

DIRECTORS' REPORT

The Directors have pleasure in presenting their **Seventh Annual Report** for the year ended March 31, 2014 of LGCL Properties Private Limited.

1. FINANCIAL RESULTS:

Particulars	2013-14 Amount in (Rs./-)	2012-13 Amount in (Rs./-)
Sales	32,11,54,879	39,38,92,009
Other Income	7,03,028	6,95,007
Depreciation	17,65,876	18,10,402
Profit/ (Loss) before Tax (PBT)	2,74,95,669	4,03,67,209
Current Tax	48,97,000	78,34,000
Deferred Tax	18,21,467	(18,37,815)
Profit/ (Loss) after Tax	20,777,202	3,43,71,024

2. DIVIDEND:

The Directors have not recommended dividend for the year under report.

3. DIRECTORS:

Mr. Girish Puravankara, Mrs. Rashmi Puravankara, Mr. Vikas Chimakurthy and Mr. Varun Singh are the Directors of the Company and continue to hold the Directorship.

4. AUDITORS:

The Company's auditors, M/s. Chaturvedi & Shah., Chartered Accountant, Bangalore, will retire at the end of the Seventh Annual General Meeting of the Company and offer themselves for re-appointment.

5. FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits from the public.

6. INFORMATION UNDER SECTION 134 OF THE COMPANIES ACT, 2013:

Conservation of energy, technology absorption and foreign exchange earnings and outgo.

The particulars as prescribed under section 134(3)(m) of the Companies Act, 2013 are as under:

1. Conservation of Energy:

The Company has made best efforts and has adopted all relevant measures for conservation of the energy. The company recognizes importance of conserving energy and undertakes measures wherever possible by using latest technologies and quality of services and products. The Company uses CFL lights to economize electrical consumption. In the construction projects undertaken, rain water harvesting is implemented in possible ways.

2. Technology Absorption, Adoption, Innovation and Research & Development:

The Company has not carried out any specific research and development activities. Accordingly the information related to technology absorption, adaptation and innovation is reported to be NIL.

3. Foreign Exchange earnings and outgo:

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| i) | Total foreign exchange earnings during the year | NIL |
| ii) | Total foreign exchange outgo during the year | NIL |

7. PARTICULARS OF EMPLOYEES :

The particulars of employees, as required under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as there were no employees drawing a salary above the prescribed limits.

8. DIRECTORS RESPONSIBILITY STATEMENT:

The Directors' responsibility statement as required under Section 134(5) of the Companies Act, 2013:

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that :

- i) in preparation of the accounts for the financial year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) the Directors have selected such accounting policies which have been applied consistently and made judgments and estimates that were 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 of the profit or loss of the Company for the year under review.
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the accounts for the financial year ended on 31st March, 2014 have been prepared on a 'Going Concern' basis.

- v) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. LOAN TO DIRECTORS:

Interest free unsecured loans amounting to Rs.17.68cr given to promoter directors for the purpose of meeting the obligations under the second supplemental agreement with investors dated 12-07-2012 towards acquisition of investors stake in Lalith Gangadhar Constructions Private Limited, holding Company by promoters. The said Loan is repayable on or before 31-03-2014 with grace period of 90 days in one or more tranches. The said loan is outstanding as on date of this report.

10.ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation to bankers and business associates at all levels for their efforts and contribution.

On behalf of the Board of Directors
For LGCL Properties Private Limited



Girish Puravankara
Managing Director
DIN: 00504593



Rashmi Puravankara
Director
DIN: 01620530

Bangalore,
7th October, 2014