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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Caspia Hotels Private Limited**

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of Caspia Hotels Private Limited (the "Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

**Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 of India (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from financial misstatements, whether due to fraud and error.

**Auditor's Responsibility**

3. 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. These Standards require that we comply with Ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Kulvi*

## Opinion

6. In our opinion, and to the best of our information and according to the explanation given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- In the case of the Balance Sheet , of the state of affairs of the Company as at March 31<sup>st</sup>, 2013;
  - In the case of the Statement of Profit and Loss , loss for the year ended on that date; and
  - 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

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.
8. **As required by section 227(3) of the Act, we report that:**
- We have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - In our opinion, proper books of accounts as required by laws have been kept by the Company so far as appears from our examination 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 dealt with by this report comply with the Accounting Standards referred to in sub- section (3C) of section 211 of the Act;
  - On the basis of written representation received from the directors as on March 31<sup>st</sup>, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2013, from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Act.

For *Anand Mehta & Associates*

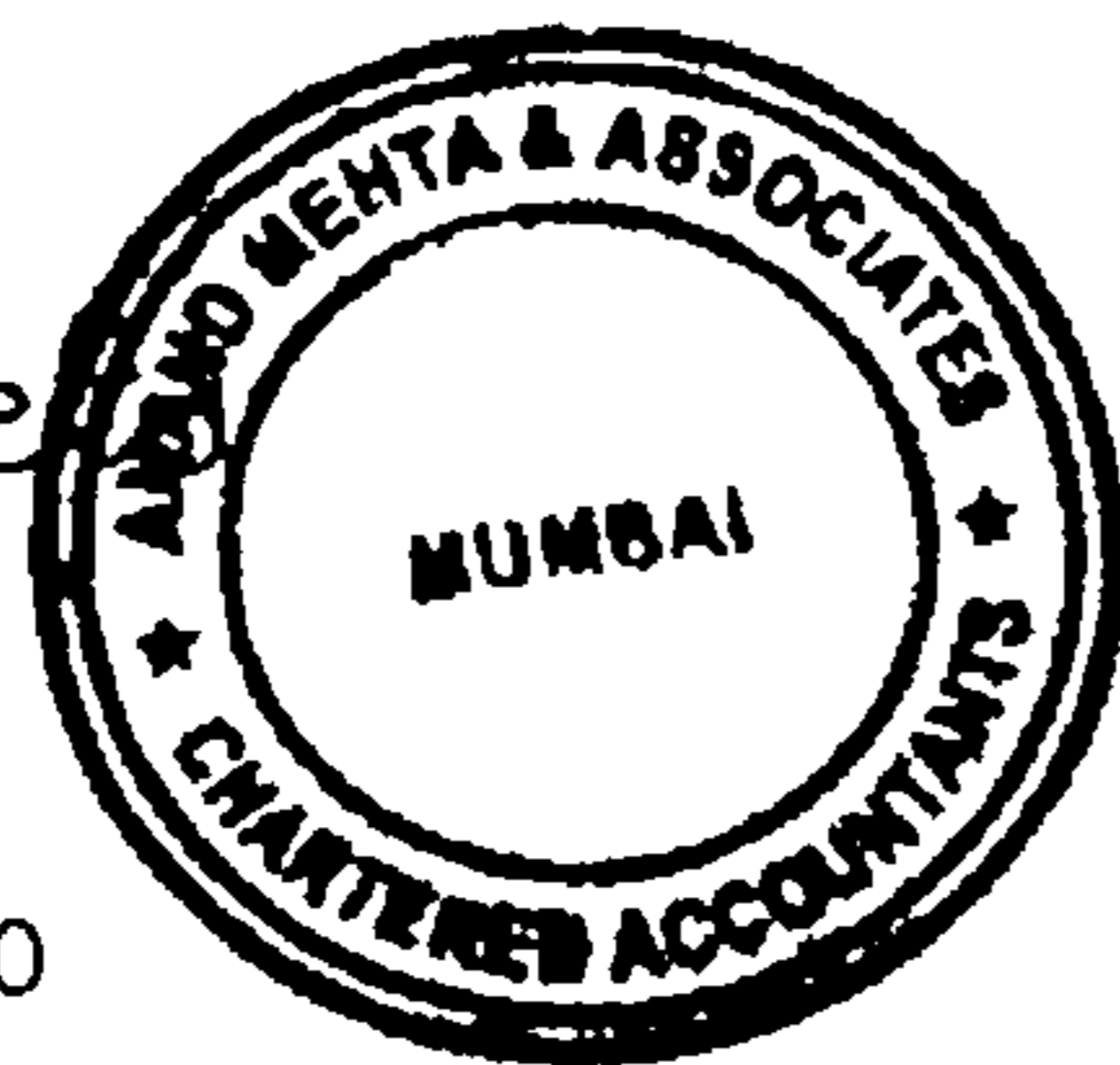
CHARTERED ACCOUNTANTS

F.R No. 127305W

*Kulin V. Mehta*

Kulin V. Mehta  
Partner

Membership No. 38840



Pune: **02** MAY 2013



Anand Mehta & Associates

Chartered Accountants

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**ANNEXURE TO AUDITOR'S REPORT**

Annexure referred to in Paragraph of the Independent Auditor's report to the members of Caspia Hotels Private Limited for the year ended 31st March, 2013

1.
  - a. The Company is maintaining proper records showing full particulars of fixed assets.
  - b. In our opinion, the fixed assets have been physically verified by the management at regular intervals, having regard to the size of the Company and nature of its assets. No material discrepancies between the book records and physical inventory were noticed.
  - c. During the year, the Company has not disposed off any fixed assets.
2. The Company did not have purchases or any inventory during the year and therefore, the clauses (a), (b) and (c) of paragraph 4 (ii) of the Order are not applicable to the Company.
3. The Company has neither taken nor given any loans from/to Companies, firms, or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 and therefore, the clause (a) to (g) of Paragraph 4 (iii) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets.

