

VKS

PROJECTS LIMITED

ANNUAL REPORT

2014 -2015

Board of Directors

Dr. V. K. Sukumaran	Managing Director
Mr. Nathan	Whole-Time Director
Mr. Ronindra Nath Ghose	Director
Ms. Sandhya Beedkar	Director

Statutory Auditors	Maheshwari & Company Chartered Accountants
--------------------	---

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

CONTENTS

PARTICULARS	PAGES
NOTICE	3-7
DIRECTOR'S REPORT	8-16
MANAGEMENT DISCUSSION AND ANALYSIS	17-19
CORPORATE GOVERNANCE REPORT	20-35
AUDITOR'S REPORT	36-46
BALANCE SHEET	47
STATEMENT OF PROFIT AND LOSS	48
CASH FLOW STATEMENT	49
SCHEDULES AND NOTES FORMING PARTS OF THE ACCOUNTS	50-60
PROXY FORM AND ATTENDANCE SLIP	61-63

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting (AGM) of the members of VKS PROJECTS LIMITED will be held on Wednesday, 30th September, 2015, 11.00 a.m. at 507, SaiSangam, Sector 15, CBD Belapur, Navi-Mumbai- 400 614, Maharashtra, India, to transact the following business as:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2015 and the Reports of the Directors' and Auditor's 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. To appoint M/s. Maheshwari & Company, Chartered Accountants (FRN. 105834W) the retiring auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/S Maheshwari & Company, Chartered Accountants (Firm Registration No. FRN. 105834W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2016 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

By Order of the of the Board

Dr V. K. Sukumaran
Managing Director
DIN: 01097429

Registered Office:

507, SaiSangam, Sector 15,
CBD Belapur, Navi Mumbai,
Maharashtra-400 614.

Date: 13th August, 2015

Place: Navi Mumbai

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

1. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.

2. The instrument appointing the proxy (as per the format provided hereinafter), in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. MEMBER/PROXY SHOULD BRING THE ATTENDANCE SLIP SENT HEREWITH, DULY FILLED IN, FOR ATTENDING THE MEETING.
4. An Explanatory Statement required under Section 102(1) of the Companies Act, 2013 in respect of the special businesses to be transacted at the meeting is annexed hereto.
5. Pursuant to Clause 49 of the Listing Agreement, the details of Directors proposed to be appointed / re-appointed are annexed to this notice.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2015 to 30th September, 2015 (both days inclusive).
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. The Annual Report of your Company for the Financial Year 2014-15 is displayed on the website of the Company i.e. www.vksprojects.com
15. 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 17th 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 23rd September, 2015 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.
16. 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.

17. Mr. Nitin Sharma, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process, in a fair and transparent manner.
18. 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.
19. 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.
20. 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.

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose email addresses are registered with the Company / Depositories):
 - i. Open the e-mail and also open PDF file, namely, "VKS e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
 - iii. Click on Shareholder – Login
 - iv. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vi. Once the e-voting home page opens, click on e-Voting> Active Voting Cycles. vii. Select "EVEN" (E-voting Event Number) of VKS PROJECTS LIMITED which is 103390. Now you are ready for e-voting as Cast Vote page opens.
 - viii. Cast your vote by selecting the appropriate option and click on "Submit" and also "Confirm" when prompted.
 - ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - x. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently.
 - xi. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution and / or 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 tonitinsharma00@gmail.com, with a copy marked to evoting@nsdl.co.in.

- xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- B. In case a Member receives physical copy of the Notice of the AGM (for Members whose e-mail addresses are not registered with the Company / Depositories):
- i. Initial password is provided in the enclosed ballot form: EVEN (E-voting Event Number) + USER ID and PASSWORD
- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- C. Other Instructions
- i. The e-voting period commences on Sunday, 27th, September, 2015 (9.00 a.m. IST) and ends on Tuesday, 29th, September, 2015 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 23rd September, 2015 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- ii. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, voting through ballot form, as well as voting at the meeting through ballot. iii. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vks.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed

By Order of the of the Board

Dr. V. K. Sukumaran
Managing Director
DIN: 01097429

Registered Office:

507, SaiSangamsector 15, CBD Belapur,
Navi -Mumbai, Maharashtra,
India

Date: 13th August,2015
Place: Navi-Mumbai

Details of the directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement).

1. Mr. Nathan

Date of Birth: 26/10/1957

Date of Appointment : 10/01/2013

Professional and Educational Qualification: Graduate

No. of Equity Shares held: NIL

Expertise in Specific Functional Area: Finance

List of Directorships held in other Companies :NIL

Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies:
NIL

Chairman of Committees: None

Member of Committees: None

Directors' Report

Dear Members,

Your Directors have pleasure in presenting this Directors Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2015.

1. Financial Summary or performance of the company:

PARTICULARS	(Rs. in Lacs)	
	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
Income for the year	283.28	6,924.15
Profit before Interest, Depreciation and Tax	(10.61)	(186.76)
Less: Financial charges	03.05	374.24
Depreciation	117.75	232.96
Provision for Taxations / Deferred Tax	(54.63)	(274.83)
Prior Period Items / Extra Ordinary Items	-	-
Net Profit/Loss for the current year	(76.72)	(519.12)

2. OPERATIONS OF THE COMPANY

During the FY 2014-15, the Company has reported Net loss of Rs. (76.72) lacs and in previous year Company has reported Net Loss of Rs. (519.72) lacs

3. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was 6,300 lakhs. During the year under review, the Company has neither issued any shares nor granted stock options nor sweat equity

4. 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.

5. DIRECTORS

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

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS.

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note nos. 10 and 15 to the Standalone Financial Statements. The company has not made any investments.

7. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility has been an integral part of the way in which your company does business. Company had loss during Financial Year 2014-15, so no CSR amount spend during Financial Year 2014-15.

8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an internal financial control system commensurate with the size and scale of its operations and the same has been operating effectively

9. AUDIT COMMITTEE

Your Directors have, in compliance with the provisions of Section 177 of the Companies Act, 2013 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. RonindraNathGhose, Dr. V. K. Sukumaran and Mrs. SandhyaManoharBeedkar

10. DIRECTORS / KEY MANAGERIAL PERSONNEL

Name of Director	Mrs. Sandhya Manohar Beed	Mr. Ronindra Nath Ghose	Mr. C.D. Nathan	Dr. V. K. Sukumaran
Type	Non-Executive Independent Director	Non-Executive Independent Director	Executive Director And CFO	Managing Director
Date of Birth	20/04/1978	04/01/1950	26/10/1957	28/01/1966
Date of Appointment	14/08/2014	11/02/2013	10/01/2013	17/02/1998
Qualification	Graduate	Mechanical Engineer	B.Com	Mechanical Engineer
No. of Equity Shares	NIL	NIL	NIL	83,050,800
Expertise in Specific	Legal and Corporate	Business Consultant	Finance	Business Consultant
Directorships held in other Companies	1	NIL	2	3
Particulars of Committee Chairmanship/ Membership held in other Companies	NIL	NIL	NIL	NIL
Relationship with other Directors inter-se	None	None	None	None

11. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the individual directors as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

12. MEETINGS

During the year seven Board Meetings were convened and held, the details of which are given more specifically in the Corporate Governance Report.

