

Melmont Construction Private Limited

Registered Office: No. 130/1, Ulsoor Road, Bangalore – 560 042

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 8th Annual General Meeting of the members of Melmont Construction Private Limited will be held on **Friday, the 28th September, 2012 @ 10.00 A.M.** at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Accounts

1. To receive, consider and adopt the Profit and Loss Account for the year ended **31.03.2012** and the Balance Sheet as at **31.03.2012** and the reports of the Directors and the Auditors thereon.

Item No. 2 – Re-appointment of Mr. Nani R Choksey as Director

2. To appoint a Director in place of Mr. Nani R Choksey who retires by rotation and being eligible offers himself for re-appointment.

Item No. 3 – Appointment of Statutory Auditors

3. To re-appoint M/s. VDSR & Co. (formerly known as M/s. Kurien & Co.), Chartered Accountants, as the Statutory Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

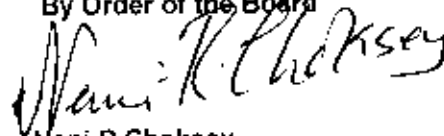
Item No. 4 - Appointment of Ms. Jasbir Puravankara as Director

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

Resolution:

RESOLVED THAT Ms. Jasbir Puravankara who was appointed as an Additional Director of the Company by the Members at the Extra-Ordinary General Meeting held on **15.09.2012** and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member of the Company along with a deposit of Rs. 500/- (Rupees Five Hundred Only) as prescribed under Section 257 of the Companies Act, 1956 signifying his intention to propose the name of Ms. Jasbir Puravankara as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

By Order of the Board



Nani R Choksey

Director

Place : Bangalore

Date : 15.09.2012

NOTES:

1. A PERSON ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND ON A POLL, TO VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM, DULY COMPLETED AND SIGNED, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A BLANK PROXY FORM IS ENCLOSED WITH THIS NOTICE.
2. Explanatory statement as required under Section 173(2) of the Companies Act, 1956 is annexure herewith.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

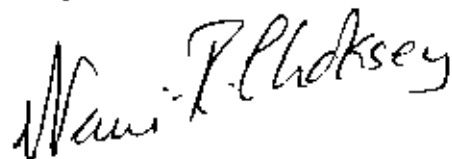
Item No. 4

As per the provisions of Section 260 of the Companies Act, 1956, Ms. Jasbir Puravankara who was appointed as an Additional Director by the Members at the Extra-Ordinary General Meeting held on 15.09.2012 and who holds office upto the date of this Annual General Meeting of the Company, is eligible for appointment as a Director of the Company. The Company has received a notice in writing, from a member of the Company along with the Deposit of Rs. 500/- as prescribed under Section 257 of the Companies Act, 1956 signifying his intention to propose Ms. Jasbir Puravankara as a candidate for the office of Director of the Company liable to retire by rotation.

The Board Recommends the Resolution for approval of the Shareholders.

None of the Directors of the Company except Ms. Jasbir Puravankara is in any way concerned or interested in the resolution. The Board recommends the resolution to be passed as an Ordinary Resolution by the Shareholders.

By Order of the Board



Nani R Choksey
Director

Place : Bangalore
Date : 15.09.2012

Melmont Construction Private Limited

Registered Office: No. 130/1, Ulsoor Road, Bangalore – 560 042

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors present the 8th Annual Report together with the audited statement of accounts for the year ending on 31.03.2012.

1. FINANCIAL RESULTS:

(Figures in Rs.)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
<u>INCOME:</u>		
Revenue from Operations	-	-
Other Income	8,040	1,815,902
<u>Total Income</u>	<u>8,040</u>	<u>1,815,902</u>
<u>EXPENSES:</u>		
Other Expenses	136,707	16,300,533
Finance Expenses	-	-
<u>Total Expenses</u>	<u>136,707</u>	<u>16,300,533</u>
Profit / (Loss) Before Taxes	<u>(128,667)</u>	<u>(14,484,631)</u>
Income Tax (Current and Deferred)	-	-
Profit / (Loss) After Taxes	<u>(128,667)</u>	<u>(14,484,631)</u>

2. FINANCIAL AND OPERATING PERFORMANCE:

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

3. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956. Mr. Nani R Choksey retires at the ensuing Annual General Meeting and being eligible, offer himself for reappointment. The Board recommends the appointment of the Director in the ensuing Annual General Meeting.

