

Note: 1

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

Background:

Alekhya Property Developments Private Limited ('the Company') was incorporated on 08th day of August 2011 under the provisions of the Companies Act, 1956. The Company is engaged in the business of property development and land acquisition activities.

1. Significant Accounting Policies :

1.1 Basis of Preparation :

The Financial Statements have been prepared under the historical Cost Convention, which is in accordance with the generally accepted Accounting Principles and the provisions of the Companies Act 1956. The Company has complied with the Accounting Standards prescribed by the Institute of Chartered Accountants of India and as referred under section 211 (3C) of the Companies Act, 1956.

The Company has been consistently following the accrual basis of accounting in respect of its income and expenditures.

The accounts are prepared on the basis of Going Concern concept.

1.2 Use of Estimates :

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements.

1.3 Inventories :

Expenditure incurred during the year amounting to Rs. 2,12,86,511 relating to construction activity or incidental thereto has been treated as Work in Progress under the head 'Inventories'

1.4 Revenue Recognition :

Revenue from real estate under development/ sale of developed property will be recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue will be recognised on percentage of completion method, when the stage of completion of each project reaches a significant level which is estimated to be atleast 25% of the total estimated construction cost of the Project. Revenue will be recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs.



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1.5 Fixed Assets & Depreciation :

As on date, the company does not own any fixed assets.

1.6 Foreign Currency Transactions :

During the year, there were no foreign currency transactions.

1.7 Earning per Share :

Basic earnings per share will be calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and taxes) by the average number of equity shares outstanding during the year. Presently, the company is not generating any revenues.

1.8 Taxation :

There are no tax expenses for the year, since the company is yet to commence the commercial activity.

1.9 Impairment of Assets :

The Company assess at each Balance Sheet date whether there is any indication that any of the assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount 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 profit and loss account. As on the Balance Sheet date the Company assessed for impairment of assets and found no indication of impairment of assets as per Accounting Standard (AS-28).

1.10 Provisions and Contingent Liabilities/ Assets:

The company creates a provision when there is 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. When 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.

No contingent liabilities/assets estimated as on the balance sheet date.



Note: 1

2. Notes on Accounts:

a) Taxes on income and Deferred tax:

The company has made nil provision for income tax during the year.

b) Related Party Disclosure:

As per Accounting Standard (AS-18) on "Related Party Disclosures", the disclosure of transactions with the related party as defined in the Accounting Standard are given below :-

i. List of Related parties with whom transactions have taken place and relationship:

Key Management Personnel	> B.M. Jayeshankar > B.M. Karunesh
Enterprises owned or significantly influenced by KMP or their relatives	> Adarsh Developers (A Partnership Firm) > Akarshak Infrastructure Private Limited

ii. Transactions during the year with related parties:

(Rupees in Lakhs)

Particulars	Name of the related parties	Current Year	Previous Year
Advances received	Adarsh Developers	293.79	132.85
	Akarshak Infrastructure Pvt Ltd	Nil	75.01
Advance paid	Adarsh Developers	1193.51	10.00
	Akarshak Infrastructure Pvt Ltd	Nil	75.01

iii. Balances with the related parties

(Rupees in Lakhs)

Loans and advances payable	Current Year	Previous Year
Adarsh Developers	295.57	604.14

Note: Related parties are as identified by the Management and relied upon by the auditors.

c) Earnings per Share (in Rs.):

Particulars	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
Net (Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders.	Nil	Nil
Weighted Average Nos. of Equity Share Outstanding	- N.A. -	- N.A. -
Earnings Per Share	Nil	Nil
Basic and diluted Earnings per share	Nil	Nil

Note: 1

d) Preliminary & Pre-operative Expenditure:

- Preliminary & Pre-operative expenditure amounting to Rs.36, 058 /- has not been written off during the year as the company is yet to generate revenue from its business operations. The same will be amortized over a period of five years from the year in which revenues are derived from business operations. All the expenses have been capitalized as pre-operative expenditure under 'Other Non-Current Assets'.

e) Land & related costs :

Land owned by the company is classified under 'Other Current Assets', such land is held with an intention of development.

f) Due to Micro, Small and Medium Enterprises:

To the extent information available with the company, Sundry Creditors include Rs nil, (Previous year Nil) due to Small Scale Industrial Undertaking.

The company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. To the extent information available with the company, the company does not owe any sum including interest required to be disclosed under the said Act.

- g) In the opinion of the management, Current Assets & Loans and Advances have a value not less than what is stated in the accounts if realized in the ordinary course of business.
- h) Previous year's figures have been regrouped / reclassified wherever necessary to confirm with current year's classification.

For Alekhya Property Developments Private Limited



B.M. Jayeshankar
Director

Place: Bangalore

Date: 5th September 2014



B.M. Karunesh
Director

For P.D. Sarang & Associates

Chartered Accountants

Firm Reg No: 0134235



P.D. Sarang
Proprietor

Membership No.127268



P D SARANG & ASSOCIATES
Chartered Accountants
No. 15/16, 04TH Cross, 1ST Block, Jayanagar, Bangalore Karnataka 560 011
Phone -080 41148435, E-mail: pdsarang@gmail.com

INDEPENDENT AUDITORS' REPORT

To

The Members of
M/s. ALEKHYA PROPERTY DEVELOPMENTS PRIVATE LIMITED
No. 10, Vittal Mallya Road,
Bangalore
560 001.