13. COMMITTEES OF THE BOARD

The details of all the Committees of the Board including the Audit Committee, along with their charters, composition and meetings held during the year, are provided in the Report on Corporate Governance which forms part of this Annual Report.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors of your Company hereby confirms:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) your Directors had 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 March 31, 2015 and its loss for the year ended on that date;
- iii) your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities

iv) your Directors had prepared the AnnualAccounts for the year ended March 31, 2015 on a going concern basis.

v) the Directors had laid down internal financial controls which are followed by the company and that such internal financial controls are adequate and are operating effectively.

vi) the Directors had devised proper systemsto ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

15. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arms length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval, wherever required. Prior omnibus approvals of the Audit Committee were obtained for theTransactions of repetitive nature. The transactions entered into pursuant to the omnibus approval ofthe Audit Committee were placed before the Audit Committee for its review on a quarterly basis. The Company has framed a policy on Related Party Transaction for purpose of monitoring of such transactions.

16. FIXED DEPOSITS

Your Company has not accepted or renewed any deposits under Chapter V of Companies Act, 2013 during the year under review.

17. AUDITORS

a) STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Board of Directors ratify the appointment ofM/s Maheshwari& Company, Chartered Accountants (Firm Registration No.105834W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the nextAGM of the Company to be held in the year 2016.

The Auditor's report on the Financial Statements of the Company for the financial year 2014-15 contain qualifications, reservations or adverse remark. The board is in the process to resolve the qualifications at the earliest.

b) SECRETARIAL AUDITORS

Pursuant to provision of Section 204 of Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company is in process to undertake to Secretarial Audit.

18. 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 in regards to 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.

19. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure-A" to this report.

20. PARTICULARS OF EMPLOYEES

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

21. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In view of the nature of activities which are being carried on by the Company, provisions regarding conservation of energy and technology read with Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable.

22. FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no Foreign Exchange earnings or outgo during the year under review.

23. SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by any Regulators or Courts or Tribunals during the year March 31, 2015 impacting the going concern status and company's operations in future.

24. Acknowledgments:

The Directors express their deep gratitude and thank the Central and State Governments as well as their respective Departments and Development Authorities connected with the business of the Company, contractors and consultants and also Banks, Financial Institutions, shareholders debenture holders and employees of the Company for their continued support and encouragement.

For and on behalf of the Board of Directors

Dr V K Sukumaran
Chairman & Managing Director
DIN: 01097429

Place: Navi Mumbai
Dated: 13th August, 2015

ANNEXURE - A

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L74210MH1998PLC113596
2.	Registration Date	17/02/1998
3.	Name of the Company	VKS PROJECTS LIMITED
4.	Category/Sub-Category of the Company	Company limited by shares
5.	Whether listed Company (Yes/No)	YES
6.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt Ltd E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai-400072. Ph: 022-40430200

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name and Description of Main Product / Services	NIC Code of the Product	% to total turnover of the company
1.	Engineering, Procurement and Construction	8456	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1.	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/HUF	218591730	0	218591730	34.70	140516730	0	140516730	22.30%	-12.4
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt.	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	0	0	0	0	0	0	0	0	0
e. Bank/FI	0	0	0	0	0	0	0	0	0
f. Any Other	0	0	0	0	0	0	0	0	0
i. ESOP / ESOS	0	0	0	0	0	0	0	0	0
ii. Trusts	0	0	0	0	0	0	0	0	0
Sub-Total-A-(1)	218591730		218591730	34.70	140516730		140516730	22.30%	-12.4

2. Foreign									
a. NRI-Individuals	0	0	0	0	0	0	0	0	0
b. Other Individuals	0	0	0	0	0	0	0	0	0
c. Body Corporate	0	0	0	0	0	0	0	0	0
d. Bank/FI	0	0	0	0	0	0	0	0	0
e. Any Other	0	0	0	0	0	0	0	0	0
Sub-Total-A-(2)	0	0	0	0	0	0	0	0	0
Total Share Holder of Promoters (1+2)	0	0	0	0	0	0	0	0	0
B.									
1. Institution	0	0	0	0	0	0	0	0	0
a. Mutual Funds	0	0	0	0	0	0	0	0	0
b. Bank/FI	0	0	0	0	0	0	0	0	0
c. Cent. Govt.	0	0	0	0	0	0	0	0	0
d. State Govt.	0	0	0	0	0	0	0	0	0
e. Venture Capital	0	0	0	0	0	0	0	0	0
f. Insurance Co.	0	0	0	0	0	0	0	0	0
g. FIs	173591615	0	173591615	27.55	61593280	0	61593280	9.78	-17.77
h. Foreign Portfolio Corporate	0	0	0	0	0	0	0	0	0
i. Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
j. Others	0	0	0	0	0	0	0	0	0
Sub-Total-B(1)	0	0	0	0	0	0	0	0	0
2. Non-Institution	0	0	0	0	0	0	0	0	0
a. Body Corporate	190692020	0	190692020	30.27	200368904	0	200368904	31.80	+1.53
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs. 1 Lakh	18765702	1621	18764081	2.98	90133987	1621	90132366	14.31	+11.33
ii. shareholders holding nominal share capital in excess of Rs.1 Lakh	17313233	0	17313233	2.75	105667166	0	105667166	16.77	+14.02
c. Others	11045700	0	11045700	1.75	31719393	0	31719393	5.03	+3.28
(i) NRI (Rep)									
(ii) NRI (Non-Rep)	1442579	0	1442579	0.23	27280933	0	27280933	4.33	+4.1
(iii) Foreign National	0	0	0	0	0	0	0	0	0
(iv) OCB	0	0	0	0	0	0	0	0	0
(v) Trust	0	0	0	0	0	0	0	0	0
(vi) In Transit	0	0	0	0	0	0	0	0	0
(vii) Clearing Members	9603121	0	9603121	1.52	4438460	0	4438460	0.70	-0.82
Sub-Total-B (2)	411408270	1621	411406649	65.30	427889450	1621	427887829	67.92	-2.62
C. Share held by Custodian for GDRs & ADRs									
Promoter and Promoter Group									
Public									
Grand Total (A+B+C)	630000000		629998379	100.00	630000000		629998379	100.00	

B) Shareholding of Promoters:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year - 1st April, 2014			Shareholding at the end of the year - 31 st March 2015			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of shares Pledged / encumbered to total shares	

1.	ValiyavedduKrishnankuttySukumaran	10,40,50,800	16.52	13.18	8,30,50,800	13.18	13.18	-3.34
2.	SaritaRamankuttySukumaran	5,60,00,000	8.89	1.60	5,60,00,000	8.89	1.60	0.00
3.	SarithaSukumaran	3,81,00,000	6.05	0.00	11,00,000	0.17	0.00	-5.88
4.	Sukumaran V K	2,03,82,005	3.24	0.00	3,07,005	0.05	0.00	-3.19
5.	SaritaRamankuttySukumaran	50,000	0.01	0.00	50,000	0.01	0.00	0.00
6.	R Sahadevan	8,925	0.00	0.00	8,925	0.00	0.00	0.00
	Total	21,85,91,730	34.70	17.78	14,05,16,730	22.30	14.78	-12.40

C) Change in Promoters' Shareholding

There was a change in the shareholding of the Promoter Group.

D) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year - 1st April, 2014		Shareholding at the end of the year - 31st March 2015	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of total Shares of the company
1.	RELIGAREFINVEST LTD	84710000	13.4460	94158671	14.9458
2.	VALIYAVEDDUKRISHNANKUTTYSUKUMARAN	104050800	16.5160	83050800	13.1827
3.	SARITARAMANKUTTYSUKUMARAN	56000000	8.8889	56000000	8.8889
4.	SEMINARY TIE UP PVT LTD	25457000	4.0408	25460000	4.0413
5.	LEMAN DIVERSIFIED FUND	48588785	7.7125	24588785	3.9030
6.	SPARROW ASIA DIVERSIFIED OPPORTUNITI	51553440	8.1831	24553440	3.8974
7.	BLOOMING STAR ENGINEERING CONTRACTOR			17000000	2.6984
8.	TRUCKLINKVINMAY TRADING PRIVATE LIMITED	21000000	3.3333	16557110	2.6281
9.	DAVOS INTERNATIONAL FUND	31451595	4.9923	12451595	1.9764
10.	K KSARACHANDRA BOSE	----	-----	7494464	1.1896
11.	HIGHBLUESKY EMERGING MARKET FUND	41647795	6.6108		
12.	SARITHASUKUMARAN	38100000	6.0476		

E) Shareholding of Director and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP Name of the Director/KMP	Shareholding at the beginning of the year - 1st April, 2014		Shareholding at the end of the year - 31st March 2015	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of total Shares of the company
1.	ValiyavedduKrishnankuttySukumaran	10,40,50,800	16.52	8,30,50,800	13.18
2.	Sukumaran V K	2,03,82,005	3.24	3,07,005	0.05
	Total	12,44,32,805	19.76	8,33,57,805	13.23

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

PARTICULARS	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year 01.04.2014				
1) Principal Amount	3894.43	1302.85	0.00	5197.28
2) Interest due but not paid	0.00	0.00	0.00	0.00
3) Interest accrued but not due	0.00	0.00	0.00	0.00
Total 1+2+3	3894.43	1302.85	0.00	5197.28

Change in Indebtedness during the financial year				
Addition	0.00	34.65	0.00	0.00
Reduction	0.00	0.00	0.00	0.00
Net Change	0.00	34.65	0.00	0.00
Indebtedness at the end of the financial year- 31.03.2015				
1) Principal Amount	3894.43	1337.50	0.00	5231.93
2) Interest due but not paid	0.00	0.00	0.00	0.00
3) Interest accrued but not due	0.00	0.00	0.00	0.00
Total 1+2+3	3894.43	1337.50	0.00	5231.93

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Dr. V. K. Sukumaran	Mr. C.D.Nathan	
1.	Gross Salary	2,50,000/-	2,50,000/-	500000/-

B. Remuneration of other directors:

I. Independent Directors:

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. RonindraNathGhose	Ms. SandhyaManoharBeedkar	
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others	-	-	-
	Total (1)	-	-	-

II. Other Non-Executive Directors:- Not Applicable

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/Compounding Fees imposed	Authority (RD /NCLT / Court)	Appeal made, if any
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Other Officers in Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE – C

Form AOC-2

Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014:*

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangement/transactions	Duration of the contracts / arrangement s/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
-	-	-	-	-	-	-	-

3. Details of material contracts or arrangement or transactions at arm's length basis:

For Details of the aforesaid Transaction, Please refer notes to accounts

For and on behalf of the Board of Directors

Place: Navi Mumbai
Dated: 13th August, 2015

Dr V K Sukumaran
Chairman & Managing Director
DIN: 01097429

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 loss (net of taxes) amounted to Rs. 76.72 lacs compared to loss of Rs. 519.12 lacs of the previous year. The operating loss before tax amounted to Rs. 131.41 lacs compared to the loss of Rs. 793.96 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, Multilocal & 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 2015-16

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

The Directors are pleased to present the Company's Report on Corporate Governance for the year ended March 31, 2015.

I. 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.

II. 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 4 (Four) Directors, out of these 2 (Two) are Independent Non Executive-Directors.

- i) 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, 2015:

Sr. No	Name of the Directors	Category	No. of Board Meeting during the tenure of Directors in FY 2014-15		Attendance at the last AGM held on 30.09.2014	Directorship in other public companies ¹	Committee position held in other public companies	
			Held	Attended			Chairman	Member
1	Dr. V. K. Sukumaran Chairman & Managing Director	Executive	07	07	Yes	-	-	-
2	Mr. Nathan Whole-Time Director	Executive	07	07	Yes.	-	-	-
3	Mr. Ronindra Nath Ghose	Independent	07	07	Yes	-	-	-

4	Mrs. Sandhya Manohar Beedkar	Independent	07	07	Yes	-	-	-
---	------------------------------	-------------	----	----	-----	---	---	---

¹ Directorship held in Private Companies, Section 25 Companies and Foreign Companies is not included.

Audit Committee, Nominations and Remunerations, Shareholders' Grievance Committee and CSR 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.

- ii) 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 2014-15, the Board of Directors of your Company met 07 times on 13/06/2014, 14/08/2014, 13/11/2014, 17/01/2015, 22/01/2015, 05/02/2015 and 13/02/2015.

- iii) 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.
- iv) 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

III. Audit Committee

- i) Composition of the Audit Committee, particulars of meetings held and attended during the year 2014-15:

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

Name	Position Held	Category
Mr. Ronindra Nath Ghose	Chairman	Non-Executive Director Independent
Dr. V. K. Sukumaran	Member	Executive Director
Mrs. Sandhya Manohar Beedkar	Member	Non-Executive Director Independent

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, 2014.

The Chief Financial Officer of the Company, Statutory Auditors and Internal Auditors are invitees to the meetings of the Audit Committee

Meetings and Attendance during the year 2014-15:

During the year 2014-15, 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.

ii) 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 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are broadly detailed as under:

- a) 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.
- b) Review of quarterly, half yearly and annual financial statements before submission to the Board for approval.
- c) Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions.
- d) 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.
- e) 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.

- f) Review of reports of Statutory and Internal Auditors and replies of the management thereof.
- g) 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.
- h) 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 (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - 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.
- i) Review of management representation letters to be issued to the Statutory Auditors.
- j) 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.
- k) Approval of the appointment of the Chief Financial Officer (CFO) of the Company after assessing the qualifications, experience & background, etc. of the Candidate.
- l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

IV. Nomination and Remuneration Committee (earlier known as Remuneration Committee)

- i) Composition of the Nomination and Remuneration Committee, particulars of meetings held and attended during the year 2014-15:

During the year 2014-15, No Meetings of the Nomination and Remuneration Committee was held by the company.

