



Anand Mehta & Associates

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Vascon Dwellings Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Vascon Dwellings Private Limited (the "Company"), which Comprises the Balance Sheet as at 31st 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.

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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 31st, 2013;
 - In the case of the Statement of Profit and Loss, profit 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 31st, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 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. 38440



Pune: 02 MAY 2013



Anand Mehta & Associates

Chartered Accountants

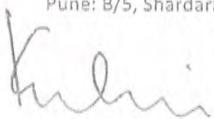
ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in Paragraph 7 of the Independent Auditor's report to the members of Vascon Dwellings 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.
 - a. The Company is engaged mainly in the construction business. Majority of the stock of the Company are in form of developments/work in progress. The stock in the said form and stock of other materials have been regularly verified by the management during 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 stocks followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.

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- c. As per the information and explanations given to us, the Company has maintained proper records of inventory and the discrepancies noticed on verification between the physical stock and book records were not material in relation to the operations of 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 clauses (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 Inventory and fixed assets and for the sale of goods/services.
5. According to the information and explanations 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 Paragraph 4 of the Order are not applicable.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA and rules framed there under.
7. *The Company does not have formal internal audit system.*
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made 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 maintained. However, we have not made a detailed examination of the records.
- 9.
- a. According to the information and explanation given to us, the Company was generally regular in depositing with appropriate authority undisputed statutory dues in respect of Investor Education and protection fund, Income



tax, Wealth tax, service tax, cess and other statutory dues as may be applicable, though there have been slight delays in few cases. There were 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 explanations given to us, there are no dues in respect of Income tax, Sales tax, Custom duty, Wealth tax, Service Tax, Excise Duty which have not been deposited on account of any dispute.
10. The accumulated losses of the Company exceeds fifty percent of its net worth at the end of the year. The Company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
11. The Company has not availed any loans from financial institutions, banks or issued any debentures and therefore, the clause (xi) of Paragraph 4 of the Order is not applicable.
12. According to the information and explanation 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 Paragraph 4 of the Order are not applicable.
14. According to the 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 Paragraph 4 of the Order is not applicable.
15. According to the information and explanation given to us, the terms & conditions of guarantee given by the Company for loans taken by holding company from bank or financial institutions are not prejudicial to the interests of the Company.

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16. The Company has not taken any term loan and therefore, the clause (xvi) of Paragraph 4 of the Order is not applicable.
17. The Company has not raised any short funds and therefore, the clause (xvii) of Paragraph 4 of the Order is not applicable.
18. According to the explanation and information given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures and therefore, the clause (xix) of 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 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

VASCON DWELLINGS PRIVATE LIMITED
Balance Sheet as at March 31, 2013

Currency Indian Rupees

Particulars	Note	March 31, 2013	March 31, 2012
Equity and Liabilities			
Shareholder's Funds			
Share Capital	3	100,000	100,000
Reserves and Surplus	4	(13,317,732)	(29,084,842)
		(13,217,732)	(28,984,842)
Non-Current Liabilities			
Long-term borrowings	5	163,275,740	146,359,536
		163,275,740	146,359,536
Current Liabilities			
Short-term borrowings	6	17,000,000	17,571,722
Trade payables	7	282,470,524	303,045,910
Other current liabilities	8	79,715,463	89,568,651
Short-term provisions	9	1,477,395	4,568,013
		380,663,381	414,754,295
		530,721,389	532,128,989
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	65,237	80,779
Long term loans and advances	11	51,754,693	51,767,499
		51,819,930	51,848,278
Current assets			
Inventories	12	439,553,774	416,035,256
Trade receivables	13	11,576,484	23,185,835
Cash and Bank Balances	14	2,657,614	29,725,002
Short-term loans and advances	15	2,863,371	3,905,345
Other current assets	16	22,250,215	7,429,272
		478,901,459	480,280,710
		530,721,389	532,128,989
Summary of Significant Accounting Policies	2		
Notes to the financial statements	3-34		