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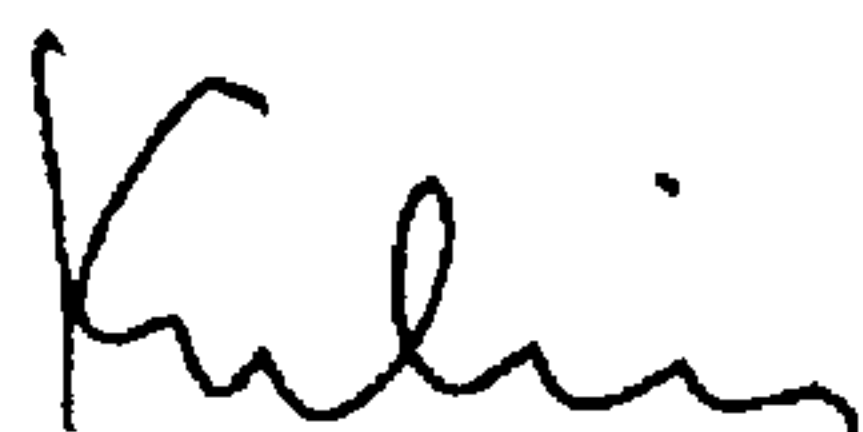
Mumbai:334, Mulratna Narshi Natha Street, Masjid(W), Mumbai 400009 Ph.022-42133124 email: amcon.mumbai@amcount.com  
Pune: B/5, Shardaram Park, 34 Sasson Road, Near Jahangir Hospital, Pune-411001 Ph. 020-64013124 email: amcon.pune@amcount.com

*Kulvir*

5. According to the information and explanation given to us, the Company has not entered into any contract or arrangement, for purchases of goods and materials and/or sales of goods, materials and services, with the parties referred under section 301 of the Companies Act, 1956 and therefore, the clauses (a) and (b) of the paragraph 4 (v) of the Order are not applicable.
6. The Company has not accepted any deposits from the public within the meaning of the section 58A and 58AA and rules framed there under.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
8. According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
9.
  - a. According to the information and explanation given to us, the Company was regular in depositing with appropriate authority undisputed statutory dues in respect of Investor Education and protection fund, Wealth tax, service tax, cess and other statutory dues as may be applicable. There are no arrears of any statutory dues which were outstanding as at year end for a period of more than 6 months from the date they became payable.
  - b. According to the information and explanation given to us, there are no dues of in respect of Sales tax, Income tax, Custom duty, Wealth tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
10. The accumulated losses of the Company are not in excess of fifty percent of its net worth at the end of the year. The Company has incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the term loan with scheduled bank has been restructured during the year by extending the moratorium period and commercial operation date. In view of restructuring of loan, there has been no default in payment due to the bank.



12. According to the explanation and information given to us, the Company has not granted any loans or 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 fund or nidhi or mutual benefit fund/society and therefore, the clause (xiii) of the paragraph 4 of the Order is not applicable.
14. According to information and explanation given to us, the Company is neither dealing nor trading in shares, securities, debentures and other investments and therefore the clause (xiv) of the paragraph 4 of the Order is not applicable.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanation given to us, the funds raised by the Company by way of term loans availed from Bank and/or financial institutions have been applied for the purpose for which the same has been availed.
17. The Company has not raised any short term funds and therefore, the clause (xvii) of the paragraph 4 of the Order is not applicable.
18. According to the explanation and information given to us, in respect of the preferential allotment of shares made by the Company during the year to the holding company covered in the Register maintained under section 301 of the Companies Act, 1956, the price at which shares have been issued are not prejudicial to the interest of the Company.
19. The Company has not issued any debentures and therefore, the clause (xix) of the paragraph 4 of the Order is not applicable.
20. The Company has not made any issue of shares, debentures or any other securities to the public during the year under review and therefore, the clause (xx) of the paragraph 4 of the Order is not applicable.



21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

*For Anand Mehta & Associates*

Chartered Accountants  
Firm Registration No. 127305W

*Kulin V Mehta*

Kulin V Mehta  
Partner  
Membership No. 38440



Pune; Dated 02 MAY 2013

**Caspia Hotels Private Limited**  
**Balance Sheet as at March 31, 2013**

Currency Indian Rupees

Particulars	Note	March 31, 2013	March 31, 2012
<b>Equity and Liabilities</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	180,000,000	150,000,000
Reserves and Surplus	4	(3,965,326)	(3,347,124)
		176,034,674	146,652,876
Share Application money pending allotment	5	3,600,000	500,000
<b>Non-Current Liabilities</b>			
Long term borrowings	6	129,877,092	108,875,000
		129,877,092	108,875,000
<b>Current Liabilities</b>			
Other current liabilities	7	5,063,877	35,904,057
		5,063,877	35,904,057
		<b>314,575,643</b>	<b>291,931,933</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets	8		
Tangible assets		98,158,001	98,158,001
Capital work in progress		201,180,991	178,198,070
Long term loans and advances	9	14,859,428	15,103,723
		314,198,420	291,459,794
<b>Current Assets</b>			
Cash and Bank Balances	10	269,740	394,765
Other current assets	11	107,484	77,373
		377,224	472,138
		<b>314,575,643</b>	<b>291,931,933</b>
Summary of Significant Accounting Policies	2		
Notes to the financial statements	3 - 19		

The notes referred to above form an integral part of these financial statements.

