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SamruddhiSM
Realty Ltd.



ELEVENTH ANNUAL REPORT 2013 - 2014

CORPORATE INFORMATION

Board of Directors

Mr. V. R. Manjunath	Chairman & Whole Time Director
Mr. Hemang D. Rawal	Managing Director
Mr. Ravindra M. Madhudi	Whole Time Director
Mr. Praveen Narayanaswamy	Non Executive Director
Mr. Srinivas Gulur Seshagirirao	Non Executive Director
Ms. Sushma Thirunalpalya Somashekarappa	Non Executive Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Dharmesh M. Kuvalekar

STATUTORY AUDITORS

M/S. A. R. Pai & Co.
Chartered Accountants
45, 2nd Floor, Industry House
Race Course Road
Bangalore - 560 001

BANKERS

State Bank of India
Bank of India
Karnataka Bank

REGISTERED OFFICE

The Land Mark
No. 21/15, 4th Floor
M.G. Road,
Bangalore – 560 001.

REGISTRAR & TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Industrial Premises
1st Floor, 44 - E, M Vasanti Marg
Andheri-Kurla Rd
Safed Pool, Andheri (E)
Mumbai - 400072

ELEVENTH ANNUAL GENERAL MEETING

DAY, DATE & TIME

Tuesday, the 9th September, 2014 at 11.30 a.m.

PLACE

Century Club, No.1, Seshadri Road,
Bangalore – 560001

BOOK CLOSURE

12th August 2014 to 14th August 2014
(Both Days Inclusive)

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NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Members of the Company will be held on Tuesday, the 9th day of September, 2014 at 11.30 a.m. at Century Club, No.1, Seshadri Road, Bangalore – 560001 to transact the following business.

ORDINARY BUSINESS

ITEM No. 1

To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, the Profit and Loss Account for the financial period ended as on that date along with the Director's Report and Auditors Report thereon.

ITEM No. 2

To appoint a Director in place of Mr. Hemang D. Rawal (DIN-00513746), who retires by rotation and being eligible, offers himself for re-appointment.

ITEM No. 3

To re-appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/S. A. R. PAI & CO., Chartered Accountants (Firm Regn. No. 002519S) be and are hereby re-appointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Managing Director of the Company."

SPECIAL BUSINESS

ITEM No. 4

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other relevant provisions, if any, of the Companies Act, 2013 (including any amendment thereto or any re enactment thereof), the existing Article No. 1 to Article No. 167 of the Articles of Association of the Company be and are hereby altered, and substituted with the following Article No. 1 to Article No. 118 and that the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid alteration to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution"

PRELIMINARY

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| Article - 1 | <p>(A) The Regulations contained in table 'F' in the first schedule to the Companies Act, 2013, which are applicable to a Company shall apply to this company, so far as they are not hereunder expressly or impliedly excluded by the following articles.</p> <p>(B) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.</p> | <p>Table F to apply subject to these Articles</p> <p>Company to be governed by these Articles</p> |
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INTERPRETATION

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|-------------|--|---|
| Article - 2 | <p>(A) In these Articles</p> <p>(a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.</p> <p>(b) "Articles" means these articles of association of the Company or as altered from time to time.</p> <p>(c) "Board of Directors" or "Board", means the collective body of the directors of the Company.</p> <p>(d) "Company" means "Samruddhi Realty Limited".</p> <p>(e) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.</p> <p>(f) "seal" means the common seal of the Company.</p> <p>(B) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.</p> <p>(C) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.</p> | <p>"Act"</p> <p>"Articles"</p> <p>"Board of Directors" or "Board"</p> <p>"Company"</p> <p>"Rules"</p> <p>"Seal"</p> <p>"Number" and "Gender"</p> <p>"Expressions in the Articles to bear the same meaning as in the Act".</p> |
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SHARE CAPITAL AND VARIATION OF RIGHTS

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| Article - 3 | <p>(A) The Authorized Share Capital of the Company shall be in terms of Clause V of the Memorandum of Association of the Company with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or provided by the Articles of the Company for the time being.</p> | <p>Share capital and increase and reduction of capital</p> |
|-------------|--|--|

	(B) Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.	Shares under control of Board
Article - 4	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.	Directors may allot shares otherwise than for cash
Article - 5	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: (a) Equity share capital: (i) with voting rights; and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference share capital	Kinds of Share Capital
Article - 6	(A) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide – (a) one certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first. (B) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. (C) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.	Issue of certificate Certificate to bear seal One Certificate for shares held jointly
Article - 7	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.	Option to receive share certificate or hold shares with depository

Article - 8	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.	Issue of new certificate in place of one defaced, lost or destroyed
Article - 9	The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.
Article - 10	(A) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules. (B) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules. (C) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Power to pay commission in connection with securities issued Rate of commission in accordance with Rules Mode of payment of commission
Article - 11	(A) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act. (B) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.	Variation of members' rights Provisions as to general meetings to apply mutatis mutandis to each meeting
Article - 12	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	Issue of further shares not to affect rights of existing members
Article - 13	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	Power to issue redeemable preference shares

- Article - 14 (A) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to – Further issue of share capital
- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
 - (b) employees under any scheme of employees' stock option; or
 - (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above
- (B) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules. Mode of further issue of shares

LIEN

- Article - 15 (A) The Company shall have a first and paramount lien – Company's lien on shares
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company
- Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (B) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. Lien to extend to dividends, etc.
- (C) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien. Waiver of lien in case of registration

- Article - 16 The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: As to enforcing lien by sale
- Provided that no sale shall be made -
- (a) unless a sum in respect of which the lien exists is presently payable; or
 - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

- Article - 17 (A) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. Validity of sale
- (B) The purchaser shall be registered as the holder of the shares comprised in any such transfer. Purchaser to be registered holder

	(C) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.	Validity of Company's receipt
	(D) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.	Purchaser not affected
Article - 18	(A) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.	Application of proceeds of sale
	(B) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.	Payment of residual money
Article - 19	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	Outsider's lien not to affect Company's lien
Article - 20	The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to lien to apply mutatis mutandis to debentures, etc.
CALL ON SHARES		
Article - 21	(A) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.	Board may make calls
	(B) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	Notice of call
	(C) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.	Board may extend time for payment
	(D) A call may be revoked or postponed at the discretion of the Board.	Revocation or postponement of call
Article - 22	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	Calls to take effect from date of resolution
Article - 23	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of joint holders of shares

Article - 24	(A) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.	Where interest on call or instalment payable
	(B) The Board shall be at liberty to waive payment of any such interest wholly or in part.	Board may waive interest
Article - 25	(A) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.	Sums deemed to be calls
	(B) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Effect of non-payment of sums
Article - 26	The Board	Payment in anticipation of calls may carry interest
	(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and	
	(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.	
Article - 27	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	Instalments on shares to be duly paid
Article - 28	All calls shall be made on a uniform basis on all shares falling under the same class. <i>Explanation</i> : Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.	Calls on shares of same class to be on uniform basis
Article - 29	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.	Partial payment not to preclude forfeiture
Article - 30	The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to calls to apply mutatis mutandis to debentures, etc.

TRANSFER OF SHARES

Article - 31	(A) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.	Instrument of transfer to be executed by transferor and transferee
	(B) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	
Article - 32	The Board may, subject to the right of appeal conferred by the Act decline to register –	Board may refuse to register transfer
	(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or	
	(b) any transfer of shares on which the Company has a lien.	
Article - 33	In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless -	Board may decline to recognise instrument of transfer
	(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;	
	(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and	
	(c) the instrument of transfer is in respect of only one class of shares.	
Article - 34	On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.	Transfer of shares when suspended
Article - 35	The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.

TRANSMISSION OF SHARES

Article - 36	(A) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.	Title to shares on death of a member
	(B) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Estate of deceased member liable

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FORFEITURE OF SHARES

Article - 41	If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	If call or instalment not paid notice must be given
Article - 42	The notice aforesaid shall: <ul style="list-style-type: none"> (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. 	Form of Notice
Article - 43	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	In default of payment of shares to be forfeited
Article - 44	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	Receipt of part amount or grant of indulgence not to affect forfeiture
Article - 45	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of members
Article - 46	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of forfeiture
Article - 47	(A) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. (B) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Forfeited shares may be sold, etc. Cancellation of Forfeiture

Article - 48	<p>(A) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</p> <p>(B) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.</p> <p>(C) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</p>	<p>Members still liable to pay money owing at the time of forfeiture</p> <p>Member still liable to pay money owing at time of forfeiture and interest</p> <p>Cesser of liability</p>
Article - 49	<p>(A) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>(B) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>(C) The transferee shall thereupon be registered as the holder of the share; and</p> <p>(D) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.</p>	<p>Certificate of forfeiture</p> <p>Title of purchase and transferee of forfeited shares</p> <p>Transferee to be registered as holder</p> <p>Transferee not Affected</p>
Article - 50	<p>Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.</p>	Validity of sales
Article - 51	<p>Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.</p>	Cancelltion of share certificate in respect of forfeited shares
Article - 52	<p>The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.</p>	Surrender of Share Certificates

Article - 53	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Sums deemed to be calls
Article - 54	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to forfeiture of shares to apply mutatis mutandis

ALTERATION OF CAPITAL

Article - 55	Subject to the provisions of the Act, the Company may, by ordinary resolution -	Power to alter share capital
	<ul style="list-style-type: none"> (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: <div style="margin-left: 20px;">Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;</div> (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. 	
Article - 56	Where shares are converted into stock:	Shares may be converted into stock
	<ul style="list-style-type: none"> (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: <div style="margin-left: 20px;">Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;</div> (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; 	Right of stockholders

- (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/ "member" shall include "stock" and "stock-holder" respectively.

Article - 57 The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

Reduction of capital

- (a) its share capital; and/or
(b) any capital redemption reserve account; and/or
(c) any securities premium account; and/or
(d) any other reserve in the nature of share capital.

JOINT HOLDERS

Article - 58 Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

Joint Holders

- (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.

Liability of Joint Holders

- (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

Death of one or more Joint Holders

- (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

Receipt of one sufficient

- (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

Delivery of certificate and giving of notice to first named holded

- (e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

Vote of joint holders

- (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

Executors or administrators as joint holders

- (f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

Provisions as to joint holders as to shares to apply mutatis mutandis to debentures etc.

CAPITALISATION OF PROFITS

- Article - 59 (A) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve -

Capitalisation

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (B) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

- (B) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (C) below, either in or towards :

Sum now applied

- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively
- (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid
- (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).

- (C) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

- (D) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

- Article - 60 (A) Whenever such a resolution as aforesaid shall have been passed, the Board shall -

Powers of the Board for capitalisation

- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
- (b) generally do all acts and things required to give effect thereto.

(B) The Board shall have power—

Board's power to issue fractional certificate/coupon etc.

- (a) to make such provisions, by the issue of fractional certificates/ coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

(C) Any agreement made under such authority shall be effective and binding on such members.

Agreement binding on members

BUY-BACK OF SHARES

Article - 61 Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

Buy-back of Shares

GENERAL MEETINGS

Article - 62 All general meetings other than annual general meeting shall be called extraordinary general meeting.

Extraordinary General Meeting

Article - 63 The Board may, whenever it thinks fit, call an extraordinary general meeting.

Powers of board to call extraordinary general meeting

PROCEEDINGS OF GENERAL MEETINGS

Article - 64 (A) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

Presence of Quorum

(B) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

Business confined to election of Chairperson whilst chair vacant

(C) The quorum for a general meeting shall be as provided in the Act.

