

DIRECTORS' REPORT

Dear Shareholders,

The Directors are pleased to present the First Annual Report together with the audited statements of accounts of the Company for the period from February 08, 2013 to March 31, 2014.

FINANCIAL RESULTS

(Rs. Amount)

Financial Results	2013 - 14
Total Revenue	3,89,48,027
Profit (Loss) before Interest, Depreciation & Taxation	45,86,746
Less : Interest	16,32,252
Depreciation (Net)	17,25,597
Profit /(Loss) before taxes	12,28,897
Taxes	3,99,526
Profit /(Loss) after tax	8,29,371
Balance brought forward	--
Balance carried forward	8,29,371

DIVIDEND

In view of the future investment plans of the Company, your Directors do not recommend any dividend inspite of profits for the period under review.



FIXED DEPOSITS

During the period, your Company has not accepted any deposits under the provisions of Section 58A of the Companies Act, 1956 and the rules made there under.

DIRECTORS

As per Articles of Association of the Company, Mr. Ankush Gupta, Mr. Akshat Gupta and Mrs. Sushma Gupta were appointed as first Directors of the Company. As per the provisions of the Companies Act, Mr. Ankush Gupta, Mr. Akshat Gupta and Mrs. Sushma Gupta, being the First Directors, retire by rotation and being eligible, offer themselves for re-appointment.

The Board has appointed Mr. Priyank Nevatia, Mr. Vishnupratap Dwivedi and Ms. Shreya Bagayatkar as Additional Directors of the Company with effect from June 18, 2014. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Priyank Nevatia, Mr. Vishnupratap Dwivedi and Ms. Shreya Bagayatkar hold office upto the date of the ensuing Annual General Meeting. It is proposed to appoint Mr. Priyank Nevatia, Mr. Vishnupratap Dwivedi and Ms. Shreya Bagayatkar as Independent Directors of the Company. The Company has received requisite notices in writing from members proposing Mr. Priyank Nevatia, Mr. Vishnupratap Dwivedi and Ms. Shreya Bagayatkar for appointment as Independent Directors.

Further, the Board of Directors, on the recommendation of the Remuneration Committee and subject to the approval of Shareholders and any other authorities, as may be applicable, at its meeting held on June 18, 2014, had unanimously approved appointment and the remuneration payable to Mr. Akshat Gupta as Managing Director and Mr. Ankush Gupta as Whole-time Director of the Company for a period of 3 years from June 18, 2014 to June 17, 2017.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors state that:

- a) In the preparation of the annual accounts for the period ended March 31, 2014 applicable accounting standards have been followed with no material departure;
- b) Your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit for the period under review;
- c) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The accounts for the period ended March 31, 2014 have been prepared on a going concern basis.

AUDIT COMMITTEE

The Audit Committee was constituted on June 18, 2014 and it comprises of Mr. Priyank Nevatia (Chairman), Ms. Shreya Bagayatkar and Mr. Ankush Gupta.

REMUNERATION COMMITTEE

The Remuneration Committee was constituted on June 18, 2014 which comprised of Ms. Shreya Bagayatkar (Chairperson), Mr. Priyank Nevatia and Mr. Vishnupratap Dwivedi.



AUDITORS

You are requested to appoint M/s. Jain Anil & Associates, Chartered Accountants as Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and fix their remuneration.

The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

AUDITOR'S REPORT

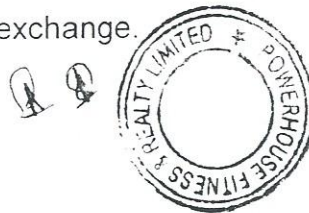
The observations made by the Auditor in their report are appropriately dealt with in the notes forming part of the accounts for the period which are self-explanatory and hence do not require any further explanations.

SECRETARIAL COMPLIANCE REPORT

A Compliance Certificate from M/s. Chandanbala Jain & Associates, Company Secretaries u/s 383 A of the Companies Act, 1956 in respect of the period ended March 31, 2014 is annexed to the Directors' Report.

