

MELMONT CONSTRUCTION PVT. LTD.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 9th Annual General Meeting (AGM) of the Members of MELMONT CONSTRUCTION PRIVATE LIMITED will be held on Monday, the 29.09.2014 @ 10.00 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 MR. NANI R. CHOKSEY AS A DIRECTOR

To appoint a Director in place of Mr. Nani R. Choksey (DIN: 00504555), 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. 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 MELMONT CONSTRUCTION PVT. LTD.



BENGALURU
30.04.2014

NANI R CHOKSEY
DIRECTOR
DIN: 504555

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.

Registered Office: #130/1, Ulsoor Road, Bengaluru-560 042 Tel : 91-080-2559 900/4343 9999 Fax: 91-080-2559 9350
CIN: U74210KA2004PTC034801 E-mail: info@puravankara.com



MELMONT CONSTRUCTION PVT. LTD.

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors present the 9th 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
INCOME:		
Revenue from Operations	-	-
Other Income	-	-
Total Income		26,003
		<u>26,003</u>
EXPENSES:		
Other Expenses	47,591	546,342
Finance Expenses	-	-
Total Expenses	<u>(47,591)</u>	<u>546,342</u>
Profit / (Loss) Before Taxes	<u>(48,379)</u>	<u>(520,339)</u>
Income Tax (Current and Deferred)	-	-
Profit / (Loss) After Taxes	<u>(48,379)</u>	<u>(520,339)</u>

2. FINANCIAL AND OPERATING PERFORMANCE:

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

Other Expenses of Rs. 47,591 (2013 - Rs. 546,342) denotes expenses on Audit, Professional charges and other Administration Charges

3. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013, **Mr. Nani R. Choksey** 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.

4. 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.

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.

MELMONT CONSTRUCTION PVT. LTD.

5. 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 has 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.

6. 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.

7. 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.

8. 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 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.

9. ACCEPTANCE OF FIXED DEPOSITS:

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

MELMONT CONSTRUCTION PVT. LTD.

10. 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
MELMONT CONSTRUCTION PVT. LTD



NANI R CHOKSEY
DIRECTOR
DIN: 00504555

Bengaluru
30.04.2014

Melmont Constructions Private Limited

Financial Statements

For the year ended 31 March 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

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

INDEPENDENT AUDITORS' REPORT

To the Members of
Melmont Construction Private Limited

We have audited the accompanying financial statements of Melmont Construction Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year and quarter ended and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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
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

Branch Office:
No. 337, Karuna Complex
Sampige Road, Malleswaram
Bangalore, 560 003
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) & (c) of the Order are not applicable.
- 2
 - a. The inventory represents the land 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 granted interest free unsecured demand loan to the Purva Realities Pvt Ltd (Fellow subsidiary) covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 7,19,27,276/- and the year-end balance of the loan is Rs. 7,19,27,276/- .
 - b. 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.
 - c. During the year the Company has not made any demand for repayment of the loan.
 - d. The company had taken interest free demand loan from holding company and fellow subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,30,29,04,022/- and Rs. 25,00,000/- and the year-end balance of loan is Rs. 1,30,29,04,022/- and Rs. 25,00,000/-, simultaneously.
 - e. 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.
 - f. 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 is 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 According to the information and explanation given to us, the Companies (Cost Accounting Records) Rules 2011 have become applicable to the Company for its constructing of buildings or structures during the current year, however, no specific formats for the maintenance of the cost records in respect of the activities of the Company have been prescribed under the said rules. In terms of the clarification from the MCA vide F. No. 52/1/CAB/-2012, the Company believes that the current records available with the Company provide the information required under the rules. We have broadly reviewed the books of accounts 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 the activities carried out by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the cost records.



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 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 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 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 is not applicable.

15

In our opinion and according to information and explanation given to us, the terms and conditions on which the company has given guarantees for loans taken by the Holding Company from banks or financial institutions are not prejudicial to the interest of the company.

