

**NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 7<sup>th</sup> Annual General Meeting (AGM) of the Members of STARWORTH INFRASTRUCTURE & CONSTRUCTION LTD. will be held on Monday, the 29.09.2014 @ 12.45 P.M., # 130/2, 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 MR. RAVI PURAVANKARA AS A DIRECTOR**

To appoint a Director in place of Mr. Ravi Puravankara (DIN: 00707948), who retires by rotation and being eligible, offers himself 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. Walker, Chandiok & Co. LLP (formerly Walker, Chandiok & Co), Chartered Accountants (LLP Registration No. 001076N/N500013), 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 STARWORTH INFRASTRUCTURE & CONSTRUCTION LTD.



NANI CHOKSEY  
DIRECTOR  
DIN:504555

BENGALURU  
07.08.2014

**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.

**Starworth Infrastructure & Construction Limited**

#301, 3rd Floor, Sunrise Chambers, Ulsoor Road, Bengaluru - 560042. Ph: 91-80 4900 9999 Fax: 91-80 49009917

Registered Office: #130/1, Ulsoor Road, Bengaluru - 560 042 Tel : 91-080-2559 9000/4343 9999 Fax : 91-080-2559 9350  
CIN: U45201KA2008PLC047441 E-mail: info@starworthinfra.com www.starworthinfra.com



# STARWORTH INFRASTRUCTURE AND CONSTRUCTION LIMITED

## DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors present the 7<sup>th</sup> Annual Report together with the audited statement of accounts for the year ended on 31.03.2014.

### 1. FINANCIAL RESULTS:

Particulars	(Figures in Rs. Lakhs)	
	Year Ended 31.03.2014	Year Ended 31.03.2013
<b><u>INCOME:</u></b>		
Revenue from Contracts	16,027.04	10,326.26
Other Operating Revenue	1.32	0.42
<b><u>Total Income</u></b>	<b><u>16,028.36</u></b>	<b><u>10,326.68</u></b>
<b><u>EXPENSES:</u></b>		
Material & Contract Costs	12,253.36	7,584.54
Employee Benefit Expenses	1,235.93	932.20
Finance Expenses / (Income)	4.31	(6.68)
Depreciation Expenses	169.81	138.68
Other Expenses	559.43	332.90
<b><u>Total Expenses</u></b>	<b><u>14,222.84</u></b>	<b><u>8,981.64</u></b>
<b>Profit / (Loss) Before Taxes</b>	<b><u>1,805.52</u></b>	<b><u>1,345.04</u></b>
Income Tax (Current and Deferred)	614.36	434.59
<b>Profit / (Loss) After Taxes</b>	<b><u>1,191.16</u></b>	<b><u>910.45</u></b>

### 2. FINANCIAL AND OPERATING PERFORMANCE:

#### State of Affairs

During the year your Company recorded a Revenue of Rs.16,027.04 Lakhs (2013 Rs.10,326.26 Lakhs), reflecting an increase of 55.21% over the previous year, which is attributed towards additional Projects undertaken during the year.

Material and Contract Costs amounted to Rs.12,253.36 Lakhs (2013 Rs.7,584.54 Lakhs) & Employee Benefits Expenses amounting to Rs.1,235.93 Lakhs (2013 Rs.932.20 Lakhs), denotes an increase of 61.56% and 32.58% respectively, which are in line with the increase in Revenue from Contracts.

Other Expenses amounted to Rs. 559.43 Lakhs (2013 Rs. 332.90 Lakhs), reflects an increase of 68.05% on account of higher Repairs and Maintenance, Legal & Professional charges, Rent, Security Charges & Miscellaneous expenses.

Depreciation Expenses amounted to Rs.169.81 Lakhs (2013 Rs.138.68 Lakhs), reflects an increase on account of additions to Fixed Assets, due to increase in Construction activities.

# STARWORTH INFRASTRUCTURE AND CONSTRUCTION LIMITED

Finance Expenses / (Income) - net, increased to Rs.4.31 Lakhs (2013 Rs.(6.68) Lakhs), denotes expenses under this head primarily attributable towards Bank Charges and Interest on Vehicle Loans.

The aforesaid increase in Revenues over the Expenses has resulted in an increase in PAT to Rs. 1,191.16 Lakhs (2013 Rs.910.45 Lakhs).

## 3. FUTURE OUTLOOK:

Your Company expects good performance in the years to come on account of increased order book position.

## 4. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013, Mr. 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. Walker, Chandiok & Co. LLP (formerly Walker, Chandiok & Co), Chartered Accountants (LLP Registration No. 001076N/N500013), statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received from M/S. Walker, Chandiok & Co. LLP, 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 (iii)(e) of the Annexure to the Independent Auditors Report dt. 07.08.2014.**

The Company has taken an interest free loan one party covered in the register maintained under the Section 301 of the Act. The maximum amount outstanding during the year was Rs.14,82,42,125 and the year-end balance is nil.