Name	Position Held	Category
Mr. Ronindra Nath Ghose	Chairman	Non-Executive Director Independent
Dr. V. K. Sukumaran	Member	Executive Director
Mrs. Sandhya Manohar Beedkar	Member	Non-Executive Director Independent

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

ii) Employee Stock Option Scheme:

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

iii) **TERMS OF REFERENCE & REMUNERATION POLICY :**

The Committee decides the remuneration of the Executive Directors, Non-Executive Directors and senior management Personnel including Key Managerial Personnel. The terms of reference of the Nomination and Remuneration Committee are as under:

1. To formulate the criteria for determining qualification, positive attributes and independence of directors
2. To identify person who are qualified to become directors and who may be appointed in senior management as per the criteria laid down and to recommend to the Board their appointment and removal.
3. To carry out evaluation of every director's performance.
4. To recommend to the Board a Policy, relating to the remuneration for directors, including Managing Director(s) and Whole- time Director(s), Key Managerial Personnel and other senior employees.

REMUNERATION OF DIRECTORS

Dr V. K. Sukumaran held position as Managing Director of the Company. The Company paid Rs. 2.50 Lacs p.a as Remuneration to Managing Director. He holds 83,050,800 Equity Shares in the Company as on March 31, 2015. The tenure is of 3 years commencing from 4th November, 2013 till November 3, 2016.

Mr. Nathan was held position as Whole time Director of the Company and is paid Rs. 2.50 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.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE (EARLIER KNOWN AN INVESTORS GRIEVANCE COMMITTEE)

- 1.) Composition of the Stakeholders' Relationship Committee, particulars of meetings held and attended during the year 2014-15:

During the year 2014-15, 4 (Four) Meetings of the Stakeholders' Relationship Committee were held and attended by majority of all the members.

Name	Position Held	Category	
Mr. Ronindra Nath Ghose	Chairman	Non-Executive Director	Independent
Mrs. Sandhya Manohar Beedkar	Member	Non-Executive Director	Independent
Dr. V. K. Sukumaran	Member	Executive Director	

Terms of Reference

The Stakeholders' Relationship Committee specifically looks into the redressal of investors' complaints in connection with transfer of shares, non-receipt of annual reports, non receipt of declared dividends, non-receipt of interest / redemption on debentures etc. In addition, the Committee also looks into matters which can facilitate services and relations with the investors

Details of Shareholders' Complaints

There were no shareholders' complaints outstanding as on April 1, 2014 and during the year under review the Company did not receive any complaint. Accordingly there were no complaints outstanding as on March 31, 2015

Compliance officer

The Managing Director acts as Compliance officer.

- i) Name, Designation and Address of Compliance Officer:

Dr. V K Sukumaran
Managing Director
507 Sai Sangam, Sector-15,
CBD Belapur,
Navi Mumbai.

- ii) Procedure for approval and details of meetings and attendance during the year 2014-15:

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 Board member. 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.

- iii) Terms of reference:
- a) 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;
 - b) To approve and register share transfer and transmission;
 - c) To expedite the process of dematerialization and / or rematerialisation of shares;
 - d) To take on record the Certificate taken under Clause 47 (c) of the Listing Agreement from Practising Company Secretary;
 - e) To take on record the Share Reconciliation Audit Report submitted by Practising Company Secretary every quarter.
- iv) 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 2014-15 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	NIL	NIL
Others	NIL	NIL
Total	NIL	NIL

Independent Directors' Meeting

A meeting of the Independent Directors was held on March 10, 2015, to consider the following

- i) Evaluation of the performance of the Non -Independent Directors and Board of Directors as a whole.
- ii) Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non -Executive Directors
- iii) Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the board to effectively and reasonably perform its duties

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- 1) Composition of the Corporate Social Responsibility Committee, particulars of meetings held and attended during the year 2014-15:

During the year 2014-15, 1(One) Meetings of the Corporate Social Responsibility Committee were held and attended by majority of all the members.

Name	Position Held	Category
Mr. Ronindra Nath Ghose	Chairman	Non-Executive Director Independent
Mrs. Sandhya Manohar Beedkar	Member	Non-Executive Director Independent
Dr. V. K. Sukumaran	Member	Executive Director

During Financial year 2014-15 there is no profit, No CSR activity was conducted during Financial Year 2014-15

VII. 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 Director Independent

VIII. GENERAL BODY MEETINGS

- i. Details of last three Annual General Meetings (AGM):

Financial year	Day & Date	Venue	Time
2013-14	Tuesday, 30 th September, 2014	507, Sai Sangam, Sector 15, CBD Belapur, Navi Mumbai, Maharashtra-400 706	11.00a.m.
2012-13	Monday, 30 th September, 2013	First Floor, Laxmi Hotel, SaiSangam, Sector15, 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.

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

Date of AGM	No. of Special resolutions passed	Particulars of Special resolutions
30 th September, 2014	1	Reappointment and payment of remuneration of Dr. V. K. Sukumaran, as Managing Director of the Company for the period of 3 years
30 th September, 2013	0	Not Applicable
26 th November, 2012	2	1.Maintaining Register, Index of Members and Debenture holders 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.

iii. Details of resolutions passed through Postal Ballot:

During the year 2014-15, 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 110 of the Companies Act,2013 and The Companies (Management and Administration) Rules, 2014.

IV. Disclosures

i) 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.

ii) Disclosure of Accounting treatment:

The financial statements of the Company for the year ended March 31, 2015 are prepared in conformity with the Accounting Standards.

iii) 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.

iv) 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.

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

Pursuant to Listing Agreement, the Utilisation of IPO proceeds funds upto 31st March, 2015, as follows:

Particulars	(Rs. in Lacs)	
	Object as per Prospectus	Actual Utilisation
Amount Received from IPO	5500.00	5500.00
Utilisation of Funds up to March 31, 2015		
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

vi) Remuneration of Directors:

Already disclosed in Clause IV "Nomination and Remuneration Committee" section.

vii) 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.

viii) Management:

- a) Management Discussion & Analysis report is attached to Directors' Report.
- b) 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.

ix) 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.

x) Compliances:

- a) 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 Nomination and Remuneration Committee to determine competitive remuneration package of Executive Directors of the Company. The details of Remuneration Committee are given earlier in this report

xi) Means of Communication:

- a) 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

- b) 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 compliance@vksprojects.com

xii) CEO/CFO Certificate:

The CEO/CFO Certificate for the year ended March 31, 2015 as required under Clause 49(V) of the Listing Agreement, was placed and taken on record at the Board Meeting of the Company.

xiii) Certificate of Compliance:

The Certificate of confirming compliance with all requirement of the Clause 49 of the Listing Agreement for the year ended March 31, 2015 will be obtained.

xiv) General Shareholders Information:

a) Annual General Meeting

Date : 30th September, 2015
Time : 11.00 a.m.
Venue : 507, B wing, Sai Sangam Building, Palm Beach road, Sector 15, CBD Belapur (E), Navi Mumbai - 400614

b) Financial year 2015-16 (tentative schedule)

Quarter Results

Ending on June 30, 2015 : Second week of August 2015
Ending on September 30, 2015 : Second week of November 2015
Ending on December 30, 2015 : Second week of February 2016
Year ended March 31, 2016 : In the month of May 2015
AGM is proposed to be held on September 2016.

