

VKS PROJECTS LIMITED

ANNUAL REPORT

2013 -2014

Board of Directors

Dr. V. K. Sukumaran	Managing Director
Mr. Nathan	Whole-Time Director
Mr. Jaywant Bolaikar	Director
Mr. Jayesh Ramniklal Udeshi	Director
Mr. Ronindra Nath Ghose	Director

Statutory Auditors	Maheshwari & Company Chartered Accountants
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Company Secretary	Supriya Avinash Tatkar
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Registered Office
507 Sai Sangam, Sector 15,
CBD Belapur,
Navi Mumbai – 400614.
Tel No: 022-27573705
Fax no: 022-41267030
email id: info@vksprojects.com
website: www.vksprojects.com

Registrar & Transfer Agents
Bigshare Services Private Limited
E-2/3 Ansa Industrial estate,
Saki Vihar Road, Saki naka,
Andheri (E), Mumbai - 400 072
Tel no: +91-22-28470652
Fax no: +91-22-28475207
Email: investor@bigshareonline.com

Bankers	State Bank of India
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CONTENTS

PARTICULARS	PAGES
NOTICE	03
DIRECTORS' REPORT	12
CORPORATE GOVERNANCE REPORT	16
AUDITORS'S REPORT	27
BALANCE SHEET	34
STATEMENT OF PROFIT AND LOSS	35
NOTES FORMING PART OF THE ACCOUNTS	36
CASH FLOW STATEMENT	46
PROXY FORM AND ATTENDANCE SLIP	48

Dear Shareholders,

It gives me great pleasure to welcome you to the Annual General meeting of the Company for the fiscal year 2013-2014 as we get the opportunity to discuss about the Company's business and its future upcoming prospects

We have more than a decade of experience in EPC business, but due to certain business conditions we have experienced a slight downfall in our business. Due to overall downfall scenario of infrastructure segment, our Company incurred some bad debts which caused heavy losses to the Company, which subsequently reflected into our banking system as well. However we are striving to restructure and maintain our profitability at the same level as before. We believe in ourselves and our hard work will ensure success and profitability in the near future.

The market prospects for EPC Activities looks promising and the industry is expected to grow over the next 10 years at a rate which is linked to the growth expected in the core industries such as coal, steel, cement, fertilizers, mining, ports, power and petrochemicals and overall Infrastructure Development.

The financial performance of the Company can be seen in the Annual report for the year ended 31st March 2014 which have been circulated to you. The fiscal 2013-2014 for your Company shows slow growth, which we need to make good in the coming fiscal year. We aim to undertake various turnkey projects in different industrial sectors and emerge as a promising EPC company.

In conclusion, on behalf of the Board of Directors of your Company, I thank all our stakeholders for their continued support, trust and confidence reposed in us. With the strong backing of your Company's customers, shareholders, associates and vendor partners, your Company will continue to be a major and significant player in the EPC industry.

Dr. V. K Sukumaran

Chairman & Managing Director

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 16th Annual General Meeting of the Company will be held on Tuesday, 30th September, 2014 at 11.00 a.m. at 507, B wing, Sai Sangam Building, Palm Beach road, Sector 15, CBD Belapur (E), Navi Mumbai - 400614.

ORDINARY BUSINESS:

To receive, consider and adopt the Audited Balance Sheet as of 31st March, 2014, Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Auditors' Report and Directors' Report thereon.

To appoint a Director in place of Mr. Nathan (DIN 03226453), who retires by rotation, and being eligible offers himself for re-appointment.

To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the fourth consecutive Annual General Meeting (AGM) (subject to ratification of reappointment by members at every AGM held after this AGM) and to authorize the Board to fix their remuneration. M/s Maheshwari & Company, Chartered Accountants (FRN: 105834W), retiring Auditors being eligible, offer themselves for reappointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be required to be obtained Mrs. Sandhya Manohar Beedkar (DIN 06946676), who was appointed as an Additional Director by the Board of Directors of the Company as on 14th August, 2014 and who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 (hereinafter referred to as Act) read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act 2013, from a member proposing his candidature for the office of a Director and being eligible, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be required to be obtained, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director and being eligible, the approval of the members be and is hereby accorded for the appointment of Mr. Ronindra Nath Ghose (DIN 06493213) as an Independent Director of the Company for a period of 5 years with effect from 1st April, 2014 and shall not be liable to retire by rotation."

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be required to be obtained, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director and being eligible, the approval of the members be and is hereby accorded for the appointment of Mr. Jaywant Bolaikar (DIN 03312656) as an Independent Director of the Company for a period of 5 years with effect from 1st April, 2014 and shall not be liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ((including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be required to be obtained, approval of the members be and is hereby accorded for re-appointment and payment of remuneration of Dr. V. K. Sukumaran, as Managing Director of the Company for the period of 3 years with effect from 4th November, 2013 on terms and condition as specified in the explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice.

For and on Behalf of the Board

SupriyaAvinashTatkar
Company Secretary

Registered Office:
507, SaiSangam, Sector 15,
CBDBelapur,
Navi Mumbai,
Maharashtra-400 614.

Date : 14th August, 2014
Place:Navi Mumbai

NOTES:

The relative explanatory statement for the business set out under Item No. 4 to 9 of the Notice are annexed hereto.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THEREAT INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE MEETING. A PROXY / PROXIES SO APPOINTED SHALL HAVE NO RIGHT TO SPEAK AT THE MEETING.

The Register of Members and Share Transfer Books of the Company will remain closed from 23/09/2014 to 30/09/2014(Both Days Inclusive).

Members holding shares in physical form are requested to notify immediately change of address, transfer, demat request, E-mail id, if any, to the Registrars and Transfer Agents of the Company quoting their Folio Number and those holding shares in demat mode are requested to notify any change in address, Bank Details, E-mail id to their respective depository participants and make sure that such changes are recorded by them.

Members/proxies are requested to bring their copies of Annual Report & duly filled admission/attendance slips sent herewith along with the copies of annual report at the meeting and produce the same at the entrance where the Annual General Meeting is held.

Corporate Members are requested to send a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.

Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to the Registered Office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.

Members who hold shares in electronic form are requested to write their DP Id and client Id numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilities identification of membership at the Meeting.

The detail of Directors seeking appointment / re-appointment at this Annual General Meeting as required under Clause 49 of the Listing Agreement is annexed hereto.

In terms of Section 149 and 152 read with Schedule IV of the Companies Act, 2013, Independent Directors are required to be appointed for a term upto 5 consecutive years and are not liable to retire by rotation. Accordingly, the resolutions proposing the appointment of Independent Directors are given at Item no. 4, 5 and 6 of this Notice. Pursuant to the provisions of Companies Act, 2013 and amended Clause 49 of the Listing Agreement notified by SEBI on April 17, 2014 ("Amendment"), the Board of Directors have reviewed the declarations made by the Independent Directors stating that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and the Board is of the opinion that they fulfill the conditions specified in the said Act and the rules made thereunder and are independent of the management.

All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturday, Sunday and Public holidays, up to the date of the Annual General Meeting.

The Annual Report of your Company for the Financial Year 2013-14 is displayed on the website of the Company i.e. www.vksprojects.com

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members to exercise their right to vote at 16th Annual General Meeting of the Company by electronic means through e-voting facility provided by National Securities Depository Limited (NSDL). Members, who are holding shares in physical or dematerialized form as on 30th August, 2014 shall exercise their vote by electronic means. The detailed instructions for e-voting is provided in the separate E-Voting Form sent alongwith the Annual Report.

In case of Members who are attending the Annual General Meeting and are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice. For clarity, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll

process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

Mr. Nitin Sharma, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process, in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three working days from the date of close of e-voting unblock the votes in the presence of atleast two witnesses, not in the employment of the Company and make Scrutinizer Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

The results of e-voting and poll on resolutions shall be aggregated and these resolutions will be deemed to be passed on the Annual General Meeting date, subject to receipt of the requisite numbers of votes in favour of the said resolutions.

The results declared alongwith the Scrutinizer's report shall be communicated to the Stock Exchanges and made available on the Company's website: www.vksprojects.com and on the website of NSDL : www.evoting.nsdl.com, within two days of passing of the resolutions at the Annual General Meeting of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACTS, 2013

Item No. 4

Mrs. Sandhya Manohar Beedkar was appointed as an Additional Director of the Company with effect from 14th August, 2014. Pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of Company he holds office as such upto the date of this Annual General Meeting. The Company has received a notice in writing from one of its members along with a deposit of Rs. 1,00,000/- proposing the candidature of Mrs. Sandhya Manohar Beedkar for the office of Directorship pursuant to Section 160 of the Companies Act, 2013. Also company has received the requisite Form 'DIR 8' from Mrs. Sandhya Manohar Beedkar, in terms of Section 164 (2) of the Companies Act, 2013 read with The Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such appointment.

In terms of the provisions of Section 149 of the Companies Act, 2013 which got notified w.e.f. April 1, 2014, every listed company shall have at least 1/3rd of the total number of Directors as Independent Directors who shall not be liable to retire by rotation and who shall hold office for a term of 5 consecutive years.

The Company has received from these Independent Directors 1) Consent to act as Director in "DIR 2" pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014; 2) Declaration of Non-Disqualification in "DIR 8" pursuant to Section 164 of Companies Act, 2013 and 3) Declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors, the said Independent Director is independent of management and they fulfill the conditions specified in the said Act and the rules made thereunder. The copy of appointment letter of said Independent Director is available for inspection at the Registered Office of the Company during office hours on all days except Saturday, Sunday and Public holidays.

The brief profile covering the details of their qualification and experience, as required pursuant to Clause 49(IV)(g) of the Listing Agreement, is annexed to this Notice.

The Board recommends the passing of the resolution set forth under Item no. 4 as Ordinary Resolutions.

The brief resume covering the details of his qualifications and experience, as required pursuant to Clause 49(IV) (g) of the Listing Agreement, is annexed to this Notice. Considering his experience and expertise, the Board

recommends the appointment of Mrs. Sandhya Manohar Beedkar as Director of the Company liable to retire by rotation.

None of Directors, Key Managerial Personnel and / or their relatives, except Mrs. Sandhya Manohar Beedkar and their relatives, are interested and / or concerned in passing of the resolutions set forth in Item No. 4.

Item No. 5 and 6

In terms of the provisions of Section 149 of the Companies Act, 2013 which got notified w.e.f. April 1, 2014, every listed company shall have at least 1/3rd of the total number of Directors as Independent Directors who shall not be liable to retire by rotation and who shall hold office for a term of 5 consecutive years.

As per the requirement of Clause 49 of the Listing Agreement, the Company had appointed Mr. Jaywant Bolaikar and Mr. Ronindra Nath Ghose as Independent Directors of the Company, liable to retire by rotation pursuant to the provisions of Companies Act, 1956.

Consequent to notification of Section 149 of Companies Act, 2013, the Board recommends the appointment of Mr. Jaywant Bolaikar and Mr. Ronindra Nath Ghose as Independent Directors of the Company for a term of 5 consecutive years commencing from April 1, 2014 and shall not be liable to retire by rotation.

The Company has received from these Independent Directors 1) Consent to act as Director in "DIR 2" pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014; 2) Declaration of Non-Disqualification in "DIR 8" pursuant to Section 164 of Companies Act, 2013 and 3) Declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors, these Independent Directors are independent of management and they fulfill the conditions specified in the said Act and the rules made thereunder. The copy of appointment letter of these Independent Directors is available for inspection at the Registered Office of the Company during office hours on all days except Saturday, Sunday and Public holidays.