As per our report of even date

For Anand Mehta & Associates

Chartered Accountants

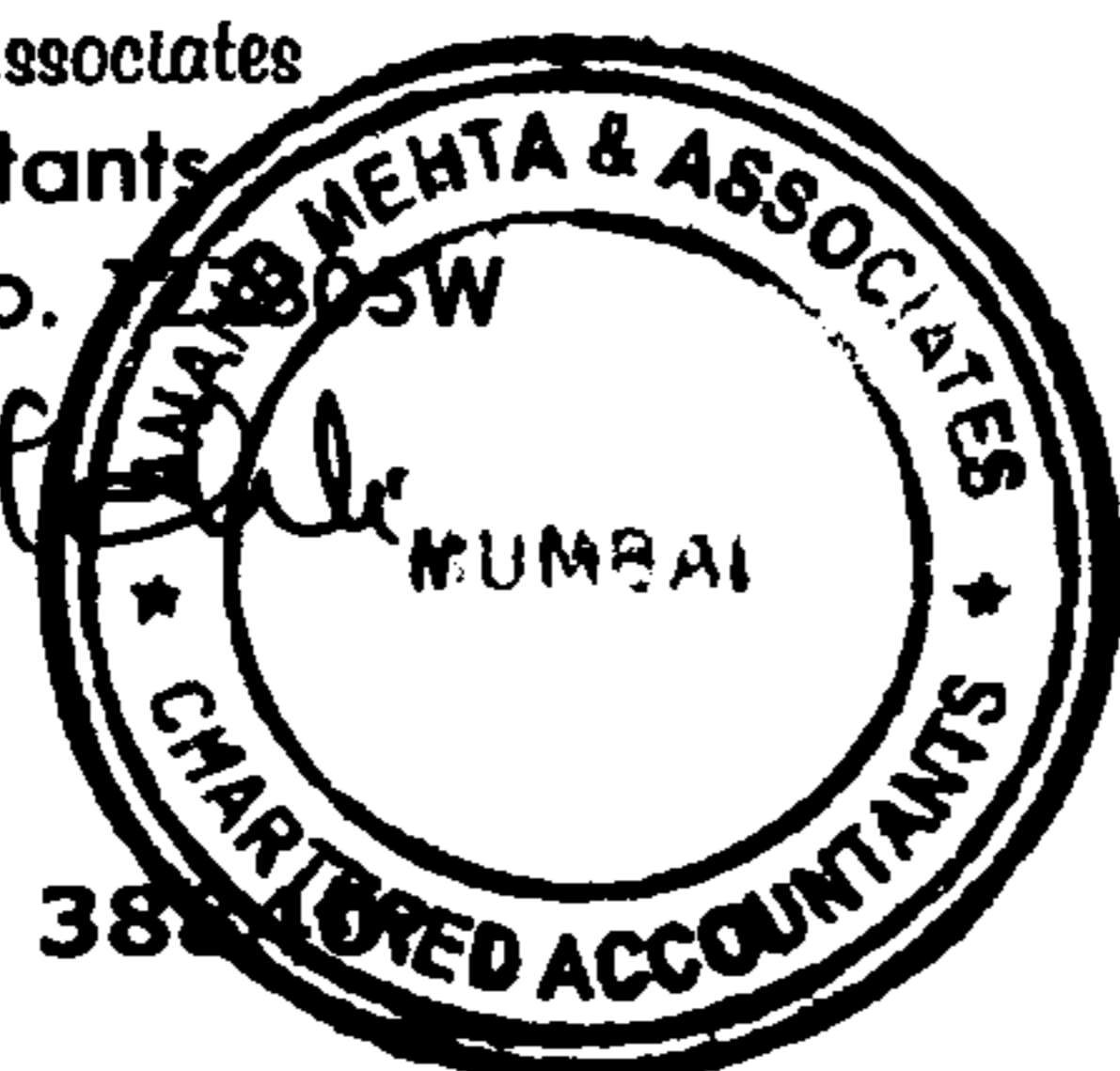
Firm Registration No. 722805W

*Kulin V Mehta*  
Kulin V Mehta

Partner

Membership No. 388

Pune; Dated



For and on behalf of the Board of Directors

*M. K. Mehta*

Director

M. K.

Pune; Dated

*[Signature]*

Director

02 MAY 2013

02 MAY 2013

**Caspia Hotels Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2013**

Currency Indian Rupees

Particulars	Note	March 31, 2013	March 31, 2012
Revenue from operations		-	-
<b>Total revenue</b>		-	-
Finance costs	12	-	
Other expenses	13	618,201	513,533
<b>Total expenses</b>		618,201	513,533
Profit /(Loss) before tax		(618,201)	(513,533)
Tax expense		-	-
Profit /(loss) for the year		(618,201)	(513,533)
Earnings per equity share:(Nominal Value of Rs. 10 each			
(1) Basic	14	(0.039)	(0.038)
(2) Diluted			
Summary of Significant Accounting Policies	2		
Notes to the financial statements	3 - 19		