### **Response:**

The holding company (Puravankara Projects Ltd.) has provided interest free loans during the year to augment the business needs of your 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:

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the Employees are set out in the Annexure to this Report.

# STARWORTH INFRASTRUCTURE AND CONSTRUCTION LIMITED

## 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 31.03.2014 and of the Profit 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.

## 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  
STARWORTH INFRASTRUCTURE AND CONSTRUCTION LTD.



**NANI R CHOKSEY**  
**DIRECTOR**  
**DIN: 00504555**

Bengaluru  
07.08.2014



**Starworth Infrastructure and Construction Limited**  
Financial Statements  
For the year ended 31 March 2014

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# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
"WINGS", First Floor  
16/1, Cambridge Road  
Ulsoor, Bengaluru 560008  
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## Independent Auditors' Report

### To the Members of Starworth Infrastructure and Construction Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Starworth Infrastructure and Construction Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 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

2. 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 principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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

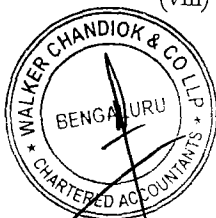
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 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.



**Annexure to the Independent Auditors' Report of even date to the members of Starworth Infrastructure and Construction Limited, on the financial statements for the year ended 31 March 2014.**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory 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 and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii) (d) of the Order are not applicable.
- (e) The Company has taken an interest free unsecured loan from one party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹ 148,242,125 and the year-end balance is nil.
- (f) In our opinion, the interest-free nature and other terms and conditions of the loan taken by the Company are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of loans taken, repayment of the principal amount is regular.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.





**Annexure to the Independent Auditors' Report of even date to the members of Starworth Infrastructure and Construction Limited, on the financial statements for the year ended 31 March 2014. (Cont'd).**

- (ix) (a) 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 and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, 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) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any bank. The Company does not have any dues payable to financial institution or debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

*Walker Chandiok & Co LLP*

**For Walker Chandiok & Co LLP**

*(formerly Walker, Chandiok & Co)*

Chartered Accountants

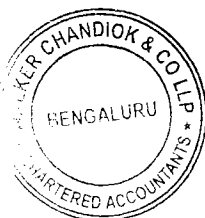
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*per Aasheesh Anun Singh*  
Partner

Membership No: 210122

Bengaluru

07 August 2014



**Independent Auditors' Report (Cont'd)**

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

**Opinion**

6. 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:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
  - ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
  - iii) 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**

7. 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.
8. 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 financial statements dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 ; and
  - e. On the basis of written representations received from the directors, as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

*Walker Chandiook & Co LLP*

For **Walker Chandiook & Co LLP**

(formerly Walker, Chandiook & Co)

Chartered Accountants

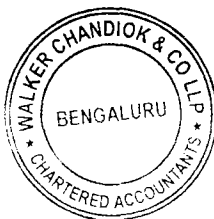
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per **Aasheesh Arjun Singh**  
Partner

Membership No.: 210122

Bengaluru

07 August 2014



# Balance Sheet as at 31 March 2014

	Note	31 March 2014	31 March 2013
(All amounts in ₹ lakh, unless otherwise stated)			
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	2	5.00	5.00
Reserves and surplus	3	2,481.83	1,290.67
		<b>2,486.83</b>	<b>1,295.67</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	0.66	11.87
Long-term provisions	5	86.34	58.02
		<b>87.00</b>	<b>69.89</b>
<b>Current Liabilities</b>			
Short-term borrowings	6	-	257.00
Trade payables	7	2,148.88	1,077.43
Other current liabilities	8	3,048.14	3,282.24
Short-term provisions	5	9.12	33.54
		<b>5,206.14</b>	<b>4,650.21</b>
<b>Total</b>		<b>7,779.97</b>	<b>6,015.77</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	9	1,127.08	1,005.42
Capital work-in-progress		0.58	-
		<b>1,127.66</b>	<b>1,005.42</b>
Deferred tax asset, (net)	10	24.27	12.10
Long-term loans and advances	11	151.01	91.11
Other non-current assets	13	5.76	-
		<b>1,308.70</b>	<b>1,108.63</b>
<b>Current Assets</b>			
Inventories	14		
Raw materials		1,343.88	752.47
Trade receivables	12	2,141.60	1,300.96
Cash and bank balances	15	25.93	245.93
Short-term loans and advances	11	435.23	267.91
Other current assets	13	2,524.63	2,339.87
		<b>6,471.27</b>	<b>4,907.14</b>
<b>Total</b>		<b>7,779.97</b>	<b>6,015.77</b>

Significant accounting policies

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

*Walker Chandio & Co LLP*

For Walker Chandio & Co LLP

(formerly Walker, Chandio & Co)