The brief profile covering the details of their qualification and experience, as required pursuant to Clause 49(IV)(g) of the Listing Agreement, is annexed to this Notice.

The Board recommends the passing of the resolution set forth under Item no. 5 and 6 as Ordinary Resolutions.

None of Directors, Key Managerial Personnel and / or their relatives, except Mr. Jaywant Bolaikar and Mr. Ronindra Nath Ghose and their relatives, are interested and / or concerned in passing of the resolutions set forth in Item No. 5 and 6.

Item No. 7

The tenure of appointment of Dr. V. K. Sukumaran, Managing Director expired on 3rd November, 2013. Based on the recommendation of the Remuneration Committee, the Board of Directors by a resolution passed on 13th November, 2013 has re-appointed Dr. V. K. Sukumaran as Managing Director of the Company for a period of 3 years commencing from 4th November, 2013 on the following terms and conditions subject to the relevant provisions of the Companies Act, 2013 (The Act) read with Schedule V to the Act and subject to the approval of the shareholders in a General Meeting:

Terms and Conditions:

Period:

The Re-appointment will be effective from 4th November, 2013 for period of 3 years.

Salary & Perquisites:

Not Exceeding Rs. 30, 00,000 /- Per Annum*

*With authority to the Board of Directors of the company (which term shall also include any Committee thereof) to grant suitable increment in accordance with the provision of the Company Act, 2013 and schedule V of the Companies Act, 2013.

The Board of Directors of your Company seeks your approval for the re-appointment Dr. V. K. Sukumaran and recommends the passing of resolution set out under Item No. 7 as Special Resolution.

The Statement containing information as required under Schedule V of the Companies Act, 2013 is enclosed herewith.

For and on behalf of the Board

SupriyaAvinashTatkar
Company Secretary
Registered Office:
507, SaiSangam, Sector 15,
CBDBelapur,
Navi Mumbai,
Maharashtra-400 614.

Date:14th August, 2014

Place:Navi Mumbai

Particulars of Directors seeking Appointment / Reappointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement:

Name of Director	Mr. Jaywant Bolaikar	Mrs. Sandhya Manohar Beedkar	Mr. Ronindra Nath Ghose	Mr. Nathan	Dr. V. K. Sukumaran
Type	Non-Executive Independent Director	Additional Director	Non-Executive Independent Director	Executive Director	Managing Director
Date of Birth	04/03/1973	20/04/1978	04/01/1950	26/10/1957	28/01/1966
Date of Appointment	29/03/2011	14/08/2014	11/02/2013	10/01/2013	17/02/1998
Qualification	MBA - Finance	Graduate	Mechanical Engineer	B.Com	Mechanical Engineer
No. of Equity Shares	NIL	NIL	NIL	NIL	124,432,805

Expertise in Specific Functions	Consultant	Legal Corporate	and Business Consultant	Finance	Business Consultant
Directors held in other Companies	1	NIL	NIL	2	3
Particulars of Committees of Chairman / Members held	NIL	NIL	NIL	NIL	NIL
Relationship with other Directors inter-se	None	None	None	None	None

Note:

Pursuant to Clause 49 of the Listing Agreement, only two Committees viz. Audit Committee and Shareholders Grievance / Transfer Committee have been considered.

Statement in terms of Schedule V of the Companies Act, 2013 relating to remuneration payable to Dr. V. K. Sukumaran, Managing Director

General Information :

Nature of Industry: EPC Business.

Financial performance based on given indicators :As per the audited financial results for the year ended March 31, 2014

	Year ended 31st March, 2014 (Rs. In Lac)
Total Revenue	6,924.15
Profit before tax	(793.96)
Tax Expenses	(274.83)
Profit/(Loss) after tax	(519.12)

Export performance and net foreign exchange earned for the year ended March 31, 2014:

Particulars	31.03.2014
Export calculated on FOB basis	NIL
Net foreign exchange earned (net of import and other expenses in Foreign exchange)	NIL

The Foreign investment or collaborations- NIL

II. INFORMATION ABOUT THE APPOINTEE

(1) Background details	Mechanical Engineer with 26 years of experience in EPC industry.
(2) Past Remuneration	The remuneration paid during the year ended March 31, 2014 is Rs. 6 Lacs.
(3) Job profile and his suitability	Chairman & Managing Director
(4) Remuneration proposed	As detailed in Explanatory Statement for Item No.7 of the Notice.
(5) Comparative remuneration profile with respect to industry, size of the Company, profile of position and person (in case of expatriates the relevant details would be w.r.t. the country of origin)	At par with industrial standards.
(6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Promoter

III. OTHER INFORMATION

Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms :	Due to slowdown in Infrastructural segment & poor market conditions, Company experienced inadequate profits. Appropriate measures to be taken to recover the losses and regain stability.
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IV. DISCLOSURES

The Shareholders of the Company shall be informed of the remuneration package of the managerial person	Disclosed in Corporate Governance Report under Nomination and Remuneration Committee.
The Following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance" , if any attached to the annual report :-;	Disclosed in Corporate Governance Report under Nomination and Remuneration Committee.
All elements of the remuneration package such as salary, benefits, bonuses, stock options pensions etc. of all Directors	Lumpsum Rs. 6 Lacs per annum
Details of fixed component and performance linked incentives along with the performance criteria.	NIL
Service contracts, notice period, severance fees;	
Stock optioned details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	NIL NIL

1. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- (i) The Notice of the 16th AGM of the Company *inter alia* indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. Initial password is provided in the Attendance Slip for the 16th AGM.
- (ii) NSDL shall also be sending the User-ID and Password, to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants(s). For members who have not registered their email address, can use the details as provided above.
- (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iv) Click on Shareholder – [Login](#)
- (v) Put user ID and password as initial password noted in step (i) above. Click Login.
- (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (viii) Select “EVEN” of VKS Projects Limited
- (ix) Now you are ready for e-Voting as Cast Vote page opens
- (x) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (xi) Upon confirmation, the message “Vote cast successfully” will be displayed

- (xii) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail nitinsharma00@gmail.com with a copy marked to evoting@nsdl.co.in.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on September 25, 2014 (9:00 am) and ends on September 27, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Friday, 29th August, 2014.
- VII. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29, 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- VIII. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the 16th Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.vksprojects.com and on the website of NSDL within two(2) days of passing of the resolutions at the 16th Annual General Meeting of the Company on October 2, 2014 and communicated to the BSE Limited.

2. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of the 16th Annual General Meeting of the Company.

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2014

To
The Members,

Your Directors are pleased to present the 16th Annual Report together with Audited Financial Accounts of your Company for the Financial Year ended March 31, 2014:

	(Rs. in Lacs)	
FINANCIAL RESULTS	2013-14	2012- 2013
Income for the year	6,924.15	20,603.99
Profit Before Interest, Depreciation and Tax	(186.76)	1452.24
Less: Finance Charges	374.24	615.61
Depreciation	232.96	180.55
Provision for Taxations / Deferred Tax	(274.83)	236.76
Prior Period Items / Extra Ordinary Items		-
Net Profit/Loss for the current year	(519.12)	419.31

OPERATIONS

During the FY 2013-14, the Company has reported Net loss of Rs. (519.12) lacs and in previous year Company has reported Net profit of Rs. 419.31 lacs.

DIVIDEND

In view of the Loss incurred by the Company during the current financial year, your Directors do not recommend payment of any dividend for the year.

DIRECTORS

Mr. Nathan will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Dr. V. K. Sukumaran has been appointed as Managing Director of the Company during the financial Year 2013-14.

The Board of Directors at its meeting held on 31st July, 2014 appointed Mrs. Sandhya Manohar Beedkar as an Additional and Independent Director of the Company. She will hold office upto the date of ensuing Annual General Meeting.

Further Board has decided to appoint Mrs. Sandhya Manohar Beedkar, Mr. Jaywant Bolaikar and Mr. Ronindra Nath Ghose as Independent Directors of the Company pursuant to provisions of the Companies Act, 2013 and rules made thereunder The Company has received notices in writing from members proposing the appointment of the Independent Directors of the Company for the office of Director, subject to shareholders' approval to be obtained at the ensuing 142nd Annual General Meeting of the Company.

AUDITORS

M/s. Maheshwari & Co., Chartered Accountants, Auditors of the Company retire at the ensuing General Meeting and being eligible, offer themselves for reappointment for 4 consecutive years till the conclusion of 20th Annual General Meeting in the calendar year 2018

AUDIT COMMITTEE

Your Directors have, in compliance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, constituted the Audit Committee of the Board. As on date, the members of the Audit Committee are Mr. Jaywant Bolaikar, Dr. V. K. Sukumaran and Mr. Ronindra Nath Ghose.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors of your Company hereby confirms:

that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;

that 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 the end of the financial year and of the Profit and Loss of the Company for the period;

that 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;

That the Directors have prepared the annual accounts on a 'going concern' basis.

MANAGEMENT DISCUSSION & ANALYSIS

A separate Report on Management Discussion & Analysis is appended to this Annual Report and forms part of this Directors' Report.

CORPORATE GOVERNANCE

Your Company as listed, in compliance with Clause 49 of the Listing Agreement, a detailed Report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from a Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is appended to this Annual Report and forms part of this Directors' Report.

DEPOSITS

The Company has accepted Public Deposits from the public, during the Financial Year 2013-14. The Company is in the process of complying necessary Rules and Regulations of Companies Act, 1956.

ADDITIONAL INFORMATION

The information relating to Conservation of Energy, Technical Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed pursuant to Section 217(1)(e) of the Companies Act, 1956 read with The Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, as amended, is not applicable to the Company.

The requirement of the provisions of Section 217(2A) of the Companies Act, 1956, read with The Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable to the Company.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the contributions made by the employees at all levels enabling the Company to achieve the performance during the year under review.

Your Directors are thankful to the Central Government, Government, Government agencies, bankers, local bodies, Registrar of Companies, stock exchanges, depositories, shareholders, customers, vendors, associates of the Company and other related organizations for their continuous co-operation and support in progress of the Company and also look forward to their continued confidence and trust in the Company.

For and on behalf of the Board

Dr. V.
K.Sukumaran
Chairman & Managing Director

Registered Office:
507, Sai Sangam, Sector 15,
CBD Belapur,
Navi Mumbai,
Maharashtra-400 706.

Date : 14th August, 2014
Place: Navi Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

Our company is an ISO 9001:2008, OHSAS 18001:2007 & ISO 14001:2004 certified Engineering Procurement and Construction Company (EPC Contractor) engaged in the business of undertaking EPC Contracts of S/SS/Alloy Steel Turnkey Piping, Civil Land Development, Industrial / Commercial Infra Projects, Structural Fabrication and Erection of Equipments, Fire Fighting Projects and Commissioning of Chemical Plants for various industries including but not limited to Chemicals, Oil and Gas (on-shore and offshore), Refinery, Petrochemicals, Dyestuff, Pharma & Bulk Drugs, Metallurgy, Power and Textiles. We provide services to industries in different sectors such as Oil and refinery, Textiles, Petro-Chemical, Pharmaceuticals, Food & beverages, Power, Steel, Air conditioning & Refrigeration, Glass, Port etc. Our key expertise is in Fabrication & Erection of Key Industry Equipments/Plants includes but is not limited to Reaction Vessels, Auto Claves, Vacuum Tray Driers, Storage Tanks, Chilling Plants, Hydrogenerators, Fire Fighting Units, Heat Exchangers/Condensers, Rotary Vacuum Tray Driers, Centrifuges, WHR boilers, Crystallizers, Scrubbers, Distillation Units, and Flakers etc. We have more than a decade of experience in this field and have successfully completed projects for various companies in diversified sectors. The market prospects for EPC activities looks promising and the industry is expected to grow significantly as Engineering, procurement construction activity is integral to the overall infrastructural and industrial development. Directorate of Maharashtra Fire Services has granted us the license to act a Licensed Agency for the purposes of Fire Prevention and Life Safety Measures.

