

PURVA RUBY PROPERTIES PRIVATE LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 7th Annual General Meeting (AGM) of the Members of PURVA RUBY PROPERTIES PVT. LTD. will be held on Monday, the 29.09.2014 @ 11.45 A.M., # 130/1, Ulsoor Road, Bengaluru-560 042, to transact the following businesses:

ORDINARY BUSINESS:

ITEM NO. 1 – ADOPTION OF ACCOUNTS

To receive, consider and adopt the audited Balance Sheet as at 31.03.2014 and the Statement of Profit and Loss for the year ended on that date, the reports of the Directors and Auditors thereon.

ITEM NO. 2 – RE-APPOINTMENT OF MS. JASBIR PURAVANKARA AS A DIRECTOR

To appoint a Director in place of Ms. Jasbir Puravankara (DIN: 1918184), who retires by rotation and being eligible, offers herself for re-appointment.

ITEM NO. 3 – APPOINTMENT OF STATUTORY AUDITORS

To appoint Auditors and to fix their remuneration and in this regard to pass the following resolution with or without modification(s) as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Audit and Auditors) Rules, 2014 made thereunder, M/s. VDSR & Co. (formerly known as M/s. Kurien & Co.), Chartered Accountants (Firm Registration No. 001626S), the retiring Statutory Auditors of the Company, be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of next AGM of the Company and that the Board of Directors be and are hereby authorised to fix such remuneration in consultation with the Statutory Auditors.”

BY ORDER OF THE BOARD OF DIRECTORS
FOR PURVA RUBY PROPERTIES PVT. LTD.



ASHISH RAVI PURAVANKAR
DIRECTOR
DIN : 504524

BENGALURU
30.04.2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



PURVA RUBY PROPERTIES PRIVATE LIMITED

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors present the 7th Annual Report together with the audited statement of accounts for the year ending on 31.03.2014.

1. FINANCIAL RESULTS:

Particulars	(Figures in Rs.)	
	Year Ended 31.03.2014	Year Ended 31.03.2013
<u>INCOME:</u>		
Revenue from Operations	-	-
Other Income	-	-
<u>Total Income</u>	-	-
<u>EXPENSES:</u>		
Other Expenses	3,66,359	10,112
Finance Expenses	-	-
<u>Total Expenses</u>	<u>3,66,359</u>	<u>10,112</u>
Profit / (Loss) Before Taxes	<u>(3,66,359)</u>	<u>(10,112)</u>
Income Tax (Current and Deferred)	-	-
Profit / (Loss) After Taxes	<u>(3,66,359)</u>	<u>(10,112)</u>

2. FINANCIAL AND OPERATING PERFORMANCE:

During the year under consideration no material business was transacted by your Company.

Other Expenses of Rs. 3,66,359 (2013 - Rs. 10,112) denotes expenses on Audit, Legal and Professional charges and other Administration Charges.

3. FUTURE OUTLOOK:

The Company has entered in to Joint Development agreement on a property measuring 5.50 acres of land in Bengaluru, for development of Commercial Retail Mall complex. This development is expected to commence in the next financial year and we foresee an excellent leasing and sale opportunity through this development.

4. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013, **Mr. Ashish Ravi Puravankara** retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends the appointment of the Director in the ensuing Annual General Meeting.

5. AUDITORS:

M/s. VDSR & Co. (formerly known as M/s. Kurien & Co.), Chartered Accountants (FR No. 001626S), Chartered Accountants, statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

PURVA RUBY PROPERTIES PRIVATE LIMITED

The Company has received from M/s. VDSR & Co., a consent letter to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013.

6. REPLIES TO COMMENTS OF THE AUDITORS IN THE ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT:

(a) Para 10 of the Annexure to the Independent Auditors Report.