Chartered Accountants

per Aasheesh Arjun Singh  
Partner

Bengaluru  
07-Aug-14

For and on behalf of the Board of Directors

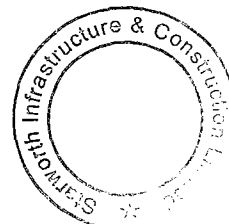
*Nani R Choksey*

Nani R Choksey  
Director

Bengaluru  
07-Aug-14

*Ashish Puravankara*

Ashish Puravankara  
Director



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

	Note	31 March 2014	31 March 2013
<b>(All amounts in ₹ lakh, unless otherwise stated)</b>			
<b>Income</b>			
Revenue from operations			
Revenue from construction services	16	16,027.04	10,326.26
Other operating revenue	16	1.32	0.42
<b>Total</b>		<b>16,028.36</b>	<b>10,326.68</b>
<b>Expenses</b>			
Material and contract costs	17	12,253.36	7,584.54
Employee benefits expense	18	1,235.93	932.20
Finance expense / (income), net	19	4.31	(6.68)
Depreciation expense	20	169.81	138.68
Other expenses	21	559.43	332.90
<b>Total</b>		<b>14,222.84</b>	<b>8,981.64</b>
<b>Profit before tax</b>		<b>1,805.52</b>	<b>1,345.04</b>
<b>Tax expense</b>			
Current tax		626.53	446.62
Deferred tax		(12.17)	(12.03)
<b>Net profit for the year</b>		<b>1,191.16</b>	<b>910.45</b>
<b>Earnings per share ( Nominal value ₹ 10 per share)</b>			
Basic (₹)	22	2,382.32	1,820.89
Diluted (₹)		2,382.32	1,820.89

Significant accounting policies 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

*Walker Chandiook & Co*  
For Walker Chandiook & Co LLP  
(formerly Walker, Chandiook & Co)  
Chartered Accountants

*Aasheesh Arjun Singh*  
per Aasheesh Arjun Singh  
Partner

Bengaluru  
07-Aug-14

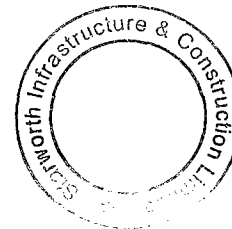


For and on behalf of the Board of Directors

*Nani R Choksey*  
Nani R Choksey  
Director

*Ashish Puravankara*  
Ashish Puravankara  
Director

Bengaluru  
07-Aug-14



# Notes to the Financial Statements

## 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 and accruals for employee benefits.

### c. Revenue recognition

Revenue from the construction contracts are recognised when the outcome of the contract can be estimated reliably. The construction contract revenue and cost associated with the contract are recognised as revenue and expenses respectively by reference to the stage of completion at the reporting date. The stage of completion is estimated as the proportion that construction contract costs incurred for the work performed up to the reporting date bear to the estimated total construction costs.

Construction contract cost include costs that relate directly to the contract, cost that are attributable to contract in general and can be allocated to the contract and such other costs as are specifically chargeable under the terms of the contract. Losses expected to be incurred in the contracts are charged to the Statement of Profit and Loss in the period in which these losses are known.

Cost and recognised profit to date in excess of progress billings are shown as 'Unbilled Revenue'. Where the progress billings exceed the cost and recognised profit to date, the same is disclosed as 'Advance Received From Customers'.

### d. Fixed assets

Fixed assets are stated at cost less accumulated depreciation/amortisation 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 capitalised only if it increases the life or functionality of an asset beyond its original standard of performance.

### e. Depreciation/amortisation

Depreciation/amortisation 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 ₹ 5,000 are fully depreciated in the year of purchase.

### f. Borrowing cost

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalised 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.

### g. 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 three months or less.

### h. Inventory

Inventory comprises 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.

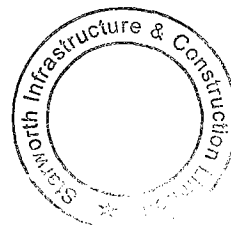
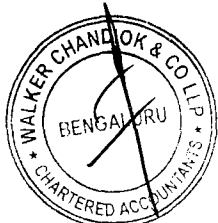
### i. Foreign currency transactions

#### (a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the respective transaction.

#### (b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.



**j. Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 Employee Benefits "AS 15".

**Provident fund**

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees' Provident Funds and Miscellaneous Provision Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

**Gratuity**

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets (if any), together with adjustments for unrecognised actuarial gains or losses and past service costs. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses arises.

**Vacation pay**

Liability in respect of vacation pay becoming due or expected to be availed within one year from the Balance Sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of earned leave becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of actuarial valuation in a manner similar to gratuity liability.

**Other short-term benefits**

Expense in respect of other short-term benefits including performance bonus is recognised on the basis of amount paid or payable for the period during which the employees render services.

**k. 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 recognised 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 realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised 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.