Quorum for general meeting

Article - 65 The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

Chairperson of the meetings

Article - 66 If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

Directors to elect a Chairperson

Article - 67	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.	
Article - 68	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at general meeting
Article - 69	<p>(A) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>(B) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -</p> <p>(a) is, or could reasonably be regarded, as defamatory of any person; or</p> <p>(b) is irrelevant or immaterial to the proceedings; or</p> <p>(c) is detrimental to the interests of the Company.</p> <p>(C) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.</p> <p>(D) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.</p>	<p>Minutes of proceedings of meetings and resolutions passed by postal ballot</p> <p>Certain matters not to be included in Minutes</p> <p>Discretion of Chairperson in relation to minutes</p> <p>Minutes to be Evidence</p>
Article - 70	<p>(A) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p>(a) be kept at the registered office of the Company; and</p> <p>(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.</p> <p>(B) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (A) above:</p> <p>Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.</p>	<p>Inspection of minute books of general meeting</p> <p>Members may obtain copy of minutes</p>
Article - 71	The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the	Powers to arrange security at meetings

security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision

ADJOURNMENT OF MEETING

- | | | |
|--------------|---|--|
| Article - 72 | (A) The Chairperson may, suo motu, adjourn the meeting from time to time and from place to place. | Chairperson may adjourn the meeting |
| | (B) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. | Business at adjourned meeting |
| | (C) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. | Notice of adjourned meeting |
| | (D) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. | Notice of adjourned meeting not required |

VOTING RIGHTS

- | | | |
|--------------|---|---|
| Article - 73 | Subject to any rights or restrictions for the time being attached to any class or classes of shares -

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company. | Entitlement to vote on show of hands and on poll |
| Article - 74 | A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once. | Voting through electronic means |
| Article - 75 | (A) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(B) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. | Vote of joint holders

Security of names |
| Article - 76 | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians. | How members non compos mentis and minor may vote |
| Article - 77 | Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. | Votes in respect of shares of deceased or insolvent members, etc. |

Article - 78	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	Business may proceed pending poll
Article - 79	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting rights
Article - 80	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	Restriction on exercise of voting rights in other cases to be void
Article - 81	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.	Equal rights of members

PROXY

Article - 82	(A) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. (B) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.	Members may vote in person or otherwise Proxies when to be deposited
Article - 83	An instrument appointing a proxy shall be in the form as prescribed in the Rules.	Form of Proxy
Article - 84	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	Proxy to be valid notwithstanding death of the principal

BOARD OF DIRECTORS

Article - 85	Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen)	Board of Directors
Article - 86	(A) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. (B) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.	Directors not liable to retire by rotation Same individual may be chairperson and Managing Director/ Chief Executive Officer

Article - 87	(A) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of Director
	(B) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by resolutions passed by the Company in general meeting.	Remuneration to require members' consent
	(C) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—	Travelling and other expenses
	(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or	
	(b) in connection with the business of the Company.	
Article - 88	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	Execution of negotiable instruments
Article - 89	(A) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.	Appointment of Additional Directors
	(B) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act..	Duration of office of Additional Director
Article - 90	(A) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.	Appointment of Alternate Director
	(B) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	Duration of office of Alternate Director
	(C) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.	Re-appointment provisions applicable to Original Director

Article - 91 (A) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

Appointment of Director to fill a casual vacancy

(B) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

Duration of office of Director appointed to fill casual vacancy

POWERS OF BOARD

Article - 92 The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

General powers of the Company vested in the Board

PROCEEDINGS OF THE BOARD

Article - 93 (A) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

When meeting to be convened

(B) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

Who may summon Board Meeting

(C) The quorum for a Board meeting shall be as provided in the Act.

Quorum for Board Meetings

(D) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

Participation at Board Meetings

Article - 94 (A) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

Question at Board Meetings how decided

(B) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

Casting vote of Chairperson at Board Meetings

Article - 95	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	Directors not to act when number falls below minimum
Article - 96	<p>(A) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>(B) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>	<p>Who to preside at meetings of the Board</p> <p>Directors to elect a Chairperson</p>
Article - 97	<p>(A) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.</p> <p>(B) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p> <p>(C) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.</p>	<p>Delegation of Powers</p> <p>Committee to conform to Board Regulations</p> <p>Participation of Committee Meetings</p>
Article - 98	<p>(A) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.</p> <p>(B) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>	<p>Chairperson of Committee</p> <p>Who to preside at meetings of Committee</p>
Article - 99	<p>(A) A Committee may meet and adjourn as it thinks fit.</p> <p>(B) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.</p> <p>(C) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.</p>	<p>Committee to meet</p> <p>Questions at Committee meeting how decided</p> <p>Casting vote of Chairperson at Committee meeting</p>

Article - 100	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	Acts of Board or Committee valid notwithstanding defect of appointment
Article - 101	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.	Passing of resolution by circulation
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER		
Article - 102 (A)	Subject to the provisions of the Act,— A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.	Chief Executive officer, etc.
(B)	A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.	Director may be Chief Executive Officer, etc.
REGISTERS		
Article - 103	The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	Statutory Registers

Article - 104 (A) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

Foreign Register

(B) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

THE SEAL

Article - 105 (A) The Board shall provide for the safe custody of the seal.

The Seal, its custody and use

(B) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

Affixation of Seal

DIVIDENDS AND RESERVE

Article - 106 The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

Company in General Meeting may declare dividends

Article - 107 Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

Interim Dividends

Article - 108 (A) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

Dividends only to be paid out of profits

(B) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Carry forward of profits

Article - 109	(A) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.	Division of profits
	(B) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.	Payments in Advance
	(C) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	Dividends to be apportioned
Article - 110	(A) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	No member to receive Dividend whilst indebted to the Company and Company's right to reimbursement therefrom
	(B) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	Retention of Dividends
Article - 111	(A) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.	Dividend how remitted
	(B) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Instrument of payment
	(C) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	Discharge of Company

Article - 112	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	Receipt of one holder sufficient
Article - 113	No dividend shall bear interest against the Company.	No interest on Dividends
Article - 114	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	Waiver of Dividends

ACCOUNTS

Article - 115 (A)	The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.	Inspection by Directors
(B)	No member (not being a Director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.	Restriction on Inspection by Members

WINDING UP

Article - 116	<p>Subject to the applicable provisions of the Act and the Rules made thereunder –</p> <p>(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</p> <p>(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	Winding up of Company
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INDEMNITY AND INSURANCE

Article - 117	<p>a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.</p> <p>(b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.</p>	Directors and Officers right to indemnity
	<p>(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and Key Managerial Personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.</p>	Insurance

GENERAL POWER

Article - 118	<p>Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.</p>	General Power
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ITEM NO 5.

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

“RESOLVED THAT in modification of the earlier resolution passed under Section 293 (1) (d) of the Companies Act, 1956 , at the Extra Ordinary General Meeting held on 10th January , 2013 the consent of the Company be and is hereby accorded under Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions, if any, to the Board of Directors of the Company, to borrow any sum or sums of money, from

time to time for the purpose of the Company, upon such terms and conditions and with/without security, as the Board of Directors may, in its absolute discretion, think fit and proper, notwithstanding the fact that the money or monies to be borrowed together with the monies already borrowed by the company (apart from the temporary loans obtained from the company's bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, (that is to say, reserves not set apart for any specific purpose), provided, however, that the total amount of such borrowings shall not exceed, at any time, a sum of Rs. 250 Crores (Rupees Two Hundred and Fifty Crores) and the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest repayment, security or otherwise howsoever as it may think fit.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to create mortgages and/or charges on such properties of the Company as it may think fit and for that purpose to execute such documents, papers, deeds, and writings containing such conditions and covenants as the Board may think fit and to take all such steps as may be necessary or desirable to give effect to this resolution without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution”

ITEM NO 6.

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

“**RESOLVED THAT** in modification of the earlier resolution passed under Section 293(1) (a) of the Companies Act, 1956 , at the Extra Ordinary General Meeting held on 10th January , 2013 the consent of the Company be and is hereby accorded under Section 180(1)(a) of the Companies Act, 2013 to mortgaging and/or charging by the Board of Directors of the Company of all or any of the immovable and movable properties and/or receivables of the Company, wherever situated, both present and future or the whole or substantially the whole of the undertaking or undertakings of the company in such form and in such manner as the Board of Directors may think fit for securing any loans and/or advances already obtained or that may be obtained from any financial Institutions / banks / insurance companies or person or persons, and/or to secure any debentures issued without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution”

ITEM NO 7.

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

RESOLVED THAT

- i. pursuant to the applicable provisions of the Companies Act, 2013 and the Articles of Association of the

Company and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulations") and subject to such consents and approvals as may be required from the appropriate authorities and subject to such terms and modifications as may be specified while according such approvals, the Board of Directors of the Company ("the Board which term shall be deemed to include any Committee which may be constituted to exercise powers conferred by this resolution") be and is hereby authorised to capitalize a sum not exceeding Rs. 1,68,24,000 out of the Company's General Reserves Account or such other accounts as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended March 31, 2014 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of Equity Shares not exceeding 16,82,400 Equity Shares of Rs. 10 each as Equity Bonus Share credited as fully paid up, to the eligible Members of the Company holding Equity Shares of Rs. 10 each whose names shall appear in the Register of Members / Beneficial Owners' position of the Company as on a date to be hereafter fixed ("Record Date") in the proportion of one new Equity Share of Rs. 10 (Rupees Ten Only) for every five Equity Shares of Rs. 10 held as on the Record Date and that the new Equity Bonus Shares so issued and allotted shall be treated for all purposes as an increase in the paid up capital of the Company held by each such member and not as income.

- ii. the new Equity Shares of Rs.10 each to be issued and allotted as Equity Bonus Shares shall be subject to the provisions of the Memorandum & Articles of Association of the Company and shall rank pari passu in all respects with the fully paid-up Equity Shares of the Company as existing immediately prior to the date of allotment and with a right to participate in full in the dividend declared, if any, after the allotment of such shares.
- iii. no Letter of Allotment shall be issued to the allottees of the Equity Bonus Shares and the Share Certificates in respect of the New Equity Bonus Shares shall be issued and dispatched to the allottees thereof within the period prescribed or that may be prescribed in this behalf, from time to time, except that the Equity Bonus Shares will be credited to the Demat Accounts of the allottees who are holding the existing Equity Shares in electronic form.
- iv. the Company shall not issue fraction share certificate, instead consolidate all such fractional entitlement(s), if any, arising and thereupon issue and allot Equity Shares in lieu thereof to a Director or an Officer of the Company or such other person, as the Board of Directors or Committee of the Board of Directors shall appoint in this behalf who shall hold the Equity Shares in trust on behalf of the members entitled to fractional entitlements with the express understanding that such Director(s) or Officer(s) or Person(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons as he / they may deem fit, and pay to the Company, the net sale proceeds thereof, whereupon the Company shall distribute such net sale proceeds, subject to taxes, if any, to the members of the Company in proportion to their respective fractional entitlements. In case the aggregate of such shares to be allotted to the Director / Officer / Person by virtue of consolidation of fractional entitlements is a fraction, one additional Equity Share will be issued in the Company to such Director / Officer / Person in lieu of such fraction amount.
- v. the allotment of the new Equity Bonus Shares to the extent that they relate to Non-Resident members of the Company, shall be subject to the approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999.
- vi. the Board be and is hereby authorized to take necessary steps for listing of the Equity Bonus Shares so allotted on the Stock Exchange where the securities of the Company are listed as per the Listing Agreement with the Stock Exchange concerned and other applicable laws and regulations.
- vii. for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may in its absolute discretion, be necessary, expedient including settling any question, doubt or difficulties that may arise in this regard at any stage without requiring

the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution.

NOTES

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
2. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the 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.**

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 proxy and such person shall not act as a proxy for any other person or shareholder.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Transfer Books of the Company will remain closed from 12th August 2014 to 14th August 2014 (Both Days Inclusive) for the purpose of the Eleventh Annual General Meeting or any adjournment thereof.
6. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. Further, in line with recent circular issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the listing agreement, Companies can send Annual Report in electronic mode to Members who have registered their e-mail addresses for the purpose. Members who have not registered their e-mail address with the Company can now register the same by submitting duly filled-in 'E-Communication Registration Form' attached at the end of this Report to Sharex Dynamic (India) Private Limited / Secretarial Department of the Company. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form, upon request.
7. For the convenience of Members and for proper conduct of the meeting, entry to the meeting venue will be regulated by attendance slip, which is enclosed with the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
8. Members holding shares in physical mode are requested to notify any change in their address to the Registrar and Transfer Agents M/S. Sharex Dynamic (India) Private Limited having its office at Unit-1, Luthra Industrial Premises, 1st Floor, 44-E, M Vasanti Marg, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072. Members holding shares in electronic form are requested to intimate the same to their respective Depository Participants.

9. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
10. The information required pursuant to Clause 52 of the SME Equity Listing Agreement about Directors proposed to be re-appointed is given as an Annexure to this notice.
11. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
12. All documents referred to in the Notice are open for inspection at the Registered Office of the company during office hours on all working days up to the date of the Annual General Meeting.
13. In compliance with the provisions of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company has also extended e-voting facility for its Members to enable them to cast their votes electronically.

For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically.

The Company has appointed Mr. V. C. Krishnamurthy, Company Secretary in whole-time practice, as Scrutinizer for scrutinising the e-voting process in a fair and transparent manner and make report to the Chairman.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 3rd September, 2014 at 7.00 a.m. and ends on 5th September, 2014 at 7.00 a.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a For CDSL : 16 digits beneficiary ID.
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank Details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Samruddhi Realty Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (Xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

REGD. OFFICE

The Land Mark
No. 21/15, 4th Floor
M. G. Road
Bangalore - 560 001
Date : 30.07.2014

By Order of the Board

Dharmesh M. Kuvalekar
Company Secretary

ANNEXURE

As per the requirement of Clause 52 of the SME Equity Listing Agreement particulars of Director proposed to be re-appointed are given below.