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

The nature of the activity carried on by the Company at present is such that the requirement under the aforesaid rules for disclosure of information as regards conservation of energy or technology absorption is not applicable to the Company. The Company has not carried on, during the period under review any activity relating to exports and has not used or earned any foreign exchange.



PARTICULARS OF EMPLOYEES

There were no employees drawing a remuneration more than the limit prescribed under Section 217 (2A) of the Companies Act, 1956 and The Companies (Particulars of Employees) Rules, 1975 and as amended and forming part of this report for the period ended March 31, 2014.

ACKNOWLEDGEMENTS

The directors wish to place on record their appreciation for the abundant co-operation and assistance received from the Bankers and the employees and valued customers, during the period under review.

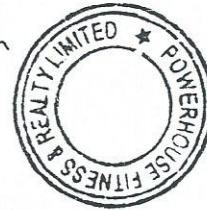
On behalf of the Board of Directors

For Powerhouse Fitness and Realty Limited


Akshat Gupta
Managing Director




Ankush Gupta
Whole-time Director



Place : Mumbai

Date : June 18, 2014

Jain Anil & Associates

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400052. Tel: +91 9870992248
Firm Registration Number: 115987W

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Powerhouse Fitness & Realty Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of **Powerhouse Fitness & Realty Ltd**, ("the company") which comprise the Balance Sheet as at 31/03/2014, and the Statement of Profit and Loss for the period then ended, and a summary of significant accounting policies and other explanatory information.

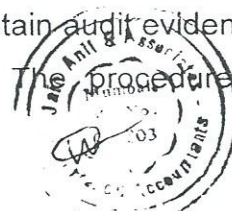
Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance of the company in accordance with the accounting standards referred to in sub –section (3C) of section 211 of the Companies Act 1956 ("the Act") The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

Audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depends upon



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auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that 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 case of the Balance Sheet, of the state of affairs of the Company as at **31/03/2014**;
- (b) in case Statement of Profit and Loss Account, of the **Profit** for the period ended on that date;
- (c) in case the cash flow statement, of the cash flow for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. This report doesn't include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003, issued by the department of company affairs, in terms of section 227 (4A) of the companies Act, 1956 since in Our opinion and according to the information and explanation given to us, the said order is not applicable to the company



Jain Anil & Associates

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Firm Registration Number: 115987W

2. As required by section 227(3) of the Act, we report that:
- We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion proper books of account as required by Law have been kept by the Company so far as appears from our examinations of those books;
 - 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;
 - In our opinion , the Balance Sheet, Statement of Profit and Loss and cash flow Statement comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act,1956;
 - On the basis of written representations received from the directors as on **31/03/2014** and taken on record by the Board of Directors, none of the director is disqualified as on **31/03/2014**, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Thanking you,

Yours faithfully,

For JAIN ANIL & ASSOCIATES.

CHARTERED ACCOUNTANTS

Firm Registration Number: 115987W



(ANIL JAIN)

PROPRIETOR

PLACE : MUMBAI

DATED : 18^h June 2014



ANNEXURE TO THE AUDITOR'S REPORT

ANNEXURE referred to in Paragraph 3 of our report of even date on the accounts of POWERHOUSE FITNESS AND REALTY LIMITED for the period ended 31st March 2014.

On the basis of checks as we considered appropriate and according to the information and explanation given to us, we report that in our opinion:

- (i) (a) The company is in the process of maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Physical verification of major fixed assets was conducted by the management during the year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year the company has not disposed off any fixed assets.
- (ii) (a) The Company does not have any inventory.
- (iii) (a) The company has granted unsecured loans to five parties covered in the register maintained under section 301 of the Companies Act, 1956. The aggregate maximum amount involved during the year was Rs. 3.06 Crores. The year-end balance of such loans was Rs. 0.72 Crores.
- (b) In our opinion, the terms and conditions on which the loan has been granted to the body corporate listed in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (c) In the case of loan granted to the body corporate listed in the register maintained under Section 301 of the Act, the terms of arrangement do not stipulate any repayment schedule and is repayable on demand. Accordingly, paragraph 4(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- (d) There are no overdue amounts of more than rupees one lakh in respect of the loan granted to a body corporate listed in the register maintained under Section 301 of the Act. Accordingly, paragraph 4(iii)(d) of the Order is not applicable.
- (e) The company has taken unsecured loans from Nine Parties (payable on call and no stipulation for due date of repayment) covered in the registered



maintained under section 301 of the Companies Act, 1956. The aggregate maximum amount involved during the year was Rs. 3.61 Crores. The is outstanding balances of such loans.