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

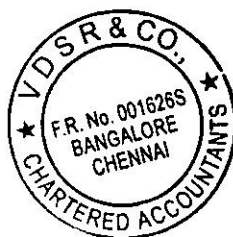
As per information and explanations given to us and based on our examinations of book and records of the Company carried out in accordance with the generally accepted auditing practice in India, we have neither come across any instances of fraud on or by the Company, nor have we been informed of such cases by the management during the year.

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

Patil

Patil Narahari Laxmanrao
Partner M No: 222219

Place: Bangalore
Date: April 30, 2014



MELMONT CONSTRUCTION PRIVATE LIMITED

Balance Sheet as at 31 March 2014

		Amount in Rs.	
	Note	As at 31/Mar/14	As at 31/Mar/13
Shareholders' Funds			
Share capital	2	1,00,000	1,00,000
Reserves and surplus	3	(3,81,69,173)	(3,81,20,794)
Current Liabilities			
Short-term borrowings	4	1,30,54,04,022	1,29,01,31,519
Trade payables	5	30,57,744	18,13,762
Other current liabilities	6	81,648	3,723
		1,27,04,74,241	1,25,39,28,210
Assets			
Non-Current Assets			
Non-Current Investments			
Properties held for development	7	1,19,64,04,494	1,18,04,93,306
Non-current investments			
Long-term loans and advances	9	7,20,02,276	7,20,02,276
Current Assets			
Cash and bank balances	8	9,09,779	6,66,235
Short-term loans and advances	9	11,57,692	7,66,393
		1,27,04,74,241	1,25,39,28,210
Significant accounting policies	1		

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

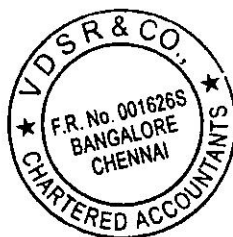
This is the Balance Sheet referred to in our report of even date

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



Patil Narahari Laxmanrao
Partner M No: 222219

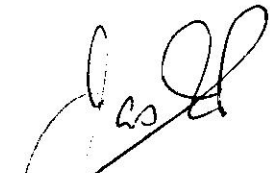
Place: Bangalore
Date: April 30, 2014



for and on behalf of the Board of Directors



Nani R Choksey
Director
DIN 504555



Jasbir Ashish Puravankara
Director
DIN 1918184

MELMONT CONSTRUCTION PRIVATE LIMITED

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

Amount in Rs.

For the year ended

	Note	31/Mar/14	31/Mar/13
Income			
Revenue from operations		-	-
Other income	10	-	26,003
		-	26,003
Expenses			
Other expenses	11	47,591	5,46,342
		47,591	5,46,342
Profit/(Loss) before tax and prior period items		(47,591)	(5,20,339)
Tax expense			
Current tax		-	-
Earlier year income tax		788	-
Profit/(Loss) after tax and before prior period items		(48,379)	(5,20,339)
Prior period items		-	-
Net profit/(Loss) for the period		(48,379)	(5,20,339)
Earnings per share (Nominal value Rs. 10 per share)			
Basic (Rs.)		(4.84)	(52.03)
Diluted (Rs.)		(4.84)	(52.03)

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

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

Hatli

Patil Narahari Laxmanrao
Partner M No: 222219

Place: Bangalore
Date: April 30, 2014



Nani R Choksey

Nani R Choksey
Director
DIN 504555

Jasbir Ashish Puravankara

Jasbir Ashish Puravankara
Director
DIN 1918184

for and on behalf of the Board of Directors

MELMONT CONSTRUCTION PRIVATE LIMITED

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

		Amount in Rs.	
		For the quarter ended	
	Note	31/Mar/14	31/Mar/13
Revenue from operations		-	-
Other income	10	-	-
		-	-
Other expenses	11	30,601	34,174
		30,601	34,174
Profit/(Loss) before tax and prior period items		(30,601)	(34,174)
Tax expense			
Current tax		-	-
Profit/(Loss) after tax and before prior period items		(30,601)	(34,174)
Prior period items		-	-
Net profit/(Loss) for the period		(30,601)	(34,174)
Earnings per share (Nominal value Rs. 10 per share)			
Basic (Rs.)		(3.06)	(3.42)
Diluted (Rs.)		(3.06)	(3.42)

