

KNR AGROTECH & BEVERAGES PRIVATE LIMITED

CIN: U74999TG2008PTC058829

BOARD OF DIRECTORS

Shri K. Jalandhar Reddy

Shri M. Rajesh Reddy

AUDITORS

M/s. Sukumar Babu & Co.,

Chartered Accountants,

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

REGISTERED OFFICE

8-2686/B/6/A/302,
12th Square Building, 3rd Floor,
Road No. 12, Banjara Hills,
Hyderabad – 500034
Andhra Pradesh, India

NOTICE

Notice is hereby given that the **6th Annual General Meeting** of the members of **KNR Agrotech & Beverages Private Limited** will be held at its registered office at 8-2-686/B/6/A/302, 12th Square Building, 3rd Floor, Road No. 12, Banjara Hills, Hyderabad – 500034 on Saturday, the 27th day of September 2014 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st 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 KNR Agrotech & Beverages 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 KNR Agrotech & Beverages Private Limited

Sd/-

Director

Place: Hyderabad

Date: 25.08.2014

DIRECTOR'S REPORT

**To
The Members,**

Your Directors take pleasure in presenting the **6th Annual Report** together with the Audited Accounts for the year ended 31st March, 2014.

PUBLIC DEPOSITS

The Company has not accepted any fixed deposits from the public during the year under the provisions of the Section 58A and 58AA of the Act and the rules framed there under, where applicable.

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.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1955 are not applicable to the Company and nature of its business.

PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are required to be furnished pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules, 1975 as amended

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
KNR Agrotech & Beverages Pvt. Ltd.,

Report on the Financial Statements

We have audited the accompanying financial statements of **KNR Agrotech & Beverages Pvt. Ltd.**, ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss, 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 : 10-05-2014

KNR AGROTECH & BEVERAGES 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
I EQUITY AND LIABILITIES			
1) SHAREHOLDERS' FUNDS			
Share Capital	3	100,000	100,000
2) SHARE APPLICATION MONEY		-	-
3) NON - CURRENT LIABILITIES			
Other Long Term Liabilities	4	39,547,187	33,406,266
4) CURRENT LIABILITES			
a) Trade Payables		-	-
b) Other Current Liabilities	5	43,412.00	54,122
TOTAL		39,690,599	33,560,388
II ASSETS			
1) NON-CURRENT ASSETS			
Fixed Assets			
i) Tangible Assets	6	26,152,012.00	23,278,693
ii) Capital work-in-progress		13,462,088.00	10,015,168
2) CURRENT ASSETS			
a) Cash and Cash Equivalents	7	29,621.00	219,649
b) Other Current Assets	8	46,878.00	46,878
TOTAL		39,690,599	33,560,388
Significant Accounting Policies	1 & 2		

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

Sd/-
C.Sukumar Babu
Partner
Membership No: 024293
Place : Hyderabad
Date : 10-05-2014

Sd/-
K. Jalandhar Reddy
Director

Sd/-
M. Rajesh Reddy
Director

KNR AGROTECH & BEVERAGES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in Rs.)

PARTICULARS	For the Year ended 31-03-2014	For the Year ended 31-03-2013
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	-	-
Adjustments for		
Depreciation	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-	-
(Increase)/Decrease in Trade and Other Receivables	-	-
Increase/(Decrease) in Trade Payables and Other Liabilities	-	-
CASH GENERATED FROM OPERATIONS	-	-
Taxes paid	-	-
NET CASH USED IN OPERATING ACTIVITIES	-	-
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Capital Work In Progress	(6,320,239)	(17,165,375)
(Increase)/Decrease in Other Receivables	-	-
Increase/(Decrease) in Other Payable & Liabilities	(10,710)	3,072
NET CASH USED IN INVESTING ACTIVITIES	(6,330,949)	(17,162,303)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Un-secured loans or Advances Received / (Repaid)	6,140,921	17,277,303
NET CASH FROM FINANCING ACTIVITIES	6,140,921	17,277,303
	(190,028)	115,000
Cash and Cash Equivalents as at the beginning of the year	219,649	104,649
Cash and Cash Equivalents as at the end of the year (refer note 8)	29,621	219,649

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

Sd/-

C.Sukumar Babu

Partner

Membership No: 024293

Sd/-

K. Jalandhar Reddy

Director

Sd/-

M Rajesh Reddy

Director

Place: Hyderabad

Date : 10-05-2014

KNR AGROTECH & BEVERAGES PRIVATE LIMITED

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

3 SHARE CAPITAL

Particulars	(Amount in Rs.)	
	As at	
	March 31, 2014	March 31, 2013
EQUITY SHARE CAPITAL		
Authorised Share capital		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
Issued, subscribed & fully paid share capital		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
(Wholly owned subsidiary of KNR Constructions Ltd.,)		
	100,000	100,000