- (f) Other terms and conditions on which loans have been taken to companies listed in the register maintained under section 301 of the Companies Act, 1956 are *prima facie*, not prejudicial to the interest of the company.
 - (g) Since the loans taken are on call, there are no stipulations regarding their repayments.
- (iv) There are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sales of goods and services.
- (v) (a) The transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) The company has not entered into transactions that exceed the value of rupees five lakhs covered in the registered maintained under section 301 of the Companies Act, 1956.
- (vi) The company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- (vii) The Company has adequate internal audit system commensurate with its size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) (a) The company is generally regular in depositing undisputed statutory dues wherever applicable including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues with appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they



become payable.

(b) There are no dues of income tax, sales tax, customs duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute.

- (x) The Company does not have any accumulated loss at the end of the financial year.
- (xi) The company has not defaulted in repayment of dues, if any to banks.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge, shares and other securities.
- (xiii) The company is not a chit fund or nidhi mutual benefit fund/society.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- (xvii) On an overall examination of the balance sheet of the company, we report that the no funds raised on long term have been used for short term investment and vice versa.
- (xviii) The Company has allotted 40,28,200 shares at face value to seven parties covered in the register maintained under section 301 of the companies Act 1956, during the year.
- (xix) The company has not issued any debentures.



(xx) The Company has not raised any money by public issues during the year.

(xxi) Based on our audit procedures performed we report that no fraud on or by the company has been noticed or reported during the course of our audit during the year.

DR. JAIN ANIL B ASSOCIATES
Chartered Accountants

Anil B Jain
Proprietor



Powerhouse Fitness and Realty Ltd
(Since Incorporation)
Balance Sheet as at 31st March 2014

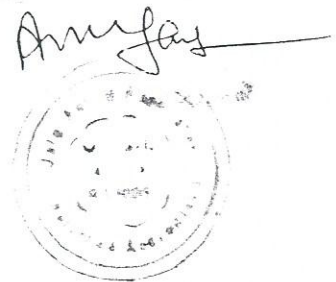
Particulars	Note No	As at 31st March 2014
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	2	4,07,82,000
(b) Reserves and Surplus	3	8,29,371
(2) Non-Current Liabilities		
(a) Long-term borrowings	4	1,68,63,237
(b) Deferred tax liabilities (Net)	8	2,95,253
(3) Current Liabilities		
(a) Trade payables	5	33,24,036
(b) Other current liabilities		18,51,564
(c) Short-term provisions		1,04,273
TOTAL		6,40,49,734
II. Assets		
(1) Non-current assets		
(a) Fixed assets	6	
(i) Tangible assets		2,62,50,154
(ii) Intangible assets		-
(iii) Capital work-in-progress		-
(iv) Intangible assets under development		90,17,807
(b) Other Non Current Asset		2,54,465
(2) Current assets		
(a) Cash and cash equivalents	7	19,11,092
(b) Short-term loans and advances		1,57,93,626
(c) Other current assets		1,08,22,590
TOTAL		6,40,49,734
Significant Accounting Policies	1	



For Powerhouse Fitness &
Realty Limited

Ankur Purota
Director

[Signature]
Director



Powerhouse Fitness and Realty Ltd
(Since Incorporation)
Statement of Profit & Loss For the period ended 31st March 2014