Report on the Financial Statements

We have audited the attached financial statements of M/s. ALEKHYA PROPERTY DEVELOPMENTS PRIVATE LIMITED (the Company), which comprise the Balance Sheet as at 31st March 2014 and profit and loss account for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position; financial performance 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") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Sec 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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. 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:

- (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 the profit and loss account, of the loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. This report does not include a statement on the matters specified in paragraph 4 and 5 of the Companies (Auditor's Report) Order 2003 (as amended), issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
- 2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss for the year ended dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss for the year ended, comply with the Accounting Standards referred to in subsection (3C) of

section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Sec 133 of the Companies Act 2013 and

- e. On the basis of written representations received from the Directors and taken on records by the Board of Directors, we report that none of the Directors of the Company are disqualified as on 31st March 2014 from being appointed as Directors of the Company under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 and under Sec 164 (2) of the Companies Act 2013.

For P.D. SARANG & ASSOCIATES
Chartered Accountants



Place: Bangalore
Date: 05.09.2014

P.D SARANG
Proprietor
M. No. 127268
Firm Registration No. 013423

ALEKHIYA PROPERTY DEVELOPMENTS PRIVATE LIMITED

No. 10, Vittal Mallya Road, Bangalore 560 001

DIRECTORS' REPORT

The Members

M/s. ALEKHIYA PROPERTY DEVELOPMENTS PRIVATE LIMITED
Bangalore

Dear Shareholders

Your Directors are pleased to present the Third Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your Company for the Financial Year ended, 31st March 2014.

FINANCIAL REVIEW

There is no profit recorded for the year.

DIVIDEND

Since there is no profit during the year, your Directors do not recommend any dividend for this period.

DIRECTORS

There has been no change in the constitution of Board of Directors of your Company, in the period under review.

AUDITORS

M/s. P.D Sarang and Associates, Chartered Accountants, Bangalore, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from them to the effect that the re-appointment, if made, would be within the prescribed limits under erstwhile section 224(1B) of the Companies Act, 1956 and Sec 141 (3) (g) of the Companies Act 2013.

The Board recommends their re-appointment as Statutory Auditors of the Company.

AUDITOR'S REPORT

The observations made in the Auditor's Reports are dealt with in notes forming part of the accounts, which are self-explanatory.

PUBLIC DEPOSITS

The Company has not accepted any deposits within the meaning of section 58A & 58AA of the Companies Act, 1956 and Rules made there under.

TRANSFER TO RESERVES IN TERMS OF SECTION 217(1)(b) OF THE COMPANIES ACT 1956:

In view of no profits, for the financial year ended 31st March 2014, the Company has not transferred any sum to Reserves.

DISCLOSURES UNDER SECTION 217(1)(d) OF THE COMPANIES ACT, 1956

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars as required under sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are as below:

1. Conservation of Energy and Technology Absorption:

The Company is conscious towards conservation of energy and adequate measures have been taken to conserve energy.

2. Foreign Exchange Earnings or Outgo in Foreign Exchange during the period:

There was no Foreign Exchange Earning and no Foreign Exchange Outgo during the year.

The Company has not accepted any deposits within the meaning of section 58A & 58AA of the Companies Act, 1956 and Rules made there under.

TRANSFER TO RESERVES IN TERMS OF SECTION 217(1)(b) OF THE COMPANIES ACT 1956:

In view of no profits, for the financial year ended 31st March 2014, the Company has not transferred any sum to Reserves.

DISCLOSURES UNDER SECTION 217(1)(d) OF THE COMPANIES ACT, 1956

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars as required under sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are as below:

1. Conservation of Energy and Technology Absorption:

The Company is conscious towards conservation of energy and adequate measures have been taken to conserve energy.

2. Foreign Exchange Earnings or Outgo in Foreign Exchange during the period:

There was no Foreign Exchange Earning and no Foreign Exchange Outgo during the year.

PARTICULARS OF EMPLOYEES

There are no employees in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement and based on the information and representations received from the operating management, your Directors hereby confirm that:

- 1 in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2 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 at the end of the financial year and for the profit and loss of the Company for the period;
- 3 the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Company's Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;
- 4 the directors have prepared the annual accounts for the financial year ended March 31, 2014 on a going concern basis.

ACKNOWLEDGEMENT

Your Directors take this opportunity to offer their sincere gratitude to the various Departments of Central and State Government, Banks, Customers and Suppliers for their continued and valuable support and also sincerely acknowledge and appreciate the dedicated efforts of the officers and workers of Company at all levels.

By the order of the Board of Directors

B.M.K. 22/9/14

MR. B.M. JAYESHANKAR
DIRECTOR
DIN: 00745118
245/B-6, 18th Cross,
Upper Palace Orchards,
Sadashivanagar, Bangalore

B.M.K. 22/9/14

MR. B.M. KARUNESH
DIRECTOR
DIN: 00693174
No.47, Adarsh Palm
Meadows, Whitefield
Airport Road Ramagondahalli

Place: Bangalore.

Date: 05/09/2014.