"In our opinion, the Company has accumulated losses as at March 31, 2014 which exceeds 50% of its net worth as on the date. Further, the company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year"

Response:

During the year under consideration no material business was transacted by your Company as a result of which the Company has incurred losses and consequently the accumulated losses have exceeded 50% of its net worth.

Currently, since no activity is undertaken by the Company, there is no requirement of funds and as and when necessary, the company would be capitalised by its holding company.

7. CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT / FOREIGN EXCHANGE EARNING AND OUT GOINGS:

Information in accordance with the provisions of **Section 217(1)(e)** of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to the Company for this financial year.

8. PARTICULARS OF EMPLOYEES:

The provisions of **Section 217(2A)** of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are not applicable to the Company for this financial year.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to **Section 217 (2AA)** of the Companies Act, 1956, the Directors confirm that:

- I. The annual accounts have been prepared as per the accounting standards prescribed under **Section 211(3C)** of the Companies Act, 1956 and there were no material departures from the said accounting standards.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at **31.03.2013** and of the **loss** of the Company for the year ended on that date.
- III. The Directors 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;
- IV. The annual accounts of the Company have been prepared on a 'going concern' basis.

10. ACCEPTANCE OF FIXED DEPOSITS:

Your Company has not accepted any fixed deposits from the public during the year under review.

PURVA RUBY PROPERTIES PRIVATE LIMITED

11. ACKNOWLEDGMENTS:

Your Directors would like to take this opportunity to thank the Company's bankers and shareholders for their consistent support to the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
PURVA RUBY PROPERTIES PRIVATE LIMITED



ASHISH RAVI PURAVANKARA
DIRECTOR
DIN: 00504524

Bengaluru
30.04.2014



Purva Ruby Properties Private Limited

Financial Statements

For the year ended 31 March 2014

Purva Ruby Properties Private Limited

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V D S R & CO.,
CHARTERED ACCOUNTANTS

Head Office:
No. 1-C, Queens Court,
6/102, Montieth Road,
Egmore, Chennai 560 003
Tel: 044-2855447

Branch Office:
No. 337, Karuna Complex
Sampige Road, Malleswaram
Bangalore, 560 003
Tel: 080-23312779

INDEPENDENT AUDITORS' REPORT

To the Members of
Purva Ruby Properties Private Limited

We have audited the accompanying financial statements of Purva Ruby Properties Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the quarter and year ended, and Cash Flow Statement for the year 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.

Auditors' 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 Company'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

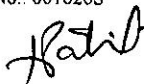
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (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 Statement of Profit and Loss, of the 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 (and proper returns adequate for the purposes of our audit have been received from branches not visited by us);
 - 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 (and with the returns received from branches not visited by us);
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - 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

for V D S R & Co.,
Chartered Accountants
FRN No.: 001626S



Patil Narahari Laxmanrao
Partner M No: 222219



Place: Bangalore
Date: April 30, 2014

V D S R & CO.,
CHARTERED ACCOUNTANTS

Head Office:
No. 1-C, Queens Court,
6/102, Montieth Road,
Egmore, Chennai 560 003
Tel: 044-2855447