FINANCIAL PERFORMANCE

Total income (net of taxes) amounted to Rs. 20,603.99 lacs compared to Rs. 14435.90 lacs of the previous year. The operating profit before tax amounted to Rs 656.08 lacs compared to Rs. 819.31 lacs reported last year.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Growing technological & infrastructural advancements in the country paves the way for our growth and achievement. Due to new Government policies, positive movement towards EPC/ Infrastructure Companies, we will undertake lot of projects. Your Company has developed expertise in its line of operations to meet the growing industrial needs in the global competitive market. We have qualified and experienced Management team, Multi-locational & multi-sectoral client base. We have been in this EPC business for the last thirteen years and have developed Project execution capabilities and cost competitiveness. Due to present recession in our Infrastructure segment, bad debts are the major threats. Your Company has been exposed to financial market risks from changes in Interest rates and Inflation, as we continue to undertake EPC projects of increasing size; we may become increasingly exposed to the risk of adverse deviations from our cost estimates, particularly to the extent that the project execution gets delayed over a period of time. Our contracts expose us to significant construction and cash flow risk.

Your Company caters to multi locational and multi sectoral client base spread across wide geographical sectors and thus has to maintain strong relations with various clients in diversified sectors and locations. The Company has to meet certain pre-qualifications in terms of technical expertise, capital, infrastructure, manpower, past project execution to qualify as a bidder. To mitigate these risks, we have developed risk controls that include bidding on projects, efficient project management and disciplined cash flow management.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Effective governance consists of competent management, implementation of standard policies and processes, formulation of risk management techniques, internal control, information and communication procedures. The Company has sound internal control systems in all spheres of activities commensurate with the operations of the Company since they are critical to the Company's growth and expansion plans. The Company has a well defined organizational structure, guideline policies, structured and definite authority matrix. Such adequate internal control system helps to advantageously assimilate information and make more intellectual and efficiency driven decisions. The internal control system is supported by effective internal audit being carried out by an external firm of chartered accountants. The Audit Committee of Directors regularly reviews the findings of the Internal Auditors and effective steps to implement the suggestions/observations of the Auditors are taken and monitored regularly. The Company has a well defined system of management reporting and periodic review of business to ensure timely decision making.

STRATEGIC PLANS AND ORGANIZATIONAL DEVELOPMENT

Our strategic objective is to consolidate our position as a professionally managed Engineering Construction Company in India. Our focus remains on enhancing our engineering and design capabilities, geographical expansion of business, increase pool of Owned capital and improved performance and satisfactory project execution. We also intend to continue to optimize operations by minimizing operational / overhead costs and increasing productivity thereby maximizing our operating margins. To increase our business opportunities, we will continue to develop strong relationship and strategic alliance with our clients and suppliers. We have expanded our operating activities by opening Design Studio/Office and Training Centers at various locations across India. We continuously thrive to enhance the capital equipments base of our EPC Company to increase our operational and financial efficiencies geographically w.r.t project executions. Our strategy is to raise the working capital and equity through GDR & Preferential issue to the promoters.

HUMAN RESOURCES

Your Company has HR policies and procedures that encourage human development. The management understands that motivated and appropriately qualified employees are key to the success of its business. The Human resource policy ensures that the Company provides a safe, professional and stable working environment and transparent processes for rewarding performance and retaining talent. Further, we intend to continuously strengthen our execution capabilities by adding to our existing pool of skilled and unskilled labors, attracting new graduates, and facilitating continuous learning with in-house and external training opportunities to our staff and our local sub-contractors. Being a labour intensive Company, all the Government rules and regulations have been complied with.

OUTLOOK

We are now a listed Company and our focus continues on increasing our market share, serving clients, customers, shareholders laying thereby a robust foundation for sustainable growth. With the global growth in the industrial sector, it is expected that there will be further growth in EPC business.

We are continuing with our efforts on improvement in efficiencies, margins, profitability and sales while re-looking at business strategies and models, wherever necessary and barring, unforeseen circumstances, we expect to achieve better results for the year 2014-15.

**REPORT ON CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)**

Company's Philosophy

The Company fully subscribes to the principles and spirit of Corporate Governance. The Company has adopted transparency, disclosure, accountability and ethics as its business practices. The management believes that these principles will enable it to achieve the long-term objectives and goals. As part of its Corporate Governance philosophy, the Company focuses its energies in safeguarding the interests of its stakeholders and utilising its resources for the maximizing the benefits to them.

The Company constantly reviews its Corporate Governance policy to not only comply with the business, legal and social framework in which it operates but also to implement the best practices in that regard.

A report on compliance with the Code of Corporate Governance as prescribed in the Listing Agreement with the Stock Exchanges is given below.

Board of Directors

The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with Stock Exchange. The Board of Directors of your Company consists of 5 (Five) Directors, out of these 3 (Three) are Independent Directors.

Details of Composition and Category of Board, their attendance at the Board Meetings and last Annual General Meeting, Directorship held in other Companies, Committee Chairmanship / Membership held in other Companies as at March 31, 2014:

	Name of the Directors	Category	No. of Board Meeting during the tenure of Directors in FY 2013-14		Attendance at the last AGM held on 30.09.2013	Directorship in other public companies ⁹	Committee position held in other public companies ¹⁰	
			Held	Attended			Chairman	Member
1	Dr. V. K. Sukumaran Chairman & Managing Director	Executive	06	06	Yes	-	-	-
2	Mr. Jayawant Boilkar	Independent	06	06	Yes	1	-	-
3	Mr. Nathan Whole-Time Director	Executive	06	06	Yes.	-	-	-
4	Mr. Ronindra Nath Ghose	Independent	06	06	Yes	-	-	-
5	Mr. Jayesh Ramniklal Udeshi ¹	Independent	06	02	Yes	-	-	-

¹Resigned from Directorship w.e.f. 25/11/2013

²Directorship held in Private Companies, Section 25 Companies and Foreign Companies is not included.

³ Only Audit Committee and Shareholders' Grievance Committee are taken into consideration as per the provisions of Clause 49 of Listing Agreement. None of the Directors of the Company is a member of more than 10 committees or acts as a Chairman of more than 5 committees across all the Companies wherein he is a director.

None of the Non-Executive Directors of the Company have any pecuniary relationship and / or transaction with the Company. The disclosure of fees / compensation, if any, paid to the Non-Executive Directors is done at appropriate place later in this Report on Corporate Governance.

During the year 2013-14, the Board of Directors of your Company met 06 times on 07/05/2013, 29/05/2013, 13/08/2013, 13/11/2013 and 13/02/2014.

The compliance reports of all applicable laws are placed before the Board periodically. All the material and important items pertaining to the development and working of the Company is included with a detailed note in the Agenda and the same is circulated to the Board well in advance, so as to enable them to take strategic decisions. The information which could not be circulated to the Board, in advance, is placed at the table during the Board Meeting. The information as specified in AnnexureIA of the Clause 49 of the Listing Agreement is provided to the Board as and when applicable and material.

The Board has adopted "Code of Conduct for Board Members and Senior Management of the Company" w.e.f. 27/04/2011. The Code of Conduct is available on the website of the Company i.e., www.vksprojects.com

Audit Committee

Composition of the Audit Committee, particulars of meetings held and attended during the year 2013-14:

The Audit Committee was re-constituted during the year as follows:

Name	Position Held	Category
Mr. Ronindra Nath Ghose	Chairman	Non-Executive Independent Director
Dr. V. K. Sukumaran	Member	Executive Director
Mr. Jaywant Bolaikar	Member	Non-Executive Independent Director

The composition of the Audit Committee is in conformity with Clause 49 of the Listing Agreement entered into with Stock Exchanges.

All the members of the Audit Committee are financially literate and considering their professional background and experience, have acquired respective management, financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director. The Chairman of the Audit Committee was present at the previous Annual General Meeting held on 30th September, 2013.

The Chief Financial Officer of the Company, Statutory Auditors and Internal Auditors are invitees to the meetings of the Audit Committee. Ms. Supriya Avinash Tatkar, Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance during the year 2013-14:

During the year 2013-14, 4 (Four) Meetings of the Audit Committee were held and attended by majority of all the members.

The maximum gap between any two meetings of the Audit Committee of the Company was not more than four months.

The minutes of Audit Committee Meeting are noted by the Board of Directors of the Company at the Board meeting after getting approved by the Audit Committee.

Terms of reference

The terms of reference of the Audit Committee includes the mandatory matters specified in Clause 49 of the Listing Agreement and also covers the matters specified under Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are broadly detailed as under:

Overseeing the Company's financial reporting process to ensure disclosure of financial information as per the requirements of Stock Exchange and the Company Law requirements and to ensure that the financial statements are correct and credible.

Review of quarterly, half yearly and annual financial statements before submission to the Board for approval.

Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions.

Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and Internal Auditors and the fixation of audit fees.

Review of adequacy of internal control systems, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit and further recommending to the Internal Auditors the nature and scope of internal audit.

Review of reports of Statutory and Internal Auditors and replies of the management thereof.

Review of the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

Review of the annual financial statements with the management before submission to the Board for approval, with particular reference to:

Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956

Changes, if any, in accounting policies and practices and reasons for the same.

Major accounting entries involving estimates based on exercise of judgment of management.

Significant adjustments made in the financial statements arising out of audit findings.

Compliance with listing and other legal requirements relating to financial statements.

Disclosures of any related party transactions.

Qualifications in the draft audit report.

Review of management representation letters to be issued to the Statutory Auditors.

Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Approval of the appointment of the Chief Financial Officer (CFO) of the Company after assessing the qualifications, experience & background, etc. of the Candidate.

Remuneration Committee

Composition of the Remuneration Committee, particulars of meetings held and attended during the year 2013-14:

The Board has constituted Remuneration Committee for fixing and approving the remuneration / commission payable to Executive and Non-Executive Directors of the Company, however, subject to the approval of shareholders and Central Government, wherever necessary.

The Remuneration Committee as on date comprises of three members i.e. Mr. Jaywant Bolaikar, and Mr. Ronindra Nath Ghose.

The Company Secretary acts as the Secretary to the Committee.

During the year 2013-14, 1 (One) Meeting of the Remuneration Committee was held and attended by all the members of the Remuneration Committee.

The minutes of Remuneration Committee Meeting are noted by the Board of Directors of the Company at the Board meeting after getting approved by the Remuneration Committee.

Employee Stock Option Scheme:

The Company does not have any Employee Stock Option Scheme in place.

Terms of reference :

The terms of reference of the Remuneration Committee include review, recommendations on salaries, performance linked bonus, perquisites and other conditions for Executive Directors. The Committee takes into consideration job requirements, individual profile and remuneration practices followed by industry while determining the overall remuneration policy of the company.