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

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

Patil

Patil Narahari Laxmanrao
Partner M No: 222219

Place: Bangalore
Date: April 30, 2014



Nani R Choksey

Nani R Choksey
Director
DIN 504555

for and on behalf of the Board of Directors

Jasbir Ashish Puravankara

Jasbir Ashish Puravankara
Director
DIN 1918184

MELMONT CONSTRUCTION PRIVATE LIMITED

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 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 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:

Revenues from projects

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

Interest income

Interest income is recognised on accrual basis.

d. Properties under development

Properties under development represent construction work in progress which is stated at the lower of cost and net realizable value. This comprises of cost of land, construction related overhead expenditure and 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 and 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 and other costs incurred to get the properties ready for their intended use.

g. Borrowing costs

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.



h. 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 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.

i. 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.

j. Tax expenses

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 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 taxable profits.

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.

f. 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.

g. 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.



MELMONT CONSTRUCTION PRIVATE LIMITED

Notes to the Financial Statements

Note	Particulars	Amount in Rs.	
		31-Mar-14	31-Mar-13
2	Share capital		
a	Authorized shares		
	50,000 (31 Mar 2013 - 50,000) equity shares of Rs. 10 each	5,00,000	5,00,000
b	Issued, subscribed and fully paid up shares		
	50,000 (31 Mar 2013 - 50,000) equity shares of Rs. 10 each	1,00,000	1,00,000
		1,00,000	1,00,000

c Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31-Mar-14		31-Mar-13	
	Nos	Rs.	Nos	Rs.
Balance at the beginning of the period	10,000	1,00,000	10,000	1,00,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	10,000	1,00,000	10,000	1,00,000

d 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 if any 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.

e Details of shares held by the holding company as at reporting date

	31-Mar-14	31-Mar-13
No of Shares	10,000	10,000
Par value of share	10	10
Amount in Rs.	1,00,000	1,00,000

f Details of shareholders holding more than 5% shares in the Company

	31-Mar-14		31-Mar-13	
	Nos	% holding in the class	No. lakh	% holding in the class
Equity shares of Rs. 10 each fully paid up				
Puravankara Projects Limited	10,000	100%	10,000.00	100%

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.

g 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 has there been any buy back of shares during five years immediately preceding 31 March, 2014.

h 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.)



MELMONT CONSTRUCTION PRIVATE LIMITED

Notes to the Financial Statements

Note	Particulars	Amount in Rs.		
		Quarter ended 31-Mar-14	Year ended 31-Mar-14	Year ended 31-Mar-13
3	Reserves and surplus			
	Surplus in the Statement of Profit and Loss			
	Balance at the beginning of the year/quarter	(3,81,38,572)	(3,81,20,794)	(3,76,00,455)
	Add: Net profit/(loss) for the year/quarter	(30,601)	(48,379)	(5,20,339)
	Profit available for appropriation	(3,81,69,173)	(3,81,69,173)	(3,81,20,794)
	Appropriations			
	Less: Transfer to general reserve	-	-	-
	Balance at the end of the year/quarter	(3,81,69,173)	(3,81,69,173)	(3,81,20,794)

4 Borrowings

	Non-current portion		Current portion	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Unsecured loans				
Interest free demand loan to Holding Company	-	-	1,30,29,04,022	1,28,76,31,519
Interest free demand loan to Fellow Subsidiary Company	-	-	25,00,000	25,00,000
	-	-	1,30,54,04,022	1,29,01,31,519

* Unsecured loan from Puravankara Projects Limited (Holding Company) classified as short term as the same is repayable on demand.

** Unsecured loan from Provident Housing Limited (Fellow Subsidiary Company) classified as short term as the same is repayable on demand.