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Tel: 080-23312779

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- 1 The Company has not acquired any fixed assets as at the Balance Sheet date. Hence, Paragraph 4(i) (a), (b) and (c) of the Order are not applicable.
- 2
 - a. The inventory represents the land and building held for development, which has been physically verified during the year by the management. In our opinion frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company is maintaining proper records of inventory.
- 3
 - a. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly the provisions of paragraph 4 (iii) (b), (iii) (c) and (iii) (d) are not applicable to the Company.
 - e. The company had taken interest free demand loan from holding company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 13,57,43,508/- and the year-end balance of loan taken is Rs. 13,57,43,508/-.
 - f. In our opinion, the interest free nature and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company.
 - g. There are no overdue payment outstanding as there is no demand received for repayment from Holding Company.
- 4 In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- 5
 - a. In our opinion, and according to the information and explanations given to us, the particulars of all 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. In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (v) (a) above and exceeding the value of rupees five lakhs with any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the company has not accepted any deposit covered under the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. Hence, Paragraph 4(vi) of the Order are not applicable.
- 7 During the year there was no formal internal audit, carried out by the Company. However, there are adequate internal controls and checks and balances, which are in place, which is commensurate with the size of the Company and its nature of business.
- 8 In our opinion and according to the information and explanation given to us, the Company is exempt from the applicability of Companies (Cost Accounting Records) Rules, 2011 for the year under audit. Hence, Paragraph 4(viii) of the Order is not applicable.
- 9
 - a. According to the information and explanation given to us, and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. No undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
 - b. According to the information and explanation given to us no disputed amounts in respect of income tax, wealth tax, service tax, cess and any other material statutory dues applicable to the Company were in arrears as of March 31, 2014 for a period more than six months from the date they became payable.
- 10 In our opinion, the Company has accumulated losses as at March 31, 2014 which exceeds 50% of its net worth as on that date. Further, the company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanation given to us the Company has not availed any financial assistance from financial institution or bank. Hence Paragraph 4 (xi) of the Order is not applicable.



- 12 In our opinion and according to the information and explanations given to us, during the year, the Company has not granted loans and advances on the basis of security of shares, debentures and other securities. Hence, Paragraph 4(xii) of the Order are is not applicable.
- 13 In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Hence, Paragraph 4(xiii) of the Order are is not applicable.
- 14 In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. Hence, Paragraph 4(xiv) of the Order are is not applicable.
- 15 In our opinion and according to information and explanation given to us, no guarantees/undertakings were given by the Company for loans/financial assistance taken by others from banks and financial institutions. Hence, Paragraph 4(xv) of the Order is not applicable.
- 16 In our opinion and according to the information and explanation given to us, the Company has not taken the any term loans. Hence, Paragraph 4(xvi) of the Order is not applicable.
- 17 According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- 18 According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- 19 According to the information and explanations given to us, the Company has not issued any debentures during the year.
- 20 The Company has not raised any money by public issue during the year.
- 21 As per information and explanations given to us and based on our examinations of book and records of the Company carried out in accordance with the generally accepted auditing practice in India, we have neither come across any instances of fraud on or by the Company, nor have we been informed of such cases by the management during the year.

for V D S R & Co.,
Chartered Accountants
FRN No.: 001626S

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Patil Narahari Laxmanrao
Partner M No: 222219



Place: Bangalore
Date: April 30, 2014

Purva Ruby Properties Private Limited
Balance Sheet as at 31 March 2014

2

	Note	31 Mar 2014	31 Mar 2013
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	1,00,000	1,00,000
Reserves and surplus	3	(4,54,176)	(87,817)
		<u>(3,54,176)</u>	<u>12,183</u>
Current Liabilities			
Short-term borrowings	4	13,57,43,508	57,652
Trade payables	5	6,02,892	29,770
Other current liabilities	5	98,876	-
		<u>13,64,45,276</u>	<u>87,422</u>
Total		<u>13,60,91,100</u>	<u>99,605</u>
Assets			
Non-Current Assets			
Properties held for development	6	6,10,49,930	-
Long-term loans and advances	7	6,87,47,929	-
		<u>12,97,97,859</u>	<u>-</u>
Current Assets			
Cash and bank balances	8	61,57,626	99,605
Short-term loans and advances	7	1,35,615	-
		<u>62,93,241</u>	<u>99,605</u>
Total		<u>13,60,91,100</u>	<u>99,605</u>

Significant accounting policies and other explanatory information

1

The notes referred to above form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For V D S R & Co
Chartered Accountants
FRN No.: 001626S