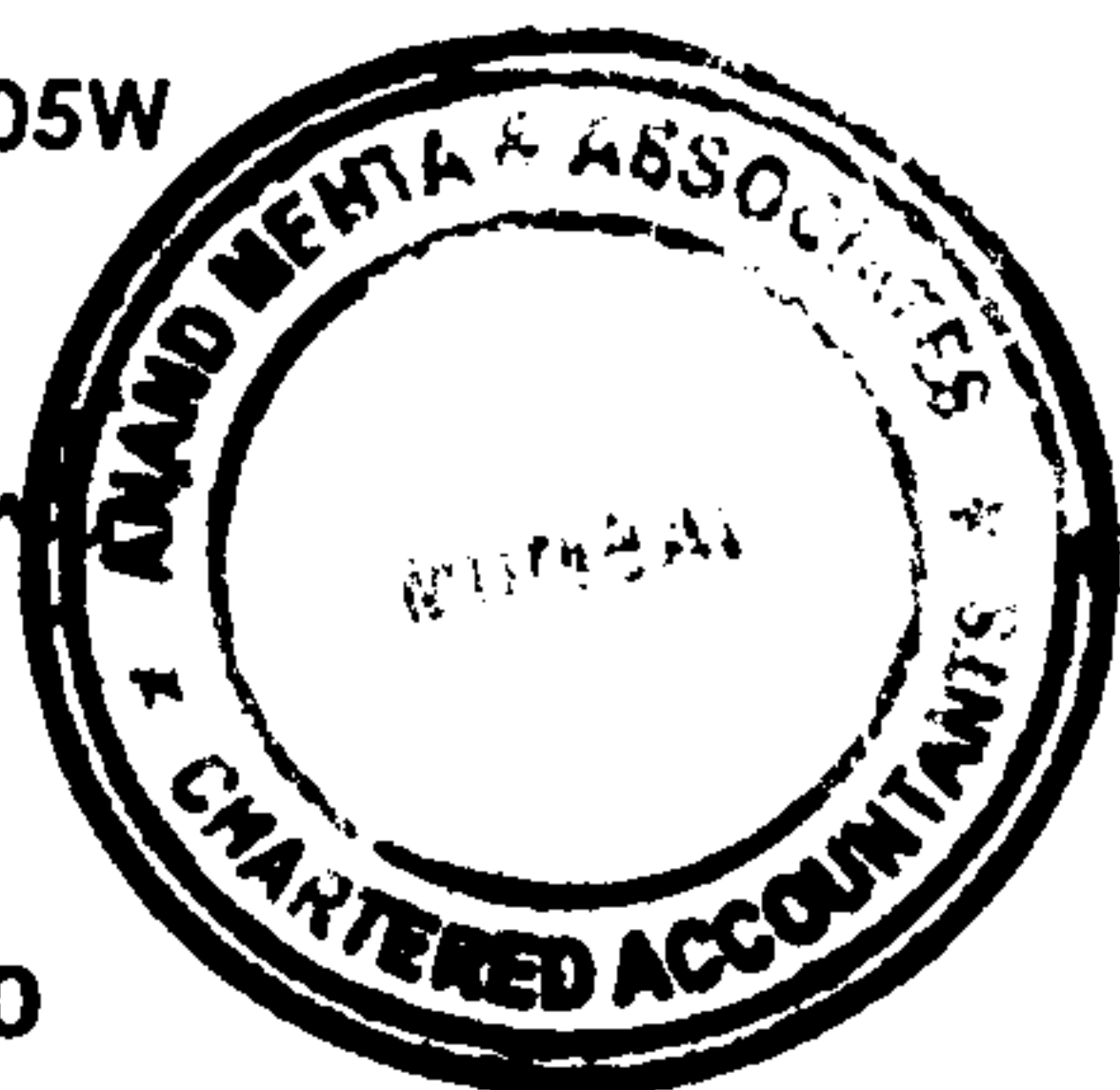
The notes referred to above form an integral part of these financial statements.

As per our report of even date  
 For Anand Mehta & Associates  
 Chartered Accountants  
 Firm Registration No. 127305W

For and on behalf of the Board of Directors

*Kulin V Mehta*

**Kulin V Mehta**  
 Partner  
 Membership No. 38840  
 Pune; Dated



02 MAY 2013

*M. K.*

Director  
 M K  
 Pune; Dated

*SS*

Director  
 SS

02 MAY 2013



**CASPIA HOTELS PRIVATE LIMITED**  
**Cash Flow Statement for the year ended March 31, 2013**

Particulars	Currency Indian Rupees	
	March 31, 2013	March 31, 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	(618,201)	(513,533)
Operating Profit before working capital changes	(618,201)	(513,533)
<u>CHANGES IN WORKING CAPITAL</u>		
Decrease / (Increase) in Other Current Assets	(30,112)	(77,373)
Decrease / (Increase) in Loans and advances	244,295	(8,783,723)
Increase / (Decrease) in Current Liabilities and Provisions	(30,840,180)	28,244,224
<b>A NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(31,244,198)</b>	<b>18,869,595</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets/Including capital work in progress and capitalisation of Borrowing cost	(22,982,921)	(107,542,291)
<b>B NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES</b>	<b>(22,982,920)</b>	<b>(107,542,291)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowing	21,002,092	68,875,000
Increase / (Decrease) In Current Share Application Money	3,100,000	(500,000)
Increase / (Decrease) In Share capital	30,000,000	20,000,000
<b>C NET CASH GENERATED/(USED) IN FINANCING ACTIVITIES</b>	<b>54,102,092</b>	<b>88,375,000</b>
<b>D NET CASH INFLOW (OUTFLOW) (A+B+C)</b>	<b>(125,026)</b>	<b>(297,695)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
a) Cash on hand	5,040	21,049
b) Balances with banks with current accounts	389,725	671,412
<b>Sub-total</b>	<b>394,765</b>	<b>692,461</b>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
a) Cash on hand	44,298	5,040
b) Balances with banks with current accounts	225,442	389,725
<b>Sub-total</b>	<b>269,740</b>	<b>394,765</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents During the year</b>	<b>(125,026)</b>	<b>(297,695)</b>