Name of Director	Mr. Hemang D. Rawal
Age	44 Years
Date of Appointment	01.04.2004
Qualification	Chartered Accountant
Expertise in Specific Functional Area	He is a Chartered Accountant by qualification with an overall experience of 20 years in the real estate industry.
Directorship held in other Companies	Samruddhi Real Assets Private Limited Samruddhi Infratech (India) Private Limited Studio 3 Planners Private Limited Samruddhi Vaastu Infracon Private Limited Samruddhi Retail Mart Private Limited Samruddhi Gruha Nirman Private Limited Samruddhi Holiday Resorts Private Limited Ayushi Business Enterprises Private Limited Ayushi Dwellings Private Limited
Committee Positions held in other companies	NIL
Relationships with other Directors	NO
Number of Shares held in Samruddhi Realty LTD. as on 31st March, 2014	18,12,000

EXPLANATORY STATEMENT

As required by Section 102(1) of the Companies Act 2013 the following Explanatory Statements set out all material facts relating to the business under item Nos. 4 to 7 of the accompanying notice dated 30.07.2014.

Item No. 4

A number of provisions of the Companies Act, 2013 have been brought into force with effect from 1st April, 2014. As a result the Company is required to alter/amend the Articles of Association in order to align them with the requirements of Company as per the provisions of the new Act.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, alteration/amendment of Articles of Association requires approval of shareholders by way of special resolution. Accordingly, this matter has been placed before the shareholders for approval.

The Board therefore, submits the resolution for your consideration and recommends it to be passed as a special resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or in any way interested in this resolution.

Item No. 5

As per the provisions of Section 180 (1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and the free reserve of the Company, that is to say, reserve not set apart for any specific purpose.

Presently, the Company is permitted to borrow up to Rs. 150 crores (Rupees One hundred fifty crores) apart from temporary loans obtained/to be obtained from the bankers in the ordinary course of business, as approved by the shareholders in their Extra Ordinary General Meeting held on 10th January, 2013. In view of Company's growing operations it is expected that this limit may not be sufficient.

The Resolution set out at item no. 5 of the notice is put forth for consideration of the members pursuant to the provisions of Section 180 (1)(c) of the Companies Act, 2013 to enable the Directors to borrow up to a sum of Rs. 250 crores (Rupees Two Hundred and Fifty crores).

The Board of Directors has vide its resolution passed at its meeting held on 29th May, 2014 unanimously authorised as stated above.

The Board therefore, submits the resolution for your consideration and recommends it to be passed as a special resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or in any way interested in this resolution.

Item No. 6

In order to borrow loans from Banks, institutions, etc. the Board needs authorization to mortgage/hypothecate the assets and/or receivables of the Company as security /collateral security. In order to mortgage or hypothecate the assets and/or receivables of the company the consent of shareholders is required under Section 180 (1) (a) of Companies Act, 2013, authorising the Board of Directors with necessary powers.

The Board therefore, submits the resolution for your consideration and recommends it to be passed as a special resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or in any way interested in this resolution.

Item No. 7

The Company has completed a very successful financial year 2013-14, in which it has posted profit after tax of Rs.3.22 Crores. To reward the shareholders in this successful value creation cycle, the Board of Directors, at its meeting held on 30.07.2014 has recommended an issue of Equity Bonus Shares in the proportion of 1:5 i.e., one share of Rs. 10/- (Rupees Ten Only) each for every five fully paid up Equity

Shares of Rs.10/- (Rupees Ten Only) each, to the eligible members of the Company as on the Record Date. The present Paid up Equity Capital of the Company is Rs. 8,41,20,000/- (Rupees Eight Crores Forty One Lakhs Twenty Thousand Only) consisting of 84,12,000 (Eighty Four Lakhs Twelve Thousand Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

In accordance with the enabling provisions of the Articles of Association of the Company, the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 and such other Regulations/Acts etc. as may be applicable, the Equity Bonus Shares will be issued by capitalizing a sum of Rs. 1,68,24,000 from Company's General Reserves or any other permitted reserves/surplus as per the Audited Accounts of the Company for the financial year ended on March 31, 2014.

The fully paid-up Equity Bonus Shares shall be distributed to the members of the Company, whose names shall appear in the Register of Members / Beneficial Owners' position of the Company as on such date ("Record Date") to be determined by the Board, in the proportion of one Equity Share for every five Equity Shares held by them as on the Record Date.

The Equity Bonus Shares so allotted shall rank pari-passu with the existing fully paid-up Equity Shares of the Company in all respects, with a right to participate in full in the dividend declared by the Company after the allotment of Equity Bonus Shares. As per the provisions of Articles of Association, the Company is required to obtain the approval of the members of Company by way of an Ordinary Resolution and hence the above resolution is proposed for the approval of the members as an ordinary resolution. It is also necessary/expedient to authorize the Board of Directors / Committee of Directors of the Company to complete all the regulatory formalities in connection with the issue of Equity Bonus Shares that may be prescribed by SEBI, the Stock Exchange on which the Company's securities are listed and / or any other regulatory authority.

The Board therefore, submits the resolution for your consideration and recommends it to be passed as an ordinary resolution.

The Directors, Key Managerial Personnel of the Company or their relatives may be deemed to be concerned or interested in the issue of the Equity Bonus Shares to the extent of their shareholdings in the Company, or to the extent of the shareholdings of the Companies / Institutions / Trusts of which they are Directors or members or Trustees with or without any beneficial interest.

REGD.OFFICE
The Land Mark
No. 21/15, 4th Floor
M. G. Road
Bangalore - 560 001
Date : 30.07.2014

By Order of the Board

Dharmesh M. Kuvalekar
Company Secretary

DIRECTORS' REPORT

To,
The Members,

We have great pleasure in presenting the ELEVENTH ANNUAL REPORT AND AUDITED ACCOUNTS of the company for the year ended on 31st March, 2014.

FINANCIAL HIGHLIGHTS

Particular	For the year ended 31.03.2014	For the year ended 31.03.2013
Revenue	51,67,32,054	27,28,38,383
Operating profit	10,82,12,171	6,37,08,001
Interest	4,87,21,127	3,26,73,921
Depreciation	71,35,768	37,62,742
Profit before tax	5,23,55,276	2,72,71,338
Provision for tax	2,01,60,325	89,54,564
Profit after Tax (PAT)	3,21,94,951	183,16,774
Appropriations		
Transfer to general reserve	85,00,000	NIL
Dividend (including tax on distributed profits)	NIL	NIL
Balance c/f out of current year PAT	2,36,94,951	1,83,16,774

FINANCIAL PERFORMANCE

During the year under review, the Company earned a profit before tax of Rs. 5.24 crores as compared to Rs. 2.72 crores in the corresponding previous year representing an increase of 92.65%. The Company earned a profit after tax of Rs. 3.22 crores as compared to Rs. 1.83 crores in the previous year representing an increase of 75.96%.

OPERATIONS

During the year under review the Company launched two projects comprising of 2,64,170 sq. ft. of area in the city of Bangalore. All the projects undertaken by the Company are progressing as per schedule.

Further, two Joint Development Agreements were signed by the Company during the year.

TRANSFER TO RESERVES

It is proposed to transfer Rs. 85,00,000 out of the current profits to General Reserve.

DIVIDEND

The Directors have not recommended any dividend on equity shares for the year under review.

ISSUE OF BONUS SHARES

During the year under review, the Company issued bonus equity shares in the ratio of one equity share of Rs. 10/- each fully paid up for every five equity shares held by the shareholders of the Company as on the Record Date i.e., 12th September, 2013. The aggregate number of bonus equity shares issued was 14,02,000. The allotment of these shares was made on 13th September 2013 and they were listed and permitted to trade in by Bombay Stock Exchange with effect from 19th September, 2013.

INCREASE IN AUTHORISED SHARE CAPITAL

During the year under review, the authorized share capital of the Company was increased from Rs. 10 crores divided into 100 lakh equity shares of Rs. 10/- each to Rs. 20 crores divided into 200 lakh equity shares of Rs. 10/- each.

UTILISATION OF PROCEEDS OF INITIAL PUBLIC OFFERING (IPO)

During the year the Company raised Rs. 2,61,60,000 through Initial Public Offer of shares. Out of this Rs. 2,23,00,000 was utilised for part repayment of Karnataka Bank term loan and Rs.38,60,000 was utilised for payment of issue expenses.

CHANGE IN MARKET LOT SIZE

With effect from 17th September 2013 the market lot size of shares of the Company was revised from 10,000 to 4,000 shares.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, the Directors hereby confirm that:

- i) In the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed and there are no material departures.
- ii) They have selected appropriate accounting policies and applied them consistently and have 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 on 31st March 2014 and of the profit of the company for the financial year ended 31st March 2014.

iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) They have prepared the annual accounts for the financial year ended 31st March, 2014 on a going concern basis.

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

The provisions of Section 217 (1) (e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption are not applicable.

Since the company caters to domestic market only, it has not undertaken any activities relating to export, initiatives to increase exports, development of new export markets for products and services or formulated any export plans.

The transaction involving foreign exchanges during the year are as below :

Total expenditure in foreign Exchange :

Current Year Rs. 51,69,624 (Rs. 46,01,566 in the previous year)

SUBSIDIARY COMPANIES

During the year under review, the Company transferred all the shares held by it in the three subsidiary companies namely Samruddhi Gruha Nirman Private Ltd, Samruddhi Holiday Resorts Private Ltd. and Samruddhi Vaastu Infracon Private Ltd.

As a result they ceased to be the subsidiary companies of Samruddhi Realty Limited.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted or renewed any fixed Deposits from the public.

UNCLAIMED DIVIDEND

There is no balance lying in the unpaid equity dividend account of the Company.

PARTICULARS OF THE EMPLOYEES

During the year, no employee of the Company was in receipt of remuneration exceeding the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

During the year, under review Mr. V. R. Manjunath was re-appointed as the Chairman of the Board.

Mr. Praveen Narayanaswamy, Ms. Sushma Thirunalpalya Somashekarappa and Mr. Srinivas Gulur

Seshagirirao, who were appointed as Additional Directors w.e.f., 15th January, 2013, were appointed as Directors in the Annual General Meeting held on 29th August, 2013.

Mr. Hemang D. Rawal retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. Such re-appointment shall not be deemed to constitute a break in his appointment as a whole time director.

Brief resume of Mr. Hemang D. Rawal, nature of his experience in specific functional areas, names of the companies in which he holds directorship and membership/chairmanship of board committees, shareholding and relationship between directors inter-se, as stipulated under Clause 52 of the SME Equity Listing Agreement with the Stock Exchange, are provided in the Notice for convening the Annual General Meeting.

AUDITORS

The Company's Auditors, M/S. A. R. PAI & CO, Chartered Accountants, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have indicated their willingness to accept re-appointment and have further furnished necessary Certificate in terms of Section 139(1) of the Companies Act, 2013 read with the Rules there under.

The Audit Committee has considered and recommended the re-appointment of M/S. A. R. PAI & CO, Chartered Accountants, Bangalore, as Statutory Auditors of the Company, to the Board of Directors at its meeting held on 29th May, 2014. The Directors have accepted the recommendation and recommend to the shareholders the re-appointment of M/S. A. R. PAI & CO, Chartered Accountants, Bangalore as the Statutory Auditors of the Company.

INTERNAL AUDITORS

The Board has appointed Mr. Kiran Kumar K. Chartered Accountant as the Internal Auditor of the company for the financial year 2014-15

COST COMPLIANCE REPORT

The Company has appointed a Practising Cost Accountant for obtaining Cost Compliance Report under the Companies (Cost Accounting Records) Rules, 2011 as per the notification of Ministry of Corporate Affairs dated 3rd June 2011. The Compliance Report will be duly filed with Ministry of Corporate Affairs, within 180 days from the close of the Financial Year ending 31st March, 2014.

AUDITORS REPORT

The observations made by the Auditors in their Report referring to the Notes forming part of the Accounts are self-explanatory and therefore, do not require any further comments under Section 217(3) of the Companies Act, 1956.

STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's Equity shares are listed at Bombay Stock Exchange Limited, (SME segment). The Annual listing fee for the year 2014-15 has been paid.

CORPORATE GOVERNANCE

The Company has committed to maintain the highest standards of Corporate Governance as set out by SEBI. The Report on Corporate Governance as stipulated under Clause 52 of the SME Equity Listing Agreement forms part of the Annual Report. The requisite Certificate from the Auditors of the company confirming compliance with conditions of Corporate Governance as stipulated under the said clause is attached to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report has been separately furnished in the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The company is acutely aware of the need to give back to the society. It has therefore, taken several measures to enrich the quality of life of the underprivileged and preserve the ecological balance like supporting girls' education at Sneha Orphanage, funding Disha – Free Mason's old age home, construction of a meditation hall near Nelamangala and taking care of the educational needs of over 40 children near Sondekoppa.