Dr V. K. Sukumaran held position as Managing Director of the Company. The Company paid Rs. 6 Lacs as Remuneration to Managing Director. He holds 124,432,805 Equity Shares in the Company as on March 31, 2014. The tenure is of 3 years commencing from November 4, 2010 till November 3, 2013.

During the year, Mr. Nathan was appointed as Whole time Director of the Company and is paid Rs. 12 Lacs p.a. as Remuneration as Whole-Time Director of the Company. The tenure of his appointment as whole-time Director is for 3 years commencing from January 10, 2013 to January 09, 2016; vide Board Meeting dated as on 10th January, 2013 and Shareholders confirmed his appointment in Extra Ordinary General Meeting dated 08th February, 2013.

Shareholders' / Investors' Grievance cum Share Transfer Committee

The Shareholders' / Investors' Grievance cum Share Transfer Committee as on date comprise of Mr. Ronindra Nath Ghose, Mr. Jaywant Bolaikar and Dr. V.K. Sukumaran. During the year 4 meeting were held and all the members have attended the meeting.

The Shareholders / Investors' Grievance cum Share Transfer Committee of the Board has been constituted in line with the requirements of Clause 49 of the Listing Agreement.

The Company Secretary acts as the Secretary to the Committee.

Name, Designation and Address of Compliance Officer:

Ms. Supriya A Tatkar
Company Secretary
507 Sai Sangam, Sector-15,
CBD Belapur,
Navi Mumbai.

Procedure for approval and details of meetings and attendance during the year 2013-14:

The power to approve the share transfer / transmission and dematerialization and / or rematerialisation has been delegated severally to Mr. V.K. Sukumaran, Managing Director and Ms. Supriya A Tatkar, Company Secretary. The request for share transfer/transmission, dematerialization/rematerialisation and issue of new share certificates in lieu of old/worn-out/lost/defaced/split/consolidation, etc., is processed and attended atleast once in a fortnight in co-ordination with Bigshare Services Private Limited., Registrar & Transfer Agents of the Company.

Terms of reference:

To look into the redressal of shareholders and investors complaints like non-receipt of notices / annual reports, non-receipt of declared dividends, non-receipt of share certificates, etc;

To approve and register share transfer and transmission;

To expedite the process of dematerialization and / or rematerialisation of shares;

To take on record the Certificate taken under Clause 47 (c) of the Listing Agreement from Practising Company Secretary;

To take on record the Share Reconciliation Audit Report submitted by Practising Company Secretary every quarter.

Details of Investors' Complaints/Grievance and their status:

The details of Investors' Complaints received and redressed by the Company and Bigshare Services Private Limited during the year 2013-14 is as follows:

Nature of Complaints	Number of Complaints Received	Number of Complaints Resolved
Non-receipt of Share Certificates	NIL	NIL
Non-receipt of Annual Reports	NIL	NIL
Shares not dematerialized / rematerialized	1	1
Others	2	2
Total	3	3

IPO Committee

The IPO Committee Meeting was formed to look into various activities of IPO. One IPO committee meeting was held on 27th July, 2012.

The IPO Committee was reconstituted as follows:

Name of Members	Designation in the Committee	Nature of Directorship
Dr. V.K. Sukumaran	Chairman	Managing Director
Mr. Nathan	Member	Whole-time Director
Mr. Ronindra Nath Ghose	Member	Non-Executive Independent Director

General Body Meetings

Details of last three Annual General Meetings (AGM):

Financial year	Day & Date	Venue	Time
2012-13	Monday, 30 th September, 2013	First Floor, Laxmi Hotel, SaiSangam, Sector 15, CBD Belapur, Navi Mumbai, Maharashtra-400 706	03.00 p.m.
2011-12	Monday, 26 th November, 2012	The Convention Hall, The Institution of Engineers (India), Belapur Local Centre, Plot No.106, Sector-15, CBD, Belapur, Navi Mumbai-400 614.	10.30 a.m.

Financial year	Day & Date	Venue	Time
2012-13	Monday, 30 th September, 2013	First Floor, Laxmi Hotel, SaiSangam, Sector 15, CBD Belapur, Navi Mumbai, Maharashtra-400 706	03.00 p.m.
2010-11	Tuesday, 27 th September, 2011	507, Sai Sangam, Sector 15, CBD Belapur, Navi Mumbai, Maharashtra-400 706	11:00 a.m.

Details of Special Resolutions passed in last three Annual General Meetings (AGM):

Date of AGM	No. of Special resolutions passed	Particulars of Special resolutions
26 th November, 2012	2	1. Maintaining Register, Index of Members and Debentureholders with RTA 2. To amend, alter or vary the Objects of the Issue and deployment of funds as mentioned in offer document by altering the utilization of issue proceeds.
27 th September, 2011	1	Appointment of Dr. V. K. Sukumaran and Dr. Saritha Sukumaran as Managing Director and Whole Time Director respectively.

Details of Extra Ordinary General Meeting (EOGM)

Location, Date and Time of the Extra-Ordinary General Meeting:

Year	Location	Date	Time	Purpose
2013-14	The Conference Hall, First Floor, Laxmi Hotel, Sai Sangam Building, Sector-15, CBD Belapur, Navi Mumbai (E), Pin-400614.	22/04/2013	11.00 a.m.	Bonus Issue of Equity Shares in the proportion of 5:2

Details of resolutions passed through Postal Ballot:

During the year 2013-14, none of the resolution was passed through Postal Ballot.

As and when required, the Postal Ballot shall be conducted in accordance with the provisions of Section 192A of the Companies Act, 1956 and The Companies (Passing of Resolutions through Postal Ballot) Rules, 2001.

Disclosures

Related party transactions:

Related party transactions have been disclosed under Notes of Significant accounting policies & notes forming part of the financial statements of Audited Accounts in accordance with "Accounting Standard 18". A statement in summary form of

transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

No material transactions are entered with related parties in conflict with the interest of the Company's business. All the transactions with related parties are entered at arm's length price. The Disclosure of interest in any of transaction is made to the Board every year by the Directors and as and when they become interested. Further, interested Directors neither participate nor vote in the transaction wherein they have potential interest.

Disclosure of Accounting treatment:

The financial statements of the Company for the year ended March 31, 2014 are prepared in conformity with the Accounting Standards.

Share Capital Reconciliation Report:

A qualified Practising Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL/ CDSL.

Risk Assessment:

The Company has an effective and efficient Risk Assessment and Management System to track, analyze and mitigate the risks associated with the Company. The Board of Directors periodically reviews the procedure of Risk Assessment and Management and thereby frame a properly defined network with help of which executive management can control risks. The details of risks associated with the Company and the ways to mitigate those risks are discussed in Management Discussion & Analysis Report annexed to the Directors' Report.

Proceeds from public issues, rights issues, Preferential issues, etc.:

Pursuant to Listing Agreement, the Utilisation of IPO proceeds funds upto 31st March, 2014, as follows:
(Rs. in Lacs)

Particulars	Object as per Prospectus	Actual Utilisation
Amount Received from IPO	5500.00	5500.00
Utilisation of Funds up to March 31, 2014		
Long Term Working Capital Requirements/General Corporate Purpose	1985.82	4299.00
Finance the Procurement of Construction Equipment and Key Machineries	2264.18	1,006.00
Setting up of Engineering design Studio/ office and Training Centres.	1000.00	-
Issue Expenses	250.00	195.00

Remuneration of Directors:

Already disclosed in Clause IV "Remuneration Committee" section.

Subsidiary Company:

In terms of Clause 49 (III) of the Listing Agreement, your Company does not have any subsidiary company and hence the requirement of the said clause does apply to the Company.

Management:

Management Discussion & Analysis report is attached to Directors' Report.

There were no material financial and commercial transactions by Senior Management as defined in Clause 49 of the Listing Agreement where they have personal interest that may have a potential conflict with the interests of the Company at large.

Shareholders:

The brief profile and other information pertaining to Directorship held in other Companies, shareholding, etc, of the Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting of the Company is attached to the Notice of Annual General Meeting.

Compliances:

The Company has fully complied with all the statutory requirements of Listing Agreement entered into with Stock Exchange including mandatory requirements of Clause 49.

The details of compliance with non-mandatory requirements of Clause 49 of the Listing Agreement is as follows;

The Board has set up a Remuneration Committee to determine competitive remuneration package of Executive Directors of the Company. The details of Remuneration Committee are given earlier in this report.

Means of Communication:

Financial results

The quarterly, half yearly and annual results of the Company in the format prescribed under Clause 41 of the Listing Agreement will be published in prominent dailies and also will be posted on the website of the Company i.e., www.vksprojects.com

Other information

Important official news is also posted on the Company's website www.vksprojects.com, as and when released.

The Company has also designated exclusive e-mail id for the use of investors in accordance with Clause 49 of the Listing Agreement which is complianceofficer@vksprojects.com

CEO/CFO Certificate:

The CEO/CFO Certificate for the year ended March 31, 2014 as required under Clause 49(V) of the Listing Agreement, was placed and taken on record at the Board Meeting of the Company held on 14th August, 2014.

Certificate of Compliance:

The Certificate of Statutory Auditors confirming compliance with all requirement of the Clause 49 of the Listing Agreement for the year ended March 31, 2014 is appended to this Report on Corporate Governance.

General Shareholders Information:

Annual General Meeting

Date : 30th September, 2014
Time : 11.00 a.m.
Venue : 507, B wing, Sai Sangam Building, Palm Beach road, Sector 15, CBD Belapur (E),
Navi Mumbai - 400614

Financial year 2014-15 (tentative schedule)

Quarter Results

Ending on June 30, 2014 : Second week of August 2014
Ending on September 30, 2014 : Second week of November 2014
Ending on December 30, 2014 : Second week of February 2015
Year ended March 31, 2015 : In the month of May 2015

AGM is proposed to be held on September 2015.

Date of Book Closure : 23th September, 2014 to 30th September, 2014 (Both Days Inclusive)

Dividend Payment date : No Dividend is recommended by Board

Listing on Stock Exchange : The Bombay Stock Exchange
Ltd. (BSE), Mumbai

National Stock Exchange of India Ltd. (NSE)

The Annual Listing fees for the year 2014-15 is been fully paid.

Stock Code : BSE : 534567
NSE: VKSPL

Corporate Identification Number (CIN) : L74210MH1998PLC113596

Stock Market Price Data :

Market Price Data: High/Low during each month in last financial year are given below:

Month	Bombay Stock Exchange (BSE)				National Stock Exchange (NSE)			
	High (Rs.)	Low (Rs.)	Month's Closing Price (Rs.)	Monthly Volume Traded	High (Rs.)	Low (Rs.)	Monthly Volume	S&P CNX (Closing)
April 2013	17.20	9.95	11.55	4,69,031	17.35	9.70	3,79,983	5930.20
May 2013	12.00	2.22	2.24	3,96,742	11.80	2.30	5,68,702	5985.95
June 2013	3.92	1.85	3.92	10,27,077	3.95	1.90	6,05,380	5842.20

July 2013	5.98	3.45	5.39	37,02,469	5.95	3.60	22,07,446	5742.00
August 2013	5.90	3.71	4.09	11,11,149	5.90	3.70	6,98,981	5471.80
September 2013	4.29	3.19	3.29	5,17,283	4.20	3.10	3,30,354	5735.30
October 2013	4.06	2.05	2.05	10,50,885	3.85	2.15	7,67,003	6299.15
November 2013	1.95	0.96	0.99	1,21,62,847	2.05	1.05	23,80,419	6176.10
December 2013	1.03	0.71	0.86	5,19,76,808	1.10	0.70	3,76,41,250	6304.00
January 2014	0.87	0.50	0.50	1,10,66,817	0.90	0.50	3,77,28,195	6089.50
February 2014	0.58	0.43	0.45	25,19,610	0.60	0.40	42,78,274	6276.95
March 2014	0.50	0.41	0.44	6,20,33,233	0.55	0.40	49,07,662	6704.20

Sources : BSE and NSE websites.