Mrs. Jasbir Puravankara was appointed as an Additional Director of the Company by the Members at the Extra-Ordinary General Meeting held on 15.09.2012, pursuant to the provisions of Section 260 of the Companies Act, 1956, who holds the office until the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company. The Company has received a notice in writing from a member proposing her candidature as a Director in terms of Section 257 of the Companies Act, 1956.

Mr. Ravi Puravankara resigned as a Director of the Company w.e.f. 15.09.2012. The Directors placed on Record their appreciation of the valuable advice and guidance given by him while he was a Director of the Company.



4. AUDITORS:

The Statutory Auditors, M/s. VDSR & Co. (formerly known as M/s. Kurien & Co.), Chartered Accountants retire at this 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 224(1B)** of the Companies Act, 1956.

5. 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.

6. 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.

7. 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 **31.03.2012** 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.

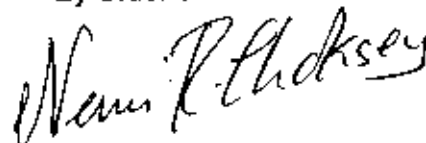
8. ACCEPTANCE OF FIXED DEPOSITS:

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

9. ACKNOWLEDGMENTS:

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

By Order of the Board



Nani R Choksey
Director

Bangalore
15.09.2012

V D S R & CO.,
(Formerly Known as KURIEN & 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

AUDITORS' REPORT

The Board of Directors
MELMONT CONSTRUCTION PRIVATE LIMITED

1. We have audited the attached Balance Sheet of M/s.MELMONT CONSTRUCTION PRIVATE LIMITED ('the Company') as at March 31, 2012, also the Statement of Profit and Loss for the year ended on that date, and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above:
 - 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956:
 - i in the case of the Balance Sheet, of the state of affairs as at 31st March 2012;
 - ii in the case of the Statement of Profit and Loss, of the loss for the year ended as on that date; and
 - iii in the case of the Cash Flow Statement, of the cash flows for the year ended as on that date.
5. On the basis of the written representations/declarations from the directors, taken on record by the Board of Directors, and according to information and explanation given to us, we report that none of the Director of the Company is disqualified as at 31st March 2012, from being appointed as a Director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956 on the said date.

for V D S R & Co.,
(formerly known as Kurien & Co.,)
Chartered Accountants
FRN No.: 001626S

Patil
Patil Narahari Laxmanrao
Partner M No: 222219



Place: Bangalore
Date: April 15, 2012

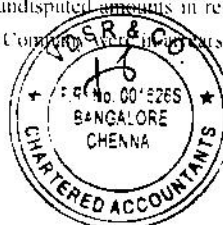
V D S R & CO.,
(Formerly Known as KURIEN & CO.,)
CHARTERED ACCOUNTANTS

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 AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

- 1 a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b. The fixed assets were physically verified by the management in accordance with a programme of verification, which, in our opinion, provides for physical verification for assets at reasonable intervals. As per information and explanation given to us no material discrepancies were noticed on such verification.
- 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. As per the information and explanation given to us, the Company has granted unsecured loan to one Company (Fellow Subsidiary) covered in the register maintained under section 301 of the Companies Act, 1956 to the extent of Rs. 7,19,27,276/-. The terms and conditions of loan taken are prima facie not prejudicial to the interest of the Company. No terms and conditions for repayment of the loan are stipulated.
b. As per the information and explanation given to us, the Company has taken unsecured loan from one Company (Holding Company) covered in the register maintained under section 301 of the Companies Act, 1956 to the extent of Rs. 1,27,63,33,676/-. The terms and conditions of loan taken are prima facie not prejudicial to the interest of the Company. No terms and conditions for repayment of the loan are stipulated.
4. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of with regard to inventory and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register maintained under that Section.
6. The Company has not accepted any deposits covered under section 58A or 58AA from the public.
7. During the year, there was no formal internal audit system, 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, for the activities carried out by the Company, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956. Accordingly paragraph 4(viii) of the order is not applicable.
- 9 a. According to the information and explanation given to us, and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor education and protection, Employees State insurance, income tax, sales tax/VAT, wealth tax, Service tax, Customs duty, Excise duty, cess and any other material statutory dues applicable to it with the appropriate authorities during the year.
b. According to the information and explanation given to us no undisputed amounts in respect of income tax, wealth tax, service tax, cess and any other material statutory dues applicable to the Company were outstanding as of March 31, 2012 for a period more than six months from the date they became payable.