Patil

Patil Narahari Laxmanrao
Partner
M No: 222219



For and on behalf of the Board of Directors

Ashish Puravankara

Ashish Puravankara
Director
DIN 504524

Jasbir Ashish Puravankara

Jasbir Ashish Puravankara
Director
DIN 1918184

Bengaluru
30 Apr 2014

Statement of Profit and Loss for the year ended 31 March 2014

	Note	31 Mar 2014	31 Mar 2013
Income			
Revenue from operations		-	-
Other income		-	-
Total		<u>-</u>	<u>-</u>
Expense			
Other expenses	9	3,66,359	10,112
Total		<u>3,66,359</u>	<u>10,112</u>
Profit before tax		(3,66,359)	(10,112)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Net profit for the period		<u>(3,66,359)</u>	<u>(10,112)</u>
Earnings per share (Nominal value Rs.10 per share)			
Basic (Rs.)	10	(36.64)	(1.01)
Diluted (Rs.)	10	(36.64)	(1.01)

Significant accounting policies and other explanatory information

1

The notes referred to above form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For V D S R & Co
Chartered Accountants
FRN No.: 001626S



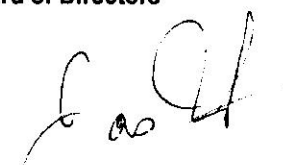
Patil Narahari Laxmanrao
Partner
M No: 222219



For and on behalf of the Board of Directors



Ashish Puravankara
Director
DIN 504524



Jasbir Ashish Puravankara
Director
DIN 1918184

Bengaluru
30 Apr 2014

Statement of Profit and Loss for the quarter ended 31 March 2014

	Note	31 Mar 2014	31 Mar 2013
Income			
Revenue from operations		-	-
Other income		-	-
Total		<u>-</u>	<u>-</u>
Expenses			
Other expenses	9	3,62,455	10,112
Total		<u>3,62,455</u>	<u>10,112</u>
Profit before tax		(3,62,455)	(10,112)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Net profit for the period		<u>(3,62,455)</u>	<u>(10,112)</u>
Earnings per share (Nominal value Rs.10 per share)			
Basic (Rs.)	10	(36.25)	(1.01)
Diluted (Rs.)	10	(36.25)	(1.01)

Significant accounting policies and other explanatory information

1

The notes referred to above form an integral part of the financial statements

This is the Statement of Profit and Loss
referred to in our report of even date

For V D S R & Co
Chartered Accountants
FRN No.: 001626S



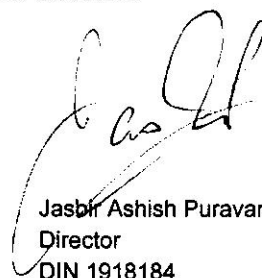
Patil Narahari Laxmanrao
Partner
M No: 222219



For and on behalf of the Board of Directors



Ashish Puravankara
Director
DIN 504524



Jasbir Ashish Puravankara
Director
DIN 1918184

Bengaluru
30 Apr 2014

Purva Ruby Properties Private Limited

Notes to the Financial Statements

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1 Significant accounting policies

a. Basis of preparation

The financial statements have been prepared on accrual basis under the historical cost convention and in accordance with the applicable accounting standards prescribed by Companies (Accounting Standards), Rules 2006, the provisions of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent applicable). The accounting policies have been consistently applied unless otherwise stated.

b. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these financial statements include the percentage completion for projects in progress, estimates of the economic useful lives of the fixed assets, provisions for bad and doubtful debts and accruals for employee benefits.

c. Revenue recognition

Revenue from projects

Revenue from the sale of properties is recognized when significant risks and rewards of ownership have been transferred to the customer, which coincides with entering into a legally binding agreement.

Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the customer.

Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method.

Effective 1 April 2012, in accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance note) all projects commencing on or after the said date or projects where revenue is recognized for the first time on or after the above date, construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

- (a) all critical approvals necessary for the commencement have been obtained;
- (b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;
- (c) at least 25 percent of the saleable project area is secured by agreements with buyers; and
- (d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts.

Contract revenues represent the aggregate amounts of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. Land costs are not included for the purpose of computing the percentage of completion.