**l. 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.

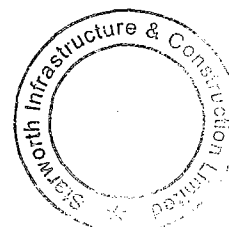
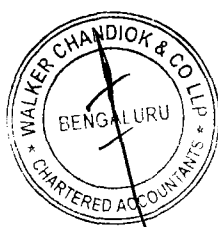
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential equity shares.

**m. 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.

**n. 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 recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if 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 historical cost.



## 2 Share capital

31 March 2014 31 March 2013

## Authorised shares

0.5 lakh (31 March 2013- 0.5 lakh) equity shares of ₹ 10 each

5.00 5.00

## Issued, subscribed and fully paid up shares

0.5 lakh (31 March 2013- 0.5 lakh) equity shares of ₹ 10 each

5.00 5.00

5.00 5.00

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

## Equity shares

	31 March 2014		31 March 2013	
	No. lakh	₹ lakh	No. lakh	₹ lakh
At the beginning of the year	0.50	5.00	0.50	5.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	0.50	5.00	0.50	5.00

## b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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, except interim dividend.

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 shareholders holding more than 5% shares in the Company

	31 March 2014		31 March 2013	
	No. lakh	% holding	No. lakh	% holding
Equity shares of ₹ 10 each fully paid				
Puravankara Projects Limited - Holding Company	0.50	100.00%	0.50	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 ownerships of shares.

## d. Shares in the Company held by Holding Company

31 March 2014 31 March 2013

0.5 lakh (31 March 2013 - 0.5 lakh) equity shares of ₹ 10 each

5.00 5.00

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

The Company has not issued any shares for consideration other than cash nor has there been any buy back of shares during five years immediately preceding 31 March 2014.

## 3 Reserves and surplus

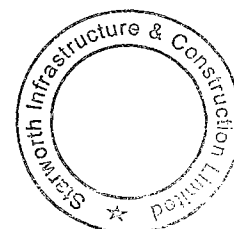
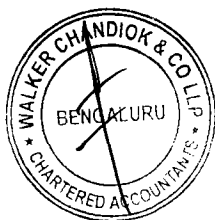
## Surplus in the Statement of Profit and Loss

Balance at the beginning of the year	1,290.67	380.22
Add: Net profit for the year	1,191.16	910.45
Balance at the end of the year	2,481.83	1,290.67

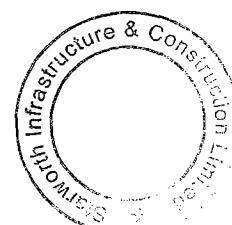
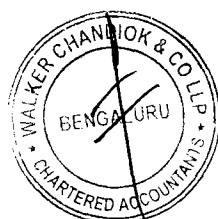
## 4 Borrowings

	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Term loans (secured)				
From banks	0.66	11.87	11.21	13.78
	0.66	11.87	11.21	13.78
Amount disclosed under head "Other current liabilities" (Refer Note 8)	-	-	(11.21)	(13.78)
	0.66	11.87	-	-

The above loans was sanctioned to the Company by ICICI Bank Limited. This facility is secured by charge on vehicles. Outstanding balance as on 31 March 2014 was ₹ 11.87 (31 March 2013 - ₹ 25.65). As on 31 March 2014, the interest rates per annum ranges between 10% to 12%.