5 Trade payables

Trade payables			30,57,744	18,13,762
	-	-	30,57,744	18,13,762

6 Other current liabilities

Duties and taxes payable	-	-	81,648	3,723
Other payables	-	-	-	-
	-	-	81,648	3,723

7 Properties held for development

	Non-current		Current	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
At the beginning of the period/year	1,18,04,93,306	1,16,89,01,946	-	-
Add : Additions during the period/year	1,59,11,188	1,15,90,515	-	-
Add: Depreciation capitalised	-	845	-	-
	1,19,64,04,494	1,18,04,93,306	-	-

Properties held for development represents cost of land and other related expenditures pending for start of the project.

8 Cash and bank balances

Cash and cash equivalents				
Cash on hand	-	-	50,100	75,100
Balances with banks:				
In current accounts	-	-	8,59,679	5,91,135
Deposits with original maturity of less than three months	-	-	-	-
	-	-	9,09,779	6,66,235

9 Loans and advances

Loans and advances to related parties				
(Unsecured, considered good)				
Loan from Fellow Subsidiary Company *	7,19,27,276	7,19,27,276	-	-
Other loans and advances				
(Unsecured, considered good)				
Taxes and duties recoverable	-	-	8,29,529	4,38,230
VAT deposit	75,000	75,000	-	-
Other advances	-	-	3,28,163	3,28,163
	7,20,02,276	7,20,02,276	11,57,692	7,66,393

* Loan to the Purva Realities Private Limited (Fellow Subsidiary Company) has been classified as non current asset as the same is receivable after 12 months from the balance sheet date.



MELMONT CONSTRUCTION PRIVATE LIMITED

Notes to the Financial Statements

Note	Particulars	Amount in Rs.			
		For the year ended		For the quarter ended	
		31/Mar/14	31/Mar/13	31/Mar/14	31/Mar/13
10	Other income				
	Interest on income tax refund	-	26,003	-	-
		-	26,003	-	-
11	Other expenses				
	Advertisement	-	5,00,000	-	-
	Professional charges	43,482	28,090	28,990	28,090
	Other expenses	4,109	18,252	1,611	6,084
		47,591	5,46,342	30,601	34,174



MELMONT CONSTRUCTION PRIVATE LIMITED

Notes to the Financial Statements

Note	Particulars	Amount in Rs.
12 Other disclosures:		
a. Expenses in foreign currency:	Nil	
b. Value of imports at CIF basis:	Nil	
c. Earnings in foreign currency:	Nil	
d. Contingent liabilities:	The Company has given security of its land towards the loan taken by the Holding Company - Refer note 15 below	
e. Capital commitment:	Nil	

13 Other additional information - Statement of Profit and Loss

Payment to the auditors comprises (net of service tax input credit, where applicable):
Audit fees

	For the year ended	
	31-Mar-14	31-Mar-13
	28,090	28,090
	28,090	28,090

13 Related party disclosure:

a. Name of Related Parties and nature of relationship:

Description	Period ended March 31, 2014
Holding Company	Puravankara Projects Ltd
Fellow subsidiary	Purva Realities Private Limited
	Provident Housing Limited
Key Managerial Personnel	Mr. Nani Rusi Choksey
	Mrs. Jasbir Ashish Puravankara

b. Transactions with related parties referred above in the ordinary course of the business during the year (Amount in bracket represents previous year figure):

Nature of transactions	Holding Company	Fellow subsidiaries
Intercompany Loan availed	1,42,91,000	-
	(95,70,400)	-
Reimbursement of expenses	9,56,185	-
	(17,27,443)	-
Outstanding as at March 31, 2014		
Current assets- Loans and Advances	-	7,19,27,276
Current assets- Loans and Advances	-	(7,19,27,276)
Unsecured loans	1,30,29,04,022	25,00,000
Unsecured loans	(1,28,76,31,519)	(25,00,000)