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

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

02 MAY 2013



For and on behalf of Board of Directors

[Signature]
Director

[Signature]
Director

Pune; Dated

02 MAY 2013

VASCON DWELLINGS 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	17	111,437,308	118,647,546
Other Income	18	6,101,567	2,352,096
Total Revenue		117,538,874	120,999,643
Construction Expenses	19	90,854,207	112,502,650
Changes in inventories of finished goods, work-in-progress and construction material	20	(23,405,765)	(22,595,305)
Employee benefit expense	21	2,350,309	0
Finance costs	22	20,300,000	0
Depreciation expense	10	15,542	17,898
Other expenses	23	16,770,669	9,873,097
Total Expenses		106,884,961	99,798,339
Profit before prior period adjustments and tax		10,653,913	21,201,303
Prior period expenses/(Income)	24	(987,316)	0
Profit before tax		11,641,229	21,201,303
Tax expense:			
Current tax		2,446,000	4,700,000
Less :-			
MAT Credit entitlement		(2,329,500)	0
Earlier Year adjustment of MAT Credit Entitlement		(4,242,380)	0
		(4,125,880)	4,700,000
Profit/(Loss) for the year		15,767,109	16,501,303
Earning per equity share:(Nominal value Rs. 10/- each)	25		
(1) Basic		1,576.71	1,650.13
(2) Diluted		1,576.71	1,650.13
Summary of Significant Accounting Policies	2		
Notes to the financial statements	3-34		

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 Board of Directors

Kulin V Mehta

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

02 MAY 2013



M. I. G. Mehta

[Signature]

Director

Director

Pune; Dated

02 MAY 2013

VASCON DWELLINGS PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2013

Particulars	March 31, 2013	Currency Indian Rupees March 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	18,213,109	21,201,303
Adjustments :		
Add /(Less) :		
Depreciation	15,542	17,898
Interest income	-	(1,741,972)
Operating Profit before working capital changes	18,228,651	19,477,228
<u>Changes in working capital</u>		
Decrease / (Increase) in Inventories	(23,518,518)	(29,646,981)
Decrease / (Increase) in Trade Receivables	11,609,351	15,385,765
Decrease / (Increase) in Other Current Assets	(15,401,500)	(493,331)
Decrease / (Increase) in Loans and Advances	1,054,780	
Increase / (Decrease) in Other Current Liabilities and Provisions	(30,428,574)	(33,145,800)
Cash generated from operations	(38,455,809)	(28,423,119)
Income Taxes paid during the year	(4,956,061)	-
A NET CASH GENERATED FROM OPERATING ACTIVITIES	(43,411,871)	(28,423,119)
CASH FLOWS FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	-	(20,527)
DECREASE IN LOANS AND ADVANCES	-	34,170,170
INTEREST INCOME (Net of TDS)	-	1,609,985
B NET CASH (USED) IN INVESTING ACTIVITIES	-	35,759,628
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Unsecured Loans	16,344,483	3,215,823
C NET CASH GENERATED (USED) IN FINANCING ACTIVITIES	16,344,483	3,215,823
NET CASH INFLOW (OUTFLOW) (A+B+C)	(27,067,388)	10,552,332
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
a) Cash on hand	526,214	544,482
b) Balances with banks with current accounts	11,679,110	11,883,152
c) Balance with bank in deposit account maturing within 3 months	6,821,332	-
d) Balance with bank in deposit account maturing from 3 to 12 months from the Balance Sheet date	10,698,346	6,745,036
sub-total	29,725,002	19,172,670
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
a) Cash on hand	97,307	526,214
b) Balances with banks with current accounts	2,560,307	11,679,110
c) Balance with bank in deposit account maturing within 3 months	-	6,821,332
d) Balance with bank in deposit account maturing from 3 to 12 months from the Balance Sheet date	-	10,698,346
sub-total	2,657,614	29,725,002
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(27,067,388)	10,552,332

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. 38840
Pune; Dated

02 MAY 2013



M. G. Mehta

Director

Pune; Dated

[Signature]

Director

02 MAY 2013

- 1 The Company overview**

Vascon Dwelling Pvt. Ltd. (Company) was incorporated on 15th July 2005. The Company is engaged in the business of Real Estate Development.
- 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 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 generally accepted accounting principles (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 as per the provisions of AS 16 "Borrowing Cost" issued by ICAI.