HUMAN RELATIONS

During the year employee relations continued to be cordial and harmonious at all levels and in all divisions of the Company. There was a total understanding of the management objectives by the employees. The Company has consistently tried to improve its HR policies and processes so as to acquire, nurture & retain the best of the available talent in the Industry.

ACKNOWLEDGEMENT

The Board of Directors wishes to thank the Central Government, State Government, RBI, SEBI, and The Bombay Stock Exchange Limited (BSE) for their co-operation in various spheres of Company's functions. The Board of Directors expresses its gratitude for the co-operation extended by the Financial Institutions / Term Lenders and Company's Bankers for their valuable support. The Directors thank all the shareholders of the Company, its customers and investors for their valuable support during the year and look forward to their continued support in the years to come. The Company has also gained considerably from the sincere and devoted services rendered by its employees at all levels. The Board of Directors wishes to place on record its sincere appreciation of the employee's efforts in enhancing the image of the company in the market.

On behalf of the Board

Bangalore
Date: 29.05.2014

Hemang D. Rawal
Managing Director

Ravindra M Madhudi
Whole Time Director

MANAGEMENT DISCUSSION & ANALYSIS

FORWARD LOOKING AND CAUTIONARY STATEMENTS

Statements in the Management Discussion and Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws and regulations. These statements being based on certain assumptions and expectation of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand-supply conditions, finished goods prices, changes in government regulations, tax regime etc. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of subsequent developments, information or events.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian real estate sector has traditionally been dominated by a number of small regional players with relatively low levels of expertise and/or financial resources. Historically, the sector has not benefited from institutional capital; instead, it has traditionally tapped high net worth individuals and other informal sources of financing, which has led to low levels of transparency. This scenario underwent a change in line with the sector's growth, and as of today, the real estate industry's dynamics reflect consumers' expectations of higher quality with India's increasing integration with the global economy. Today the real estate sector in India has emerged as one of the most dynamic sectors flooded with low cost, medium or with luxury housing projects with more and more builders and developers in the medium housing segment realizing it's vast potential in the country.

At present, the real estate and construction sectors are playing a crucial role in the overall development of India's core infrastructure. The real estate industry's growth is linked to developments in the economy which in turn will generate disposable income for the industry. Such disposable income is correlated with the spurt in demand for jobs. Thus it's a vicious circle, where overall economical growth is the driving force.

Today, India is one of the fastest growing economies in the world. The Indian construction industry is an integral part of the economy. It is poised for growth on account of industrialization, urbanization, economic development and people's rising expectations for improved quality of living. Construction is expected to be the biggest beneficiary of the surge in infrastructure investment. The Construction sector is a major employment driver, being the second largest employer in the country, next only to agriculture. This is because of the chain of backward and forward linkages that the sector has with other sectors. However, the growth of this sector also depends on the policies adopted by the Government to facilitate investments mainly in the economic and industrial sector.

OPPORTUNITIES AND THREATS

REAL ESTATE SECTOR IN BANGALORE

Bangalore has been the fastest growing city of India since past few years. Information Technology (IT) has been the major growth driver and is responsible for aggressive real estate development in the city. Being the IT hub of India, Bangalore has a multi cultural population with good social infrastructure, excellent educational institutions and constantly upgrading physical infrastructure.

There has been increased demand for high end residential apartments in Bangalore and it is expected to be steady over the long term. Bangalore is also one of the most promising markets for villa projects and row houses. High end residential property buyers in Bangalore are very sensitive in terms of amenities, product quality and unit sizes.

The mid income housing segment is mainly driven by individuals working in the IT and ITES industry. The main driving factors for this segment are social infrastructure, proximity to work place, good physical infrastructure and access to medical and educational facilities.

Over the next decade demand for housing in Bangalore is expected to exceed the supply. Real estate remains an attractive investment considering that asset prices in India are expected to rise due to rising land costs and high inflation. Therefore real estate sector in Bangalore will have tremendous growth

OPPORTUNITIES

The brand value of the Company brings higher preference of the customers and consequently higher realisations. Also in the modern era, timely execution is the essence of the project which is the unique feature of the Company, resulting in an opportunity to take up diversified projects in shorter span.

The location of various ongoing projects is a distinct advantage to the Company over its competitors which will help Company to sail through smoothly. The projects of the Company are in the vicinity of Bangalore city and have distinct advantages. The Company can leverage on this which is capable of generating positive cash flow which will propel the growth.

With increasing urbanization, favourable demographics, growth of the service sector and rising incomes etc., the Indian Real Estate has good potential for demand in almost every sector particularly housing. This is growing at satisfactory pace of almost 30 percent per year. The Government has been pragmatic and supportive in its approach in reducing interest rate on housing and providing finance through bank for property development projects. We are hopeful of a good demand for residential property in the future.

THREATS

While the management of the Company continues to leverage the opportunities, it also foresees challenges like increase in levy of duties such as Service Tax, VAT which enhances the burden indirectly on buyers which increases the cost of housing.

Real estate business is subject to extensive Statutory or Governmental regulations. Any changes in Government policy or any delay in receiving approvals and regulatory clearances affect project execution. This is because sanctions and permissions from various authorities is slow and time consuming and could have some impact on the operations of the Company.

High Inflation and high interest cost affect the disposable income and investible surplus which in turn directly affects the demand as purchase decision will be deferred. This also leads to increase in raw material /labour cost.

The performance of the Company largely depends on the performance of the real estate market, the nature and location of the project and other factors such as fluctuations in market conditions which could unfavourably affect the revenues and earnings.

Output depends on several factors such as labour availability, raw material prices, access to utilities such as electricity and water, weather conditions and the absence of other contingencies.

Non availability of land could reduce revenues of the Company or negatively impact the results of its operations.

SEGMENTWISE PERFORMANCE

The Company has mainly one reportable business segment. Hence no further disclosure is required under Accounting Standard (AS) 17 on Segment Reporting.

PROSPECTS AND FUTURE OUTLOOK

The Company has expertise in conceptualization, designing and execution which can be put to optimum use. The Company has adopted many new parameters for growth and development.

With the likely growth in GDP the need of the hour is expeditious development of infrastructure as delivery systems have to keep pace with the other sectors of the economy. The residential infrastructure is bound to grow with the growth of GDP. The growth in residential real estate development is driven by rising disposable income, lower interest, increased urbanisation, changing pattern from joint family to independent family and demographic factors etc. Thus the outlook for the Company looks very encouraging in the coming years, as it engages mainly in residential estate development as its core area.

RISKS AND CONCERNS

A big risk which the developers are facing is the price risk. Cost of land has the maximum impact on the margins of the developers, because land cost accounts for a large portion of the constructed property. The other risk to which the developers are exposed is demand risk like the ability to sell properties based on location, brand, track record, quality and timelines of completion. There is finance risk also. Low availability of funds coupled with high rate of interest is also a major risk for real estate industry. Uncertain interest rates lead to uncertainty in the real estate market. This trend of rising interest rate dampens the growth rate of demand for housing units. Change in Government Policies including change in Tax structure also affects the progress of the real estate industry. The Indian real estate market is still in its infancy, largely unorganized and dominated by a large number of small players, with very few corporates or large players having national presence. The Construction Industry is still subject to a number of taxes and is considered as one of the over burdened tax segment.

The Company will continue to remain alert and adapt to the evolving market realities and will like to remain proactive in scheduling the construction and sales based on these market realities.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The internal control of the Company ensures that all transactions are satisfactorily recorded and reported and all assets are protected against loss from unauthorized use or otherwise. It is supplemented by an Internal Audit system. The findings of such Internal Audits are periodically reviewed by the management and suitable actions taken to address the deficiencies, if any noted from such audits. The Audit Committee of the Board meets at regular intervals and addresses significant issues raised by both the Internal Auditors and the Statutory Auditors. The process of internal control and systems, statutory compliance,

information technology, risk analysis and risk management are inter-woven to provide a meaningful support to the management of the Company.

FINANCIAL PERFORMANCE

Financial year 2013-14 has seen a very good growth. The revenue of the Company increased by 89.40 % to Rs. 51.67 Crores as compared to Rs. 27.28 Crores in the previous financial year 2012-13.

The profit after tax increased by 75.96% to Rs.3.22 Crores compared to Rs. 1.83 Crores in the previous year 2012-13.

DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT

Since manpower is the biggest strength in Real Estate Sector the Company maintains its focus on human resources. It believes that people's contribution is the main engine for growth. They include encouraging participative management style, improvement of job skills of the employees, inculcating the spirit of innovativeness so as to improve their growth and quality of their work, empowering and motivating them and thereby raising their productivity by delegating authorities and responsibilities, establishing system of evaluation of employees, their performance, need for training and consequent rewards by way of increased salaries and perquisites, and their advancement through promotion/elevation in the hierarchy. The Company has made significant progress in building its team after analyzing varied sets of skills, knowledge, attitude and behaviour of its manpower.

Industrial relations during the year remained cordial and initiatives were taken to enhance the productivity of employees. All employees are working in harmonious and teamwork atmosphere which are at all time high.

The Board considers human resources as the most valuable asset in the organization and endeavour is to retain and develop it's human resources. The Corporate Human Resources department is committed to improve employee satisfaction at all levels and create a motivated, responsive and accountable organization.

REPORT ON CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance involves corporate fairness, integrity, transparency and accountability. An organisation's growth and stability depends on the co-operation from its stakeholders such as investors, customers, employees, banks and financial institutions etc. which can be secured only by following good governance practices. It is a continuous journey towards enhancing sustainable value creation and is an upward moving target. Good Corporate Governance practices take into account the diverse and varied interests of stakeholders and ensure that the management takes decisions in the best interest of the Company and the society.

The Company firmly believes in maintaining the highest standards of Corporate Governance and it constantly endeavours to adopt the best Corporate Governance practices and provide oversight and guidance to the management in strategy implementation, risk management and fulfilment of stated goals and objectives.

The Company's philosophy on Corporate Governance is primarily based on the principles of integrity, transparency, fairness, accountability, full disclosure and independent monitoring of the state of affairs. The Corporate Governance philosophy of the Company has been further strengthened with the adoption of the Samruddhi Code of Conduct, Samruddhi Code for Prevention of Insider Trading & Code of Corporate Disclosure Policies and the Samruddhi Whistle Blower Policy. The Company, through its Board and Committees, endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders.

The Company is in compliance with the Corporate Governance guidelines as stipulated under Clause 52 of the SME Equity Listing Agreement executed with the Stock Exchange.

A report on the matters specified in the said clause and the practices followed by the Company is detailed below.

2. BOARD OF DIRECTORS

Composition and Category of Directors

The Board of Directors comprised of 6 Directors as on 31st March, 2014 including 3 Executive Directors and 3 Independent Non-Executive Directors which is in compliance with clause 52 of the SME Equity Listing Agreement.

The Chairman of the Board is an Executive Director.

Non-Executive Directors' Compensation

As per the current Directors' remuneration policy, non-executive Directors of the Company are paid sitting fee of Rs. 5,000 per meeting for every meeting of the Board and its committees attended by them.

The Company did not have a stock option programme for the non-executive Directors during the year under review.

Board Procedure

A tentative annual calendar of Board and Committee Meetings is agreed upon at the beginning of the year. Additional meetings are held, whenever necessary.

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. To enable the Board to discharge its responsibilities effectively, the Managing Director apprises the Board at every meeting on the overall performance of the Company. In addition to the information required under Annexure IA to Clause 52 of the SME Equity Listing Agreement, the Board is also kept informed of major events / items wherever necessary.

The Company has an effective post meetings follow up, review and reporting process mechanism for the decisions taken by the Board/Committees. Action taken report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the members.

Attendance of each Director at the Board Meetings and the last AGM and their Category

During the Financial Year 2013-14, the Board of Directors met eight times on the following dates:

9th April 2013, 30th April 2013, 23rd July 2013, 30th August 2013, 13th September 2013, 12th November 2013, 28th November 2013 and 6th March 2014.

The gap between two Meetings did not exceed four months.

The attendance of each Director is given below

Name of the Director	Category	No. of Board Meetings held/ Attended during the tenure of Director, in the F.Y. 2013-14	Whether attended last AGM	No. of other Director-ships #	Committee Member-ships	Committee Chairman-ships
Mr. V. R. Manjunath	Chairman & Whole Time Director	5/8	Yes	NIL	NIL	NIL
Mr. Hemang D. Rawal	Managing Director	8/8	Yes	NIL	NIL	NIL
Mr. Ravindra M. Madhudi	Whole Time Director	8/8	Yes	NIL	NIL	NIL
Mr. Praveen Narayanaswamy	Non Executive Independent Director	5/8	Yes	NIL	NIL	NIL
Ms. Sushma Thirunalpalya Somashekarappa	Non Executive Independent Director	4/8	No	NIL	NIL	NIL
Mr. Srinivas Gudur Seshagirirao	Non Executive Independent Director	3/8	Yes	NIL	NIL	NIL

The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, section 25 companies and private limited companies.