	Note No	For the Period ended 31st March 2014
Revenue from operations	9	3,83,56,435
Other Income	10	5,91,592
Total Revenue (I)		3,89,48,027
Expenses:		
Cost of materials consumed	11	1,27,19,771
Employee benefit expense	12	19,63,265
Financial costs	6	17,25,597
Depreciation and amortization expense	13	2,13,10,497
Other Expenses		3,77,19,130
Total Expenses (II)		
V. Profit before exceptional and extraordinary items and tax		12,28,897
VI. Exceptional Items		-
VII. Profit before extraordinary items and tax		12,28,897
VIII. Extraordinary Items		-
IX. Profit before tax		12,28,897
X. Tax expense:		
(1) Current tax		1,04,273
(2) Deferred tax		2,95,253
(3) Prior Year Taxation		
XI. Profit(Loss) from the period from continuing operations		8,29,371
XII. Profit/(Loss) from discontinuing operations		-
XIII. Tax expense of discounting operations		-
XIV. Profit/(Loss) from Discontinuing operations		-
XV. Profit/(Loss) for the period		8,29,371
XVI. Earning per equity share:		
(1) Basic		0.20
(2) Diluted		0.20
Significant Accounting Policies	1	
Notes on Financial Statements	2-13	

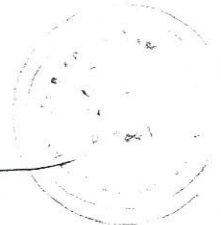


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JAIN ANIL & ASSOCIATES
Chartered Accountants

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Powerhouse Fitness and Realty Ltd
Notes to financial statement

Note-2: Share Capital

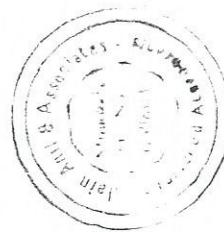
	As at 31 March 2014
Authorised 7000,000 Equity Share of Rs 10/- each	7,00,00,000
	<u>7,00,00,000</u>
Issued, Subscribed & Paid Up 40,78,200 Equity Shares of Rs 10/- each fully paid up in cash	4,07,82,000
Total	4,07,82,000

Refer Notes (i) to (iv) below

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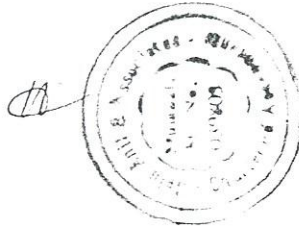
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Powerhouse Fitness and Realty Ltd

Note-3 : Reserves & Surplus

	As at 31 March 2014
a. Profit & Loss Account	
Opening Balance B/f	-
Add:- Profit for the Current Year	8,29,371
Total	8,29,371



Powerhouse Fitness and Realty Ltd

Note-4 : Long Term Borrowings

	As at 31 March 2014
(a) Term loans	
From Banks	
Secured	1,58,63,237
Unsecured	-
(b) Loans and advances	
Secured	
Unsecured	10,00,000
TOTAL	1,68,63,237

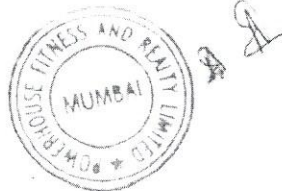
Notes

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

Particulars	As at 31 March 2014
BOB Loan	1,31,24,184
BOB Loan	27,39,053
Total Term Loans from Bank	1,58,63,237

(ii) Details of Unsecured loans


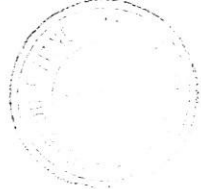
Particulars	As at 31 March 2014
Universal Fitness	10,00,000
Total Unsecured Loans	10,00,000





Powerhouse Fitness and Realty Ltd

Note-5 : Current Liabilities

	As at 31 March 2014
(a) Trade Payables	
Sundry Creditors for Goods	-
Sundry Creditors for Expenses	33,24,036
	33,24,036
(b) Other Current Liabilities	
Duties & taxes	18,51,564
	18,51,564
(c) Short-Term Provisions	
Provision for Income Tax	1,04,273
Provision for Expenses	-
	1,04,273