Contract costs include the estimated construction, development, proportionate land cost and other directly attributable costs of the projects under construction. Losses expected to be incurred on projects in progress, are charged to the Statement of Profit and Loss in the period in which these losses are known.

For projects executed through joint development arrangements, which represent barter transactions, whereby the company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the company accounts for such transactions in accordance with the Guidance Note whereby developmental rights acquired through joint development arrangement are recorded on a gross basis on the estimated amount to be spent on development or construction of built-up area to be surrendered in lieu of the above rights.

The estimates for saleable area and contract costs are reviewed by the management periodically and the cumulative effect of the changes in these estimates, if any, are recognized in the period in which these changes may be reliably measured.

Unbilled revenue disclosed under other assets represents revenue recognized over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognized profits to date on projects under construction are disclosed as advance received from customers under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables and is net of any provisions for amounts doubtful of recovery.

Revenue from the sale of land is recognized in the period in which the agreement to sell is entered into. Where there is a remaining substantial obligation under the agreement, revenue is recognized on the fulfilment of such obligation.

d. Properties under development

Properties under development represents construction work in progress which are stated at the lower of cost and net realizable value. This comprises of cost of land, construction related overhead expenditure, borrowing costs and other net costs incurred during the period of development.



e. Properties held for sale

Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure, borrowing costs and other costs incurred during the period of development.

f. Properties held for development

Properties held for development represents land acquired for future development and construction, and is stated at cost including the cost of land, the related costs of acquisition, borrowing cost, where applicable and other costs incurred to get the properties ready for their intended use.

g. Fixed assets

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment losses. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

Expenditure directly relating to expansion is capitalized only if it increases the life or functionality of an asset beyond its original standard of performance.

h. Depreciation/amortization

Depreciation/amortization on fixed assets is provided on the straight-line method, using the rates specified in Schedule XIV to the Companies Act, 1956, except in the case of shuttering and scaffolding items where the estimated useful life has been determined as seven years. Assets individually costing less than Rs. 5,000 are fully depreciated in the period of purchase.

i. Borrowing cost

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with Accounting Standard 16 – "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

j. Advertisement and promotional expense

Advertisement and promotional expense in respect of projects currently being developed and for general corporate purposes are expensed to the Statement of Profit and Loss as incurred.

k. Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated

l. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturity of three months or less.

m. Inventory

Inventory includes raw materials used for the construction activity of the Company. Raw materials are valued at the lower of cost and net realizable value with the cost being determined on a 'First In First Out' basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs required to make the sale.

n. Tax expense

Tax expense comprises both current and deferred taxes. The current charge for income taxes is calculated in accordance with the relevant tax regulations. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the Balance Sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential equity shares.

p. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



2 Share capital

31 Mar 2014 31 Mar 2013

Authorized shares

100,000 (31 March 2013- 100,000) equity shares of Rs.10 each

10,00,000 1,00,000

Issued, subscribed and fully paid up shares

10,000 (31 March 2013- 10,000) equity shares of Rs.10 each

1,00,000 1,00,000

1,00,000 1,00,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	31 Mar 2014		31 Mar 2013	
	Number	Rs.	Number	Rs.
Balance at the beginning of the year	10,000	1,00,000	10,000	1,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	1,00,000	10,000	1,00,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shares held by the holding Company as at reporting date

	31 Mar 2014	31 Mar 2013
No. of shares	10,000	10,000
Par value of share	10	10
Amount in Rs.	1,00,000	1,00,000

d. Details of shareholders holding more than 5% shares in the company

	31 Mar 2014		31 Mar 2013	
	Number	% holding in the class	Number	% holding in the class
Equity shares of Rs.10 each fully paid up				
Puravankara Projects Limited	10,000	100.00%	10,000	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date :

The Company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2014.

f. Shares reserved for issue under options

As on reporting date, Shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment, including terms and amount: Nil

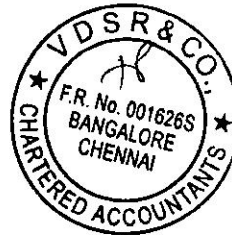
(Company has not reserved any shares for issue under options or otherwise and contracts/ commitments for sale / disinvestment as on reporting date).