Registrar and Transfer Agents : Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka,
Andheri(E), Mumbai – 400 072.
Tel No.: + 91-22-2847 0652.
Fax No.: + 91-22-2847 5207
Email: investor@bigshareonline.com

Share Transfer System:

The physical transfer of shares is processed and approved by the Company in co-ordination with Bigshare Services Private Limited, atleast once in every fortnight. The Share Certificates after effecting transfer are dispatched to the shareholders within 15 Days from the date of receipt of transfer request, if the transfer documents are found technically in order and complete in all respects. The transfer of shares held in Demat mode is processed electronically by Bigshare Services Private Limited within 21 days from the date of receipt of the request.

The Shares of the Company are compulsorily traded in dematerialized form.

Shareholding pattern as on 31st March, 2014:

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding
Promoters' Group	6	218591730	34.70
Other Directors & their Relatives	-	-	-
Mutual funds, Financial Institutions, Banks & Insurance Companies	-	-	-
Foreign Institutional Investors	5	173591615	27.55
Non Resident Indians (NRIs)	44	1442579	0.23
Resident Individuals	2641	36078935	5.73
Body Corporates	127	190692020	30.27
Others	53	9603121	1.52

Total	2876	630000000	100.00
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Dematerialization of shares and liquidity:

The Company's Shares are traded in Stock Exchange in dematerialized form and are available for trading in both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

ISIN No. of the Company's Equity Shares is: INE213M01024

Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date and likely impact on equity: NIL

Plant Location : N. A.

Address for Correspondence : Registered Office
507 SaiSangam, Sector 15,CBDBelapur,
Navi Mumbai, Maharashtra.
Tel No. : +91-22 27573705
Fax No. : +91-22 41267030
Email: info@vksprojects.com

Compliance Officer
Ms. Supriya A. Tatkar
507 SaiSangam, Sector 15,
CBDBelapur,
Navi Mumbai.
Maharashtra, INDIA.
Tel No.: +91-22 27573705
Fax No.: +91-22 41267030
Email: complianceofficer@vksprojects.com

For and on behalf of the Board

Dr. V.K. Sukumaran
Chairman & Managing Director

Mr. Nathan
Whole-Time Director

Navi Mumbai.
14th August, 2014

CODE OF CONDUCT

I, Dr. V. K. Sukumaran, Managing Director of the Company do hereby give this declaration pursuant to Clause 49 (I) (D) of the Listing Agreement;

The Board has laid down code of conduct for all Board Members and Senior Management of the Company and the same is posted on the website of the Company i.e. www.vksprojects.com. All the Board Members and Senior Management personnel have affirmed compliances with the code for the year ended 31st March, 2014.

Sd/-
V. K. Sukumaran
Managing Director
Navi Mumbai,
14th August, 2014

Auditors' Certificate on Corporate Governance

To the Members,
VKS Projects Limited

We have examined the compliance of conditions of Corporate Governance by VKS Projects Limited, for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

Maheshwari & Company
Chartered Accountants
FRN No. 105834W

(Pawan Gattani)
Partner

Place: Mumbai
Date: June 13, 2014

To The Members of
VKS PROJECTS LIMITED

Report on Financial Statements

We have audited the accompanying financial statement of VKS PROJECTS LIMITED, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of Significant accounting policies and other explanatory statements.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statement 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") which shall continue to apply in respect of section 133 . This responsibility includes the design, implemeof the Companies Act 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs. 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.

An audit involves performing procedures to obtain audit evidence about the amount and disclosure in financial statements. The procedure selected depends on the auditor's judgment, including the assessment of risk of the material misstatement of the financial statement, 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 procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimate 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 audit opinion.

Emphasis of Matter

We invite attention to note no 2(ii) to the financial statements regarding non reconciliation and non availability of balance confirmation from Various Lenders, Sundry Creditors, Trade Receivables and parties to whom Loans and Advances and Deposits have been made.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the above matter, the accompanying 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 principal generally accepted in India.

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
and
- ii) In the case of the Statement of Profit & Loss, of the profit for the year ended on that date.
- iii) In the case of the Cash flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements:-

- 1) As required by the Companies (Auditor's Report) Order, 2003 as amended by companies (Auditor's report) Amendment order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 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.
- 2) As required by section 227(3) of the Companies Act, we report that:
 - i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) 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;
 - iii) the Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards notified under the Companies Act, 1956 read with the

General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013;

- v) On the basis of written representations received from the directors, as on 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For Maheshwari & Co.
Chartered Accountants
FRN No. 105834W

(Pawan Gattani)
M. No. 144734

Place: Mumbai
Date: June13, 2014

Annexure to Independent Auditor's Report

**Report in terms of Paragraph 4 and 5 in Section 227(4A) of the Companies Act, 1956
(Companies (Auditor's Report) Order, 2003), issued by the Central Government:**

1. FIXED ASSETS

- a. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;
- b. As explained to us, the assets have been physically verified by the management in accordance with a phased program of verification of its Fixed Assets including Capital Work in Progress adopted by the Company which, in our opinion, is reasonable, considering the size and the nature of its business. No material discrepancies have been noticed on such physical verification, *however no such report provided to us for verification;*
- c. According to information and explanations given to us, the company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.

2. **INVENTORIES**

- a. According to the information and explanations given to us, the inventory has been physically verified by the management during and at the close of the year.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management as evidenced by the written procedures and instructions are reasonable and adequate in relation to the size of the company and nature of its business.
- c. The company is maintaining proper records of inventory. As explained to us, no discrepancies were noticed on physical verification between physical stocks and book records. *However, physical verification reports are not produced before us for verification.*

3. **LOANS AND ADVANCES GRANTED / TAKEN FROM CERTAIN ENTITIES**

In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:

- a) The Company has not given loans any company where director has direct/indirect controls on the same.
- b) The Company has also taken an unsecured loan from parties covered in the Register required to be maintained under section 301 of the Companies Act, 1956. In this connection we were informed that those transactions are in the nature of current account.
- c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of these transactions, prime facie not prejudicial to the interest of the Company.
- d) In our opinion and according to the information and explanation given to us, there is no overdue amount of loans and interest.

4. **INTERNAL CONTROL SYSTEM**

In our opinion and according to the information and explanations given to us, there is internal control system for the purchase of inventory and fixed assets and for the sale of goods and services commensurate with the size of the company and the nature of its business. *However the internal controls over accounting of consumptions, wastage, material reconciliation needs further strengthening.*

5. **CONTRACTS OR ARRANGEMENT REFERRED TO IN THIS SECTION 301 OF THE COMPANIES ACT, 1956**

- a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the act that need to be entered in the Register required to be maintained under that section, have been entered *however the same has not been produced for our verification*; and
- b) In our opinion and according to the information and explanations given to us, in respect of transactions which have been made in pursuance of contracts or arrangement entered in the register maintained under Section 301 and exceeding the value of **INR 5,00,000/-** in respect of any party during the period, have been made at prices which are reasonable having regard to the prevailing market price at the relevant time, where comparable market price exist.

6. **ACCEPTANCE OF DEPOSITS**

In our opinion and according to the information and explanations given to us, *the company has not complied with the provision of section 58A or 58AA or any 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 and the directives issued by the Reserve Bank of India in this matter.* According to the information and explanation given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard.

7. **INTERNAL AUDIT SYSTEM**

According to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business ***however no such reports have been produced before us for our verification.***

8. **COST RECORDS**

We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the , prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. **STATUTORY DUES**

According to the information and explanations given to us, in respect of statutory and other dues:

(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, custom duty, excise duty and other statutory dues, applicable to it *except for Service Tax, Sales Tax and Income Tax. Service Tax dues with interest as at the end of the year were Rs. 2,77,81,785/-, Sales Tax were of Rs. 9,53,730, TDS were of Rs. 1,12,84,168/- and that of Income tax were Rs.2,76,29,113/-.*

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, custom duty, sales tax, excise duty and other

statutory dues were outstanding, as at March 31, 2014 for a period of more than six months from the date were they became payable except the followings.

Sr. No.	Particulars	Amount Outstanding for more than 6 months as on March 31, 2014
1	Income Tax	2,76,29,113.00
2	Service Tax	2,45,18,344.00
3	Sales Tax	4,91,900.00
4	Tax Deducted at Source	1,12,84,168.00

(c) According to the information and explanations given to us and based on records produced to us, there are no dues of Income tax, Service tax, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, custom duty, sales tax and excise duty, which have not been deposited on account of any dispute.

10. ACCUMULATED LOSSES

The Company has no accumulated losses at the end of the financial year however it has incurred cash losses during the financial year covered by our audit but not in the immediately preceding financial year.

11. DUES TO FINANCIAL INSTITUTIONS, BANKS AND DEBENTURE HOLDERS

According to the information and explanations given to us and based on the documents and records produced to us, ***the Company has defaulted in repayment of dues to financial institutions or banks during the financial year covered under audit.***

12. SECURITY FOR LOANS & ADVANCES GRANTED

According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and accordingly, this clause is not applicable to the Company;

13. SPECIAL STATUTE

In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund/ societies and accordingly, this clause is not applicable to the Company;

14. DEALINGS/TRADING IN SHARES, SECURITIES, DEBENTURES AND OTHER INVESTMENTS

The Company does not deal or trade in shares, securities, debentures and other investments and hence, this clause is not applicable to the Company;

15. GUARANTEES GIVEN

According to the information and explanations given to us, the company has not given any guarantee for loans taken from banks or financial institutions by others, therefore the provisions of clause 4(xv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

16. TERM LOANS

In our opinion and according to the information and explanation given to us, the term loans have been applied by the Company during the year for the purpose for which they were obtained, other than temporary deployment pending application.

17. UTILISATION OF FUNDS

According to the information and explanations given to us, on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long-term investment;

18. PREFERENTIAL ALLOTMENT OF SHARES

During the year, the Company has not made any preferential allotment of shares to parties and companies covered under register maintained under section 301 of the Companies Act, 1956 and this clause is not applicable to the Company;

19. SECURITY FOR DEBENTURES ISSUED

The Company has not issued any debentures during the year and accordingly, this clause of the order is not applicable to the Company;

20. PUBLIC ISSUE OF EQUITY SHARES

We have verified the end use of funds raised by public issue during the year as disclosed in note 2(vii) to the financial statements;

21. FRAUDS NOTICED

During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For Maheshwari & Co.

