in Rs.)
Audit fees	10,000

14. 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	Sl. No.	Particulars
A	Holding Company	B	Subsidiaries of Holding company
	KNR Constructions Ltd.,		KNR Energy Ltd.,
C	Subsidiaries	D	Associates to KNR Muzaffarpur Holdings Pvt. Ltd.,
	KNR Muzaffarpur Holdings Pvt. Ltd.,		KNR Muzaffarpur Barauni Tollway 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.,		
E	Key Management Personnel	F	Relatives of Key Management Personnel
	Sri. K. Narasimha Reddy, Director		Nil
	Sri. K. Jalandhar Reddy, Director		

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

G	ENTERPRISES OWNED OR SIGNIFICANTLY INFLUENCED BY KEY MANAGEMENT PERSONNEL OR THEIR RELATIVES		
	Yuvashakthi Enterprises (Firm) #		
	Vishnu Publicity Solutions Pvt. Ltd.,		
	Trapezoid Software Solutions Pvt. Ltd.,		
	Siriadhvaitha Agrotech Pvt. Ltd.,		
	Tagline Traders Pvt. Ltd.,		
	Narsimha Landscape Pvt. Ltd.,		
	Siriadhvaitha Agro Developers Pvt. Ltd.,		
	Siriadhvaitha Agro Solutions Pvt. Ltd.,		
	Smitha Agro Developers Pvt. Ltd.,		
	Smitha Reality Pvt. Ltd.,		
	Yashoda Landscape Pvt. Ltd.,		
	Yashoda Meadows Pvt. Ltd.,		

Sri. K. Narasimha Reddy, was resigned as partner in M/s. Yuvashakthi Enterprises w.e.f 27-09-2014.

B. Related party transactions during the year ended 31st March 2015 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 st MARCH 2015
1	Unsecured loan / advance received	82,86,970 (1,68,600)	- (Nil)	- (Nil)	- (Nil)	3,06,54,009 (2,23,67,039)
2	Unsecured loan / advance given	- (Nil)	82,51,270 (1,44,100)	- (Nil)	- (Nil)	1,43,36,042 (60,84,772)

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

15. Debit and credit balances of parties are subject to confirmation by the respective parties.
16. Previous year's figures have been regrouped/reclassified wherever necessary.

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




C. Sukumar Babu
Partner
Membership No: 024293
Place: Hyderabad
Date: 20-04-2015


K. Narasimha Reddy
Director


K. Jalandhar Reddy
Director

Form No. 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]

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

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the Monday the 28th September 2015 at 12.00 Noon at "KNR House, Plot No. 114, Phase - I, Kavuri Hills, Hyderabad - 500033 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2015		
2.	Re-appointment of M/s. Sukumar Babu & Co., Chartered Accountants as Statutory Auditors & fixing their remuneration		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 2015

Signature of Shareholder

Signature of Proxy holder

Affix Revenue Stamps

Signature of the
shareholder

across Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting)

4th Annual General Meeting on 28th September 2015

Full name of the members attending _____
(In block capitals)

Ledger Folio No. /Client ID No. _____ No. of shares held:

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the Annual General Meeting of the KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED , at "KNR House, Plot No. 114, Phase - I, Kavuri Hills, Hyderabad - 500033 to be held on the Monday of 28th September 2015.

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.