c) Date of Book Closure : 24th September, 2015 to 30thSeptember, 2015 (Both Days Inclusive)

d) Dividend Payment date : No Dividend is recommended by Board

e) 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 2015-16 is been fully paid.

f) Stock Code : BSE : 534567

NSE: VKSPL

g) Corporate Identification Number (CIN) :L74210MH1998PLC113596

h) 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.)
April 2014	0.66	0.41	0.55	1,329	0.80	0.40
May 2014	0.56	0.45	0.49	1,988	0.55	0.40
June 2014	0.71	0.49	0.51	2,280	0.75	0.40
July 2014	0.49	0.32	0.35	6,060	0.50	0.25
August 2014	0.35	0.29	0.31	8,799	0.40	0.25
September 2014	0.53	0.30	0.38	9,503	0.55	0.30
October 2014	0.37	0.28	0.30	7,163	0.40	0.20
November 2014	0.30	0.25	0.25	10,639	0.30	0.20
December 2014	0.28	0.20	0.22	12,367	0.30	0.20
January 2015	0.28	0.19	0.21	5,841	0.25	0.15
February 2015	0.24	0.20	0.22	9,436	0.25	0.15
March 2015	0.23	0.17	0.17	3,484	0.25	0.15

Sources : BSE and NSE websites.

i) 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:ipo@bigshareonline.com

j) 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 31stMarch, 2015:

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding
Promoters' Group	6	140516730	22.30
Other Directors & their Relatives	-	-	-
Mutual funds, Financial Institutions, Banks & Insurance Companies	-	-	-
Foreign Institutional Investors	3	61593820	9.78
Non Resident Indians (NRIs)	101	27280933	4.33
Resident Individuals	7853	195801153	31.08
Body Corporates	168	200368904	31.80
Others	74	4438460	0.70
Total	8205	630000000	100.00

k) 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

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

m) Plant Location : N. A.

n) Address for Correspondence : Registered Office
507 SaiSangam, Sector 15,CBDBelapur,
Navi Mumbai, Maharashtra.
Tel No. : +91-22 4126 7000
Fax No. : +91-22 41267030

Email: info@vksprojects.com

Compliance Officer

Mr. V K SUKUMARAN

507 SaiSangam, Sector 15,

CBDBelapur,

Navi Mumbai.

Maharashtra, INDIA.

Tel No.: +91-22 4126 7000

Fax No.: +91-22 41267030

Email: compliance@vksprojects.com

For and on behalf of the Board

Dr. V.K. Sukumaran
Chairman & Managing Director

Mr. Nathan
Whole-Time Director

Navi Mumbai.
13th August, 2015

CODE OF CONDUCT

I, Dr. V. K. Sukumaran, Managing Director of the Company do hereby give this declaration pursuant to Clause 49 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, 2015.

Sd/-

Dr V. K. Sukumaran
Managing Director
Navi -Mumbai,
13th August, 2015

Independent Auditor's Report

To the Members of VKS PROJECTS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **VKS PROJECTS LIMITED (CIN - L74210MH1998PLC113596)** ("The Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

8. *We invite attention to **Note no 24 (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.*
9. *As referred in **Note 24 (iii)** to the financial statement, the company have not complied with section 203 & section 134 (1) of Companies Act, 2013.*

Opinion

10. 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 and subject to our remarks as stated in notes hereunder vide Annexure "A"*, aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

11. As required by "the Companies (Auditor's Report) Order, 2015 ("the Order")", issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.
12. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The balance sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its financial statements – **Refer Note No. 24 (iv)**;
- the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts i.e Nil; and
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015 – N.A.

For Maheshwari & Co.
Chartered Accountants
Firm Registration Number: 105834W

Pawan Gattani
(Partner)
Membership Number: - 144734

Place: Mumbai
Date: May 29, 2015

Annexure to Independent Auditors' Report

(Referred to in our report of even date)

1) In respect of Fixed Assets:

- a) The Company has maintained 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;**

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) 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 189 of the Companies Act, 2013:

- a) According to the information and explanations given to us, the company has granted unsecured loan. The amount and number of parties involved are INR 7527000/- and 2 parties respectively with closing balance being INR 6829000/- of 2 parties respectively.

- b) The company has granted aforementioned advances as *non-interest bearing* advances.
 - c) Terms and conditions for the repayment of the loan granted at clause (a) above is not specified, hence regularity of receipt of loan amount could not be commented upon.
 - d) In view of clause 3(c) above, clause 3(d) are not applicable.
 - e) According to the information and explanations given to us, the company has taken unsecured loan. The amount and number of parties involved are INR 8569486/- and 1 parties respectively with closing balance being INR 14407556/- of 2 parties respectively.
 - f) The company has taken aforementioned advances as *non-interest bearing* advances.
 - g) Terms and conditions for the repayment of the loan granted at clause (a) above is not specified, hence regularity of receipt of loan amount could not be commented upon.
 - h) In view of clause 3(c) above, clause 3(d) are not applicable.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system. *However the internal controls over accounting of consumptions, wastage, material reconciliation needs further strengthening.*
- 5) In our opinion and according to the information and explanations given to us, *the company has **not** complied with the provision of section 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2013 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.

6) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Sub-Section (1) of Section 148 of the act and are of the opinion that prima facie the , prescribed cost records have been maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7) In respect of Statutory dues:

a) The Company is not regular (defaulted) 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 with a closing balance as on March 31, 2015 *for Service Tax, Sales Tax and Income Tax. Service Tax dues as at the end of the year were Rs. 2,86,58,152/- Sales Tax were of Rs. 6,92,851, TDS were of Rs. 1,37,88,531/- and Income tax were Rs.2,76,17,021/-.*

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, 2015 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, 2015
1	Income Tax	2,76,17,021
2	Service Tax	2,86,58,152
3	Sales Tax	6,92,851
4	Tax Deducted at Source	1,37,88,531

Note: The sales tax department has initiated proceedings for various financial years starting from 2006-07 to 2012-13 on the company, in the absence of the detailed information and explanation in respect of Tax Liability, Interest and

Penalty thereon, we are unable to comment upon the impact of the same on the statement of profit and loss account.

- c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, service tax and cess which have not been deposited on account of any dispute ***however the demand raised by the sales tax departments are still pending for deposition however exact demand amount is not provided to us by the management hence impact of the same is not commented.***
- 8) The Company does not have accumulated losses at the end of the financial year and the company has incurred cash losses amounting to INR 13.66 Lacs during financial year and INR 561 Lacs in the immediately preceding financial year.
- 9) In our opinion and according to the information and explanations given to us and based on the documents and records produced to us that ***the company has defaulted in repayment of dues to financial institution and banks during the financial year covered under audit.***
- 10) According to the information and explanation given to us and records produced before us, the Company has not given any guarantee for loans taken by others from banks or financial institution during the year. Accordingly this clause is not applicable to the Company.
- 11) In our opinion and according to information and explanation given to us, the Company has not raised any Terms Loans during the year under audit hence this clause is not applicable to the Company.
- 12) According to the information and explanation given to us, no instances of material fraud on or by the Company has been noticed or reported during the course of our audit.