Chartered Accountants

Firm Registration Number: 103854W

(Pawan Gattani)

Partner

Membership Number - 144734

Place: Mumbai

Date: June 13, 2014



VKS Projects Limited
Balance Sheet as at 31st March, 2014

Particulars	Note No.	As at 31 March 2014	As at 31 March 2013
		Amount (` in Lakhs)	Amount (` in Lakhs)
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	6,300.00	1,800.00
(b) Reserves and surplus	4	749.18	5,768.30
2 Non-current liabilities			
(a) Long-term borrowings	5	-	37.28
(b) Deferred tax liabilities (Net)	6	(184.10)	90.74
(c) Long-term provisions	7	8.85	12.40
3 Current liabilities			
(a) Short-term borrowings	8	5,197.28	4,110.94
(b) Trade payables		872.13	7,416.95
(c) Other current liabilities	9	478.14	642.91
(d) Short-term provisions	10	276.29	268.52
TOTAL		13,697.77	20,148.03
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	11		
Tangible assets		1,398.23	1,628.60
(b) Long-term loans and advances	12	1.21	11.64
(c) Other non-current assets	13	0.30	46.41
2 Current assets			
(a) Inventories	14	0.33	294.57
(b) Trade receivables	15	7,646.48	13,230.48
(c) Cash and Bank Balances	16	2.23	1.88
(d) Short-term loans and advances	17	4,582.46	4,626.24
(e) Other current assets	18	66.54	308.21
TOTAL		13,697.77	20,148.03

Notes & Significant Accounting Policies forming part of Financial Statements 1 to 25

As per our report of even date attached
for and on behalf of
Maheshwari & Co.
Chartered Accountants
Firm Regn No. 105834W

For and on behalf of the Board of Directors of
VKS PROJECTS LIMITED

(Pawan Gattani)
Partner
Membership No. 144734

(V. K. Sukumaran)
Managing Director

(C. D. Nathan)
Director

Place : Mumbai
Date : June 13th, 2014

(Supriya Tatkar)
Company Secretary



VKS Projects Limited
Statement of Profit and Loss for the year ended 31st March 2014

Particulars	Note No.	As at 31 March 2014	As at 31 March 2013
		Amount (` in Lakhs)	Amount (` in Lakhs)
I. Revenue from operations	19	6,921.07	20,585.03
II. Other income	20	3.08	18.96
III. Total Revenue (I + II)		6,924.15	20,603.99
IV. Expenses:			
Cost of materials consumed	21	39.11	129.23
Purchases of Stock-in-Trade		3,147.48	14,203.34
Changes in inventories of finished goods, work-in-progress and Trade	22	290.70	(81.44)
Employee benefits expense	23	36.12	107.36
Finance costs	24	374.24	615.61
Depreciation and amortization expense	11	232.96	180.55
Other expenses	25	3,597.48	4,793.26
Total expenses		7,718.11	19,947.91
V. Profit before exceptional and extraordinary items and tax (III-IV)		(793.96)	656.08
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V - VI)		(793.96)	656.08
VIII. Extraordinary Items			
IX. Profit before tax (VII- VIII)		(793.96)	656.08
X Tax expense:			
(1) Current tax		-	182.85
(2) Deferred tax		(274.83)	53.91
Net Tax expense:		(274.83)	236.76
XI Profit (Loss) for the period from continuing operations (IX-X)		(519.12)	419.31
XII Earnings per equity share:			
(1) Basic		(0.13)	0.34
(2) Diluted		(0.13)	0.07

Notes & Significant Accounting Policies forming part of Financial Statements 1 to 25

As per our report of even date
for and on behalf of
Maheshwari & Co.
Chartered Accountants
Firm Regn No. 105834W

For and on behalf of the Board of Directors of
VKS PROJECTS LIMITED

(Pawan Gattani)
Partner
Membership No. 144734

(V. K. Sukumaran)
Managing Director

(C. D. Nathan)
Director

Place : Mumbai
Date : June 13th, 2014

(Supriya Tatkar)
Company Secretary

VKS PROJECTS LIMITED

1) NOTES AND ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

A. Company Information

VKS Projects Limited (referred to as "Company") is an Engineering Procurement and Construction Company (EPC Contractor) engaged in the business of undertaking EPC Contracts of CS/SS/Alloy Steel, Turnkey Piping, Civil Land Development, Industrial/Commercial Infra Projects, Structural Fabrication and Erection of Equipments, Fire Fighting Projects and Commissioning of Chemical Plants for various industries.

B. Significant Accounting Policies adopted by the Company is as follows:

- 1) **Basis of preparation of financial statements :**
These financial statements have been prepared as of a going concern and in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.
- 2) **Use of Estimates :**
The presentation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reported period. Differences between the actual result and estimates are recognized in the period in which the results are known/materialize. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.
- 3) **Cash Flow :**
Cash flow statement has been prepared in accordance with the "indirect method" as explained in the Accounting Standard 3 issued by the Institute of Chartered Accountants of India.
- 4) **Fixed Assets :**
Fixed Assets are stated at cost of acquisition less accumulated depreciation, amortisation, and impairment loss, if any. Fixed Assets are accounted at cost of acquisition inclusive of inward freight, duties taxes and other incidental expenses related to acquisition and installation of Fixed Assets incurred to bring the assets to their working condition for their intended use.
- 5) **Depreciation :**
Depreciation is provided for in the books on written down value method as per the rates prescribed under Schedule XIV of the Companies Act 1956.
- 6) **Revenue Recognition :**
Revenue from the sale of goods is recognized net of sales tax on transfer of the title as per the Contact Terms with the Customer. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty as to the measurement or collectability of consideration that will be derived on completion of the contract, is recognized as per the percentage of completion method. Interest on deposits is accounted for on the time proportion basis.
- 7) **Foreign Currency Transactions :**
Foreign currency transactions are recorded in the books at exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized as income or expense in the profit and loss account of the same period. Foreign currency assets and liabilities are translated at the period end rates and the resultant exchange differences, are recognized in the profit and loss account.

8) Borrowing Cost :

Borrowing Costs that are directly attributable to the acquisition or production of qualifying assets are capitalized as the cost of the respective assets. Other Borrowing Costs are charged to the Profit and Loss Account in the period in which they are incurred.

9) Employees benefits :

All employee benefit obligations payable wholly within twelve months of the rendering the services are classified as Short Term Employee Benefits. Such Benefits are estimated and provided for in the period in which the employee renders the related service.

Post Employment Benefits

Defined Contribution Plan

All eligible employees of the Company are entitled to receive benefits under the provident fund through a defined contribution plan in which both the employee and the Company contribute monthly at specified percentage of employee's basic salary. These contributions are made to a Government Approved Provident Fund. Contribution to the said provident fund is Defined Contribution Plan. The contribution paid/ payable under the schemes is recognized during the period in which the employee renders the related service.

Defined Benefit Plans

The costs of providing Gratuity (unfunded) is determined using projected unit credit method on the basis of actuarial valuation carried out by a third party actuary at each balance sheet date

i) Inventories

Inventories are measured at lower of the cost and net realizable value. Cost of inventories comprises all costs of purchase (net of input credit) and other costs incurred in bringing the inventories to their present location and condition. Costs of consumable and trading products are determined by using the First-In First-Out Method (FIFO).

ii) Accounting for taxes on Income :

i) Income tax comprises the current tax and net change in deferred tax assets, which are made in accordance with the provisions as per the Income Tax Act, 1961.

ii) Deferred Tax resulting from timing differences between accounting income and taxable income for the period is accounted for using the tax rates and laws that have been enacted or substantially enacted as at the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

iii) Leased Assets :

Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor, are classified as Operating Leases. The rental and all other expenses of leased assets are treated as revenue expenditure.

iv) Provisions and Contingent Liabilities :

The Company recognizes 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 that the likelihood of outflow of resources is remote, no provision or disclosure is made.

v) Impairment of Assets :

The Company assesses at each balance sheet date whether there is any indication that an assets 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 recoverable amount of the cash generating unit to which the assets belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the profit and loss account. If at the balance date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at the recoverable amount.

vi) Cash and cash equivalents :

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

1) Other Notes and Additional Information forming part of Financial Statements

i) In the opinion of the management, current assets, loans and advances and other receivables have realizable value of at least the amounts at which they are stated in the accounts.

ii) *Balances shown under Secured & Unsecured Loans, Sundry Creditors, Advance from Customers, Other Liabilities & Payables, Advance for Property and Services, Advance to Suppliers, Trade Receivables, Loans and Advances (Assets), Sundry Deposits and Other Current Assets are subject to confirmations, reconciliation and consequential adjustments, if any thereon.*

iii) The company has taken 2 premises (4 premises in previous year) on Operating Lease. All of those are short term leases with none going beyond March 31, 2015. The agreements are renewable. Non-cancellable operating lease rents payable (minimum lease payments) under these leases are as follows:

Particulars	March 31, 2014	March 31, 2013
Within one year	Rs. 1,32,000	Rs. 2,87,452
Later than one year and not later than five years	-	Rs. 1,53,000

i) Management has sought information from various suppliers in case if they are registered under MSMED Act, 2006. However no information has been received from suppliers regarding their status under the said Act and hence disclosure, if any, relating to amounts unpaid as at the yearend together with interest paid/payable as required under the said act have not been furnished.

ii) Details required as per Companies Act to the extent applicable is given below:

	31.03.2014	31.03.2013
Remuneration to Auditors		
Audit Fees including Limited Review fees	5,00,000	6,50,000
Tax Audit	-	-
Other matters	2,000	20,000
Total	5,02,000	6,70,000

iii) As per Accounting Standard (AS) 17 on "Segment Reporting", Segment information has not been provided as the Company has only one reportable segment.

iv) Earnings per Share :

Earnings per share is calculated by dividing the profit/(loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The number used in calculating the basic and diluted earnings per share are stated below:

Particulars	31.03.2014	31.03.2013
Net profit/(loss) for the year as per profit and loss accounts (Rs.)	5,19,12,235	4,91,31,302
Weighted Average number of equity shares for calculating Basic EPS	39,33,28,530	12,18,78,981
Weighted Average number of equity shares for calculating Diluted EPS	39,33,28,530	57,18,78,981
Face value per share (Rs.)	1	1
Basic EPS	(0.13)	0.34
Diluted EPS	(0.13)	0.07

V) Related party transactions:

A) Related parties and their relationship

1) Key Management Personnel:

Mr. V. K. Sukumaran (Promoters and directors of the Company)
Mr. C. D. Nathan (Whole-Time Director of the Company).

B) Others: Enterprises over which Key Management Personnel are able to exercise significant influence/ controls

- 1) VKS Healthcare Private Limited
- 2) VKS Edserve Private Limited

C) Transactions with related parties during the year ended 31st March,2014:

(Amount in Rs.)

Nature of Transaction	Key Management Personnel	Others	Total
Directors Remuneration	18,00,000 (37,80,000)	- (-)	18,00,000 (37,80,000)
Unsecured Loans Received	41,44,688 (5,33,43,905)	- (-)	41,44,688 (5,33,43,905)
Repayment of above Loans	44,43,712 (4,70,95,000)	- (-)	44,43,712 (4,70,95,000)

Note: Previous figures are in brackets.

D) **Balances with related at the year ended 31st March,2014:**

Nature of Transaction	Key Management Personnel	Total
Directors Remuneration Payable Mr. V.K. Sukumaran Mr. C.D. Nathan	5,58,834 2,42,001	5,58,834 2,42,001
Unsecured Loan repayable to Director Mr. V.K. Sukumaran	44,93,437	44,93,437
Unsecured Loan repayable to Director VKS Healthcare Pvt. Ltd. VKS Edserve Pvt. Ltd.	3,93,000 2,60,000	3,93,000 2,60,000

E) Disclosure of material transactions with related parties during the year ended 31st March, 2014:

Particulars	2014	2013
Unsecured loans received		
VKS Healthcare Pvt. Ltd.	3,93,000	1,44,65,000
VKS Edserve Pvt. Ltd.	2,60,000	3,26,30,000
Mr. V.K. Sukumaran	41,44,688	62,48,905
Unsecured loans repaid		
VKS Healthcare Pvt. Ltd.	-	1,44,65,000
VKS Edserve Pvt. Ltd.	-	3,26,30,000
Mr. V.K. Sukumaran	44,43,712	-
Directors Remuneration		
Mr. V.K. Sukumaran	6,00,000	20,00,000
Mrs. Sarita Sukumaran	N.A.	9,00,000
Mr. C.D. Nathan	12,00,000	8,80,000

F) These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act. Previous year figures have been restated to conform to the classification of the current year.