	31 Mar 2014		31 Mar 2013	
3 Reserves and surplus				
Surplus in the Statement of Profit and Loss				
Balance at the beginning of the year		(87,817)		(77,705)
Add: Net profit for the year		(3,66,359)		(10,112)
Profit available for appropriation		(4,54,176)		(87,817)
Appropriations				
Less: Transfer to general reserve		-		-
Balance at the end of the year		(4,54,176)		(87,817)
4 Short-term borrowings				
Unsecured				
Interest free loan from Puravankara Projects			13,57,43,508	57,652
Limited repayable on demand*			13,57,43,508	57,652.00
* Unsecured loan from Holding Company classified as short term as the same is repayable on demand.				
5 Trade payables				
Trade payables		6,02,892		29,770
		6,02,892		29,770
Other current liabilities				
Duties and taxes payable		98,876		-
		98,876		-
6 Properties held for development				
At the beginning of the year				
Add : Additions during the year				
7 Loans and advances				
Security deposits				
Unsecured, considered good		6,87,47,929		-
		6,87,47,929		-
Other loans and advances				
(Unsecured, considered good)				
Taxes and duties recoverable		-	1,35,615	-
		-	1,35,615	-
Total loans and advances		6,87,47,929	1,35,615	-



	Non-current		Current	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
8 Cash and bank balances				
Cash and cash equivalents				
Cash on hand	-	-	-	-
Balances with banks:				
On current accounts	-	-	61,57,626	99,605
	<u>-</u>	<u>-</u>	<u>61,57,626</u>	<u>99,605</u>

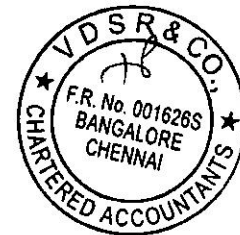


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	Quarter ended		Year ended	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
9 Other expenses				
Legal and professional expense	25,000	6,742	28,370	6,742
Rates and taxes	3,100	3,370	3,100	3,370
Security charges	3,34,355	-	3,34,355	-
Miscellaneous expenses	-	-	534	-
	3,62,455	10,112	3,66,359	10,112
Payment to auditor (on accrual basis, excluding service tax)				
As auditor:				
Audit fee	25,000	6,742	25,000	6,742
	25,000	6,742	25,000	6,742
10 Earnings per share (EPS)				
Weighted average number of shares outstanding during the period	10,000	10,000	10,000	10,000
Add: Dilutive effect of stock options	-	-	-	-
Weighted average number of shares used to compute diluted EPS	10,000	10,000	10,000	10,000
Net profit after tax attributable to equity shareholders	(3,62,455)	(10,112)	(3,66,359)	(10,112)
Earnings per share (Rs.) :				
Basic	(36.25)	(1.01)	(36.64)	(1.01)
Diluted	(36.25)	(1.01)	(36.64)	(1.01)
Nominal value - Rupees per equity share	10.00	10.00	10.00	10.00

* The Company does not have any outstanding dilutive potential equity shares as at March 31, 2014. Consequently, the basic and dilutive earnings per share of the Company remain the same.

