

KNR ENERGY LIMITED

(Wholly Owned Subsidiary of KNR Constructions Limited)

CIN: U40108TG2011PLC074236

BOARD OF DIRECTORS

Shri K Narasimha Reddy

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

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

NOTICE

Notice is hereby given that the **3rd Annual General Meeting** of the members of **KNR Energy Limited** will be held at its registered office at KNR House, 4th Floor, Plot No. 114, Phase – I, Kavuri Hills, Hyderabad – 500033 on Saturday, the 27th day of September 2014 at 11.00 AM 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 appoint a Director in place of Shri K Jalandhar Reddy, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a Director in place of Shri M Rajesh Reddy, who retires by rotation and being eligible, offers himself for reappointment
4. 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 Energy 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.
4. Re-appointment of directors; At the ensuing Annual General Meeting Shri K Jalandhar Reddy and Shri M Rajesh Reddy, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment

BY ORDER OF THE BOARD

For KNR Energy Limited

Sd/-
Director

Place: Hyderabad
Date: 25.08.2014

DIRECTOR'S REPORT

To
The Members,

Your Directors take pleasure in presenting the **3rd Annual Report** together with the Audited Accounts for the year ended 31st 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, 2014, 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, 2014 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, 2014 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
KNR Energy Ltd.,

Report on the Financial Statements

We have audited the accompanying financial statements of **KNR Energy Ltd.**, ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
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 : 05-05-2014

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of KNR Energy Ltd., on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i) In respect of its fixed assets**
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
- ii) The Company has no inventories and accordingly paragraphs 4(ii) (a), (b) and (c) are not applicable**
- iii)**
 - a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted any loans / advances, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
 - b) There are no specific agreements for these transactions and were made on an on account basis. In the absence of agreements for these loans/advances, the terms and conditions and their impact on the interests of the Company cannot be ascertained.
 - c) The Company has not given any loans / advances to its subsidiary of holding company during the year. In respect of the said loans / advances , the maximum amount outstanding at any time during the year is Rs.5.00 lakhs and the year ending balance is Rs.5.00 lakhs.
 - d) In the absence of agreements, the transactions were made on an on-account basis and hence the question of regularity of payment of principal and interest dose not arise.
 - e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans / advances from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
 - f) The Company has taken un-secured loans/advances from the holding company for an amount of Rs. 35,947/- during the year and the year end outstanding balance is Rs. 2,01,16,896/- .
 - g) There is no agreement for such loans. Hence the rate of interest and terms of repayment are not ascertainable.

- iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- v)
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lakhs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
- vi) The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
- vii) As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix) **In respect of statutory dues:**
 - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there is no amounts payable in respect of Income tax, Wealth tax, Service tax, Sales tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes are nil.
- x) The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

- xi)** Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii)** According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii)** The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- xiv)** According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments.
- xv)** According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- xvi)** Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
- xvii)** Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- xviii)** Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
- xix)** The Company has no outstanding debentures during the period under audit.
- xx)** The Company has not raised any money by public issue during the year.
- xxi)** Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Sd/-

C. SUKUMAR BABU
Partner
Membership No: 024293

Place: Hyderabad
Date : 05-05-2014

KNR ENERGY 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	500,000	500,000
2) SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
3) NON - CURRENT LIABILITIES			
Other Long Term Liabilities	4	20,116,896	20,080,949
4) CURRENT LIABILITES			
Other Current Liabilities	5	10,000	10,000
TOTAL		20,626,896	20,590,949
II ASSETS			
1) NON-CURRENT ASSETS			
a) Fixed Assets			
Tangible Assets	6	15,260,012	15,260,012
b) Long-Term loans and advances	7	3,800,000	3,800,000
2) CURRENT ASSETS			
a) Cash and Cash Equivalents	8	95,102	95,427
b) Other Current Assets	9	1,471,782	1,435,510
TOTAL		20,626,896	20,590,949
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

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

Sd/-
K.Narasimha Reddy
Director

Sd/-
K. Jalandhar Reddy
Director

KNR ENERGY 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	-	(500,000)
Increase/(Decrease) in Trade Payables and Other Liabilities	-	-
CASH GENERATED FROM OPERATIONS	-	(500,000)
Taxes paid	-	-
NET CASH USED IN OPERATING ACTIVITIES	-	(500,000)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(15,260,012)
(Increase)/Decrease in Other Receivables	(36,272)	(189,923)
Increase/(Decrease) in Other Payable & Liabilities	-	-
NET CASH USED IN INVESTING ACTIVITIES	(36,272)	(15,449,935)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Un-secured loans or Advances / (Repaid)	35,947	15,545,362
Share Capital amount received	-	-
NET CASH FROM FINANCING ACTIVITIES	35,947	15,545,362
	(325)	(404,573)
Cash and Cash Equivalents as at the beginning of the year	95,427	500,000
Cash and Cash Equivalents as at the end of the year (refer note 8)	95,102	95,427