For and on behalf of
Maheshwari & Co.
Chartered Accountants
FRN. 105834W

For and behalf of Board of Directors of
VKS Projects Limited

(Pawan Gattani)
Partner
Membership No. 144734

(V.K. Sukumaran) (C.D. Nathan)
Managing Director Director

Place: Mumbai
Date: June 13, 2014

(Supriya Tatkar)
Company Secretary

Note: 3

3 (i) Share capital

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	Amount (` in Lakhs)	Number	Amount (` in Lakhs)
Authorised				
Equity Shares of ` 1 (Previous Year ` 1) each	65,00,00,000	6,500.00	20,00,00,000	20,000.00
Issued				
Equity Shares of ` 1 (Previous Year ` 1) each	63,00,00,000	6,300.00	18,00,00,000	1,800.00
Subscribed & Paid up				
Equity Shares of ` 1 (Previous Year ` 1) each fully paid	63,00,00,000	6,300.00	18,00,00,000	1,800.00
Subscribed but not fully Paid up				
	-	-	-	-
TOTAL	63,00,00,000	6,300.00	18,00,00,000	1,800.00

3 (ii) The reconciliation of the number of shares outstanding is set out below :

Particulars	Equity Shares			
	As at 31 March 2014		As at 31 March 2013	
	Number	Amount (` in Lakhs)	Number	Amount (` in Lakhs)
Shares outstanding at the beginning of the year (` 1 each)	18,00,00,000	1,800	8,00,00,000	800.00
Shares Issued during the year (` 10 each)	45,00,00,000	4,500	10,00,00,000	1,000.00
Shares bought back during the year	-	-	-	-
	63,00,00,000	6,300	18,00,00,000	1,800.00
Shares outstanding at the end of the year (` 1 each)*	63,00,00,000	6,300	18,00,00,000	1,800.00

* The Company has sub divided its Equity Shares from Face Value of ` 10 each to ` 1 each, vide ordinary resolution passed in the Extraordinary general meeting dated 8th February 2013. The Record date for the Sub Division of share of the company was 28th February 2013.

3 (iii) Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of ` 1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

3 (iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	Equity Shares			
	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vallyaveddu Krishnankutty Sukumaran	10,40,50,800	16.51%	4,56,96,800	25.39%
Sarita Ramankutty Sukumaran	9,41,00,000	14.92%	3,19,00,000	17.72%
Religare Finvest Ltd	8,47,10,000	13.44%	2,34,98,500	13.05%
Highbluesky Emerging Market Fund	4,16,47,795	6.61%	1,71,84,930	9.55%
Sparrow Asia Diversified Opportunities Fund	5,15,53,440	8.18%	1,49,18,480	8.29%
Lerman Diversified Fund	4,85,88,785	7.71%	1,38,82,510	7.71%
TOTAL	42,46,50,820	67.37%	14,70,81,220	81.71%

3 (v) Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2014)

Particulars	Year (Aggregate No. of Shares)				
	2012-13	2012-13	2011-12	2010-11	2009-10
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares*	-	-	-	2,20,00,000	-
Shares bought back	-	-	-	-	-

* Note : The bonus issued in F.Y. 2010-11 is at the F.V. of share of Rs. 10/- each.

3 (vi) There are no calls remaining unpaid as on March 31, 2014, hence no disclosure is required pursuant to Note no. 6(A)(k) of Part I of Schedule VI (Revised) to the Companies Act, 1956.

Note: 4 Reserves and surplus

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Securities Premium Account		
Opening Balance	4,430.38	125.00
Add : Securities premium credited on Share issue	-	4,500.00
Less : Premium Utilised for various reasons		
Amount utilized for IPO related expenses*	-	194.62
Amount utilized for issue of Bonus Shares	4,430.38	-
Closing Balance	0.00	4,430.38
Surplus in Statement of Profit and Loss		
Opening balance	1,337.92	918.60
(+) Net Profit/(Net Loss) For the current year	(519.12)	419.31
(-) Proposed/Interim Dividends	-	-
(-) Issue of Bonus Shares	69.62	-
(-) Transfer to Reserves	-	-
Closing Balance	749.18	1,337.92
TOTAL	749.18	5,768.30

*Note : The issues expenses incurred to raise the fund through Initial Public Offer (IPO) is utilised from available securities premium.

Note: 5 Long-term borrowings

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Secured		
Term loans		
from Banks	-	-
from Financial Institutions (Secured against motor car.)	-	37.28
TOTAL	-	37.28

5 (i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security	As at 31 March 2014		As at 31 March 2013	
		Secured	Unsecured	Secured	Unsecured
		Amount (` in Lakhs)	Amount (` in Lakhs)	Amount (` in Lakhs)	Amount (` in Lakhs)
Term loans					
(i) From banks					
Barclays Bank Plc	Repayable in 36 installments, amount of installment is Rs.109,276/- p.m., the rate of interest is 17% p.a.	-	-	-	-
HDFC Bank Limited	Repayable in 36 installments, amount of installment is Rs.42,784/- p.m., the rate of interest is 9.44% p.a.	-	-	-	-
Tata Capital Limited	Repayable in 24 installments, amount of installment is Rs.177,282/- p.m., the rate of interest is 19.5% p.a.	-	-	-	-
BMW Financial Services	Repayable in 84 installments, amount of installment is Rs.73,582/- p.m., at interest rate of 12% p.a.	-	-	37.28	-
Total		-	-	37.28	-

Note: 6 Deferred tax liabilities (Net)

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Deferred Tax Liabilities		
On Depreciation	112.36	128.16
Deferred Tax Assets		
On Provision for doubtful debts and advances	-	-
On Other timing differences including Tax Loss	296.45	37.43
TOTAL	(184.10)	90.74

Note: 7 Long-term provisions

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)

(a) Provision for employee benefits		
Provision for gratuity (unfunded)	8.85	12.40
TOTAL	8.85	12.40

Note: 8 Short-term borrowings

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Secured		
Loans repayable on demand from banks (Hypothicated charge over Comopany's entire current assest consisting of Stock, Book Debts & Receivable of the Company)	3,894.43	3,657.74
Unsecured		
Loans and advances from related parties	51.46	62.49
Loans repayable on demand from other parties	1,251.38	390.70
TOTAL	5,197.28	4,110.94

Note: 9 Other current liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
(A) Current Maturities of Long Term Debts		
Unsecured		
Term Loan		
(i) From Banks	2.33	13.50
(ii) From Financial Institutions	39.66	17.27
(B) Other Liabilities		
(i) Advance from Debtors	-	251.43
(ii) Statutory dues payable	415.43	311.09
(iii) Expenses Payable	20.74	49.62
TOTAL	478.14	642.91

Note: 10 Short-term provisions

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Provision for Taxation (Net of Advance Tax)	276.29	268.52
TOTAL	276.29	268.52

Note: 12 Long-term loans and advances

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Security Deposits		
Unsecured, considered good	0.66	3.81
Other loans and advances		
Unsecured, considered good	0.55	7.83
TOTAL	1.21	11.64

Note: 13 Other non-current assets

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Interest Accrued	0.05	3.34
Bank Balance (Deposits with original maturity of more than 12 months)	0.25	43.07
TOTAL	0.30	46.41

Note: 14 Inventories

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Raw Material	0.33	3.87
Traded Goods	-	290.70
TOTAL	0.33	294.57

Note: 15 Trade receivables

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Trade receivables outstanding for a period less than six months.		
Unsecured, considered good	167.98	8,627.49

Trade receivables outstanding for a period exceeding six months.		
Unsecured, considered good	7,478.50	4,603.00
TOTAL	7,646.48	13,230.48

Note: 16 Cash and Bank Balances

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Cash & Cash Equivalants		
Cash on hand	0.08	1.84
Bank Balances	2.15	0.04
TOTAL	2.23	1.88

Note: 17 Short-term loans and advances

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Loans & Advances to related Parties		
Unsecured, considered good	-	-
Other Loans & Advances		
Advances to suppliers (Unsecured, considered good)	4,578.09	4,600.13
Other Advances	2.03	-
Prepaid Expenses	2.34	26.11
TOTAL	4,582.46	4,626.24

Note: 18 Other current assets

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Deposit with Bombay Stock Exchange	-	55.00
Unbilled Revenue	-	103.00
MVAT Receivable	-	16.50
Retention Money	66.54	75.65
Balance with Central Excise Authority	-	58.06
TOTAL	66.54	308.21

Note: 19 Revenue from operations

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Sale of products	3,872.74	16,255.92
Sale of services	3,048.33	4,329.10
TOTAL	6,921.07	20,585.03

Note: 20 Other Income

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Interest Income	1.23	17.06
Prior Period Items	-	-
Other non-operating income	1.86	1.90
TOTAL	3.08	18.96

Note: 21 Cost of materials consumed

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Opening stock	3.87	8.95
Add: Purchases	35.57	124.15
Less: Closing stock	0.33	3.87
TOTAL	39.11	129.23

Material consumed comprises of Fuels, Gas, Electric & Hardware items etc.

Note: 22 Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Inventories at the end of the year		
Stock-in-trade	-	290.70
Inventories at the beginning of the year		
Stock-in-trade	290.70	214.35
TOTAL	290.70	(76.35)

Note: 23 Employee Benefits Expense

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Salaries, Wages and Bonus	32.09	79.78

Contributions to -		
Provident fund	1.21	7.94
ESIC	3.00	3.21
Gratuity Expenses	(3.56)	2.18
Staff welfare expenses	3.38	14.25
TOTAL	36.12	107.36

Note: 24 Finance Cost

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Interest on borrowings	363.62	605.88
Other borrowing costs	10.62	9.74
TOTAL	374.24	615.61

Note: 25 Other expenses

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
Audit Fees		
Statutory Audit Fee	5.00	6.50
For other services	0.02	0.20
Labour Charges	2,811.86	4,535.12
Bad Debts	579.67	9.02
Bank Charges	1.26	16.65
Transportation & Travelling Expense	9.59	24.10
Contract Charges	29.36	36.38
Hire Charges	12.14	49.55
Interest on TDS, Service Tax & Income Tax	44.73	55.18
Legal and professional	38.90	11.98
Others	64.94	48.58
TOTAL	3,597.48	4,793.26

Note: 26 Contingent liabilities

Particulars	As at 31 March 2014	As at 31 March 2013
	Amount (` in Lakhs)	Amount (` in Lakhs)
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	-	-
(b) Guarantees	-	190.00
(c) Other money for which the company is contingently liable	-	-
TOTAL	-	190.00