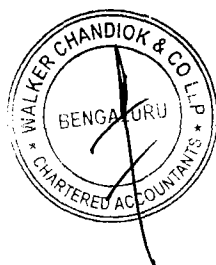


	Long-term		Short-term				
	31 March 2014	31 March 2013	31 March 2014	31 March 2013			
<b>5 Provisions</b>							
Provision for employee benefits							
Gratuity	77.51	52.70	7.40	-			
Vacation pay	8.83	5.32	1.72	0.42			
Provision for tax (net of advance tax)	-	-	-	33.12			
	<u>86.34</u>	<u>58.02</u>	<u>9.12</u>	<u>33.54</u>			
<b>6 Short-term borrowings</b>			31 March 2014	31 March 2013			
Unsecured							
Interest free loan from related parties repayable on demand			-	257.00			
			<u>-</u>	<u>257.00</u>			
<b>7 Trade payables</b>							
Trade payables (Refer Note 27)			2,142.43	1,077.42			
Dues to related parties			6.45	0.01			
			<u>2,148.88</u>	<u>1,077.43</u>			
<b>8 Other current liabilities</b>							
Current maturities of long term borrowings (Refer Note 4)			11.21	13.78			
Advances received from customers			2,752.50	3,158.61			
Duties and taxes payable			202.47	41.59			
Other payables			81.96	68.26			
			<u>3,048.14</u>	<u>3,282.24</u>			
<b>9 Tangible assets</b>							
	Plant and machinery	Office equipment	Computers	Furniture and fixtures	Vehicles	Shuttering materials	Total
<b>Cost</b>							
At 01 April 2014	59.18	1.07	1.29	0.88	7.51	822.52	892.45
Additions	131.08	1.48	0.26	4.10	6.50	214.87	358.29
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2013</b>	<b>190.26</b>	<b>2.55</b>	<b>1.55</b>	<b>4.98</b>	<b>14.01</b>	<b>1,037.39</b>	<b>1,250.74</b>
Additions	95.77	0.85	0.04	2.84	9.09	183.06	291.65
Disposals	(0.24)	-	-	-	-	-	(0.24)
<b>At 31 March 2014</b>	<b>285.79</b>	<b>3.40</b>	<b>1.59</b>	<b>7.82</b>	<b>23.10</b>	<b>1,220.45</b>	<b>1,542.15</b>
<b>Depreciation</b>							
At 01 April 2012	1.51	0.08	0.28	0.50	0.43	103.84	106.64
Charge for the year	7.25	0.07	0.23	1.45	1.15	128.53	138.68
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2013</b>	<b>8.76</b>	<b>0.15</b>	<b>0.51</b>	<b>1.95</b>	<b>1.58</b>	<b>232.37</b>	<b>245.32</b>
Charge for the year	11.00	0.61	0.25	2.13	1.64	154.18	169.81
Disposals	(0.06)	-	-	-	-	-	(0.06)
<b>At 31 March 2014</b>	<b>19.70</b>	<b>0.76</b>	<b>0.76</b>	<b>4.08</b>	<b>3.22</b>	<b>386.55</b>	<b>415.07</b>
<b>Net block</b>							
<b>At 31 March 2013</b>	<b>181.50</b>	<b>2.40</b>	<b>1.04</b>	<b>3.03</b>	<b>12.43</b>	<b>805.02</b>	<b>1,005.42</b>
<b>At 31 March 2014</b>	<b>266.09</b>	<b>2.64</b>	<b>0.83</b>	<b>3.74</b>	<b>19.88</b>	<b>833.90</b>	<b>1,127.08</b>
<b>10 Deferred tax asset, (net)</b>						31 March 2014	31 March 2013
Deferred tax liability arising on account of depreciation						(28.95)	(26.55)
Less: Deferred tax asset arising on account of:							
Expenses allowable on payment basis							
Gratuity						28.86	17.91
Leave encashment						3.59	1.95
Bonus						20.77	18.79
						<u>24.27</u>	<u>12.10</u>

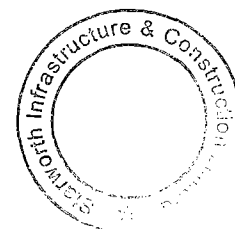




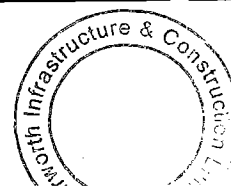
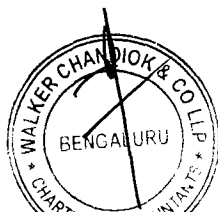
	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>11 Loans and advances</b>				
<b>Security deposits</b>				
Unsecured, considered good	56.46	35.44	10.00	-
	<u>56.46</u>	<u>35.44</u>	<u>10.00</u>	<u>-</u>
<b>Other loans and advances</b>				
(Unsecured, considered good)				
Advances to suppliers *	-	-	183.85	232.35
Advances to contractors *	-	-	226.06	20.02
Advance income tax (net of provision for taxation)	94.55	55.67	-	-
Prepaid expenses	-	-	4.59	-
Other advances *	-	-	10.73	15.54
	<u>94.55</u>	<u>55.67</u>	<u>425.23</u>	<u>267.91</u>
<b>Total loans and advances</b>	<u>151.01</u>	<u>91.11</u>	<u>435.23</u>	<u>267.91</u>
* Advances recoverable in cash or kind.				
<b>12 Trade receivables</b>				
(Unsecured, considered good)				
Outstanding for a period exceeding six months			978.03	-
Other receivables			1,163.57	1,300.96
			<u>2,141.60</u>	<u>1,300.96</u>
<b>13 Other assets</b>				
Deposit balances (Refer Note 15)	5.76	-	-	-
Interest accrued but not due on fixed deposits	-	-	0.41	2.51
Unbilled revenue	-	-	2,524.22	2,337.36
	<u>5.76</u>	<u>-</u>	<u>2,524.63</u>	<u>2,339.87</u>
<b>14 Inventories</b>				
Raw materials			1,343.88	752.47
			<u>1,343.88</u>	<u>752.47</u>
<b>15 Cash and bank balances</b>				
<b>Cash and cash equivalents</b>				
Cash on hand			2.68	2.51
<b>Balances with scheduled banks:</b>				
On current accounts			6.53	230.67
			<u>9.21</u>	<u>233.18</u>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	5.76	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	16.72	12.75
	<u>5.76</u>	<u>-</u>	<u>16.72</u>	<u>12.75</u>
Amount disclosed under other non-current assets (Refer Note 13)	(5.76)	-	-	-
	<u>-</u>	<u>-</u>	<u>25.93</u>	<u>245.93</u>