3.1 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- . Each

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	10000	100,000	10000	100,000

4 OTHER LONG TERM LIABILITIES

Particulars	(Amount in Rs.)	
	As at	
	March 31, 2014	March 31, 2013
Loans and advances from related parties		
(refer note 13)		
From Directors	197,070	185,370
From Holding Company	39,350,117	33,220,896
	39,547,187	33,406,266

5 OTHER CURRENT LIABILITIES

Particulars	(Amount in Rs.)	
	As at	
	March 31, 2014	March 31, 2013
Audit Fee Payable	25,000	25,000
Outstanding Expenses	18,412	29,122
	43,412	54,122

KNR AGROTECH & BEVERAGES PRIVATE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014****7 CASH AND CASH EQUIVALENTS**

Particulars	(Amount in Rs.)	
	As at	
	March 31, 2014	March 31, 2013
Cash on hand	-	-
Balance with Banks		
In Current accounts	29,621	219,649
	29,621	219,649

8 OTHER CURRENT ASSETS

Particulars	(Amount in Rs.)	
	As at	
	March 31, 2014	March 31, 2013
Electricity Deposit	1,200	1,200
Miscellaneous Expenses (Asset)		
Preliminary Expenses	9,270	9,270
Pre-Operative Expenses	36,408	36,408
Add/ (Less): Issue Expenses / Adjustments	-	-
Less: Written off during the period / year	-	-
	46,878	46,878

KNR AGROTECH & BEVERAGES PRIVATE LIMITED

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

6 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
I Tangible Assets										
Lands	19,586,862	2,996,011	-	22,582,873	-	-	-	-	22,582,873	19,586,862
Buildings	1,261,831	-	-	1,261,831	134,417	56,371	-	190,788	1,071,043	1,127,414
Plant and Equipment	1,951,896	99,000	-	2,050,896	754,158	176,264	-	930,422	1,120,474	1,197,738
Electrical Machinery	1,632,345	-	-	1,632,345	803,024	165,864	-	968,888	663,457	829,321
Tractors & Harvesting Combines	770,729	379,959	-	1,150,688	337,388	176,222	-	513,610	637,078	433,341
Vehicles	262,906	-	-	262,906	158,889	26,930	-	185,819	77,087	104,017
Sub-total	25,466,569	3,474,970	-	28,941,539	2,187,876	601,651	-	2,789,527	26,152,012	23,278,693
II *Capital Work In Progress										
Sub-total	-	-	-	-	-	-	-	-	13,462,088	10,015,168
TOTAL	25,466,569	3,474,970	-	28,941,539	2,187,876	601,651	-	2,789,527	39,614,100	33,293,861
As at 31st March, 2013	10,206,557	15,260,012	-	25,466,569	1,505,631	682,245	-	2,187,876	33,293,861	

*Capital Work in Progress consists of capital cost of horticulture plants including growing costs, their maintenance costs and other overheads till the date of starting crops suitable for marketing.

KNR AGROTECH & BEVERAGES PVT.LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

1 Basis of Accounting and preparation of financial statements:

- The financial statements of the Company have been prepared in accordance with
- 1.1** 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:

Expenses incurred for the development of plantation is included under the head capital work in progress and the same will be transfer to Fixed Assets on the completion of development. The time of completion of development will be taken as the year in which the commercial crop from plants starts.

KNR AGROTECH & BEVERAGES PVT.LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

09. The Company has not yet commenced commercial operations.

10. Segmental Reporting – Not Applicable.

11. Auditor's remuneration (including service tax) charged to the accounts:

Particulars	2013-14 (Amt. in Rs.)
Audit fees	25,000

12. 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
A	Holding Company
	KNR Constructions Ltd.,
B	Key Management Personnel
	Sri. M. Rajesh Reddy
	Sri. K. Jalandhar Reddy
C	Relatives of Key Management Personnel
	Nil

KNR AGROTECH & BEVERAGES PVT.LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

B. Related party transactions during the year ended 31st 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	KEY MANAGEMEN T PERSONNEL	ENTERPRISES OWNED OR SIGNIFICANTLY INFLUENCED BY KEY MANAGEMENT PERSONNEL OR THEIR RELATIVES
1.	Un-secured loan/ advance received	61,29,221 (1,72,77,303)	11,700 (-)	- (-)
2.	Credit balances outstanding as on 31 st March,2014	3,93,50,117 (3,32,20,896)	1,97,070 (1,85,370)	- (-)

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

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

For and on behalf of the Board of Directors

Sd/-
C. Sukumar Babu
Partner
Membership No: 024293
Place: Hyderabad
Date : 10-05-2014

Sd/-
K. Jalandhar Reddy
Director

Sd/-
M. Rajesh Reddy
Director