As per our report of even date

For Anand Mehta & Associates

Chartered Accountants

Firm Registration No. 127

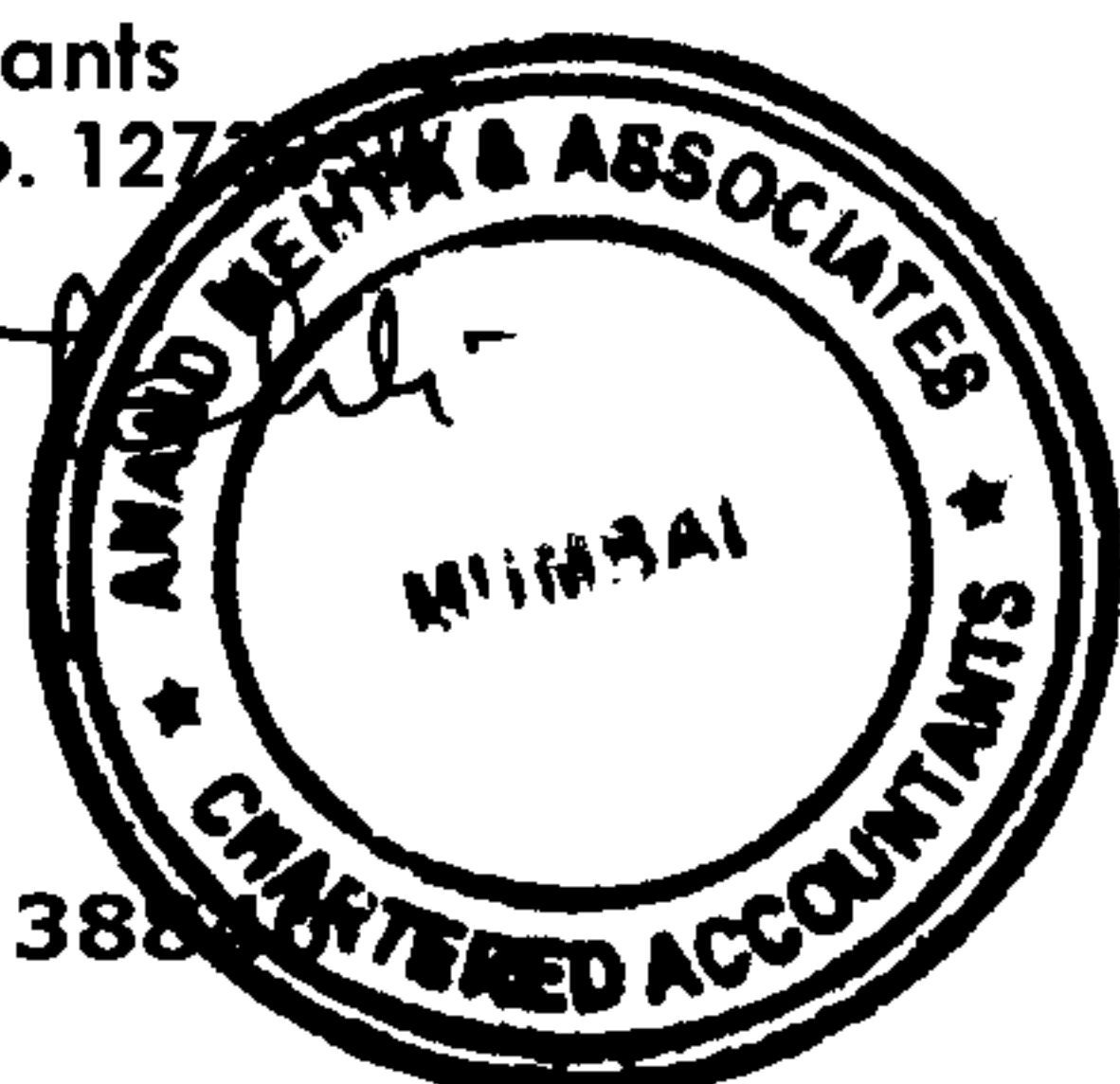
*Kulin V Mehta*

**Kulin V Mehta**  
Partner

Membership No. 388

Pune; Dated

02 MAY 2013



For and on behalf of the Board of Directors

*M. I. G. G. G. G.*

Director

*M. I. G. G. G.*

Pune; Dated

*D. S. S.*

Director

*D. S. S.*

02 MAY 2013

**1 The Company overview**

Caspia Hotels Private Limited (earlier named as Compress Infocom Private Limited) was incorporated on 22.07.2005. The Company is engaged in the nature of business which refers to operation of the Hotel, presently under construction.

**2 Summary of Significant Accounting Policies**

**2.1 Basis of Preparation of Financial Statements**

The financial statements are prepared under historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956, on accrual basis, as adopted consistently by the Company.

**2.2 Use of Estimates**

The preparation of financial statements in conformity with Indian Generally GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**2.3 Fixed Assets and Capital Work In Progress**

Fixed assets are stated at cost of acquisition or construction, after reducing accumulated depreciation till the date of the Balance Sheet. The cost of an item of fixed asset comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price and includes borrowing cost relating to any specific borrowing attributable to the acquisition of the fixed Assets under installation or under construction as at the Balance sheet date are shown as Capital work in

**2.4 Recognition of Revenue**

Income from services rendered is recognised as revenue when the right to receive the same is established.