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	Year ended	
	31 March 2014	31 March 2013
<b>16 Revenue from operations</b>		
Revenue from construction services	16,027.04	10,326.26
	<b>16,027.04</b>	<b>10,326.26</b>
<b>Other operating revenue</b>		
Scrap sales and others	1.32	0.42
	<b>1.32</b>	<b>0.42</b>
<b>17 Material and contract costs</b>		
Inventory of building material at the beginning of the year	752.47	349.49
Add: Incurred during the year	12,844.77	7,987.52
	<b>13,597.24</b>	<b>8,337.01</b>
Less : Inventory of building material at the end of the year	1,343.88	752.47
	<b>12,253.36</b>	<b>7,584.54</b>
<b>18 Employee benefits expense</b>		
Salaries, wages and bonus	1,111.44	838.21
Contribution to provident fund and other funds	49.15	40.90
Gratuity expense	32.21	24.82
Staff welfare	43.13	28.27
	<b>1,235.93</b>	<b>932.20</b>
<b>19 Finance expense/(income), net</b>		
<b>Finance expense:</b>		
Interest on vehicle loans	2.11	3.03
Bank charges	1.58	3.08
Others	1.52	6.94
	<b>5.21</b>	<b>13.05</b>
<b>Finance Income:</b>		
<b>Interest on:</b>		
- Bank deposits	0.90	1.01
- Loan to holding company	-	18.72
	<b>0.90</b>	<b>19.73</b>
<b>Finance expense/(income), net</b>	<b>4.31</b>	<b>(6.68)</b>
<b>20 Depreciation expense</b>		
Depreciation of tangible assets	169.81	138.68
	<b>169.81</b>	<b>138.68</b>
<b>21 Other expenses</b>		
Travel and conveyance	14.76	10.09
Repairs and maintenance		
- plant & machinery	60.51	50.98
- others	103.53	50.07
Legal and professional charges	25.29	20.93
Rent	120.16	66.38
Rates & taxes	3.57	8.73
Security charges	153.05	79.60
Communication costs	6.08	4.65
Printing and stationery	3.06	2.51
Advertising and business promotion	-	3.82
Miscellaneous expenses	69.42	35.14
	<b>559.43</b>	<b>332.90</b>
<b>Payment to auditor (on accrual basis, excluding service tax)</b>		
<b>As auditor:</b>		
Audit fee	11.00	13.00
<b>In other capacity:</b>		
Other services	-	-
<b>Reimbursement of expenses</b>		
	<b>11.00</b>	<b>13.00</b>



**22 Earning per share (EPS)**

Weighted average number of shares outstanding during the year (lakh)  
Weighted average number of shares used to compute diluted EPS (lakh)  
Profit / (loss) for the period attributable to equity shareholders  
Earnings per share (₹) :  
Basic  
Diluted  
Nominal value - ₹ per equity share

Year ended	
31 March 2014	31 March 2013
0.50	0.50
0.50	0.50
1,191.16	910.45
2,382.32	1,820.89
2,382.32	1,820.89
10.00	10.00

**23 Related party transactions**
**(i) Parties where control exists**

Puravankara Projects Limited - Holding Company  
Mr. Ravi Puravankara

**(ii) Key management personnel**

Mr. Ravi Puravankara

**(iii) Relative of Key Management Personnel**

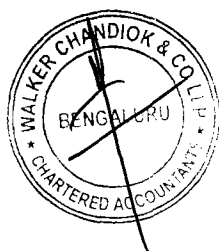
Ms. Amanda Puravankara

**(iv) Entities controlled by key management personnel (Other related parties):**

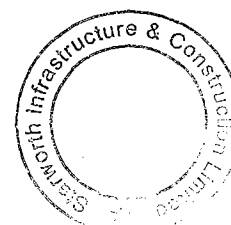
Provident Housing Limited  
Handiman Services Limited

**(v) The transactions with related parties for the year:**

Nature of transaction	Holding Company		Relative of key management personnel		Other related parties	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>Transactions during the year:</b>						
<b>Interest earned on loans given to</b>						
Puravankara Projects Limited	-	18.72	-	-	-	-
<b>Loans given to</b>						
Puravankara Projects Limited	-	274.45	-	-	-	-
<b>Loans repaid by</b>						
Puravankara Projects Limited	-	751.36	-	-	-	-
<b>Loans taken from</b>						
Puravankara Projects Limited	1,280.63	257.00	-	-	-	-
<b>Loans repaid to</b>						
Puravankara Projects Limited	1,537.63	-	-	-	-	-
<b>Mobilization advance received from</b>						
Puravankara Projects Limited	-	475.41	-	-	-	-
Provident Housing Limited	-	-	-	-	-	900.00
<b>Material and services sold</b>						
Puravankara Projects Limited	11,631.60	7,268.16	-	-	-	-
Provident Housing Limited	-	-	-	-	3,109.88	1,312.64
<b>Security and maintenance expenses</b>						
Handiman Services Limited	-	-	-	-	119.65	75.42
<b>Balances at the year end:</b>						
<b>Loans taken from</b>						
Puravankara Projects Limited	-	257.00	-	-	-	-
<b>Trade receivables</b>						
Puravankara Projects Limited	1,033.86	723.86	-	-	-	-
Provident Housing Limited	-	-	-	-	728.34	238.54
<b>Dues to</b>						
Handiman Services Limited	-	-	-	-	6.45	-
<b>Advance received from customers</b>						
Puravankara Projects Limited	1,680.71	2,442.20	-	-	-	-
Provident Housing Limited	-	-	-	-	416.33	900.00