14 Earnings per share:

Particular	For the year ended		For the quarter ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Profit/(Loss) after tax	(48,379)	(5,20,339)	(30,601)	(34,174)
Weighted average number of shares - Basic	10,000	10,000	10,000	10,000
Earnings per share basic (face value Rs.10 each)	(4.84)	(52.03)	(3.06)	(3.42)
Weighted average number of shares - diluted *	10,000	10,000	10,000	10,000
Earnings per share Diluted (face value Rs.10 each)	(4.84)	(52.03)	(3.06)	(3.42)

* 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

Puravankara Projects Ltd, holding company has converted their IDBI Bank overdraft facility to a term loan of Rs. 88 Crores and Bank Guarantee of Rs. 0.94 Crores on 1st August 2013. This loan is secured by mortgage of the land owned by the company and also the personal guarantee of Mr Ravi Puravankara and Mr Ashish Puravankara.

The total outstanding as on 31 March 2014 was Rs. 66.94 Crores (including Bank Guarantee of Rs. 0.94 Crores).



16 Revenue recognition: During the quarter/year under review no revenue is recognized as the Company is yet to start bookings for the project.

17 Sundry creditors disclosure:

a. Dues to Micro Small and Medium Enterprises –

The Principal amount and the interest due thereon remaining unpaid to any supplier as at March 31, 2014: Rs. NIL (PY- Rs 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: Rs. NIL (PY- Rs NIL)

18 Balances in the personal accounts are subject to confirmation.

19 In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the balance sheet.

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



Patil Narahari Laxmanrao
Partner M No: 222219

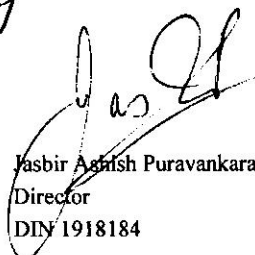
Place: Bangalore
Date: April 30, 2014



for and on behalf of the Board of Directors



Nani R Choksey
Director
DIN 504555



Jasbir Ashish Puravankara
Director
DIN 1918184

MELMONT CONSTRUCTION PRIVATE LIMITED

Cash Flow Statement

Particulars	Amount in Rs.	
	For the year ended 31/Mar/14	For the year ended 31/Mar/13
A. Cash flow from operating activities		
Profit before tax and prior period items	(48,379)	(5,20,339)
<i>Operating profit before working capital changes</i>	<u>(48,379)</u>	<u>(5,20,339)</u>
Movements in working capital :		
(Increase) / Decrease in Short-term loans and advances	(3,91,299)	6,38,318
Increase / (Decrease) in current liabilities and provisions	13,21,907	(21,41,192)
Cash (used in) / received from operations	<u>8,82,229</u>	<u>(20,23,213)</u>
Direct taxes paid	-	-
Net cash from / (used in) operating activities	<u>8,82,229</u>	<u>(20,23,213)</u>
B. Cash flows from investing activities		
Fixed assets written off	-	1,760
Properties held for development	(1,59,11,188)	(1,15,90,515)
Net cash from / (used in) investing activities	<u>(1,59,11,188)</u>	<u>(1,15,88,755)</u>
C. Cash flows from financing activities		
Loans from related parties	1,52,72,503	1,37,97,843
Net cash generated from / (used in) financing activities	<u>1,52,72,503</u>	<u>1,37,97,843</u>
Net increase / (decrease) in cash and cash equivalents (A + B + C)	<u>2,43,544</u>	<u>1,85,875</u>
Cash and cash equivalents at the beginning of the period	<u>6,66,235</u>	<u>4,80,360</u>
Cash and cash equivalents at the end of the period	<u>9,09,779</u>	<u>6,66,235</u>
Components of cash and cash equivalents		
Cash and bank balances	9,09,779	6,66,235
	<u>9,09,779</u>	<u>6,66,235</u>

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

Patil Narahari Laxmanrao
Partner M No: 222219

Place: Bangalore
Date: April 30, 2014



For and on behalf of the Board of Directors

Nani R Choksey
Director
DIN 504555

Jasbir Ashish Puravankara
Director
DIN 1918184