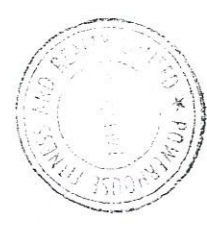




Powerhouse Fitness and Realty Ltd

Note-6 : Fixed Assets

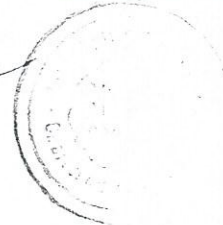
Particulars	Gross Block					Depreciation			Net Block
	Opening Balance	Additions	Disposals/Reclassification	Balance as at 31.03.2014	Opening Balance	Depreciation Charge for the year	On Disposals	Balance as at 31.03.2014	Balance as at 31.03.2014
Computers	-	4,68,704	-	4,68,704	-	97,994	-	97,994	3,70,709
Air Conditioner	-	12,02,935	-	12,02,935	-	1,16,365	-	1,16,365	10,86,570
Building	-	41,28,513	-	41,28,513	-	1,19,897	-	1,19,897	40,08,616
Fitness Equipments	-	1,49,04,519	-	1,49,04,519	-	7,10,233	-	7,10,233	1,41,94,286
Plant & Machinery	-	4,98,881	-	4,98,881	-	24,984	-	24,984	4,73,897
Furniture & Fixture	-	67,72,199	-	67,72,199	-	6,56,123	-	6,56,123	61,16,076
	-	2,79,75,751	-	2,79,75,751	-	17,25,597	-	17,25,597	2,62,50,154
Intangible Assets	-	90,17,807	-	90,17,807	-	-	-	-	90,17,807
CWIP	-	-	-	-	-	-	-	-	-
Total	-	3,69,93,558	-	3,69,93,558	-	17,25,597	-	17,25,597	3,52,67,961

Powerhouse Fitness and Realty Ltd

Note- 7 : Current Assets

Current Assets	As at 31 March 2014
(a) Cash and Cash Equivalents:	
Cash in Hand	1,50,544
Bank Accounts	
With Schedule Banks	
In current Account	17,60,548
	19,11,092
(b) Short-Term Loans & Advances	
Advances recoverable in Cash or in Kind	
or for value to be received which includes	
(i) Earnest & Security Deposit	1,57,93,626
	1,57,93,626
(c) Other Current Assets	
(i) Loans & Advances Receivable / Value to be received	1,08,22,590
	1,08,22,590



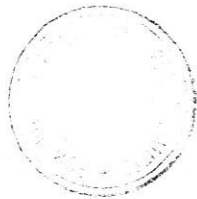
Note-8 : Deferred tax liabilities (Net)

Particulars	As at 31 March 2014 Rs.
Deferred tax (Liability) / Asset	
Tax effect of items constituting deferred tax liability	
On difference between book balance and tax balance of fixed assets	2,95,253
On expenditure deferred in the books but allowable for tax purposes	-
On items included in Reserves and surplus pending amortisation into the Statement of Profit & Loss	-
Others	-
Tax effect of items constituting deferred tax liability	2,95,253
Tax effect of items constituting deferred tax assets	
On difference between book balance and tax balance of fixed assets	-
Tax effect of items constituting deferred tax assets	-
Net Deferred Tax Asset / (Liability) Recognised	2,95,253
Deferred Tax Charge for the year :	
Particulars	As at 31 March 2014
Opening Net Deffered Tax Asset / (Liability)	-
Less : Closing Net Deferred Tax Asset / (Liability)	2,95,253
Deferred Tax charge for the year	(2,95,253)

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Powerhouse Fitness and Realty Ltd
Notes to Financial Statements

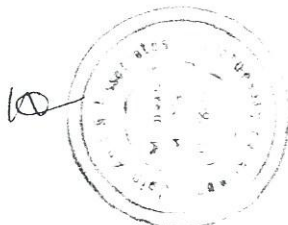

	For the period ended 31st March 2014
INCOMES	
Note-9	
Revenue From Operations	
Sales	3,83,56,435
	3,83,56,435
Note-10	
Other Income	
Discount & Other Income	5,91,592
	5,91,592
EXPENSES	
Note-11	
Employee Benefits Expense	
Salary And Bonus	1,26,37,227
Staff Welfare Expenses	82,544
	1,27,19,771
Note-12	
Finance Costs	
Interest on Others	-
Interest - Bank	16,32,252
Bank Charges	3,31,013
	19,63,265