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**24 Employee benefits**

**A. Defined benefit plan**

The Company has gratuity and vacation pay as defined benefit retirement plans for its employees. Disclosures as required by AS 15 for the year ended 31 March 2014 and 31 March 2013 are as under:

	31 March 2014		31 March 2013		
	Gratuity	Vacation pay	Gratuity	Vacation pay	
1 The amounts recognized in the Balance Sheet are as follows:					
Present value of the obligation as at the end of the year	84.91	10.56	52.70	5.74	
Fair value of plan assets as at the end of the year	-	-	-	-	
Net liability/(asset) recognised in the Balance Sheet	<u>84.91</u>	<u>10.56</u>	<u>52.70</u>	<u>5.74</u>	
2 The amounts recognised in the Statement of Profit and Loss are as follows:					
Service cost	14.38	6.13	21.10	46.57	
Interest cost	8.71	0.43	5.31	0.33	
Net actuarial (gain)/loss recognised in the year	9.78	0.35	(1.59)	20.18	
Expense recognised in the Statement of Profit and Loss of the year	<u>32.87</u>	<u>6.91</u>	<u>24.82</u>	<u>67.08</u>	
3 Changes in the present value of defined benefit obligation					
Defined benefit obligation as at beginning of the year	52.70	5.74	27.88	12.28	
Service cost	14.38	6.13	21.10	46.57	
Interest cost	8.71	0.43	5.31	0.33	
Actuarial losses/(gains)	9.78	0.35	(1.59)	20.18	
Benefits paid	(0.66)	(2.09)	-	(73.03)	
Curtailment losses/(gains)	-	-	-	(0.59)	
Defined benefit obligation as at the end of the year	<u>84.91</u>	<u>10.56</u>	<u>52.70</u>	<u>5.74</u>	
Assumptions used in the above valuations are as under:					
Interest rate	9.15%	9.15%	8%	8%	
Discount rate	9.15%	9.15%	8%	8%	
Future salary increase	6%	6%	6%	6%	
Attrition rate	5%	5%	2%	2%	
Retirement age	60 years	60 years	60 years	60 years	
4 Experience adjustments	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011	31 Mar 2010
Defined benefit obligation as at the end of the year	84.91	52.70	27.88	3.73	-
Plan assets	-	-	-	-	-
Surplus/(deficit)	84.91	52.70	27.88	3.73	-
Experience adjustments on plan liabilities	9.78	(1.59)	(3.36)	(0.70)	-
Experience adjustments on plan assets	-	-	-	-	-

**B. Defined contribution plan**

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952. This is a defined contribution plan as per AS 15. Contribution made was ₹ 45.39 for the year ended 31 March 2014 (31 March 2013 - ₹ 35.30).

**25 Segmental Information**

The Company is engaged in construction of residential and commercial properties which is considered to be the only reportable business segment as

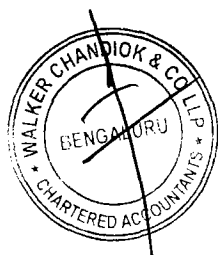
per Accounting Standard 17 on Segment Reporting. The Company operates primarily in India and there is no other significant geographical segment.

**26 Supplementary statutory information (to the extent applicable)**

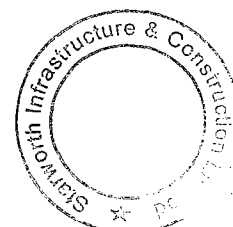
**a) Consumption of raw materials**

Indigenous

	31 March 2014		31 March 2013	
	₹ Lakh	%	₹ Lakh	%
	7,322.03	100.00	5,753.24	100.00
	<b>7,322.03</b>	<b>100.00</b>	<b>5,753.24</b>	<b>100.00</b>



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## 27 Disclosure of dues to micro, small and medium enterprises

Based on the information available with the Company, nil (31 March 2013 - ₹ 0.06) is the amount payable to micro, small and medium enterprises at the balance sheet date. These amounts, being retention money, are due only on completion of retention period and are contractually not due as on 31 March 2014 as per the contract with the said parties. Consequently, the management believes that the interest liability under The Micro, Small and Medium Enterprises Development Act, 2006 does not arise and hence no disclosure is required under the said law.