Assets under installation or under construction as at the Balance sheet date are shown as Capital work in progress.
 - 2.4 Inventories**
 - 2.4.1 Raw-materials:**

Stock of Building, materials, stores and spares are valued at lower of Cost or Net Realizable Value. The cost comprises of all cost of purchases other than refundable duties / taxes and other incidental cost incurred in bringing the inventories to their present location and condition.
 - 2.4.2 Development Work:**

The Development work-in-progress represents progressive cost of work remaining incomplete / unsold as at close of the period , valued at lower of Cost or Net Realizable Value on the basis of technical estimate certified and verified by the Management.
 - 2.5 Depreciation / Amortisation**

Depreciation on fixed assets has been provided under written down value method at the rates and manner prescribed in schedule XIV to the Companies Act, 1956. Cost of lease rights of land has been amortized over a Period of lease term. Software in nature of intangible asset has been amortised fully in the period in which the same is ready for use.

2.6 Recognition of Revenue

(a) Completed Units

Revenue from sales of units is recognized as and when the underlying significant risk and rewards of ownership are transferred to the purchaser.

(b) Units Under Development

(A) Projects which have commenced on or before March 31, 2012

Revenue from sales of such units is recognized as and when the underlying significant risk and rewards of ownership are transferred to the purchaser, taking into account materiality of the work performed and certainty of recoverability of the consideration. Revenue is recognized on proportionate basis as the acts are progressively performed, by applying the percentage of completion method as explained in AS-7 (Revised) Construction Contracts in compliance with the authoritative professional view.

The percentage completion is determined based on actual costs incurred thereon by the Company to total estimated cost with reference to the saleable area. Cost for this purpose includes cost of land/development rights, construction and development costs of such properties borrowing costs and overheads, as may be applicable.

The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognized in the period in which such changes occur.

However, when the total project cost is estimated to exceed total revenues from the project, loss is recognized immediately.

(B) Projects which have commenced after March 31, 2012

Revenue from sales of such units is recognized as and when all the following conditions are satisfied:

(a) The underlying significant risk and rewards of ownership are transferred to the purchaser.

(b) All critical approvals necessary for commencement of the project are obtained.

(c) Reasonable level of development is reached when project cost incurred excluding land cost and borrowing cost exceeds 25% of the project cost excluding land cost and borrowing cost.

(d) At least 25% of the estimated project area are secured by contracts or agreement with the buyers.

(e) At least 10% of the total revenue as per agreements of sale are realised at the reporting date in respect of each of the contracts and there are no outstanding defaults of the payment terms in such contracts.

(f) Certainty of recoverability of the balance consideration.

Revenue is recognized on proportionate basis as the acts are progressively performed, by applying the percentage of completion method as explained in AS-7 (Revised) Construction Contracts in compliance with the authoritative professional view.

The percentage completion for the purpose of recognition of revenue is determined based on actual costs incurred thereon by the Company to total estimated cost with reference to the saleable area. Cost for this purpose includes cost of land/development rights, construction and development costs of such properties borrowing costs and overheads, as may be applicable.

The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognized in the period in which such changes occur.

However, when the total project cost is estimated to exceed total revenues from the project, loss is recognized immediately.

Interest Income – Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest.

Other Operating Income - The revenue from Maintenance are recognised as and when the services are provided to the customers.

2.7 Contingent Liabilities

Contingent liabilities, if any, have been disclosed by way of note to balance sheet. Provision has been made in respect of those, which have materialised after the period -end but before finalisation of accounts and have material effect on balance sheet date.

2.8 Joint Venture Projects

In case of Joint Venture Arrangement in the nature of jointly controlled operations, the assets controlled liabilities incurred the share of income an expenses incurred are recognised in the agreed proportions under respective heads in the financial statements.

2.9 Amortisation / Intangible Assets

Intangible assets which do not meet with the criterias given in As 26 Intangible Assets are charged to Statement of Profit and Loss in the year in which the expenses have been incurred.

2.10 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 till the time such assets are ready for its intended use or sale are capitalized as part of the cost of asset in conformity with the provisions of AS - 16 "Borrowing Cost" and other borrowing costs are charged to statement of profit and loss for the year in which they are incurred. Advances/deposits given to the vendors under the contractual arrangement for acquisition of qualifying assets is considered for the purpose of capitalization of borrowing cost.

2.11 Taxes on Income

- 2.11.1 Taxes on Income are accounted in accordance with AS - 22 "Taxes on Income". Taxes on Income comprise both current tax and deferred tax.
- 2.11.2 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 authorities.
- 2.11.3 Deferred tax being 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.

2.12 Segment Reporting

- 2.12.1 **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.
- 2.12.2 **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.
- 2.12.3 **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.
- 2.12.4 **Unallocated Items** :- The Corporate and other segments includes general corporate income and expense items which are not allocated to any business segment.