For Maheshwari & Co.
Chartered Accountants
Firm Registration Number: 105834W

Pawan Gattani
(Partner)
Membership Number: - 144734

Place: Mumbai
Date: May 29, 2015

Annexure "A"

- 1. *Inability to comment on Inter Corporate Deposits and Other Loans and Advances taken from various parties as at March 2015, in the absence of third party confirmation, reconciliation, if any and other sufficient appropriate audit evidence.***
- 2. *No Provision is made for Interest Payable on Inter Corporate Deposits and Other Loans and Advances taken by the Company and no provision made of Interest Receivable on Inter Corporate Deposits and Other Loans and Advances provided by the Company, consequently the profit / loss of the quarter are not ascertainable.***
- 3. *Inability to comment on Trade Payables and dues to Related Parties as at March 2015, in the absence of the third party confirmation, reconciliation, if any and other sufficient appropriate audit evidence.***
- 4. *No Provision made for Interest payable on Loans taken from Banks and NBFC Companies which are already been declared as NPA, consequently the loss of the quarter is not ascertainable.***

5. *Inability to comment on Balance Recoverability, if any of Trade Receivables and Other Short Term Loans and Advances as at March 2015, in the absence of sufficient appropriate audit evidence.*
6. *Inability to comment on Balance Recoverability, if any of Sundry Deposits and Other Current Assets as at March 2015, in the absence of sufficient appropriate audit evidence.*
7. *With reference to Fixed Deposits Accepted by the Company, the Company has defaulted in repayment of dues as at March 2015. Further, the Company has not made provisions for penal interest as per the Companies (Acceptance of Deposits) Rule 2014. The Company has not intimated to the tribunal on monthly basis about the default in repayment as per section 73(4) of the Companies Act 2013 corresponding to section 58AA of the Companies Act 1956.*
8. *Inability to comment on impairment provisions, if any as per the Accounting Standard 28 "Impairment of Assets" on Plant and Machinery along with other fixed assets amounting to INR 1281.46 Lacs situated at various sites of the Company which have been generally operating at lower capacity, in the absence of future cash flows projection and information about the value of use.*
9. *A notice has been issued by the State Bank of India under section 13 (12) read with rule 3 of the Security Interest (Enforcement) Rules, 2002 for non repayment of installments and interest thereon after the due date by the Company and therefore all the loan accounts became Non Performing Assets with effective from respective dates mentioned in such notice. We are informed that the Company has filed response against such notices and requested to restructure the loan accounts. These factors along with other matter as set forth in said notice, raise substantial doubt about the company's ability to continue as going concern in the foreseeable future however the company's financial statements have been prepared on going concern basis on the basis of management assurance.*
10. *Inability to comment on Impairment provisions, if any on loan of INR 32,12,000/- given to VKS Edserve Private Limited ("the related party"), in the absence of last audited financial statements, detailed information of projected cash flows as at March 2015 or other sufficient appropriate audit evidence. Further Inability to comment on Impairment provisions, if any on loan of INR 36,17,000/- given to*

VKS Healthcare Private Limited (“the other related party”), in the absence of last audited financial statements, detailed information of projected cash flows as at March 2015 or other sufficient appropriate audit evidence.

- 11. Tangible Assets are stated at cost net of recoverable taxes, trade discounts, and rebates, less accumulated depreciation.***
- 12. Depreciation on Fixed Assets is provided to the extent of depreciable amount on Written Down Value (W.D.V.) Method. Depreciation is provided based on useful life of asset described in Schedule II to the Companies Act, 2013.***
- 13. The Sales Tax Department initiated proceedings for various financial years starting from 2006-07 to 2012-13 on the Company, in the absence of the detailed information and explanation in respect of Tax Liability, Interest and Penalties thereon, we are unable to comment upon the impact of the same on the statement of profit and loss account.***
- 14. It is informed to us that the Company has not complied with the provisions of filing of Returns for TDS during the period under review however the company has not provided the effect of the same in the books of accounts.***
- 15. As per explanation and information provided to us by the Company Management about the Future Business of the Company, Realization of Current Assets and Default in Repayment of loans to Banks and NBFC’s, the Going Concern assumption of the Company in near future is considered inappropriate, as there is significant material impact on the Company’s Going Concern after the due action taken by the Banks and NBFC’s for default of repayment of dues however the company’s financial statements have been prepared on going concern basis on the basis of management assurance.***
- 16. The Company has not provided us the details of pending litigation against the company and its directors for various matters including the financial matters hence we are not able to comment upon the financial impact of the same on the financial statements.***

**VKS Projects Limited (CIN - L74210MH1998PLC113596)****Balance Sheet as at March 31, 2015**

Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
		Amount (` in Lakhs)	Amount (` in Lakhs)
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	6,300.00	6,300.00
(b) Reserves and surplus	3	672.46	749.18
2 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)	4	(238.79)	(184.10)
(c) Long-term provisions	5	9.88	8.85
3 Current liabilities			
(a) Short-term borrowings	6	5,231.93	5,197.28
(b) Trade payables		839.04	872.13
(c) Other current liabilities	7	453.08	478.14
(d) Short-term provisions	8	275.38	276.29
TOTAL		13,542.99	13,697.77
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	9		
Tangible assets		1,280.48	1,398.23
(b) Long-term loans and advances	10	0.66	1.21
(c) Other non-current assets	11	0.33	0.30
2 Current assets			
(a) Inventories	12	8.08	0.33
(b) Trade receivables	13	7,659.25	7,646.48
(c) Cash and Bank Balances	14	2.17	2.23
(d) Short-term loans and advances	15	4,578.18	4,582.46
(e) Other current assets	16	13.85	66.54
TOTAL		13,542.99	13,697.77

Notes & Significant Accounting Policies forming part of Financial Statements

1 to 24

As per our report of even date attached

for and on behalf of
Maheshwari & Co.
Chartered Accountants
Firm Regn No. 105834WFor 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)
DirectorPlace : Mumbai
Date : May 29, 2015



VKS Projects Limited (CIN - L74210MH1998PLC113596)
Statement of Profit and Loss for the year ended 31st March 2015

Particulars		Note No.	As at 31 March 2015	As at 31 March 2014
			Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
I.	Revenue from operations	17	282.69	6,921.07
II.	Other income	18	0.58	3.08
III.	Total Revenue (I + II)		283.28	6,924.15
IV.	Expenses:			
	Cost of materials consumed	19	1.04	39.11
	Purchases of Stock-in-Trade		157.08	3,147.48
	Changes in inventories of finished goods, work-in-progress and in-Trade	20	(7.75)	290.70
	Employee benefits expense	21	18.15	36.12
	Finance costs	22	3.05	374.24
	Depreciation and amortization expense	9	117.75	232.96
	Other expenses	23	125.36	3,597.48
	Total expenses		414.68	7,718.11
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(131.41)	(793.96)
VI.	Exceptional items			
VII.	Profit before extraordinary items and tax (V - VI)		(131.41)	(793.96)
VIII.	Extraordinary Items			
IX.	Profit before tax (VII- VIII)		(131.41)	(793.96)
X	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		(54.69)	(274.83)
	Net Tax expense:		(54.69)	(274.83)
XI	Profit (Loss) for the period from continuing operations (IX-X)		(76.72)	(519.12)
XII	Earnings per equity share:			
	(1) Basic		(0.01)	(0.13)
	(2) Diluted		(0.01)	(0.13)