**2.5 Borrowing Cost**

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying assets, if any, are capitalized up to the date when such assets are ready for its intended use and other borrowing costs are charged to Statement of Profit & Loss. Advances/deposits given to the vendors under the contractual arrangement for acquisition of qualifying assets is considered for the purpose of capitlization of borrowing cost.

**2.6 Taxes on Income**

**2.6.1** Taxes on Income are accounted in accordance with AS – 22 " Taxes on Income". Taxes on Income comprise both current tax and deferred tax.

**2.6.2** Provision for current tax for the period is determined considering the disallowance, exemptions and deductions and/or liabilities / credits and set off available as laid down by the tax law and interpreted by various

**2.6.3** Deferred tax is the tax effect of timing difference representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period (s).This is measured using substantively enacted tax rate and tax regulation.

## 2.7 Segment Reporting

**Identification of Segments** :- The Company's operating business are organised and managed separately accordingly to the nature of products and services provided , with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**Inter segment Transfers** :- The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

**Allocation of Common Costs** :- Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common areas.

**Unallocated Items** :- The Corporate and other segments includes general corporate income and expense items which are not allocated to any business segment.

## 2.8 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event, 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.

**Caspia Hotels Private Limited**

**Notes to the financial statements for the year ended March 31, 2013**

	March 31, 2013	Currency Indian Rupees March 31, 2012
<b>NOTE NO. 3</b>		
<b>Share Capital</b>		
210,000,000 (210,000,000) equity shares of Rs. 10/- each	2,100,000,000	2,100,000,000
	<u>2,100,000,000</u>	<u>2,100,000,000</u>
Issued ,Subscribed and paid up		
18,000,000 (15,000,000) equity shares of Rs. 10/- each fully paid up	180,000,000	150,000,000
	<u>180,000,000</u>	<u>150,000,000</u>

**Sub-Notes :**

**1 Reconciliation of the number of shares outstanding as at the year end is set as below :-**

Particulars	NUMBER	AMOUNT	NUMBER	AMOUNT
Shares outstanding at the beginning of the year	15,000,000	150,000,000	13,000,000	130,000,000
Shares issued during the year	3,000,000	30,000,000	2,000,000	20,000,000
Shares bought back during the year	-	-	-	-
Number of shares outstanding at the end of the year	<u>18,000,000</u>	<u>180,000,000</u>	<u>15,000,000</u>	<u>150,000,000</u>

**2** The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote by ballot in the shareholder meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after discharge of liabilities and distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to their shareholding.

**3 The details of Shareholders holding more than 5% of the equity shares of the Company as at the year end is as below :**

Name of Shareholder	March 31, 2013		March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vascon Pricol Infrastructure Limited (Holding Company)	18,000,000	100	15,000,000	100

**NOTE NO. 4**  
**Reserves and Surplus**

**Surplus / (Deficit) in the Statement of Profit and Loss**

At the commencement of the year	(3347124)	(2833591)
Add/(Less): Net profit/(Loss) for the year	<u>(618202)</u>	<u>(513533)</u>
Net Surplus/(Deficit) in the Statement of Profit and Loss	<u><b>(3,965,326)</b></u>	<u><b>(3,347,124)</b></u>

**NOTE NO. 5**

**Share Application money pending allotment**

Share application money received	3,600,000	500000
	<u><b>3,600,000</b></u>	<u><b>500,000</b></u>

**Notes:-** Share application money received pending allotment for 3,60,000 (50,000) shares @ 10 each will be allotted till 30.09.2013.

**NOTE NO. 6**

**Long term borrowings**

Secured Term loans from bank	129,877,092	108,875,000
	<u><b>129,877,092</b></u>	<u><b>108,875,000</b></u>

**Sub-notes :**

1)

Prime security	Securities Offered	Terms of Repayment
	: Plot of land bearing S.F.No.469/2B in village Kalapatti, Gandhipuram, Coimbatore and proposed hotel along with Furniture and fixtures.	First 24 equal monthly installments of Rs. 3,75,000/- commencing from October, 2014. Thereafter, 48 equal monthly installments of Rs. 25,19,000/- commencing from October, 2016.
	<b>Collateral Security</b> : Land, Neelambur Property, S.A. No. 738/8 and 738/9 Neelambur Muthugoundan, Pudur Road- Panchayat, Sulur Panchayat, Tal. Palladam Dist-Coimbatore.	
	<b>Corporated Guarantee :</b>	
	Name of the Company	Amount (Rs.)
	Vascon Pricol Infrastructure Limited	346,200,000
	Vascon Engineers Limited	346,200,000
	<b>Total</b>	

2)

The Term loan with the bank has been restructured with extension of the moratorium period from November, 2012 to October, 2014.

**NOTE NO. 7****Other current liabilities**

Current maturities of long term debt	-	8,125,000
Interest accrued but not due on borrowings	6,581	367,989
Statutory and other liabilities	33,871	467,662
Others payables	4,908,390	26,739,028
Payables for Expenses	115,035	204,378
	<u>5,063,877</u>	<u>35,904,057</u>

**NOTE NO. 9****Long term loans and advances**

(Unsecured considered good)

Capital Advances	8,539,428	8783723
Duties Paid under protest *	6,300,000	6,300,000
Security deposits	20,000	20000
	<u>14,859,428</u>	<u>15,103,723</u>

\* The Company has paid Stamp duty under protest to the Tamilnadu State Government in respect of Transfer of land .The said case is pending before the Hon'ble Chennai High Court.In respect of Non refundability of the stamp duty paid under protest the same being payable on the transfer of land would be capitalised to the cost of land.