	31 March 2014	31 March 2013
<b>28 Disclosures pursuant to Accounting Standard (AS) 7 "Construction Contracts"</b>		
Contract revenue recognised during the year	16,027.04	10,326.26
The aggregate amount of costs incurred and recognised profits upto the reporting date for all contracts in progress	32,102.71	16,075.67
Amount of customer advances outstanding for contracts in progress as at the end of financial year	2,752.50	3,158.61
Retention amounts due from customers for contracts in progress as at the end of financial year	1344.83	691.71

## 29 Transfer pricing

The Finance Act, 2012 has made the detailed Transfer Pricing regulations applicable to 'specific domestic transactions'. Accordingly, the income and / or expenditure arising from such 'specific domestic transactions' have to be computed having regard to the arm's length price. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing the return of income.

The Company has undertaken necessary steps to comply with the Transfer Pricing regulations and the prescribed report from the Accountant will be obtained for the year ended 31 March 2014. The Management is of the opinion that the above referred transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

## 30 Prior year comparatives

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

*Walker Chandiook & Co*

For Walker Chandiook & Co LLP  
(formerly Walker, Chandiook & Co)  
Chartered Accountants

*Aasheesh Arjun Singh*  
per Aasheesh Arjun Singh  
Partner

Bengaluru  
07-Aug-14

For and on behalf of the Board of Directors

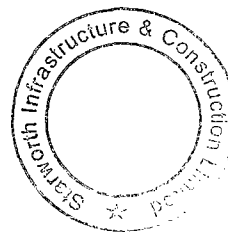
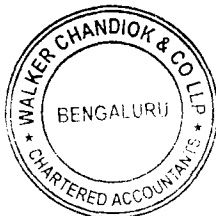
*Nani R Choksey*

Nani R Choksey  
Director

Bengaluru  
07-Aug-14

*Ashish Puravankara*

Ashish Puravankara  
Director



## Cash Flow Statement

	Year ended 31 March 2014	Year ended 31 March 2013
<b>A. Cash flow from operating activities</b>		
<b>Net profit / (loss) before tax</b>	<b>1,805.52</b>	<b>1,345.04</b>
Adjustments for:		
Depreciation	169.81	138.68
(Profit)/loss on sale of fixed assets	0.12	-
Finance expense/(income), net	4.31	(6.68)
<b>Operating profit before working capital changes</b>	<b>1,979.76</b>	<b>1,477.04</b>
Movements in working capital :		
(Increase) / Decrease in trade debtors	(840.64)	591.88
(Increase) / Decrease in inventories	(591.41)	(402.98)
(Increase) / Decrease in loans and advances and other assets	(375.20)	(1,398.38)
Increase / (Decrease) in current liabilities and provisions	876.94	55.02
<b>Cash (used in) / received from operations</b>	<b>1,049.45</b>	<b>322.58</b>
Direct taxes paid	(698.53)	(481.30)
<b>Net cash from / (used in) operating activities</b>	<b>350.92</b>	<b>(158.72)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(292.23)	(343.95)
Proceeds from sale of fixed assets	0.06	-
Loan to holding company	-	(274.45)
Loan repaid by holding company	-	734.51
Net investment in bank deposits and margin monies	(9.73)	-
Interest received	3.00	18.72
<b>Net cash from / (used in) investing activities</b>	<b>(298.90)</b>	<b>134.83</b>
<b>C. Cash flows from financing activities</b>		
Loan from holding company	1,280.63	257.00
Loans repaid to holding company	(1,537.63)	-
Proceeds from term loan	-	22.49
Repayment of term loan	(13.78)	(11.35)
Interest paid	(5.21)	(13.05)
<b>Net cash generated from / (used in) financing activities</b>	<b>(275.99)</b>	<b>255.09</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(223.97)</b>	<b>231.20</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>233.18</b>	<b>1.98</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>9.21</b>	<b>233.18</b>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances (as per note 15 to the financial statements)	25.93	245.93
Less: Bank deposits considered separately	16.72	12.75
	<b>9.21</b>	<b>233.18</b>

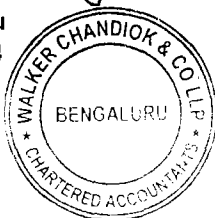
This is the Cash Flow Statement referred to in our report of even date

*Walker Chandniok & Co*

**For Walker Chandniok & Co LLP**  
(formerly Walker, Chandniok & Co)  
Chartered Accountants

per **Aasheesh Arjun Singh**  
Partner

**Bengaluru**  
**07-Aug-14**



For and on behalf of the Board of Directors

*Nani R Choksey*

**Nani R Choksey**  
Director

**Bengaluru**  
**07-Aug-14**

*Ashish Puravankara*

**Ashish Puravankara**  
Director