- 10 The net worth of the Company has completely eroded as at the end of the year. The Company has accumulated losses as at March 31, 2012 which exceeds 50% of its net worth as at that date. The Company has incurred cash loss during the year and also preceding financial year.
- 11 In our opinion and the information and explanation given to us the Company has not defaulted in repayment of dues to any financial institution or bank as per the sanction terms of loan
- 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 and other securities
- 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. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 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.
- 15 In our opinion and according to information and explanation given to us, no guarantees/undertakings were given by the Company for loans / financial assistance taken by others from banks and financial institutions
- 16 According to the information and explanation given to us, the Company has not taken any term loans during the year. Hence the question of application of funds does not arise
- 17 On the basis of the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short-term basis which have been used for long-term investment
- 18 The Company has not made any 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 under audit.
- 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.,
(formerly known as Kurien & Co.)
Chartered Accountants
FRN No.: 001626S

Patil
Patil Narahari Laxmanrao
Partner M No. 222219



Place: Bangalore
Date: April 15, 2012

MELMONT CONSTRUCTION PRIVATE LIMITED
Balance sheet as at March 31, 2012

Amount in Rs.

Particulars	Note No.	As At March 31, 2012	As At March 31, 2011
I. Equity and liability			
(1) Shareholders' Funds			
(a) Share Capital	2.01	100,000	100,000
(b) Reserves and Surplus	2.02	-37,600,455	-37,471,788
(2) Non Current Liabilities			
(a) Long term borrowings	2.03	1,276,333,676	1,271,102,843
(3) Current liabilities			
(a) Trade payables	2.04	3,597,512	2,337,774
(b) Other current liabilities	2.05	16,457	6,619
Total		1,242,447,190	1,236,075,448
II. Assets			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	2.06	2,605	3,732
(b) Properties held for development	2.07	1,168,901,946	1,160,416,065
(c) Loans and advances	2.08	719,272,76	719,272,76
(2) Current Assets			
(a) Cash and cash equivalents	2.09	555,360	2,357,203
(b) Short term loans and advances	2.10	1,060,003	1,371,172
		1,242,447,190	1,236,075,448

Significant accounting policies and notes on accounts 1 & 2

As per our report attached

for VDSR & Co.,
(formerly known as Kurien & Co.,)
Chartered Accountants
FRN No.: 001626S

Patil

Patil Narahari Laxmanrao
Partner M No: 222219



Bangalore
Date: April 15, 2012

for and on behalf of the Board of Directors

Mani R Choksey

Director

Director

MELMONT CONSTRUCTION PRIVATE LIMITED
Statement of Profit and Loss for the year ending March 2012

	Note No	Year ended March 31, 2012	Amount in Rs. Year ended March 31, 2011
INCOME			
I Revenue from operation		-	-
II Other Income	2.11	8,040	1,815,902
III Total (I + II)		8,040	1,815,902
EXPENDITURE			
Other expenses	2.12	136,707	16,300,533
Total (IV)		136,707	16,300,533
V Profit/(Loss) before interest, tax, depreciation and prior period items		(128,667)	(14,484,631)
VI Depreciation and amortization expenses			
VII Net finance expense / (Income)			
Profit/(Loss) before tax and prior period items		(128,667)	(14,484,631)
VIII Tax expense:			
Current tax		-	-
Deferred tax (Asset)		-	-
IX Profit/(Loss) after tax and before prior period items		(128,667)	(14,484,631)
X Prior period income (net of tax expense)		-	-
Net Profit/(Loss) for the year		(128,667)	(14,484,631)
Earnings per equity share:			
Basic		(12.87)	(1,448.46)
Diluted		(12.87)	(1,448.46)
No. of Equity Shares - Basic		10,000	10,000
No. of Equity Shares - Diluted		10,000	10,000

Significant accounting policies and notes on accounts 1 & 2

As per our report of even date
for VDSR & Co.,
(formerly known as Kurien & Co.)
Chartered Accountants
FRN No.: 001626S

Hatit

Patil Narahari Laxmanrao
Member M No: 222219



for and on behalf of Board of Directors

Manoj Khotkey

Director

[Signature]

Director

Place: Bangalore
Date: April 15, 2012

MELMONT CONSTRUCTION PRIVATE LIMITED
Statement of Profit and Loss for the quarter and year ended March 2012

Amount in Rs.