**NOTE NO. 10****Cash and Bank Balances****Cash and Cash Equivalents**

Cash on hand	44,298	5,040
Balances with banks in current accounts	225,442	389,725
	<u>269,740</u>	<u>394,765</u>

**NOTE NO. 11****Other current assets**

Statutory dues recoverable	83,877	77,373
Prepaid expenses	23,607	-
	<u>107,484</u>	<u>77,373</u>

**Caspia Hotels Private Limited**  
**Notes to the financial statements for the year ended March 31, 2013.**

**8 Fixed assets**

**Currency Indian Rupees**

	<b>Tangible assets</b>		<b>Intangible assets</b>
	<b>Freehold land</b>	<b>Total</b>	<b>Softwares</b>
<b>Gross carrying value</b>			
As at April 1, 2012	98,158,001	98,158,001	-
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2013	98,158,001	98,158,001	-
<b>Accumulated depreciation</b>			
As at April 1, 2012	-	-	-
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2013	-	-	-
<b>Capital work in progress</b>		201,180,991	
<b>Net carrying value as at March 31, 2013</b>		<b>299,338,992</b>	
<b>Gross carrying value</b>			
As at April 1, 2011	98,158,001	98,158,001	-
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2012	98,158,001	98,158,001	-
<b>Accumulated depreciation</b>			
As at April 1, 2011	-	-	-
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2012	-	-	-
<b>Capital work in progress</b>		178,198,070	
<b>Net carrying value as at March 31, 2012</b>		<b>276,356,071</b>	

**Caspia Hotels Private Limited**  
**Notes to the financial statements for the year ended March 31, 2013.**

**Currency Indian Rupees**  
**March 31, 2013    March 31, 2012**

**NOTE NO. 12**  
**Finance costs**

Interest Capitalised	20,201,209	10,491,491
Less : borrowing cost transferred to qualifying assets	(20,201,209)	(10,491,491)
	-	-

**NOTE NO. 13**  
**Other expenses**

Auditor's Remuneration	56,180	56,180
Bank charges	57,478	4,266
Insurance	23,478	-
Other expenses	14,150	14,159
Postage and telephone	28	1,059
Printing and stationery	2,460	4,479
Rates and taxes	23,987	2,330
Travelling expenses	44,256	94,563
Professional fees	396,184	336,497
	<b>618,201</b>	<b>513,533</b>

**Auditors' Remuneration**

Statutory Audit Fees	50,000	50,000
	50,000	50,000

( Fees mentioned above does not includes service Tax and education cess thereon)

**NOTE NO. 14**  
**Earning per share**

a Net Profit/(Loss) availabe for equity shareholders	(618,201)	(513,533)
b Weighted average number of equity shares for Basic EPS	15,882,192	13,671,233
c Face Value per share	10	10
d Basic EPS	(0.039)	(0.038)
e Weighted average number of equity shares for Diluted EPS	15,882,192	13,671,233
f Diluted EPS	(0.0389)	(0.0376)



**CASPIA HOTELS PRIVATE LIMITED**
**Notes to the financial statements for the year ended March 31, 2013**

- 15 The related parties as defined by accounting standard 18 Related party disclosure issued by the institute of Chartered Accountants of India, in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial persons taken on record by the Board.

**Name of related parties**
**1. Holding Company**

- Vascon Pricol Infrastructure Limited

**2. Key Management Personnel**

- Santosh Sundararajan

Name of the related party	Nature of relations	Type of transactions	Amount (Rs.)
Vascon Pricol Infrastructure Limited	Holding Company	Share Application Money received	33,400,000 (19,500,000)
Vascon Pricol Infrastructure Limited	Holding Company	Allotment of Shares	30,000,000 (20,000,000)
Vascon Engineers Limited	Ultimate Holding Company	Purchase (Contract for Construction)	NIL (97,180,660)
Vascon Engineers Limited	Ultimate Holding Company	Expenses (For Reimbursements)	221,415 (619,500)

Name of the related party	Nature of relations	Due to Company	Due by Company
Vascon Pricol Infrastructure Limited	Holding Company	Nil (Nil)	3,600,000 (500,000)
Vascon Engineers Limited	Ultimate Holding Company	8,296,818 (8,296,818)	4,525,944 (26,543,982)
Vascon Engineers Limited	Ultimate Holding Company	Nil (Nil)	84,863 (Nil)

Name of the related party	Nature of relations	Type of transactions	Guarantee Outstanding
Vascon Engineers Limited	Ultimate Holding Company	Corporate Gurantee	346,200,000 (356,300,000)
Vascon Pricol Infrastructure Limited	Holding Company	Collateral Security (Book Value)	47,505,985 (47,505,985)
Vascon Pricol Infrastructure Limited	Holding Company	Corporate Gurantee	346,200,000 (356,300,000)

- 16 In absence of virtual certainty of taxable income in subsequent years, no provision for deferred tax assets in respect of carried forward business losses has been made.

	March 31,2013	March 31,2012
Components of deferred tax assets are as follows:		
On account of Accumulated business loss	580,780	389,756
<b>Net deferred tax asset</b>	<b>580,780</b>	<b>389,756</b>

17 The disclosure pursuant to Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] is as under:

Particulars	March 31, 2013	March 31, 2012
Principal amount payable to suppliers at the year end	-	-
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the specified under the MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-

18 Details of Earnings and Expenditure In Foreign Currency

	March 31, 2013	March 31, 2012
Earnings	-	-
Expenditure	-	-

19 Corresponding figures of the previous year have been shown in the bracket and regrouped, renamed or rearranged wherever necessary.