Powerhouse Fitness and Realty Ltd
Notes to Financial Statements

	For the period ended 31st March 2014
Note-13	
Other Expenses (Administration)	
Advertisement Expenses	-
Brokerage & Commission	31,68,000
Computer / Office Maintenance	85,737
Electricity Expenses	56,81,759
Entertainment Expenses	8,975
General Expenses	16,63,140
Other Charges	20,846
House Keeping Charges	8,37,189
Insurance Charges	1,33,955
Internet Charges	27,428
Misc. Expense written off	63,619
Legal & Professional Charges	6,06,326
Office Rent	69,17,500
Printing & Stationery	6,29,487
Repairs & Maintenance	6,71,274
Rates & Taxes	64,067
Security Charges	54,251
Tea & Coffee	19,492
Travelling Expense	2,29,774
Telephone Expense	4,27,678
	2,13,10,497

Powerhouse Fitness and Realty Ltd
Notes to financial statements for the period ended March 31, 2014

Note-1:

1. Corporate Information

Powerhouse Fitness and Realty Limited (the 'Company') was incorporated in India on February 8, 2013. The Company is registered under The Companies Act, 1956.

2. Basis of Preparation

The financial statements of the company have been prepared for 14 months from the date of incorporation in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

2.1 Significant Accounting Policies

a) Basis of Accounting

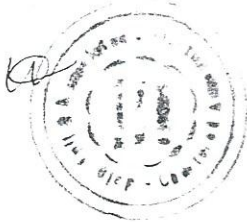
The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956, and the applicable Accounting Standards referred to in section 211(3C) of the Companies Act, 1956. All income and expenditure having material bearing on the financial statements are recognised on accrual basis.

b) Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets & Depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes Custom duties, inward freight, duties, taxes and incidental expenses related to the acquisition and installation of the assets. Brand name of the company has been recognised as intangible asset, all the advertisement expenses incurred for the branding has been recognised as the cost of the Intangible asset. As per AS - 26, amortization of the intangible asset should be done over the life of the asset, the same will be done from next year.



Powerhouse Fitness and Realty Ltd
Notes to financial statements for the period ended March 31, 2014

Depreciation on fixed assets is provided using the Written Down Value method ('WDV').

In respect of assets acquired / sold / discarded during the financial year, depreciation is provided on pro-rata basis.

The carrying amounts of all assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

d) Revenue Recognition

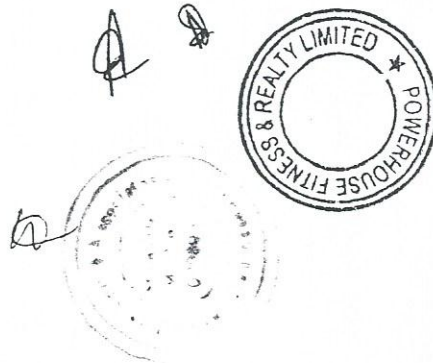
Revenue is accounted for on accrual basis. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

e) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized and carried forward for all deductible timing differences only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward of unabsorbed depreciation and tax losses, all deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realized.



Powerhouse Fitness and Realty Ltd
Notes to financial statements for the period ended March 31, 2014

f) Provisions & Contingencies

A provision is recognized when the Company has a present obligation as a result of the past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

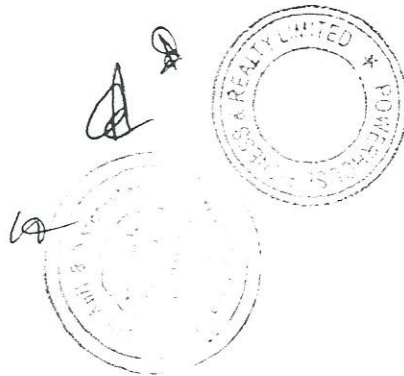
g) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential dilutive equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

k) CashFlow Statement

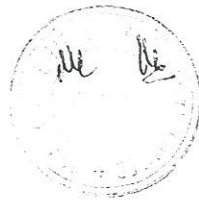
The Cash flow statement has been prepared using the indirect method set out in Accounting Standard - 3 "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the cash flow statement consist of cash in hand and at bank.