	Quarter ended March 31, 2012	Quarter ended December 31, 2011	Quarter ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011
INCOME					
I Revenue from operation					
II Other Income	8,040	-	1,596,044	8,040	1,815,902
III Total (I + II)	8,040	-	1,596,044	8,040	1,815,902
IV EXPENDITURE					
Other expenses	30,098	-	(1,970,038)	136,707	16,300,533
Total (IV)	30,098	-	(1,970,038)	136,707	16,300,533
V Profit/(Loss) before interest, tax, depreciation and prior period items	(22,058)	-	3,566,082	(128,667)	(14,484,631)
VI Depreciation and amortization expense	-	-	-	-	-
VII Net finance expense (Income)	-	-	-	-	-
VIII Profit/(Loss) before tax and prior period items	(22,058)	-	3,566,082	(128,667)	(14,484,631)
Tax expense	-	-	-	-	-
Current tax	-	-	-	-	-
Deferred tax (Asset)	-	-	-	-	-
IX Profit/(Loss) after tax and before prior period items	(22,058)	-	3,566,082	(128,667)	(14,484,631)
X Prior period income (net of tax expense)	-	-	-	-	-
XI Net Profit/(Loss) for the period	(22,058)	-	3,566,082	(128,667)	(14,484,631)
XII Earnings per equity share					
Basic	(2.21)	-	356.61	(12.87)	(1,448.46)
Diluted	(2.21)	-	356.61	(12.87)	(1,448.46)
No. of Equity Shares - Basic	10,000	10,000	10,000	10,000	10,000
No. of Equity Shares - Diluted	10,000	10,000	10,000	10,000	10,000

Significant accounting policies and notes on accounts 1 & 2

As per our report of even date
for VDSR & Co
formerly known as Kurien & Co.,
Chartered Accountants
FRN No. 001626S



Patil Narahari Laxmanrao
Partner M No: 222219

Place: Bangalore
Date: April 15, 2012

for and on behalf of Board of Directors

Namit R. Choksey

Director

[Signature]

Director

MELMONT CONSTRUCTION PRIVATE LIMITED

1.00 Significant accounting policies:

1.01 Background:

The Company was incorporated on October 4, 2004 to carry on the activities of construction and property development. The Company is 100% Subsidiary Company of M/s. Puravankara Projects Limited. The Construction activities at the site are executed by, Holding Company M/s. Puravankara Projects Limited.

Ministry of Corporate Affairs has issued Notification No. S. O. 447 (E) dated February 28, 2011 (as amended by Notification no. F. No. 2/6/2008-CI.-V, dated, March 31, 2011) Revised Schedule VI. As per the said notification, all financial statements to be prepared for the financial year commencing on or after April 01, 2011. Hence, the Company financial statements, which are drawn from April 1st, 2011 to March 31, 2012 are drawn under Revised Schedule VI.

All amounts are in Rupees unless otherwise reported.

1.02 Significant Accounting Policies:

a. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting policies in India and comply with the mandatory accounting standards under section 211 (3C) of the Companies Act., 1956.

b. Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumption that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Where no reliable estimate can be made, a disclosure is made as contingent liability. Actual results could differ from those estimates. The differences if any will be dealt accordingly in the period in which the results are known.

c. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its present condition for intended use reduced by duty credit availed under Cenvat credit scheme if any.

d. Depreciation

Depreciation on fixed assets is provided on the straight line method, using the rates specified in Schedule XIV to the Companies Act, 1956. Assets individually costing less than Rs 5,000 are fully depreciated in the year of purchase.

e. Borrowing Costs

Borrowings costs that are directly attributable to the acquisition of an inventory that necessarily takes a substantial period of time get ready for its intended use are considered as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

f. Inventory and properties held for development

Properties held for development represents land acquired over a period of time with the object of developing the same and is stated at cost of land, registration expenses and other related costs incurred to the properties ready for their intended use.

g. Foreign currency transactions:

(i) 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 transaction.

(ii) 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 transaction, and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined. The resultant loss/gain on account of reinstatement is charged to profit and loss account.

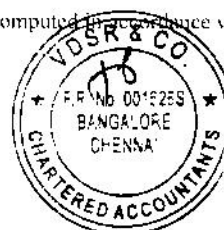
h. Earnings per share:

In determining earnings per share, the Company considers the net profit after tax and includes the post-tax effect of any extraordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

i. Tax provisions:

• Income tax

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessments/appeals.