· In accordance with clause 52 of SME Equity Listing Agreement, memberships/chairmanships of only the Audit Committee and shareholders/ investors grievance committees of all Public Limited Companies (Excluding Samruddhi Realty Ltd) have been considered.

3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has currently established the following Committees.

• AUDIT COMMITTEE

The Company's Audit Committee comprises three Directors as given below. All the members of the Committee have relevant experience in financial matters.

During the Financial Year 2013-14, the Committee met four times on the following dates:

30th April 2013, 23rd July 2013, 12th November 2013 and 6th March 2014.

The gap between two Meetings did not exceed four months.

The attendance of each member of the Committee is given below.

Name of the Director	Designation	Nature of Directorship	Number of Meetings Held / Attended
Mr. Srinivas Gulur Sheshagirirao	Chairman	Non-Executive Independent Director	3/4
Mr. Hemang D. Rawal	Member	Managing Director	4/4
Ms. Sushma Tirunalapalya Somashekarappa	Member	Non-Executive Independent Director	2/4

Terms of reference

- Review Financial reporting process
- Review Draft financial statements and auditor's report (before submission to the Board)
- Review Accounting policies and practices
- Review Internal controls and internal audit systems
- Review Risk management policies and practices
- Review Related party transactions
- Review Internal audit reports and adequacy of internal audit function

Generally all items listed in Clause 52 II (D) of the SME Equity Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 52 II (C) of the SME Equity Listing Agreement.

The role of the Audit Committee includes recommending the appointment and removal of the Statutory and Internal Auditor, discussion of the audit plan and fixation of audit fee and also approval of payment of fees for any other services.

The Audit Committee also reviews the functioning of the Whistle Blower Policy of the Company and cases reported thereunder. The meetings of Audit Committee are also attended by Chief Financial Officer, Statutory Auditors and Internal Auditors as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed in the next meeting of the Board.

• **REMUNERATION COMMITTEE**

The Company's Remuneration Committee comprises three Independent Directors as given below.

Name of the Director	Designation	Nature of Directorship	Number of Meetings Held / Attended
Mr. Praveen Narayanaswamy	Chairman	Non-Executive Independent Director	NIL
Mr. Srinivas Gudur Sheshagiri Rao	Member	Non-Executive Independent Director	NIL
Ms. Sushma Tirunalapalya Somashekarappa	Member	Non-Executive Independent Director	NIL

During the year there was no meeting of the Remuneration Committee and there has been no change in the Remuneration Policy of the Company.

The Remuneration Committee is authorised to determine the remuneration package for Executive Directors considering criteria such as industry benchmarks, financial performance of the Company, performance of the respective Director, etc.

The Company pays remuneration by way of salary to its Executive Directors. No remuneration is paid by way of commission to any Director. No remuneration is paid to any Non-Executive Director other than sitting fees for attending Board and Committee Meetings.

Terms of reference

- Determine the Company's policy on specific remuneration package for the Managing Director / Whole Time Director including pension rights.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- Formulate and administer the Employee Stock Option Scheme.

Details of remuneration paid to the Directors for the Year

Name of the Director	Remuneration paid during the year 2013-14 (Rs.)			
	Salary	Perquisites	Sitting Fees	Total
Mr. V. R. Manjunath	12,00,000	NIL	NIL	12,00,000
Mr. Hemang D. Rawal	30,00,000	NIL	NIL	30,00,000
Mr. Ravindra M. Madhudi	28,80,000	NIL	NIL	28,80,000
Ms. Sushma Thirunalpalya Somashekarappa	NIL	NIL	31,000	31,000
Mr. Praveen Narayanaswamy	NIL	NIL	21,000	21,000
Mr. Srinivas Gulur Seshagirirao	NIL	NIL	30,000	30,000

Shares held by Non Executive Directors as on 31st March, 2014

Name of the Non-Executive Director	Number of Shares Held
Ms. Sushma Tirunalapalya Somashekarappa	24,000
Mr. Praveen Narayanaswamy	12,000
Mr. Srinivas Gulur Sheshagirirao	NIL

· SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE

The Investor Grievance Committee looks into shareholders' and investors' grievances. The Committee inter alia approves issue of duplicate share certificates and oversees and reviews all matters connected with the transfer of securities. It looks into shareholders complaints like pending transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc. The committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

During the Financial Year 2013-14, the Committee met once on 6th March 2014. The composition and attendance of each member of the Committee is given below.

Name of the Director	Designation	Nature of Directorship	Number of Meetings Held / Attended
Ms. Sushma Tirunalapalya Somashekarappa	Chairman	Non-Executive Independent Director	1/1
Mr. Praveen Narayanaswamy	Member	Non-Executive Independent Director	0/1
Mr. Ravindra M. Madhudi	Member	Whole Time Director	1/1

Name, Designation and address of Compliance Officer

Mr. Dharmesh M. Kuvalekar
Company Secretary & Compliance Officer
Samruddhi Realty LTD.
The Land Mark
21/15, 4th Floor
M.G. Road
Bangalore – 560 001
E-mail: cssamruddhi@samruddhirealty.com

Total number of complaints received and redressed during the year

Complaints as on 1.04.2013 NIL
Complaints received during the year NIL
Complaints as on 31.03.2014 NIL

4. A) Details of Annual General Meetings: Location and Time of the last three AGM's.

Year	Location	Date	Day	Time	Nature of Special Resolution if any, passed
2010-11	202, Raheja Chambers, 12, Museum Road, Bangalore - 560 001	30th September, 2011	Friday	10.30 A.M.	NIL
2011-12	202, Raheja Chambers, 12, Museum Road, Bangalore - 560 001	29th September, 2012	Saturday	10.30 A.M.	NIL
2012-13	The Atria Hotel PB No. 5089 No. 1, Palace Road Bangalore - 560 001	29th August, 2013	Thursday	11.30 A.M.	NIL

B) During the year under review, no resolution was put through by Postal Ballot.

5. CODE OF CONDUCT

The Company has adopted the Samruddhi Code of Conduct for all the employees of the Company including the Directors. This Code of Conduct is posted on the Company's website. Further, all the Board members and Senior Management Personnel (as per Clause 52 of the SME Equity Listing Agreement) have affirmed the compliance with the Code of Conduct. A declaration to this effect signed by the Managing Director forms part of this report.

6. DISCLOSURES

- A. During the financial year 2013-14, there were no materially significant transactions entered into between the Company and its promoters, directors or the management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- B. Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

No penalties or strictures have been imposed on the Company by these authorities.

7. MEANS OF COMMUNICATIONS

All material information about the company is promptly submitted to the Bombay Stock Exchange LTD. where the company's shares are listed. Half-Yearly and Annual Financial Results are sent to the exchange for the information of the shareholders. The financial results are also displayed on the Company's web site www.samruddhirealty.com and on the official website of Bombay Stock Exchange LTD. (www.bseindia.com).

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of Annual Report.

9. COMPANY'S CORPORATE WEBSITE

The Company's website is a comprehensive reference on Samruddhi Realty LTD.'s Corporate Information, Projects, Financials, Board of Directors, Shareholding Pattern and Corporate Governance. The section on 'Investor Information' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to Registrar & Transfer agents and the Compliance Officer etc.

10. GENERAL SHAREHOLDER INFORMATION

a	AGM: Day, Date, Time and Venue	Tuesday, the 9 th September, 2014 at 11.30 a.m. AT Century Club, No.1, Seshadri Road, Bangalore - 560001			
b	Financial Year	1st April to 31st March			
	Financial Reporting (Tentative)	For Financial Year 1st April, 2014 to 31st March, 2015			
	Unaudited results for first half year ending September 30, 2014	On or before 14th November, 2014			
	Audited Results for year ending 31st March, 2015	On or before 30th May, 2015			
c	Date of Book Closure	12th August 2014 to 14th August 2014 (Both days inclusive)			
d	Listing on Stock Exchanges	The Shares of the Company are listed on The Bombay Stock Exchange Ltd. (SME Segment)			
e	Payment of Listing Fee	The Company confirms that it has paid Annual listing fees due to the stock exchange for the financial year 2014-2015			
f	Scrip Code	535466			
g	Scrip ID	SRL			
	Demat ISIN in NSDL and CDSL	INE621O01016			
h	Market Price Data	Month	High (Rs.)	Low (Rs.)	BSE Sensex (Closing)
		April 13	22.90	12.75	19,504.18
		May 13	34.70	19.95	19,760.30
		June 13	35.00	32.50	19,395.81
		July 13	45.20	32.00	19,345.70
		August 13	51.00	46.00	18,619.72
		September 13	46.00	35.00	19,379.77
		October 13	40.00	35.25	21,164.52
		November 13	40.00	37.00	20,791.93
		December 13	42.00	30.50	21,170.68
		January 14	41.00	35.00	20,513.85
		February 14	42.00	40.00	21,120.12
		March 14	49.95	40.00	22,386.27

i	Registrar and share transfer agents	Sharex Dynamic (India) Private Limited Unit-1, Luthra Industrial Premises 1st Floor, 44-E, M Vasanti Marg Andheri-Kurla Road Safed Pool Andheri (East) Mumbai – 400 072
j	Share Transfer System	Members are requested to correspond with the Company's Registrar & Transfer Agents quoting their Folio no. / DP ID and Client ID at the above address. Shares in physical form are processed by the Registrar and Share Transfer Agent within 15-20 days from the date of receipt, if the documents are complete in all respects.

Distribution of Shareholding as at 31st March, 2014

Sr. No.	Number of Equity Share Holdings	No. of Share Holders	Percentage of Shareholders	Number of Shares	Percentage of Shares
1	1-500	1	0.97	262	0.003
2	501-1000	00	00	00	00
3	1001-2000	1	0.97	2,000	0.024
4	2001-3000	00	00	00	00
5	3001-4000	6	5.83	24,000	0.285
6	4001-5000	00	00	00	00
7	5001-10000	9	8.74	67,738	0.805
8	Above 10000	86	83.49	83,18,000	98.883
TOTAL		103	100.00	84,12,000	100.00

Categories of shareholding as at 31st March, 2014

Category of Shareholders	Number of Shares	Percentage of shares
A. Promoters & Promoter Group	57,96,000	68.90
B. Public Shareholding		
Foreign Institutional Investors	00	00
Mutual Funds	00	00
Financial Institutions & Banks	00	00
Central Govt. / State Govt.	00	00
Bodies Corporate	7,88,262	9.37
Individuals	17,43,738	20.73
Directors & Relatives	36,000	0.43
NRIs & OCBs	48,000	0.57
Others	NIL	NIL
Total Public Shareholding	26,16,000	31.10
Total Shareholding (A+B)	84,12,000	100.00

Dematerialization of shares and liquidity

Percentage of Shares held in

Physical Form: NIL

Electronic Form: 100 %

11. OUTSTANDING GDRS/ADRS/WARRANTS OR OTHER CONVERTIBLE INSTRUMENTS

The company has no outstanding GDRs/ADRs/Warrants or other Convertible Instruments.

Shareholders should address all their correspondence related to company's shares to the Registrar and Share Transfer Agents, at the address mentioned above.

12. SUBSIDIARY COMPANIES

Clause 52 of the SME Equity Listing Agreement defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company did not have any "material non-listed Indian subsidiary" during the year under review.

13. RISK MANAGEMENT

The Company has a well-defined risk management framework in place. The Company has established procedures to periodically place before the Audit Committee and the Board, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate these risks.

14. CODE FOR PREVENTION OF INSIDER TRADING

The Company has framed a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The Code lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations.

15. CEO/CFO CERTIFICATION

The Chief Executive Officer (Managing Director) & Chief Financial Officer (General Manager-Finance) have certified to the Board in accordance with Clause 52(V) of the SME Equity Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March, 2014.

16. COMPLIANCE REPORT ON CORPORATE GOVERNANCE

The quarterly compliance report on Corporate Governance is submitted to the Stock Exchange within 15 days from the close of each quarter as per the format specified in clause 52 of the SME Equity listing agreement.

B. NON MANDATORY REQUIREMENTS

1. THE BOARD

The company has an Executive Chairman. All the independent Directors of the company were appointed w.e.f., 15th January, 2013. Hence they have not completed a tenure exceeding a period of nine years on the Board of Directors of the Company. All the Independent Directors of the company have the requisite qualifications and experience which would be of use to the company and which, in the opinion of the company, would enable them to contribute effectively to the company in their capacity as Independent Directors.

2. REMUNERATION COMMITTEE

The Board of Directors constituted a Remuneration Committee, which is entirely composed of Non-Executive Directors. The Committee also discharges the duties and responsibilities as described under non-mandatory requirements of Clause 52 of the SME Equity Listing Agreement. The composition of the Remuneration Committee and its terms of reference have been discussed in this Report.