2.13 Earning Per Share

The Company reports Basic Earnings Per Share in accordance with accounting standard 20 "Earning per Share". Basic earnings per share are computed by dividing the net profit or loss after tax for the year by the weighted average number of equity shares outstanding during the year.

VASCON DWELLINGS 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. 3

Share Capital

A Authorised

10,000 (10,000) Equity Shares of Rs.10/-each

Amount

Amount

100,000

100,000

100,000

100,000

Issued , Subscribed & Paid up

10,000 (10,000) Equity Shares of Rs.10/-each fully paid up

100,000

100,000

Total

100,000

100,000

10,000 Equity Shares (10,000) are held by Vascon Engineers Ltd, the holding company and its nominee.

B Reconciliation of the Number of shares :

Particulars	Number	Amount	Number	Amount
Equity Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Equity Shares Issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	10,000	100,000	10,000	100,000

C Disclosure for shareholding more than 5% :

Name of Shareholder	March 31, 2013		March 31, 2012	
	No. of shares held	% of Holding	No. of shares	% of Holding
Vascon Engineers Limited (Holding Company)	10,000	100	10,000	100

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 the number of equity shares held by the shareholders.

NOTE NO. 4

Reserves and Surplus

a. Surplus / (Deficit) in statement of Profit and Loss

At the commencement of the year

(29,084,842)

(45,586,145)

Add:Net Profit/(Loss) for the year

15,767,109

16,501,303

Net Surplus / (Deficit) in statement of Profit and Loss

(13,317,732)

(29,084,842)

March 31, 2013

March 31, 201

NOTE NO. 5**Long Term Borrowings**

From Holding Company (Vascon Engineers Limited)	163,275,740	146,359,536
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163,275,740146,359,536

Terms of Repayment :

Particulars	Terms
a) Period of repayment	Within 12 months from the date of call
b) Rate of Interest	14%

NOTE NO. 6**Short Term Borrowings**

From Corporates	17,000,000	17,571,722
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17,000,00017,571,722**NOTE NO.7****Trade Payables**

282,470,524

303,045,910

282,470,524303,045,910**NOTE NO. 8****Other Current Liabilities**

Unearned Revenue	14,930,230	45,585,866
Less : Related Debtors	(8,096,614)	(24,624,104)
Duties and Taxes	10,317,314	4,320,062
Advance From Customers	55,707,065	60,435,926
Less : Related Unbilled Revenue	(522,443)	-
Payables for Expenses	4,889,251	3,850,900
Corpus Deposit interest payable	2,490,661	-

79,715,46389,568,651**NOTE NO. 9****Short Term Provisions**

Provision for Tax (Net of Advance Taxes)	1,477,395	4,568,013
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1,477,3954,568,013**NOTE NO.11****Long Term Loans and Advances**

Unsecured, considered good

Security Deposits	15,150,814	15,163,620
Other loans and advances	36,603,879	36,603,379

51,754,69351,767,000

NOTE NO. 12

Inventories(At cost)

(As valued and certified by the management)

Construction materials	7,164,429	7,051,676
*Developments - Units under Construction	417,696,125	360,949,088
Developments - Completed units	14,693,220	48,034,491
	439,553,774	416,035,256

- *The Property at Wadala Nasik is mortgaged for the Loan taken by the Holding Company (Vascon Engineers Limited). The outstanding balance of the said loan as on the Balance Sheet date is Rs. 31,542,437

- Stock of materials, etc. has been valued at lower of cost or net realisable value. The cost is determined on Weighted Average method.

NOTE NO. 13

Trade receivables

Unsecured -Considered good		
More than Six Months	5,548,448	8,274,058
Others	14,124,650	39,535,881
Less: Adjustment - Unearned debtors	(8,096,614)	(24,624,104)
	11,576,484	23,185,835

NOTE NO. 14

Cash and Bank Balances

Cash and Cash Equivalents

Cash on hand	97,307	526,214
Balances with banks with current accounts	2,560,307	11,679,110
Balance with bank in deposit account maturing within 3 months	-	6,821,332
Other Bank Balances		
Balance with bank in deposit account maturing from 3 to 12 months from the Balance Sheet date	-	10,698,346
	2,657,614	29,725,002

NOTE NO. 15

Short Term Loans and Advances

Unsecured- considered good

Advance Against Development / Work Purchases	2,863,371	3,905,345
	2,863,371	3,905,345