Deferred tax

Deferred tax benefits are recognized in the financial statements only when such benefits are reasonably expected to be realizable in the near future. On grounds of prudence and in the absence of virtual certainty, no deferred tax asset is recognized in the accounts as at 31st March 2012.

j. Provisions and Contingencies

A provision is recognized when the Company has present obligations as a result of past event, it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

2.00 Notes on accounts for the period ended March 31, 2012

2.01 Share capital:

As at March 31, 2012

Particulars	No. of Shares	Par value of share	Amount
a. Authorised	50,000	10	5,00,000
b. Issued, subscribed and fully paid up	10,000	10	1,00,000
Calls in arrears if any			-
Share Capital	10,000	10	1,00,000
c. Reconciliation			
Shares outstanding at the beginning of the period	10,000	10	1,00,000
Add: Allotment of shares during the period			
Shares outstanding at the end of the reporting date	10,000	10	1,00,000

d. There are no special rights or preferences attached to any shares, and also there are no restrictions including restriction on dividend and repayment of capital if any.

e. Share holding pattern as at reporting date: March 31, 2012

	No. of Shares	Par value of share	Amount
Puravankara Projects Limited	10,000	10	1,00,000
f. List of shareholder holding over 5% shares as at reporting date:			
Puravankara Projects Limited	10,000	100%	1,00,000
Balance one share held by individual on behalf of Company			

g. 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.)

Shares information related to immediately preceding five years from reporting date:

Share allotted as fully paid up pursuant to contract(s) without payment being received in cash :

Nil

Share allotted as fully paid up bonus shares :

Nil

Shares brought back - Aggregate number and amount:

Nil

i. Terms of securities convertible in to equity / preference shares as at reporting date:

Nil

j. Calls unpaid as at reporting date:
Calls unpaid by directors and officers as at reporting date:

Nil

k. Forfeited shares as at reporting date:

Nil

2.02 Reserves and surplus:

a Surplus - Opening Balance
Add: Transferred during the period from profit and loss account
Total



As at March 31, 2012	As at March 31, 2011
(3,74,71,788)	(2,29,87,157)
(1,28,667)	(1,44,84,631)
(3,76,00,455)	(3,74,71,788)

2.03 Long term borrowings

	As at March 31, 2012	As at March 31, 2011
a. Unsecured Loan from Puravankara Projects Ltd - Holding Company	1,27,63,33,676	1,27,11,02,843
Total	1,27,63,33,676	1,27,11,02,843

2.04 Trade payables:

	As at March 31, 2012	As at March 31, 2011
a. Dues to Creditors of Micro, Small and Medium Enterprises	-	-
b. Dues to Creditors of other than Micro, Small and Medium Enterprises	-	-
Trade payables	35,97,512	22,88,138
Others	-	49,636
Total	35,97,512	23,37,774

2.05 Other current liabilities:

	As at March 31, 2012	As at March 31, 2011
a. Other payables	-	-
- TDS payable	16,457	6,619
Total	16,457	6,619

2.06 Tangible assets

2.07 Properties held for development

Land held for development	1,16,89,01,946	1,16,04,16,065
Total	1,16,89,01,946	1,16,04,16,065

2.08 Loans and advances

Advance to Purva Realities Pvt Ltd	7,19,27,276	7,19,27,276
Total	7,19,27,276	7,19,27,276

2.09 Cash and Bank Balance

	As at March 31, 2012	As at March 31, 2011
Balances with banks	-	-
-in current account	4,55,260	22,57,103
- in fixed deposit (pledged with Government authorities)	75,000	75,000
Cash on hand	25,100	25,100
Total	5,55,360	23,57,203

Balances with banks and cash on hand represent amount in current account free from any encumbrance and lien as on the date of reporting.

2.10 Short term loans and advances:

	As at March 31, 2012	As at March 31, 2011
Potential Service Consultants (P) Ltd.,	8,00,000	9,64,899
TDS Receivable	2,60,003	4,06,273
Total	10,60,003	13,71,172

The above advance is unsecured and considered good as on reporting date. Prepaid taxes represent the advance tax paid by the company. As the said amount is utilised within 12 months from the date of reporting classified as current assets.