3. SHAREHOLDERS RIGHTS

The half yearly results are displayed on the company web site, **www.samruddhirealty.com**

4. AUDIT QUALIFICATIONS

During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

5. WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower policy to provide a formal mechanism to the employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides for adequate safeguards against victimisation of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

DECLARATION ON CODE OF CONDUCT

This is to certify that the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been uploaded on the Company's website www.samruddhirealty.com

All the Board members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2014.

Bangalore
Date: 29.05.2014

Hemang D Rawal
Managing Director

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To

The Board of Directors
Samruddhi Realty Limited

We, the undersigned, in our respective capacities as Managing Director and General Manager-Finance of Samruddhi Realty LTD. ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2014 and based on our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Bangalore
Date: 29.05.2014

Hemang D Rawal
Managing Director

Yashodhara Kalleshappa
General Manager-Finance

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

To

The Members
Samruddhi Realty LTD.

We have examined the compliance of conditions of Corporate Governance by Samruddhi Realty LTD., for the year ended on March 31, 2014, as stipulated in Clause 52 of the SME Equity Listing Agreement.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For A. R. PAI & CO.

Chartered Accountants

Firm Registration Number.: 002519S

Sd/-

A. R. Pai

Proprietor

Membership No. 23139

Bangalore

Date: 29.05.2014

INDEPENDENT AUDITORS' REPORT

To the Members of Samruddhi Realty Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Samruddhi Realty Limited ('the Company') which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true & fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures, that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended by 'the Companies (Auditors Report Amendment Order, 2004)' issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2 As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
- (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dt. September 13, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013; and
- (e) On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

FOR A.R.PAI & CO.
CHARTERED ACCOUNTANTS
[Firm Registration No.002519S]

Bangalore
29-May-14

Sd/-
A. R. PAI
PROPRIETOR
[M. No. 023139]

Annexure to the Auditors' Report

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. The discrepancies reported on verification were not material and have been properly dealt with in the books of accounts.
- (c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- 2 (a) We are informed that inventories have been physically verified by the management during the year and also at the end of the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification were not material and have been properly dealt with in the books of account.
- 3 (a) Other than for interest free amounts advanced in the normal course of business to the tune of Rs. 5,028,130 to five entities, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The terms and conditions of such business advances are not prima facie prejudicial to the interest of the Company. According to the information and explanations given to us, there are no specific covenants with regard to interest/ repayment of such advances and the Company has not demanded repayment of such advances during the year, thus, there is no overdue amount and there has been no default on the part of the entities to whom the money has been given.
- (b) Other than for loans of Rs. 2,272,000 from two entities in which directors are interested, loans of Rs. 44,788,335 from three directors and advances of Rs. 32,520,067 from an associate company in the normal course of business, the Company has not availed any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year on account of unsecured loans is Rs. 67,940,735 and business advance is Rs.32,520,067. The terms and conditions on which the loans and advances have been availed are not prima facie prejudicial to the interest of the Company. In respect of the loans and advances taken, the principal and interest amount are payable in accordance with the terms and conditions, and payment of interest has been regular in accordance with such terms and conditions.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control systems.
- 5 (a) According to the information and explanations given to us, we are of the opinion that transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.

- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts and arrangements referred to in (5) (a) above and exceeding the value of rupees five lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6** In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- 7** In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8** We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- 9** (a) According to the records, information and explanations, provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amounts including Provident fund, Employees' state insurance, Income tax, Sales tax, Wealth tax, Cess, Service tax and other Statutory dues applicable to it and no undisputed amounts payable were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues on income-tax, Provident fund, Wealth tax, Service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- 10** The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the year and in the immediately preceding financial year.
- 11** Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company did not have any outstanding debentures or any outstanding loans from financial institutions during the year.
- 12** Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13** In our opinion, the Company is not a chit/nidhi/mutual benefit fund/society and therefore provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- 14** In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- 15** On the basis of information and explanations given to us, the Company has not given any guarantee for loans, taken by others from banks or financial institutions.
- 16** In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 17** According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- 18** According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under the section 301 of the Companies Act, 1956.

- 19 The Company did not have outstanding debentures during the year.
- 20 The Management has disclosed the end use of money raised by public issues and we have verified the same.
- 21 According to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the year.

FOR A.R.PAI & CO.
CHARTERED ACCOUNTANTS
[Firm Registration No.002519S]

Sd/-
A. R. PAI
PROPRIETOR
[M. No. 023139]

Bangalore
29-May-14

SAMRUDDHI REALTY LIMITED			
Balance Sheet as at March 31, 2014			
Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
		Rs.	Rs.
<u>EQUITY AND LIABILITIES</u>			
1 Share holders' funds			
Share capital	2.01	84,120,000	48,300,000
Reserves and surplus	2.02	46,821,208	28,646,693
		<u>130,941,208</u>	<u>76,946,693</u>
2 Share application money pending allotment		—	1,680,000
3 Non-current liabilities			
Long term borrowings	2.03	123,082,163	89,175,870
Long-term provisions	2.04	1,051,900	2,002,831
		<u>124,134,063</u>	<u>91,178,701</u>
4 Current liabilities			
Short term borrowings	2.05	151,577,112	44,451,631
Trade payables	2.06	164,658,107	62,392,364
Other current liabilities	2.07	458,486,131	314,689,558
Short-term provisions	2.08	13,835,354	3,379,224
		<u>788,556,704</u>	<u>424,912,777</u>
Total		<u>1,043,631,975</u>	<u>594,718,171</u>
<u>ASSETS</u>			
1 Non-current assets			
Fixed assets			
-Tangible assets	2.09	32,066,324	23,459,121
Non-current investments	2.10	96,198	306,198
Deferred tax assets (net)	2.11	1,529,263	1,302,837
Long-term loans and advances	2.12	88,628,589	58,185,673
		<u>122,320,374</u>	<u>83,253,829</u>
2 Current assets			
Inventories	2.13	442,451,585	219,271,119
Trade receivables	2.14	229,013,127	147,502,764
Cash and cash equivalents	2.15	189,365,755	104,903,695
Short term loans and advances	2.16	49,279,167	37,535,822
Other current assets	2.17	11,201,967	2,250,942
		<u>921,311,601</u>	<u>511,464,342</u>
Total		<u>1,043,631,975</u>	<u>594,718,171</u>
Significant accounting policies & notes on a/cs	1 & 2		
As per our report of even date attached		Sd/-	
for A.R.PAI & CO.,		HEMANG D. RAWAL	
CHARTERED ACCOUNTANTS		MANAGING DIRECTOR	
[Firm registration No. 002519S]		Sd/-	
		RAVINDRA MADHUDI	
		WHOLE TIME DIRECTOR	
		Sd/-	
Place : Bangalore	Sd/-	DHARMESH MARUTI KUVALEKAR	
Date : 29 May, 2014	A. R. PAI	COMPANY SECRETARY	
	PROPRIETOR [Membership No. 23139]		

SAMRUDDHI REALTY LIMITED			
Statement of Profit and Loss for the year ended March 31, 2014			
Particulars	Note No.	Year ended 31.03.2014	Year ended 31.03.2013
		Rs.	Rs.
1 Revenue from operations	2.18	508,135,380	268,378,831
2 Other income	2.19	8,596,674	4,459,552
3 Total		516,732,054	272,838,383
4 Expenses			
- Direct project expenses	2.20	502,857,460	249,609,514
- Changes in inventories of finished goods work in progress and stock-in-trade	2.21	(223,180,466)	(118,100,890)
- Employee benefit expenses	2.22	36,206,167	25,137,183
- Finance costs	2.23	52,500,472	32,673,921
- Depreciation and amortisation expense	2.24	7,135,768	3,762,742
- Other expenses	2.25	88,857,377	52,484,575
Total expenses		464,376,778	245,567,045
5 Profit before tax		52,355,276	27,271,338
6 Tax expense :			
- Current year		19,662,000	9,504,000
- Tax Adjustment of Prior years		725,187	-
- Deferred tax		(226,426)	(549,436)
		20,160,761	8,954,564
7 Profit for the year after tax		32,194,515	18,316,774
8 Earnings per equity share			
Basic & Diluted		4.17	6.14
Significant accounting policies & notes on a/cs	1 & 2		
As per our report of even date attached			
for A.R.PAI & CO., CHARTERED ACCOUNTANTS [Firm registration No. 002519S]		Sd/- HEMANG D. RAWAL MANAGING DIRECTOR	
		Sd/- RAVINDRA MADHUDI WHOLE TIME DIRECTOR	
Place : Bangalore Date : 29 May, 2014		Sd/- DHARMESH MARUTI KUVALEKAR COMPANY SECRETARY	
		Sd/- A. R. PAI PROPRIETOR [Membership No. 23139]	

SAMRUDDHI REALTY LIMITED				
Cash Flow Statement for the year ended March 31, 2014				
Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
	Rs.	Rs.	Rs.	Rs.
1 Net Profit / (Loss) before extraordinary items and tax	52,355,276		27,271,338	
Add/(less):				
Depreciation and amortisation	7,135,768		3,762,742	
Interest income	(8,285,212)		(2,793,525)	
Interest Paid	48,721,127		31,755,425	
Provision for dimunition in value of investments	-		84,000	
Operating profit before changes in working capital	99,926,960		60,079,980	
Adjustment for :				
Trade receivables	(81,510,363)		(81,987,473)	
Inventories	(223,180,466)		(118,100,890)	
Movement in loans, advances & other current assets	(51,137,286)		(32,490,665)	
Trade payables	102,265,743		45,173,227	
Movement in current liabilities & provisions	153,301,772		226,546,452	
	<u>(100,260,600)</u>		<u>39,140,651</u>	
Cash generated from operations	(333,641)		99,220,631	
Taxes paid	20,387,187		9,504,000	
Net cash from operating activities (A).		(20,720,828)		89,716,631
2 Cash flow from investing activities				
Purchase of fixed assets	(15,742,971)		(18,205,401)	
Sale of Investments	210,000		-	
Interest & dividend income	8,285,212		2,793,525	
Net cash from investing activities (B)		(7,247,760)		(15,411,876)
3 Cash flow from financing activities				
Proceeds from Capital Issue	21,800,000		25,800,000	
Proceeds from Share application money received	(1,680,000)		1,680,000	
Interest Paid	(48,721,127)		(31,755,425)	
Proceeds from long/short term borrowings	141,031,774		4,246,361	
Net cash flow financing activities (C).		112,430,647		(29,064)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		84,462,060		74,275,691
Opening balance of cash and cash equivalents		104,903,695		30,628,004
Closing balance of cash and cash equivalents		189,365,755		104,903,695
Net position		84,462,060		74,275,691
As per our report of even date attached				
for A.R.PAI & CO., CHARTERED ACCOUNTANTS [Firm registration No. 002519S]		Sd/- HEMANG D. RAWAL MANAGING DIRECTOR		
		Sd/- RAVINDRA MADHUDI WHOLE TIME DIRECTOR		
Sd/- A. R. PAI		Sd/- DHARMESH MARUTI KUVALEKAR		
Place : Bangalore Date : 29 May, 2014		COMPANY SECRETARY		
PROPRIETOR [Membership No. 23139]				

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS FOR THE YEAR
ENDED MARCH 31, 2014

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

These financial statements are prepared under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified U/s. 211(3C) of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956.

Use of estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements :

1 Revenue recognition

Revenue from real estate projects is recognised when it is reasonably certain that the ultimate collection will be made and that there is a buyer's commitment to make the complete payment. 'Percentage of Completion Method' is used to recognise the revenues.

2 Fixed assets

- (i) Fixed assets shown under gross block are valued at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition and also include cost of installation wherever incurred.
- (ii) Depreciation on fixed assets has been charged on written down value basis, pro-rata for the period of use, by adopting the revised rates of depreciation specified in Schedule XIV of the Companies Act, 1956. Leasehold land has been amortised over the period of the lease. Assets with individual value of less than Rs.5,000 are depreciated fully in the year of addition.

3 Inventories

The properties under development on the reporting date represents cost incurred in respect of the unsold area of the projects under development and cost incurred on the projects where revenue is yet to be recognised.

4 Investments

Long term Investments are valued at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of investments. Current investments are stated at lower of cost or market value.

5 Employee benefits

(a) Defined-contribution plans:

The Company has defined contribution plans (where Company pays pre-defined amounts and does not have any legal or informal obligation to pay additional sums) for post employment benefits (viz., Provident Fund), and the Company's contributions thereto are charged to Statement of profit and loss every year. The Company's contributions to State plan, namely, Employee Pension Scheme, 1995, are charged to Statement of profit and loss every year.