As per our report of even date

For Anand Mehta & Associates

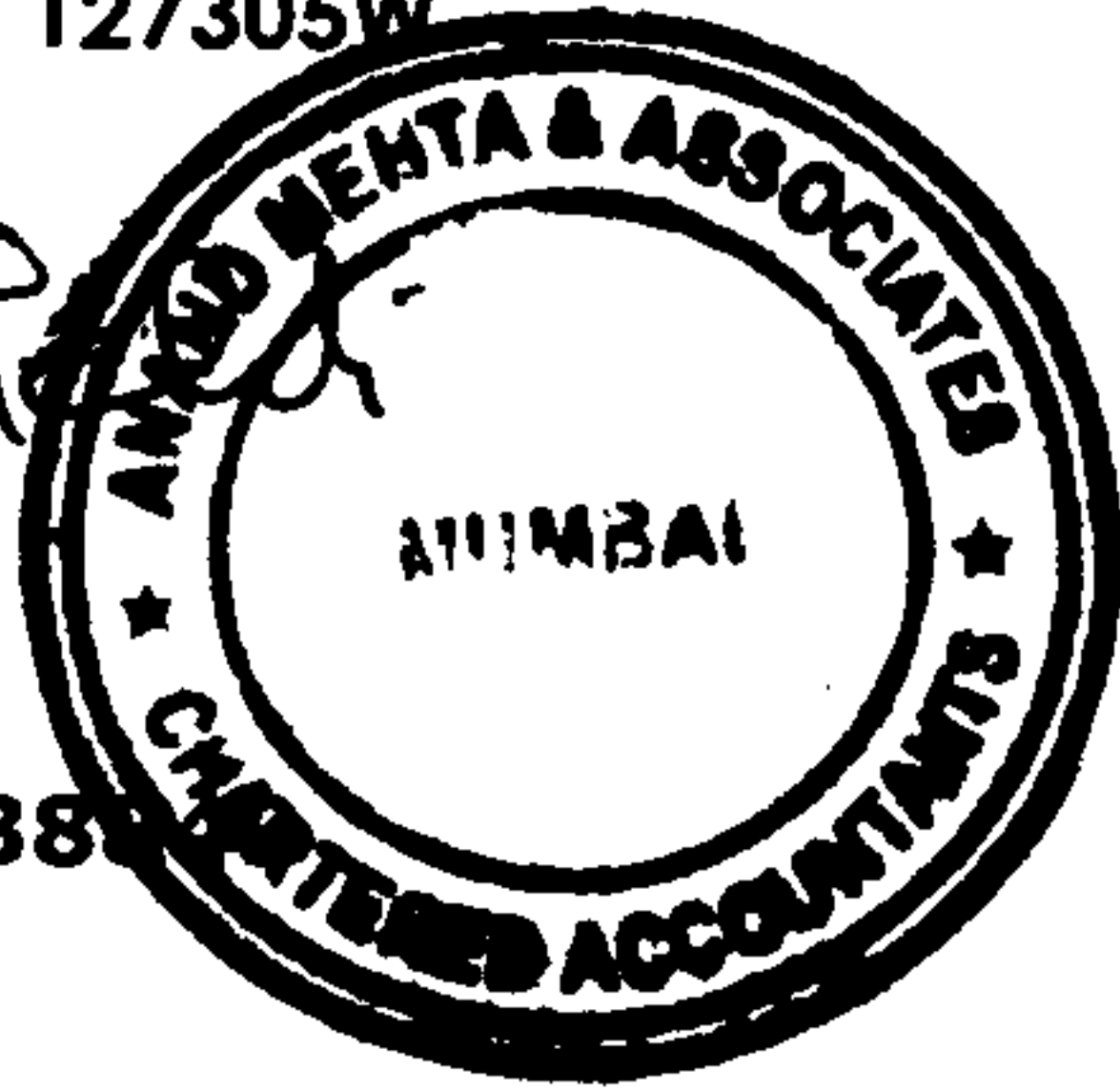
Chartered Accountants

Firm Registration No. 127305W

For and on behalf of Board of Directors

*Kulin V Mehta*

Kulin V Mehta  
Partner  
Membership No. 38  
Pune; Dated



*M. S. Ghosh*

Director  
MK  
Pune; Dated

*SS*

Director  
SS

02 MAY 2013

02 MAY 2013

Financial Year 2012 - 2013

Working of Deferred Tax Liability / (Asset) as per AS-22 (Accounting for Taxes on Income)

TIMING DIFFERENCES AS ON 31.3.2013

Particulars	As on	As per IT	As per Books	Difference	Liab/(Asset)	Tax Rate
a) Fixed Assets	31/03/2012	-	-	-	-	30.90%
b) Accumulated Losses	31/03/2012	1,261,347	-	(1,261,347)	(389,756)	30.90%
<b>Deferred Tax Assets as on 31.03.2012.</b>						<b>(389,756)</b>

TIMING DIFFERENCES for period ended 31.3.2013

Particulars	As on	As per IT	As per Books	Difference	Liab/(Asset)	Tax Rate
a) Fixed Assets	March 31, 2013	-	-	-	-	30.90%
b) Accumulated Losses	March 31, 2013	1,879,547	-	(1,879,547)	(580,780)	30.90%
<b>Deferred Tax Liability/(Asset) for the year ended March 31, 2013</b>						<b>(580,780)</b>
<b>Deferred tax (Expense)/Income to be provided for period ended March 31, 2013</b>					<b>191,024</b>	