2.11 Other Income:

	for the year ended March 31, 2012	for the year ended March 31, 2011
Receipts from Karnataka Premier League	-	17,13,608
Interest on income tax refund	8,040	1,02,294
Total	8,040	18,15,902



2.12 Other expenses

	for the year ended March 31, 2012	for the year ended March 31, 2011
KPL Expenses	-	1,62,68,571
Forms and applications		1,270
Audit Fees	28,090	27,575
Bank Charges	2,612	744
Legal Charges	1,04,252	-
Rates & Taxes	1,753	2,373
Total	1,36,707	1,63,00,533

2.13 Other additional disclosures

a. Particulars

Work-in-progress representing cost of Land held for development

Amount
1,16,89,01,946

2.14 Other disclosures:

- Expenses in foreign currency: Nil
- Value of imports at CIF basis: Nil
- Earnings in foreign currency: Nil
- Contingent liabilities: Nil
- Capital commitment: Nil

f. Related party disclosure:

a. Name of Related Parties and nature of relationship:

Description	Period ended March 31, 2012
Holding Company	Puravankara Projects Ltd
Fellow subsidiary	Purva Realities Private Limited
Key Managerial Personnel	Mr. Nani Ravi Choksey
	Mrs. Jasbir Ashish Puravankara

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

Nature of transactions	Holding Company	Fellow subsidiaries
Inter corporate loan repaid	18,00,000	-
	(1,64,628)	-
Inter corporate loan received	70,30,833	-
	(49,42,70,357)	-
Advance given		(2,71,62,096)
Outstanding as at March 31, 2012	1,27,63,33,676	7,19,27,276
Current assets- Loans and Advances	-	7,19,27,276
Current assets- Loans and Advances	-	(7,19,27,276)
Unsecured loans	1,27,63,33,676	
Unsecured loans	(1,27,11,02,843)	

g. Earnings per share:

Particular	Year ended March 31, 2012	Year ended March 31, 2011
Profit/(Loss) after tax	(1,28,667)	(1,44,84,631)
Weighted average number of shares - Basic	10,000	10,000
Earnings per share basic (face value Rs.10 each)	(12.87)	(1,448.46)
Weighted average number of shares - diluted *	10,000	10,000
Earnings per share Diluted (face value Rs.10 each)	(12.87)	(1,448.46)

h. Puravankara Projects Ltd. holding company have availed a facility of 125 crores (OD Rs. 100 crores and BG/LC of Rs. 25 crores) from IDBI Bank. The 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 OD amount outstanding is Rs. 109.09 crores and BG/LC amount outstanding is Rs. 10.46 crores as on March 31, 2012.

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



j. 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, 2012: 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, 2012. PY- Rs NIL

k. 1. Balances in the personal accounts are subject to confirmation.

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

l. course of business, not be less than the amounts at which they are stated in the balance sheet.

m. Previous period figures have been regrouped and rearranged wherever considered necessary.



MELMONT CONSTRUCTION PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2012

Rupees

Sl.No.		For the year ended	
		March 31, 2012	March 31, 2011
I	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit (loss) After Tax	-128,667	-14,484,631
	Less: Depreciation	1,127	1,127
	Operating Profit Before Working Capital changes	-127,541	-14,483,504
	Changes in Working Capital		
	(Increase) / Decrease in Short term loans and advances	311,169	-25,446,252
	(increase) / Decrease in Inventories	-8,485,881	-25,571,726
	(decrease) / Increase in Current liabilities and provisions	1,269,576	1,927,126
	Cash Generated From Operations	-7,032,676	-63,574,356
	Net cash flow from operating activities (A)	-7,032,676	-63,574,356
II	CASH FLOW FROM INVESTING ACTIVITIES		
	Fixed assets purchased	-	-
	Net cash flow from investing activities (B)	-	-
III	CASH FLOW FROM FINANCE ACTIVITIES		
	Unsecured Borrowings (Repaid) / Received	5,230,833	494,105,729
	Secured Borrowings (Repaid) / Received	-	-429,887,187
	Net cash flow (used in) / from financing activities (C)	5,230,833	64,218,542
	Net Increase in Cash or Cash Equivalents (A+B+C)	-1,801,843	644,186
	Cash & Cash Equivalents at the Beginning of the year	2,357,203	1,713,017
	Cash & Cash Equivalents at the End of the year	555,360	2,357,203
	Net Increase in Cash or Cash Equivalents	-1,801,843	644,186

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

As per our report of even date
for VDSR & Co.,
(formerly known as Kurien & Co.)
Chartered Accountants
FRN No.: 001626S

Patil

Patil Narahari Laxmanrao
Partner M No: 222219



for and on behalf of Board

Mani R. Choksey

Director

[Signature]

Director

Place: Bangalore
Date: April 15, 2012