(b) Defined-benefit plan:

The Company has a defined benefit plan (viz., Gratuity) for employees, the liability for which is determined on the basis of valuation carried out by independent actuaries (under projected unit credit method) at the balance sheet date.

6 Foreign exchange transactions

- (i) All receipts and expenditure in foreign currencies are recorded at rates prevailing on the date when the relevant transaction took place.
- (ii) All monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the year end and all exchange gains/ losses arising thereon are adjusted to the statement of profit and loss account.

7 Lease accounting

- (i) Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalised at the inception of the lease at the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost and the interest cost is charged off to the Statement of profit and loss.
- (ii) Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the Statement of profit and loss.

8 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset till such time the asset is ready for its intended use. Other Borrowing Costs are recognised as an expense in the period in which they are incurred.

9 Taxes on income

Current tax -Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions as per the Income Tax Act, 1961, applicable rules and amendments thereof.

Deferred tax -Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable or virtual certainty, as may be applicable, that sufficient future taxable income will be available against which such deferred tax asset can be realised.

10 Earnings per share:

Annualized earnings/ (loss) per equity share (basic and diluted) is arrived at based on Net Profit/ (Loss) after Taxation to the weighted average number of equity shares.

11 Impairment of assets

An impairment loss is charged to the Statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount

12 Provisions and contingent liabilities

Based on the best estimate of the management, provisions are determined of the outflow of economic benefits which are required to settle the obligation as at the reporting date. Where no reliable estimate can be made, disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation that may, but probably will not, require an outflow of the Company's resources.

13 Cashflow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

NOTE 2 - NOTES ON FINANCIAL STATEMENTS

2.01 Share Capital

Particulars	As at 31.03.2014		As at 31.03.2013	
	Nos.	Rs.	Nos.	Rs.
Authorised				
Equity Share of Rs 10/- each	20,000,000	200,000,000	10,000,000	100,000,000
Issued				
Equity Share of Rs 10/- each	8,412,000	84,120,000	4,830,000	48,300,000
Subscribed and paid up				
Equity Share of Rs 10/- each	8,412,000	84,120,000	4,830,000	48,300,000
Par value per equity share		10		10

The Company has only one class of shares, referred to as equity shares having a par value of Rs. 10, per share. Each holder of equity shares is entitled to one vote per share.

(a) Reconciliation of the number of shares

Particulars	As at 31.03.2014		As at 31.03.2013	
	Nos.	Rs.	Nos.	Rs.
Equity Shares				
Share outstanding at the beginning of the year	4,830,000	48,300,000	2,250,000	22,500,000
Share issued during the year	3,582,000	35,820,000	2,580,000	25,800,000
Share outstanding at the end of the year	8,412,000	84,120,000	4,830,000	48,300,000

(b) Shares held by each shareholder holding more than 5% Shares :

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	% of holding	No. of Shares held	% of holding
V R Manjunath	1,920,000	23%	1,600,000	33%
Hemang D Rawal	1,812,000	22%	1,510,000	31%
Ravindra Madhudi	1,812,000	22%	1,510,000	31%
Hem Securities Limited	742,000	9%	-	-

(c) As on the date of the Balance Sheet,

(i) The Company did not issue any equity shares as fully paid equity shares pursuant to contract(s) without payment being received in cash

(ii) Initial Public Offer (IPO)

During the year the company completed a public issue of 21,80,000 equity shares of Rs.10/- each for cash at a price of Rs.12/- each aggregating to Rs.2,61,60,000/-. The premium of Rs.2/- per equity share amounting to Rs.43,60,000 has been credited to securities premium account. The share issue expenses have been set off against the securities premium account and the unabsorbed portion to the tune of Rs. 18,61,308 is debited to the statement of profit and loss for the year. Pursuant to the Public Issue, equity shares of the company have been listed on the Bombay Stock Exchange (SME) effective 12th April 2013.

(iii) The Company has issued 14,02,000 equity shares of Rs.10 each as fully paid-up bonus shares during the year. However, no buy back of any equity shares has been made as on the balance sheet date.

(iv) The Company has not issued any securities like Convertible Preference Shares, Convertible Debentures etc which are Convertible into equity / Preference Shares

(d) The actual utilisation of proceeds of the issue of Rs. 261.60 Lakhs as stated in the prospectus dated March 16, 2013 is as under

Particulars	As stated in the prospectus	Actual utilisation
	Rs. Lakhs	Rs. Lakhs
Part Repayment of Term Loan	223.00	223.00
Utilised for IPO expenses	38.60	38.60
Total	261.60	261.60

2.02 Reserves and surplus

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
General Reserve		
Opening Balance	10,000,000	-
Add: Transfer from surplus	8,500,000	10,000,000
Closing balance	18,500,000	10,000,000
Surplus/(deficit) in Statement of Profit & Loss:		
Opening Balance	18,646,693	10,329,919
Add: Profit for the year	32,194,515	18,316,774
Less: Transfer to General Reserve	(8,500,000)	(10,000,000)
Less: Utilised for bonus issue	(14,020,000)	-
Closing balance	28,321,208	18,646,693
Securities premium account		
Opening Balance	-	-
Add: Collected during the year	4,360,000	-
Less: Utilised towards IPO expenses	(4,360,000)	-
Closing balance	-	-
Total	46,821,208	28,646,693

2.03 Long term borrowings

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Secured		
From Banks	49,816,560	2,296,553
From Others	36,027,268	49,640,982
Unsecured		
From related parties	37,238,335	37,238,335
Total	123,082,163	89,175,870

Note: Refer note 2.28 for related party transactions and note 2.32 for terms of borrowings

2.04 Long term provisions

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Provision for gratuity	1,051,900	2,002,831
Total	1,051,900	2,002,831

2.05 Short term borrowings

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Loans repayable on demand -from banks	141,755,112	31,839,231
Unsecured loans from related parties	9,822,000	12,612,400
Total	151,577,112	44,451,631

Note: Refer note 2.28 for related party transactions and note 2.32 for terms of borrowings

2.06 Trade payables

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Trade payable for goods	76,437,984	28,963,934
Trade payable for services	88,220,123	33,428,430
Total	164,658,107	62,392,364

2.07 Other current liabilities

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Other payables		
Current maturities of long-term borrowings	96,957,084	139,723,764
Statutory liabilities	35,962,320	9,229,912
Advances from related parties	32,520,067	31,185,809
Outstanding expenses	37,924,576	1,354,673
Advances from customers	251,552,790	130,659,721
Others	3,569,294	2,535,679
Total	458,486,131	314,689,558

Note: Current maturities represent the amounts due within a year on secured loans. Refer Note 2.32.

2.08 Short term provisions

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Provision for tax (net)	13,667,534	3,059,692
Provision for gratuity	167,820	319,532
Total	13,835,354	3,379,224

2.09 Fixed Assets (attached separately)

2.10 Non - current investments

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Trade investmens (Unquoted at cost)		
Equity instruments	180,198	390,198
Less: Provision for dimution in value of investments	(84,000)	(84,000)
Total	96,198	306,198
Details of investments		
Equity instruments	Rs.	Rs.
I. Subsidiaries (Fully paid up)		
Samruddhi Gruha Nirman Private Limited		
Nil (Previous Year 7000) Equity Shares of Rs. 10/- each	-	70,000
Samruddhi Holiday Resorts Private Limited		
Nil (Previous Year 7000) Equity Shares of Rs. 10/- each	-	70,000
Samruddhi Vaastu infracon Private Limited		
Nil (Previous Year 7000) Equity Shares of Rs. 10/- each	-	70,000
II. Others	Rs.	Rs.
Century Extrusions Limited		
5000 (Previous Year 5000) Equity Shares of Rs. 10/- each	61,016	61,016
Market value on 31st March 2014 Rs. 6,400		
Kanoria Chemicals & Industries Limited		
1000 (Previous Year 1000) Equity Shares of Rs. 10/- each	35,182	35,182
Market value on 31st March 2014 Rs. 29,450		

2.11 Deferred taxes

Deferred tax is recognised subject to consideration of prudence on timing difference, being the difference between taxable income Deferred tax assets and deferred tax liabilities are offset when there is a legal enforceable right to set off assets against liabilities

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Tax effect of items constituting deferred tax asset		
On difference between book balance and tax balance of Fixed Assets	1,133,525	549,346
On difference between book balance and tax balance of Gratuity	395,738	753,491
Net deferred tax asset	1,529,263	1,302,837

2.12 Long term Loans and Advances

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Unsecured, considered good		
Rental deposits	5,705,931	3,683,415
Deposit with Govt authorities	2,850,950	1,155,550
Advance against land	80,071,708	53,346,708
Total	88,628,589	58,185,673

2.13 Inventories (at cost)

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Work-in-Progress		
Properties under development	442,451,585	219,271,119
Total	442,451,585	219,271,119

2.14 Trade receivables

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Unsecured, considered good		
Trade receivables o/s for a period exceeding six months	104,298,539	16,975,640
Others	124,714,588	130,527,124
Total	229,013,127	147,502,764

2.15 Cash and cash equivalents

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Balance with banks	29,579,163	45,414,159
Margin Money	851,525	-
Fixed deposits	156,838,602	56,838,602
Cash on hand	2,096,465	2,650,934
Total	189,365,755	104,903,695

2.16 Short term loans and advances

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Unsecured, considered good		
Advances to employee	2,018,828	1,617,717
Balances with government authorities	4,469,611	12,971,360
Advance for expenses and supplies	8,823,861	17,738,248
Advances to related parties	5,028,130	4,480,630
Advances to others	28,938,737	727,867
Total	49,279,167	37,535,822

Note: Refer note 2.28 for related party transactions and note 2.32 for terms of advances

2.17 Other Current Assets

Particulars	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Interest accruals	9,523,859	2,144,798
Others	1,678,108	106,144
Total	11,201,967	2,250,942

2.18 Revenues

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Sales	508,135,380	268,378,831
Total	508,135,380	268,378,831

2.19 Other Revenues

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Interest income		
Interest from banks on deposits	8,285,212	2,793,525
Other income		
Sundry balance written off	1,408	-
Maintenance charges	310,054	714,973
Others	-	951,054
Total	8,596,674	4,459,552

2.20 Direct Project expenses

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Cost of materials	255,848,167	135,669,089
Labour charges	94,249,193	44,699,396
Levies, sanctions & approvals	18,504,750	19,216,359
Cost of development rights and joint development cost	6,250,000	22,000,000
Security charges	3,491,896	2,474,218
Contractor payments	107,075,435	13,578,048
Professional charges	7,801,698	5,771,229
Others	9,636,321	6,201,175
Total	502,857,460	249,609,514

2.21 Decrease / (Increase) in Inventory

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Opening inventory	219,271,119	101,170,229
Less: Closing stock	442,451,585	219,271,119
Total	(223,180,466)	(118,100,890)

2.22 Employee benefit expenses :

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Salaries, allowances and other benefits	33,303,072	21,280,743
Contribution to provident & other funds	1,475,200	2,484,443
Staff welfare expenses	1,427,895	1,371,997
Total	36,206,167	25,137,183

2.23 Finance Cost

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Interest expense	48,721,127	31,755,425
Bank charges	3,779,345	918,496
Total	52,500,472	32,673,921

2.24 Depreciation and amortization

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Depreciation	7,135,768	3,762,742
Total	7,135,768	3,762,742

2.25 Other Expenses

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Rent	7,069,962	3,906,579
Repairs and maintenance	2,766,259	838,860
Rates and taxes	2,271,627	678,322
Travelling and conveyance	3,594,485	3,896,204
Power and fuel	505,782	992,177
Professional charges	843,567	445,000
Insurance	458,217	123,827
Communication expenses	2,239,974	1,352,695
Printing and stationery	1,420,142	1,134,353
Advertisements	39,739,417	19,628,477
Business promotions	7,062,267	6,183,912
Exhibitions & trade fairs	960,649	1,553,564
Commission & brokerage	11,816,683	5,699,307
Donations	445,001	710,000
Payment to Auditors	500,000	400,000
Prior period expenses	-	1,133,094
Web site charges	328,450	584,300
Miscellaneous expenses	6,834,895	3,223,904
Total	88,857,377	52,484,575

2.26 Contingent liabilities and commitments (to the extent not provided for)

In the opinion of the Board there are no contingent liabilities.