Notes & Significant Accounting Policies forming part of Financial Statements 1 to 24

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 : May 29, 2015

VKS Projects Limited (CIN - L74210MH1998PLC113596)
Cash Flow Statement for the year 2014-15

Particulars		As at 31 March 2015		As at 31 March 2014	
		Amount (₹ in Lakhs)	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
A. Cash Flow from Operating Activities					
Profit / (Loss) before taxation			(131.41)		(793.96)
Adjustments for:					
Depreciation		117.75		232.96	
Interest income		(0.03)		(1.23)	
Interest Expenditure		3.05		374.24	
Bad debts written off		-		579.67	
Write back of provisions for doubtful debts		-		-	
Service tax liability written back		-	120.77	-	1,185.65
Operating profit before working capital changes			(10.64)		391.70
Changes in Working Capital:					
Increase / (Decrease) in trade payables		(15.15)		(6,724.35)	
(Increase) / Decrease in trade receivables		(12.77)		5,004.33	
(Increase) / Decrease in inventories		(7.75)		294.24	
(Increase) / Decrease in short term loans and advances		4.28		43.78	
(Increase) / Decrease in Long term loans and advances		0.55		10.43	
(Increase) / Decrease in other current assets		52.69		241.67	
(Increase) / Decrease in other non-current assets		(0.03)	21.83	46.11	(1,083.78)
Taxes paid (net of refunds)			(0.91)		7.77
Net cash generated from operating activities	A		10.29		(684.32)
B. Cash flow from Investing Activities:					
Purchase of tangible/intangible assets including Capital work in progress		-		(2.59)	
Interest received		0.03		1.23	
Net cash from investing activities	B		0.03		(1.37)
C. Cash flow from Financing Activities					
Increase in Share Capital including Share Premium		-		-	
Interest paid		(3.05)		(374.24)	
Proceeds from Borrowings including Current Obligation of Long term Debt(net)		(7.33)		1,060.27	
Net cash used in Financing Activities	C		(10.37)		686.03
Net increase in cash and cash equivalents	(A+B+C)		(0.06)		0.35
Add:					
Cash and Cash equivalents at the beginning of the year			2.23		1.88
Cash and Cash equivalents at the end of the year			2.17		2.23

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

(Pawan Gattani)

Partner

Membership No. 144734

Place : Mumbai

Date : May 29, 2015

 V. K. Sukumaran
 Managing Director

 C. D. Nathan
 Director

Notes forming part of Financial Statements for the year ended as on March 31, 2015

2 (i) Share capital

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Authorised				
Equity Shares of ₹ 1 (Previous Year ₹ 1) each	650,000,000	6,500.00	650,000,000	6,500.00
Issued				
Equity Shares of ₹ 1 (Previous Year ₹ 1) each	630,000,000	6,300.00	630,000,000	6,300.00
Subscribed & Paid up				
Equity Shares of ₹ 1 (Previous Year ₹ 1) each fully paid	630,000,000	6,300.00	630,000,000	6,300.00
Subscribed but not fully Paid up				
	-	-	-	-
TOTAL	630,000,000	6,300.00	630,000,000	6,300.00

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

Particulars	Equity Shares			
	As at 31 March 2015		As at 31 March 2014	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Shares outstanding at the beginning of the year (₹ 1 each)	630,000,000	6,300	180,000,000	1,800.00
Shares Issued during the year (₹ 1 each)	-	-	450,000,000	4,500.00
Shares bought back during the year	-	-	-	-
	630,000,000	6,300	630,000,000	6,300.00
Shares outstanding at the end of the year (₹ 1 each)*	630,000,000	6,300	630,000,000	6,300.00

2 (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.

2 (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 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Valiyaveddu Krishnankutty Sukumaran	83,050,800	13.18%	104,050,800	16.51%
Sarita Ramankutty Sukumaran	56,000,000	8.89%	94,100,000	14.92%
Religare Finvest Ltd	94,158,671	14.95%	84,710,000	13.44%
Highblyesky Emerging Market Fund	-	-	41,647,795	6.61%
Sparrow Asia Diversified Opportunities Fund	-	-	51,553,440	8.18%
Leman Diversified Fund	-	-	48,588,785	7.71%
TOTAL	233,209,471	37.02%	424,650,820	67.37%

2 (v) Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2015)

Particulars	Year (Aggregate No. of Shares)				
	2013-14	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*	450,000,000	-	-	22,000,000	-
Shares bought back	-	-	-	-	-

* Note : The bonus issued in F.Y. 2010-11 is at the F.V. of share of Rs. 10/- each. And 5 Bonus shares issued for every 2 fully paid equity share holders during the FY 2013-14.

3 Reserves and surplus

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Securities Premium Account		
Opening Balance	0.00	4,430.38
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons		
Amount utilized for IPO related expenses*	-	-
Amount utilized for issue of Bonus Shares	-	4,430.38
Closing Balance	0.00	0.00
Surplus in Statement of Profit and Loss		
Opening balance	749.18	1,337.92
(+) Net Profit/(Net Loss) For the current year	(76.72)	(519.12)
(-) Proposed/Interim Dividends	-	-
(-) Issue of Bonus Shares	-	69.62
(-) Transfer to Reserves	-	-
Closing Balance	672.46	749.18
TOTAL	672.46	749.18

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

4 Deferred tax liabilities (Net)

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Deferred Tax Liabilities		
On Depreciation	118.93	112.36
Deferred Tax Assets		
On Provision for doubtful debts and advances	-	-
On Other timing differences including Tax Loss	357.72	296.45
TOTAL	(238.79)	(184.10)

5 Long-term provisions

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
(a) Provision for employee benefits		
Provision for gratuity (unfunded)	9.88	8.85
TOTAL	9.88	8.85

6 Short-term borrowings

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Secured		
Loans repayable on demand		
from banks	3,894.43	3,894.43
(Hypothicated charge over Comopany's entire current assest consisting of Stock, Book Debts & Receivable of the Company)		
Unsecured		
Loans and advances from related parties	130.18	51.46
Loans repayable on demand		
from other parties	1,207.32	1,251.38
TOTAL	5,231.93	5,197.28

7 Other current liabilities

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
(A) Current Maturities of Long Term Debts		
Unsecured		
Term Loan		
(i) From Banks	-	2.33
(ii) From Financial Institutions	-	39.66
(B) Other Liabilities		
(i) Advance from Debtors	-	-
(ii) Statutory dues payable	431.74	415.43
(iii) Expenses Payable	21.34	20.74
TOTAL	453.08	478.14

8 Short-Term Provisions

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Provision for Taxation (Net of Advance Tax)	275.38	276.29
TOTAL	275.38	276.29

10 Long-term loans and advances

	As at 31 March 2015	As at 31 March 2014

Particulars	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Security Deposits		
Unsecured, considered good	0.66	0.66
Other loans and advances		
Unsecured, considered good	-	0.55
TOTAL	0.66	1.21

11 Other non-current assets

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Interest Accrued	0.08	0.05
Bank Balance (Deposits with original maturity of more than 12 months)	0.25	0.25
TOTAL	0.33	0.30