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.Narasimha Reddy
Director

Sd/-
K. Jalandhar Reddy
Director

Place: Hyderabad
Date : 05-05-2014

KNR ENERGY 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
EQUITY SHARE CAPITAL		
Authorised Share capital		
50,000 Equity Shares of Rs. 10/- each	500,000	500,000
Issued, subscribed & fully paid share capital		
50,000 Equity Shares of Rs. 10/- each (Wholly Owned subsidiary of KNR Constructions Ltd)	500,000	500,000
Total	500,000	500,000

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

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.,	50000	100%	50000	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	50000	500,000	50000	500,000
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end of the year	50000	500,000	50000	500,000

4 OTHER LONG TERM LIABILITIES

(Amount in Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
LOANS AND ADVANCE FROM RELATED PARTIES		
-KNR Constructions Ltd.,	20,116,896	20,080,949
Total	20,116,896	20,080,949

5 OTHER CURRENT LIABILITIES

(Amount in Rs.)

Particulars	As at March 31, 2014	As at March 31, 2013
Audit Fee Payable	10,000	10,000
Total	10,000	10,000

KNR ENERGY LIMITED

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

7 LONG TERM LOANS & ADVANCES

Particulars	(Amount in Rs.)	
	As at	As at
	March 31, 2014	March 31, 2013
UNSECURED, CONSIDERED GOOD		
CAPITAL ADVANCE		
Advance paid for Land Purchase	2,500,000	2,500,000
LOAN AND ADVACNES TO RELATED PARTIES		
KNRC Holdings and Investments Pvt. Ltd.,	500,000	500,000
OTHERS		
Karnataka Udyog Mitra	800,000	800,000
Total	3,800,000	3,800,000

8 CASH AND CASH EQUIVALENTS

Particulars	(Amount in Rs.)	
	As at	As at
	March 31, 2014	March 31, 2013
Balance with Banks		
In Current accounts	95,102	95,427
Total	95,102	95,427

9 OTHER CURRENT ASSETS

Particulars	(Amount in Rs.)	
	As at	As at
	March 31, 2014	March 31, 2013
RAA Advisory Servies Private Limited (Advance Against Consultancy Service)	1,103,000	1,103,000
	1,103,000	1,103,000
Miscellaneous Expenses (Asset) (To the extend not written off or adjusted)		
Preliminary Expenses	28,500	28,500
Pre- Operative Expenses	340,282	304,010
Less: Written off during the period / year	-	-
	368,782	332,510
Total	1,471,782	1,435,510

KNR ENERGY 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/A djustment	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
I Tangible Assets										
Lands	15,260,012	-	-	15,260,012	-	-	-	-	15,260,012	15,260,012
TOTAL	15,260,012	-	-	15,260,012	-	-	-	-	15,260,012	15,260,012
As at 31st March, 2013	-	15,260,012	-	15,260,012	-	-	-	-	15,260,012	

KNR ENERGY LIMITED

STATEMENT SHOWING OF OBSERVATIONS AS ON 31-03-2014

TRANSACTION DATE	PARTICULARS	AMOUNT	REMARKS
-----------------------------	--------------------	---------------	----------------

KNR ENERGY 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 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.
- 1.1**

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.

KNR ENERGY LTD.

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

10. Pre-operative expenditure incurred during the year has been shown under Miscellaneous Expenses (Assets) in the Balance Sheet.
11. Segmental Reporting – Not Applicable.
12. The Company has not yet commenced commercial operations till date.
13. Auditor's remuneration (including service tax) charged to the accounts:

Particulars	2013-14 (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
A	Holding Company
	KNR Constructions Ltd.,
B	Subsidiary of Holding Company
	KRC Holdings and Investments Pvt. Ltd.,
C	Key Management Personnel
	Sri. K. Narasimha Reddy
	Sri. K. Jalandhar Reddy
D	Relatives of Key Management Personnel
	Nil

KNR ENERGY 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:

(Amount in Rs.)

Sl. No.	Particulars	Holding Company and its subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Balances outstanding as on 31 st March, 2014
1	Un-secured loan / advance received	35,947 (1,55,45,362)	- (-)	- (-)	2,01,16,896 (2,00,80,949)
2	Un-secured loan / advance given	- (5,00,000)	- (-)	- (-)	5,00,000 (5,00,000)

15. 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
(ICAI Registration
No.004188S)

For and on behalf of the Board

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

Sd/-
K.Narasimha Reddy
Director

Sd/-
K.Jalandhar Reddy
Director