VKS Projects Limited
Cash Flow Statement for the year 2013-14

Particulars		As at 31 March 2014		As at 31 March 2013	
		Amount (` in Lakhs)	Amount (` in Lakhs)	Amount (` in Lakhs)	Amount (` in Lakhs)
A. Cash Flow from Operating Activities					
Profit / (Loss) before taxation			(793.96)		656.08
Adjustments for:					
Depreciation		232.96		180.55	
Interest income		(1.23)		(17.06)	
Interest Expenditure		374.24		615.61	
Bad debts written off		579.67		9.02	
Write back of provisions for doubtful debts		-		-	
Service tax liability written back		-	1,185.65	-	788.12
Operating profit before working capital changes			391.70		1,444.20
Changes in Working Capital:					
Increase / (Decrease) in trade payables		(6,724.35)		6,616.63	
(Increase) / Decrease in trade receivables		5,004.33		(8,635.60)	
(Increase) / Decrease in inventories		294.24		(76.35)	
(Increase) / Decrease in short term loans and advances		43.78		(4,597.35)	
(Increase) / Decrease in Long term loans and advances		10.43		15.75	
(Increase) / Decrease in other current assets		241.67		212.62	
(Increase) / Decrease in other non-current assets		46.11	(1,083.78)	(3.59)	(6,467.90)
Taxes paid (net of refunds)			7.77		(75.09)
Net cash generated from operating activities	A		(684.32)		(5,098.80)
B. Cash flow from Investing Activities:					
Purchase of tangible/intangible assets including Capital work in progress		(2.59)		(968.39)	
Interest received		1.23		17.06	
Net cash from investing activities	B		(1.37)		(951.33)
C. Cash flow from Financing Activities					
Increase in Share Capital including Share Premium		-		5,305.38	
Interest paid		(374.24)		(615.61)	
Proceeds from Borrowings including Current Obligation of Long term Debt(net)		1,060.27		1,357.07	
Net cash used in Financing Activities	C		686.03		6,046.84
Net increase in cash and cash equivalents	(A+B+C)		0.35		(3.29)
Add:					
Cash and Cash equivalents at the beginning of the year			1.88		5.17
Cash and Cash equivalents at the end of the year			2.23		1.88
As per our report of even date for and on behalf of Maheshwari & Company Chartered Accountants Firm Regn No. 105834W		For and on behalf of the Board of Directors of VKS PROJECTS LIMITED			
		V. K. Sukumaran Managing Director		C. D. Nathan Director	
(Pawan Gattani) Partner Membership No. 144734		Supriya Tatkar Company Secretary			
Place : Mumbai Date : June 13th, 2014					

Note: 11 Fixed Assets

	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
		Balance as at 1 April 2013	Additions/ (Disposals)	Balance as at 31st March 2014	Balance as at 1 April 2013	Depreciation charge for the year	On disposals	Balance as at 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
		Amount (` in Lakhs)	Amount (` in Lakhs)	Amount (` in Lakhs)	Amount (` in Lakhs)	Amount (` in Lakhs)	Amount (` in Lakhs)	Amount (` in Lakhs)	Amount (` in Lakhs)	Amount (` in Lakhs)
a	Tangible Assets									
	Computer	10,12,042.00	36,783.00	10,48,825.00	7,59,559.04	1,13,955.35	-	8,73,514.39	1,75,310.61	2,52,482.96
	Furniture & Fixture	31,29,166.00	-	31,29,166.00	11,46,525.99	3,58,857.84	-	15,05,383.83	16,23,782.17	19,82,640.01
	Machinery	19,64,43,679.00	2,22,235.00	19,66,65,914.00	4,16,28,978.53	2,15,51,475.98	-	6,31,80,454.51	13,34,85,459.49	15,48,14,700.47
	Motor Car	54,02,164.00	-	54,02,164.00	7,88,047.27	11,94,594.82	-	19,82,642.09	34,19,521.91	46,14,116.73
	Office Equipments	7,22,062.00	-	7,22,062.00	4,01,793.11	44,549.25	-	4,46,342.36	2,75,719.64	3,20,268.89
	Office Premises	14,68,060.00	-	14,68,060.00	5,92,322.54	32,990.11	-	6,25,312.65	8,42,747.35	8,75,737.46
	Total	20,81,77,173.00	2,59,018.00	20,84,36,191.00	4,53,17,226.48	2,32,96,423.35	-	6,86,13,649.83	13,98,22,541.17	16,28,59,946.52
b	Intangible Assets	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-
c	Capital Work In Progress	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-
d	Intangible assets under Development	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-
	Total	20,81,77,173.00	2,59,018.00	20,84,36,191.00	4,53,17,226.48	2,32,96,423.35	-	6,86,13,649.83	13,98,22,541.17	16,28,59,946.52

VKS PROJECTS LIMITED

CIN No. L74210MH1998PLC113596, Reg. Off. : 507 Sai Sangam sector 15 CBD Belapur, Navi Mumbai- 400614

Phone: 022027573285 website: www.vksprojects.com Email: investor@vksprojects.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s):-

Address: -

E-mail id: -

Folio No. Client ID No.:-..... DP ID No.....

I/We, being the member (s) of..... shares of **VKS PROJECTS LIMITED**, hereby appoint

1. Name:

Address :

.....

..... E-mail Id: -

Signature :..... or failing him

1. Name :

Address :

.....

..... E-mail Id: -

Signature :..... or failing him

1. Name :

Address :

.....

..... E-mail Id: -

Signature :.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the company to be held on Tuesday, 30th September, 2014 at 11.00 a.m. at 507, B wing, Sai Sangam Building, Palm Beach road, Sector 15 CBD Belapur (E), Navi Mumbai – 400614 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Balance Sheet as of 31st March, 2014, Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Auditors' Report and Directors' Report thereon.

2. To appoint a Director in place of Mr. Nathan (DIN 03226453), who retires by rotation, and being eligible offers himself for re-appointment.
3. Appointment of Auditors
4. Appointment of Mrs. Sandhya Manohar Beedkar as additional Director and Independent Director of the Company.
5. Appointment of Mr. Ronindra Nath Ghose as Independent Director of the Company for consecutive period of 5 Years
6. Appointment of Mr. Jaywant Bolaikar as Independent Director of the Company for consecutive period of 5 Years
7. Appointment and payment of remuneration of Dr. V. K. Sukumaran, as Managing Director of the Company for the period of 3 years

Signed this..... Day of 2014

Signature of shareholder

Affix
Signature of Proxy holder(s).....

Affix revenue stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

VKS PROJECTS LIMITED

CIN No. L74210MH1998PLC113596, Reg. Off. : 507 Sai Sangam sector 15 CBD Belapur, Navi Mumbai- 400614

Phone: 022027573285 website: www.vksprojects.com Email: investor@vksprojects.com

ATTENDANCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the 16th Annual General Meeting of the Company held at at 507, B wing, Sai Sangam Building, Palm Beach road, Sector 15, CBD Belapur (E), Navi Mumbai – 400614, on Tuesday, 30th September, 2014 at 11.00 a.m.

Folio No. Client ID No. DP ID No..... Name of
the Member: Signature: Name of Proxy holder
..... Signature:

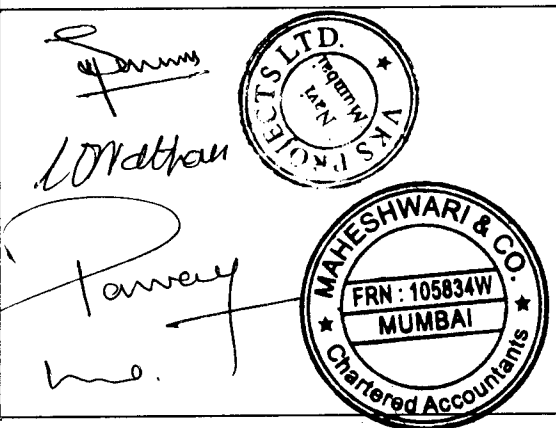
- a. Only Member / Proxy holder / can attend the Meeting.
- b. Member/ Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

Instructions for E-voting

- 1) Voting period will commence from 25.09.2014 to 27.09.2014.
- 2) Launch the internet browser by typing the URL <https://www.evoting.nsdl.com>. The home screen will be displayed.
- 3) Select **'Shareholder – Login'**
- 4) Enter the log in details viz.; User id and Password which are provided in the previous page/ sent to you by email.
- 5) On the first log in, you need to change the password.
- 6) On successful log in, you will have to select the **'EVEN'**(E –Voting Event Number) VKS Projects Limited for casting the vote in favour or against.
- 7) Cast your vote by selecting the appropriate option in the Cast vote section and click on **'Submit and also Confirm'** when prompted.
- 8) For an EVEN, you can log in any number of times on e-voting platform of NSDL, till you have voted or till the end of the voting period i.e upto 27.09.2014 whichever is earlier. Kindly note that the vote once casted will not be modified.
- 9) Institutional Shareholders (Corporates/ FIs/ FIIs/Trust/ Mutual Funds/ banks etc.) are required to send scan (PDF/JPRG format) of the relevant Board resolution/ Authority letter etc. Together with attested specimen signature of the duly authorised signatory/ies) who are authorised to vote, to the Scrutiniser through email: nitinsharma00@gmail.com with a copy marked to evoting@nsdl.co.in
- 10) You can update your mobile number and email ID in the user profile details of the folio which may be used for sending communication(s) regarding NSDL e-voting system in future.

Please note that:

- 1) Login to e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through 'Forgot password' option available on the site to reset the same.
- 2) Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the Company in which you are the shareholder.
- 3) It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- 4) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-Voting user manual for members available at the downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following telephone no. (022) 24994600, or mail to evoting@nsdl.co.in.

1.	Name of the Company:	VKS Projects Limited
2.	Annual financial statements for the year ended	31 st March 2014
3.	Type of Audit observation	<ol style="list-style-type: none"> 1) Qualified as "The Company has accepted the deposits from the public during the financial year 2013-14. However, the directives issued by the Reserve Bank of India and the provisions of Section 58A and Section 58AA of the Companies Act, 1956 are not complied with". 2) Except for "Service Tax, Sales Tax, TDS and Income Tax, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, custom duty, excise duty and other statutory dues, applicable to it. The undisputed dues of Income Tax & Service Tax is outstanding for a period of more than six months from the date were they became payable". 3) Attention to note no 2(ii) to the financial statements regarding non reconciliation and non availability of balance confirmation from Various Lenders, Sundry Creditors, Trade Receivables and parties to whom Loans and Advances and Deposits have been made. 4) The Company has defaulted in repayment of dues to financial institutions or banks during the financial year covered under audit.
4.	Frequency of qualification	These are the repetitive issues and even qualified/ commented on in previous years financials ended 31 st March 2013.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	These qualifications are reported in Annual Financials Statement in Annexure to the Independent Auditor's Report - Referred to in paragraph 1 under the heading of "Report on other legal and regulatory requirements". The First qualification is in point no. 6 on Deposits accepted from Public and second qualification is on point no. 9 on Statutory Dues.
6.	Additional comments from the board/audit committee chair:	Audit Committee and Management of the Company has taken note of the qualification commented by auditor and will resolve the same at the earliest.
7.	Signed By – <ul style="list-style-type: none"> • Managing Director – V. K. Sukumaran • Director Finance – Mr. C. D. Nathan • Auditor of the Company – Maheshwari & Company • Audit Committee Chairman- Mr. Ronindranath Ghosh 	 <p>The section contains four handwritten signatures and two circular stamps. The first signature is for V. K. Sukumaran, the second for C. D. Nathan, and the third for Ronindranath Ghosh. The fourth signature is for the auditor, Maheshwari & Company. The first stamp is for VKS PROJECTS LTD. MUMBAI. The second stamp is for MAHESHWARI & CO. Chartered Accountants, FRN: 105834W, MUMBAI.</p>