12 Inventories

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Raw Material	0.33	0.33
Traded Goods	7.75	-
TOTAL	8.08	0.33

13 Trade receivables

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Trade receivables outstanding for a period less than six months.		
Unsecured, considered good	47.88	167.98
Trade receivables outstanding for a period exceeding six months.		
Unsecured, considered good	7,611.37	7,478.50
TOTAL	7,659.25	7,646.48

14 Cash and Bank Balances

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Cash & Cash Equivalents		
Cash on hand	0.46	0.08
Bank Balances	1.71	2.15
TOTAL	2.17	2.23

15 Short-term Loans and Advances

Particulars	As at 31 March 2015	As at 31 March 2014
	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	4,578.09
Other Advances	-	2.03
Prepaid Expenses	0.09	2.34
TOTAL	4,578.18	4,582.46

16 Other Current Assets

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Deposit with Bombay Stock Exchange	-	-
Unbilled Revenue	-	-
MVAT Receivable	-	-
Retention Money	13.85	66.54
Balance with Central Excise Authority	-	-
TOTAL	13.85	66.54

17 Revenue from Operations

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Sale of products	171.55	3,872.74
Sale of services	111.14	3,048.33
TOTAL	282.69	6,921.07

18 Other Income

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)

Interest Income	0.03	1.23
Other non-operating income	0.56	1.86
TOTAL	0.58	3.08

19 **Cost of Materials Consumed**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Opening stock	0.33	3.87
Add: Purchases	1.04	35.57
Less: Closing stock	0.33	0.33
TOTAL	1.04	39.11

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

20 **Changes in inventories of finished goods work-in-progress and Stock-in-Trade**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Inventories at the end of the year		
Stock-in-trade	7.75	-
Inventories at the beginning of the year		
Stock-in-trade	-	290.70
TOTAL	(7.75)	290.70

21 **Employee Benefits Expense**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Salaries, Wages and Bonus	17.12	32.09
Contributions to -		
Provident fund	-	1.21
ESIC	-	3.00
Gratuity Expenses	1.03	(3.56)
Staff welfare expenses	-	3.38
TOTAL	18.15	36.12

22 **Finance Cost**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Interest on borrowings	3.05	363.62
Other borrowing costs	-	10.62
TOTAL	3.05	374.24

23 **Other Expenses**

Particulars	As at 31 March 2015	As at 31 March 2014
	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
Audit Fees		
Statutory Audit Fee	5.00	5.00
For other services	-	0.02
Labour Charges	84.39	2,811.86
Bad Debts	-	579.67
Bank Charges	0.20	1.26
Transportation & Travelling Expense	2.59	9.59
Contract Charges	-	29.36
Hire Charges	1.15	12.14
Interest on TDS, Service Tax & Income Tax	-	44.73
Legal and professional	2.92	38.90
Others	29.11	64.94
TOTAL	125.36	3,597.48

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:

i) 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 282 [Companies (Accounting Standards) Rules, 2014, as amended] and the other relevant provisions of the Companies Act, 2013.

ii) 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.

iii) 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.

iv) 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.

v) Depreciation :

Depreciation is provided for in the books on written down value method as per the rates prescribed under Schedule II of the Companies Act 2013.

vi) 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.

vii) 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.

viii) 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.

ix) 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

x) 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).

xi) 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.

xii) 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.

xiii) 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.

xiv) 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.

xv) 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.

24. 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 being listed company required to follow section 203 & 134 (1), However, the view of absence of appropriate candidate for filing vacancy of Company Secretary and CFO have not appointed. The said Key Managerial Personnel as per section 203 and to the extent 134(1) Signing of financial statement have been considered only by director. However, the management has considered the matter in the process of appointing Company Secretary and CFO.*
- iv)** *It is informed to us that the Company does not have any pending litigations / disputed matters as at March 31, 2015 including Income Tax, Sales Tax and Other Taxes which will impact the financial position except the matters which is reported in CARO Audit Report and Annexure "A" of Main Audit Report.*
- v)** 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.

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

	31.03.2015	31.03.2014
Remuneration to Auditors		
Audit Fees including Limited Review fees	5,00,000	5,00,000
Other matters		2,000
Total	5,00,000	5,02,000

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

viii) **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	31.03.2015	31.03.2014
Net profit/(loss) for the year as per profit and loss accounts (Rs.)	(76,71,716)	(5,19,12,235)
Weighted Average number of equity shares for calculating Basic EPS	63,00,00,000	39,33,28,530
Weighted Average number of equity shares for calculating Diluted EPS	63,00,00,000	39,33,28,530
Face value per share (Rs.)		
Basic EPS	(0.01)	(0.13)
Diluted EPS	(0.01)	(0.13)

ix) Related party transactions:

A) Related parties and their relationship

Key Management Personnel:

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

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

- a. VKS Healthcare Private Limited
- b. VKSEdserve Private Limited

B) Transactions with related parties during theyearended 31st March,2015:

(Amount in Rs.)

Nature of Transaction	Key Management Personnel	Others	Total
Directors Remuneration	5,00,000 (18,00,000)	- (-)	5,00,000 (18,00,000)
Unsecured Loans Received	85,69,486 (41,44,688)	- (-)	85,69,486 (41,44,688)
Unsecured Loans Given	- (-)	75,27,000 (44,43,712)	75,27,000 (44,43,712)

Note: Previous figures are in brackets.

C) Balances with related at the year ended 31st March,2015:

Nature of Transaction	Key Management Personnel	Total
Directors Remuneration Payable		
➤ Mr. V.K. Sukumaran	2,50,000	2,50,000
➤ Mr. C.D. Nathan	2,50,000	2,50,000
Unsecured Loan Repayable to Director		
➤ Mr. V.K. Sukumaran	1,30,17,922	1,30,17,922
Unsecured Loan Repayable to		

Others	32,12,000	32,12,000
➤ VKS Healthcare Pvt. Ltd.	36,17,000	36,17,000
➤ VKSEdserve Pvt. Ltd.	13,89,634	13,89,634
➤ Dr. SarithaSukumaran		

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

Particulars	2015	2014
<u>Unsecured loans received</u>		
➤ Mr. V.K. Sukumaran	85,69,486	41,44,688
<u>Unsecured loans repaid / given</u>		
➤ VKS Healthcare Pvt. Ltd.	40,10,000	3,93,000
➤ VKSEdserve Pvt. Ltd.	34,72,000	2,60,000
➤ Mr. V.K. Sukumaran	45,000	44,43,712
<u>Directors Remuneration</u>		
i) Mr. V.K. Sukumaran	2,50,000	6,00,000
ii) Mr. C.D. Nathan	2,50,000	12,00,000

- x) 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

(PawanGattani)
Partner
Membership No.144734

(V.K. Sukumaran)
Managing Director

(C.D. Nathan)
Director

Place: Navi-Mumbai
Date: May 29, 2015

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 17th Annual General Meeting of the company, to be held on Wednesday, 30th September, 2015 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, 2015, 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

Signed this..... Day of 2015

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 17th 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 Wednesday, 30th September, 2015 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.