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11 Related party transactions**(i) Holding Company**

Puravankara Projects Limited

(ii) Key management personnel

Mr. Ashish Puravankara

Mrs. Jasbir Ashish Puravankara

(iii) Entities controlled by key management personnel (other related parties):

Handiman Services Limited

(iv) The transactions with related parties for the year are as follows:

Nature of transaction	Holding Company		Key management personnel		Other related parties	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Loans taken from Puravankara Projects Limited	13,56,85,856	3,370	-	-	-	-
Security and maintenance expenses Handiman Services Limited	-	-	-	-	3,34,355	-

(v) Balances with related parties at the period end are as follows:

Nature of transaction	Holding Company		Key management personnel		Other related parties	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Loans taken from Puravankara Projects Limited	13,57,43,508	57,652	-	-	-	-



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12 Supplementary statutory information

	31 Mar 2014	31 Mar 2013
i. Earnings in foreign currency (on receipt basis)	Nil	Nil
ii. Expenditure in foreign currency (on accrual basis)	Nil	Nil
iii. Value of imports at CIF basis	Nil	Nil
iv. Contingent liabilities	Nil	Nil
v. Capital commitment	Nil	Nil
vi. Donation to political party	Nil	Nil

13 Disclosures of dues to micro, small and medium enterprises

a. Dues to Micro Small and Medium

The Principal amount and the interest due thereon remaining unpaid to any supplier as at March 31, 2014- Nil
(March 31, 2013- Nil)

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. The above information has been relied upon by the auditors.

b. Small Scale Industries:

As per the information available with the Company, there are no dues to small scale industries as at March 31, 2014- Nil (March 31, 2013- Nil)

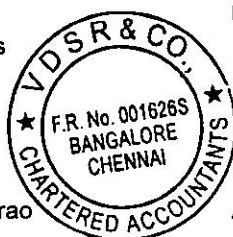
14 Prior period comparatives

Prior period comparatives have been regrouped/reclassified wherever necessary to conform to the presentation in the current year.

For V D S R & Co
Chartered Accountants
FRN No.: 001626S

Hatid

Patil Narahari Laxmanrao
Partner
M No: 222219



For and on behalf of the Board of Directors

[Signature]

Ashish Puravankara
Director
DIN 504524

[Signature]

Jasbir Ashish Puravankaray
Director
DIN 1918184

Bangalore
30 Apr 2014

Cash Flow Statement

	31 Mar 2014	31 Mar 2013
A. Cash flow from operating activities		
Profit before tax and prior period items	(3,66,359)	(10,112)
Adjustments	-	-
Operating profit before working capital changes	(3,66,359)	(10,112)
Movements in working capital :		
(Increase)/Decrease in trade receivables	-	-
(Increase)/Decrease in loans and advances and other current assets	(1,35,615)	-
(Increase)/Decrease in properties under development	-	-
Increase/(Decrease) in current liabilities and provisions	6,71,998	6,742
Cash (used in)/received from operations	1,70,024	(3,370)
Direct taxes paid	-	-
Net cash from/(used in) operating activities	1,70,024	(3,370)
B. Cash flows from investing activities		
Deposits and advances	(6,87,47,929)	-
Properties held for development	(6,10,49,930)	-
Net cash from/(used in) investing activities	(12,97,97,859)	-
C. Cash flows from financing activities		
Proceeds from/(repayments of) Short term borrowings	13,56,85,856	3,370
Net cash generated from/(used in) financing activities	13,56,85,856	3,370
Net increase/(decrease) in cash and cash equivalents (A + B + C)	60,58,021	-
Cash and cash equivalents at the beginning of the year	99,605	99,605
Cash and cash equivalents at the end of the year	61,57,626	99,605
Components of cash and cash equivalents		
Cash and bank balances (as per Note 8 to the financial statements)	-	-
Less: Bank deposits and margin monies considered separately	61,57,626	99,605
	61,57,626	99,605

This is the Cash Flow Statement referred to in our report of even date

For V D S R & Co
Chartered Accountants
FRN No.: 001626S

Hate

Patil Narahari Laxmanrao
Partner
M No: 222219

Bengaluru
30 Apr 2014



For and on behalf of the Board of Directors

Ashish

Ashish Puravankara
Director
DIN 504524

Jasbir

Jasbir Ashish Puravankara
Director
DIN 1918184