Commitments

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Major Contracts Commitment Outstanding for Civil, Consultancy and Supply contracts.	428,164,638	147,104,539
Total	428,164,638	147,104,539

2.27 Employee benefits

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

(a) Defined Benefit Plan (Gratuity)		Current Year Rs.	Previous Year Rs.
1. The amounts recognised in the Balance Sheet are as follows:			
Present value of unfunded obligations recognised		2,227,516	2,693,813
Fair Value of plan assets		1,007,796	371,450
Net Liability		1,219,720	2,322,363
2. The amounts recognised in the Profit & Loss A/c are as follows:			
Current Service Cost		262,322	395,547
Interest on Defined Benefit Obligation		51,254	106,824
Net Actuarial Losses / (Gains) Recognized in Year		(757,661)	905,079
Expected Return on plan assets		(6,541)	(21,501)
Total, Included in "Salaries, allowances & welfare"		(450,626)	1,385,949
3. Changes in the present value of defined benefit obligation:			
Present value of obligation at the beginning of the year		2,693,813	1,302,228
Current service cost		262,322	395,547
Interest cost		51,254	106,824
Benefits paid		(22,212)	(15,865)
Actuarial Losses/(Gains)		(757,661)	905,079
Defined benefit obligation as at the end of the year		2,227,516	2,693,813
4. Changes in the fair value of plan assets:			
Fair value of plan assets at beginning of year		371,450	169,086
Expected return on plan assets		6,541	21,501
Contributions		603,229	196,728
Benefits Paid		(22,212)	(15,865)
Actuarial gain/(loss) on Plan assets		-	-
Fair value of plan assets at the end of year		959,008	371,450
The principal actuarial assumptions for the above are:			
Discount rate per annum		8.00%	8.00%
Expected salary escalation rate per annum		7.00%	7.00%
(b) Defined Contribution Plans			
Provident Fund		688,014	428,718
The Company is registered with the Regional Provident Fund Commissioner for the Employees' Provident Fund Scheme. Contributions to Provident Fund are included under head Salaries, allowances and welfare in the Statement of profit and loss.			

2.28 Related party transactions

Description of relationship	Names of related parties	
Associates:	Samruddhi Infratech (India) Private Limited Studio 3 Planners Private Limited Samruddhi Real Assets Private Limited	
Entities under the control of key management personnel and their relative	Samruddhi Retail Mart Private Limited Lido Business Ventures Private Limited Lido Malls Management Private Limited Samruddhi Gruha Nirman Private Limited Samruddhi Holiday Resorts Private Limited Samruddhi Vaastu Infracon Private Limited Ascent Real Assets Private Limited Elements Constructions Private Limited Waybridge Capital Private Limited Ayushi Business Enterprises India Private Limited	
Key Management Personnel (KMP) :		
Managing Director	Hemang Rawal	
Whole Time Director	Ravindhra Madhudi	
Director	V.R.Manjunath	
Relative of director	Chaitali Rawal	
Relative of director	Nanda Ravindra	
Transactions:	31.03.2014	31.03.2013
Transaction with associates	Rs.	Rs.
Advances received / (paid)		
Samruddhi Infratech (P) Ltd	(212,500)	(305,407)
Samruddhi Real Assets (P) Ltd	(15,000)	(512,326)
Studio 3 Planners (P) Ltd	(320,000)	63,947
Interest paid		
Samruddhi Real Assets (P) Ltd	6,643,620	5,700,000
Balance outstanding		
Samruddhi Infratech (P) Ltd (dr)	1,097,633	885,133
Samruddhi Real Assets (P) Ltd (cr)	32,520,067	31,185,809
Studio 3 Planners (P) Ltd (dr)	3,834,553	3,514,552
Transaction with Entities under the control of key management personnel and their relative		
Advances received / (paid) (net)		
Samruddhi Holiday Resorts Private Ltd	(5,000)	(16,648)
Samruddhi Vaasthu Infracon (P) Ltd	(5,000)	(16,648)
Samruddhi Gruha Nirman Private Ltd	(5,000)	(32,648)
Ayushi Business Enterprises India Private Limited	-	(500,000)
Loans taken / (repaid) (Net)		
Waybridge Capital Private Limited	(9,088,800)	9,088,800
Ayushi Business Enterprises India Private Limited	(3,368,400)	4,023,600
Ascent Real Assets Pvt Ltd	2,116,800	-

2.28 Related party transactions (Contd.)

Transactions:	31.03.2014	31.03.2013
Interest paid		
Waybridge Capital Private Limited	3,420,800	1,900,800
Ayushi Business Enterprises India Private Limited	1,841,600	689,600
Ascent Real Assets Pvt Ltd	867,200	
Advertisement Charges paid		
Lido Malls Management Private Limited	563,224	-
Balance outstanding Dr/ (Cr)		
Waybridge Capital Private Limited	-	(9,088,800)
Samruddhi Gruha Nirman Private Ltd (dr)	37,648	32,648
Samruddhi Vaasthu Infracon (P) Ltd (dr)	36,648	31,648
Samruddhi Holiday Resorts Private Ltd	21,648	16,648
Lido Malls Management Private Limited	(195,000)	-
Ayushi Business Enterprises India Private Limited	(155,200)	(3,523,600)
Ascent Real Assets Pvt Ltd	(2,116,800)	-
Details of transaction with key mangament personel		
Directors remuneration		
V R Manjunath	1,200,000	1,200,000
Hemang D Rawal	3,000,000	3,000,000
Ravindhra Madhudi	2,875,000	2,889,000
Professional charges		
Chaitali Rawal	-	660,000
Nanda Ravindra	-	660,000
Shares allotment		
Hemang D Rawal	3,020,000	14,250,000
Ravindhra Madhudi	3,020,000	7,250,000
V R Manjunath	3,200,000	2,600,000
Chaitali Rawal	200,000	850,000
Nanda Ravindra	200,000	850,000
Interest paid		
Hemang D Rawal	39,960	-
Ravindhra Madhudi	85,748	-
Unsecured Loans taken		
Hemang D Rawal	2,700,000	60,000
Ravindhra Madhudi	5,800,000	-
Unsecured Loans repaid		
V R Manjunath	-	8,600,000
Hemang D Rawal	300,000	60,000
Ravindra Madhudi	650,000	-
Balance outstanding		
Chaitali Rawal	49,500	99,000
Hemang D Rawal (cr)	2,400,000	-
Ravindra Madhudi (cr)	5,150,000	
Nanda Ravindra	49,500	99,000
V R Manjunath (cr)	37,238,335	37,238,335

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the management, which has been relied upon by the auditors.

2.29 Leases

(a) Finance lease

The Company has not entered into any finance lease arrangements during the year.

- (b) Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable by mutual consent. There are no restrictions imposed by lease arrangements. Lease rental payments of Rs. 66,87,085/- (Pr. Yr Rs.39,06,579/-) made by the Company are recognized in the statement profit and loss account under the head 'Rent on premises'.

2.30 Earnings per share :

The Company has evaluated its earning per share as per the requirements of Accounting standard -20 issued by the Institute of Chartered Accountants of India, as under:

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Tax effect of items constituting deferred tax asset		
Net profit attributable to shareholders (Rs.)	32,194,515	18,316,774
Weighted average number of equity shares issued (Nos.)	7,724,466	2,984,247
Basic earnings per share of Rs. 10 each (Rs.)	4.17	6.14

2.31 Payment to Auditors :

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Statutory audit	375,000	275,000
Tax audit & tax matters	75,000	75,000
Certification & Other matters	50,000	50,000
Total	500,000	400,000

2.32 Secured loans & unsecured loans -terms

Secured borrowings

All secured loans are secured against the asset acquired utilising the said loan and are repayable as per the agreed repayment schedules ranging from 9 to 84 monthly installments.

Unsecured loans/advances from/to related parties

Terms :The advances are clean advances that are given/taken without any preconditions attached towards repayments except incase of Ayushi Business Enterprises India Private Limited, Ascent Real Assets Private Limited, Waybridge Capital Private Limited and loans given by Hemand Rawal & Ravindra M in their individual capacities wherein the repayments is as per individual contracts.

2.33 Prior period expenses

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Gratuity	-	1,133,094
Total	-	1,133,094

2.34 Expenditure in foreign currency

Particulars	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
Exhibition expenses	-	800,444
Referral fee	-	3,573,465
Others	5,169,624	227,657
Total	5,169,624	4,601,566

2.35 Segment Reporting

As the company has only one business segment, disclosure under Ind AS 18 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

2.36 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 read with notification no. 8/7/2006 – CDN dt 17/05/2007, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However in the view of the management, the impact of interest, if any, that may be payable as per the provisions of this Act is not expected to be material.

2.37 Realisations

In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

2.38 Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for except for as mentioned in note 2.26 above.

2.39 Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest rupees. Figures in brackets indicate negative values.

SAMRUDDHI REALTY LIMITED

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

2.09 FIXED ASSETS

Description	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	As on 01/04/2013	Additions during the period	Deletions/ Adjustments during the period	As on 31/03/14	As on 01/04/2013	For the Period	Deletions during the period	As at 31/03/14	As at 31/03/2014	As at 31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Plant & equipment	361,027	-	-	361,027	188,085	24,056	-	212,141	148,886	172,942
Office equipment	3,631,559	1,752,511	-	5,384,070	854,355	594,582	-	1,448,937	3,935,133	2,777,204
Computer equipment	1,723,320	628,348	-	2,351,668	1,037,264	421,290	-	1,458,554	893,114	686,056
Furniture and fixtures	3,117,083	95,997	-	3,213,080	975,052	398,247	-	1,373,299	1,839,781	2,142,031
Vehicles	26,191,983	13,266,115	-	39,458,098	8,511,095	5,697,593	-	14,208,688	25,249,410	17,680,888
Total	35,024,972	15,742,971	-	50,767,943	11,565,851	7,135,768	-	18,701,619	32,066,324	
Previous Year	16,819,571	18,205,401	-	35,024,972	7,803,109	3,762,742	-	11,565,851		23,459,121

SAMRUDDHI REALTY LIMITED

Regd. Office: The Land Mark, No. 21/15, 4th Floor, M. G. Road, Bangalore – 560 001

E-Communication

Dear Shareholder,

The Ministry of Corporate Affairs vide its Circular Nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 commenced the 'Green Initiative in Corporate Governance' thereby allowing paperless compliances by Companies through electronic mode. Further, in line with recent circular ref no. CIR/CFD/DIL/2011 dated 05.10.2011 issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the listing agreement, Companies can send Annual Report in electronic mode to shareholders who have registered their email addresses for the purpose.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of Samruddhi Realty Limited to contribute to the Corporate Social Responsibility initiative of the Company.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode.

Let's be part of this 'Green Initiative'!

Please note that as a member of the Company you will be entitled to receive all such communication in physical form, upon request.

Best Regards,

Hemang D Rawal
Managing Director

REGISTRATION FORM

Folio No. / DP ID & Client ID	
Name of 1st Registered Holder	
Name of Joint Holder(s)	
Registered Address	
E-mail ID (to be registered)	

I/we shareholder(s) of Samruddhi Realty Limited agree to receive communication from the Company in electronic mode.

Please register my above e-mail id in your records for sending communication through e-mail.

Date:

Signature

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

SAMRUDDHI REALTY LIMITED

Regd. Office: The Land Mark, No. 21/15, 4th Floor, M. G. Road, Bangalore – 560 001

ATTENDANCE SLIP

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.

I hereby record my presence at ELEVENTH ANNUAL GENERAL MEETING on Tuesday, the 9th day of September, 2014, at 11.30 A.M. at Century Club, No.1, Seshadri Road, Bangalore – 560001

Full name of Shareholder (in BLOCK Letters)	Full Name of Proxy (in BLOCK Letters)
Signature of Member / Proxy	Regd. Folio No. / DP ID* Client ID.* (*Applicable for members holding shares in electronic form.)

NOTES:

1. Member/Proxy holder wishing to attend the Meeting must bring the Attendance Slip to the Meeting.
2. Member/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the Meeting.

SAMRUDDHI REALTY LIMITED

Regd. Office: The Land Mark, No. 21/15, 4th Floor, M. G. Road, Bangalore – 560 001

FORM NO. MGT-11

PROXY FORM

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

CIN L07010KA2003PLC032934
Name of the Company SAMRUDDHI REALTY LIMITED
Registered Office The Land Mark, No. 21/15, 4th Floor, M. G. Road, Bangalore – 560 001

Name of the Member(s)	:
Registered Address	:
E-mail ID	:
Folio No/Client ID	:
DP ID	:

I/We, being the member(s) of..... shares of the above named company, hereby appoint

- 1 Name
Address
E-mail ID
Signature , or failing him
- 2 Name
Address
E-mail ID
Signature , or failing him
- 3 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 Eleventh Annual General Meeting of the company, to be held on the 9th day of September 2014 at 11.30 a.m. . at Century Club, No.1, Seshadri Road, Bangalore – 560001 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To adopt accounts 2. To re-appoint retiring Director. 3. To re- appoint Statutory Auditor 4. To alter the Articles of Association 5. To exercise borrowing powers 6. To mortgage the property of the Company. 7 . To declare bonus share

Signed this..... day of..... 2014

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

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.



Book Post

To

If undelivered please return to :

SAMRUDDHI REALTY LIMITED

The Land Mark, No. 21/15, 4th Floor, M. G. Road, Bangalore - 560 001