Powerhouse Fitness and Realty Ltd
Cash Flow Statement

	DESCRIPTION	2013-14 Amt. (Rs.)
A	Cash Flow from operating Activities	
	Net Profit before tax and extraordinary items	12,28,897
	Adjusted for :	
	Depreciation and Amortisation	17,25,597
	Provision/Contingency/Extra Ordinary Items	-
	Loss on sale of fixed assets	-
	Interest Expenses	19,63,265
	Operating Profit before Working Capital Changes	49,17,759
	Adjusted for :	
	(Increase) / Decrease in Inventories	-
	(Increase) / Decrease in Sundry Debtors	-
	(Increase) / Decrease in Loans & Advances	(1,57,93,626)
	(Increase) / Decrease in Other Current Assets	(1,10,77,055)
	Increase / (Decrease) in In Current Liabilities	51,75,600
Cash Generated from Operations	(1,67,77,322)	
Taxes Paid	-	
	Net Cash from Operating Activities	(1,67,77,322)
B	Cash Flow from Investing Activities	
	Purchases of Fixed Assets ()	(3,69,93,558)
	Sale of Fixed Assets	-
	sale of Investments	-
	Net Cash from Investing Activities	(3,69,93,558)
C	Cash Flow from Financing Activities	
	Issue of Ordinary Share Capital	4,07,82,000
	Proceeds / (Repayment) from Long Term Borrowings	1,68,63,237
	Proceeds / (Repayment) from Short Term Borrowings	-
	Interest Expenses	(19,63,265)
	Net cash from Financing Activities	5,56,81,972
	Net Increase / (Decrease) in Cash and Cash Equivalents	19,11,092
	Cash and Cash Equivalents as at 08-02-2013	-
	Cash and Cash Equivalents as at 31-03-2014	19,11,092



h) Related Party Disclosures (AS-18)

Name of related parties where control exists irrespective of whether transactions have occurred or not

Key Management Personal ('KMP')	Mr. Akshat Gupta	: Shareholder and Director
	Mr. Ankush Gupta	: Shareholder and Director
	Mr. Sushma Gupta	: Shareholder and Director
Name of other related parties with whom transactions have taken place during the year	Mr. Ashok Gupta	: Shareholder and relative of Director
	Powerhouse Fitness Ltd.	: Common Shareholder and Director
	Pinnacle High International School	: Director is Trustee
	Shree Balaji International School	: Director is Trustee
	Santowin Corporation Ltd.	: Common Shareholder and Director
	Ani Anu Developers Pvt. Ltd.	: Common Shareholder and Director
	Ashok Gupta HUF	: Shareholder and relative of Director
	Shushanku Enterprises Ltd.	: Common Shareholders

(i) Transactions with related parties during the year :

Name of Related Party	Nature of Transaction	Period Ended 31st March, 2014
Akshat Gupta	Directors Remuneration	11,50,000
	Loan taken	16,15,570
	Loan repaid	16,15,570
Ankush Gupta	Directors Remuneration	11,50,000
	Loan taken	13,38,232
	Loan repaid	13,38,232
Powerhouse Fitness Ltd.	Loan taken	2,53,41,180
	Loan repaid	2,53,41,180
Santowin Corporation Ltd.	Loan taken	2,83,462
	Loan repaid	2,83,462
Ashok Gupta	Loan taken	10,10,000
	Loan repaid	10,10,000
Pinnacle High International School	Loan taken	10,00,000
	Loan repaid	10,00,000
Shree Balaji International School	Loan taken	53,00,000
	Loan repaid	53,00,000
Ani Anu Developers Pvt. Ltd.	Loan given	40,00,000
	Payment received	11,50,000
Ashok Gupta HUF	Loan given	5,70,338
	Payment received	5,70,338
Shushanku Enterprises Ltd.	Loan given	2,39,61,372
	Payment received	1,96,09,581

(ii) Balances of related parties at the end of the year :

Name of Related Party	Nature of Transaction	Period Ended 31st March, 2014
Ani Anu Developers Pvt. Ltd.	Loan Given	28,50,000
Shushanku Enterprises Ltd.	Loan Given	43,51,791