NOTE NO. 16

Other Current Assets

Other Receivables	161,034	6,683,871
Advance Payment of Income & TDS	-	550,577
Unbilled revenue	1,103,704	-
Less : Related advance	(1,32,443)	-
Duties & Taxes recoverable	9,210,481	-
MAT Credit entitlement	6,971,680	-
Maintenance charges receivable	4,826,827	-
Electricity charges receivable	1,103,752	-
Prepaid Expenses	-	1,145,884

VASCON DWELLINGS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2013

10 Fixed assets		Currency Indian Rupees				Total
		13.91% Plant and machinery	18.10% Furniture and fixtures	Vehicles	40% Computer	
Gross carrying value						
As at April 1,2012	56,897	22,050	-	27,700	106,647	
Additions	-	-	-	-	-	
Disposals	-	-	-	-	-	
As at 31st Dec 2012					106,647	
Accumulated depreciation						
As at April 1,2012	7,436	4,401	-	14,031	25,868	
Additions	6,880	3,194	-	5,468	15,542	
Disposals					-	
As at mar 31, 2013					41410	
Capital work in progress						
Net Carrying Value As at Mar 31, 2013						
					65,237	
Gross carrying value						
As at April 1, 2011	43,121	15,300	-	27,700	86,121	
Additions	13,776	6,750	-	-	20,526	
Disposals					-	
As at march 31 ,2012	56,897	22,050	-	27,700	106,647	
Accumulated depreciation						
As at April 1,2011	1,664	1,388	-	4,918	7,970	
Additions	5772	3013.00	0	9113	17,898	
Disposals					-	
As at march 31 ,2012	7,436	4,401	-	14,031	25,868	
Capital work in progress						
Net Carrying Value As at March 31, 2012						
	49,461	17,649	-	13,669	80,779	

VASCON DWELLINGS PRIVATE LIMITED

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

Currency Indian Rupee
March 31, 2013 March 31, 2012

NOTE NO. 17

Revenue from Operations

Sale of units	110,315,286	106,503,797
Sale of Land	-	10,000,000
Other operating revenues	1,122,022	2,143,749
	<u>111,437,308</u>	<u>118,647,546</u>

NOTE NO. 18

Other Income

Interest Income	-	1,741,972
Miscellaneous Income	668,054	610,124
Interest on IT refund received	9,684	
Maintenance charges	4,910,917	
Electricity charges receivable	512,912	
	<u>6,101,567</u>	<u>2,352,096</u>

NOTE NO. 19

Construction Expenses

Direct Expenses for development	88,304,206	110,826,034
Allocation of borrowing costs to cost of development	2,550,001	1,676,616
	<u>90,854,207</u>	<u>112,502,650</u>

NOTE NO. 20

Changes in inventories of finished goods, work-in-progress and Construction Material

Opening Stock of Inventory	408,983,579	386,388,274
Closing Stock of Inventory	432,389,345	408,983,579
	<u>(23,405,765)</u>	<u>(22,595,305)</u>

NOTE NO. 21

Employee benefit expense

2,350,309	-
<u>2,350,309</u>	<u>-</u>

NOTE NO. 22

Finance Cost

Other borrowing costs	2,550,001	1,676,616
Less : Borrowing Cost Transferred To Development	(2,550,001)	(1,676,616)
Interest on loan (Vascon @14%)	20,300,000	-
	<u>20,300,000</u>	<u>-</u>

VASCON DWELLINGS 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. 23

Other Expenses

Auditor's Remuneration	325,000	441,200
Bank Charges	6,130	84,283
Brokerage / Commission	337,397	555,399
Postage, Telephone and Telegram Courier	250,005	-
Conveyance and Travelling Expenses	64,381	143,032
Compensation	4,987,150	-
Insurance	724,732	62,270
Interest on late payment of TDS	83,346	-
Corpus Interest Expenses	1,308,378	-
Printing and Stationery	61,806	8,941
Repairs, Renovation and Maintenance	5,638,012	3,759,152
Lease Rental Expenses	256,000	235,500
Professional Fees	560,828	223,600
Charity and Donation	3,000	2,500,000
Travelling Expenses	46,860	18,587
Vehical Expenses	66,935	19,333
Office Expenses	48,734	-
Int received w/off	258,962	-
Sundry Expenses	115,813	12,281
Staff Welfare (Others)	25,407	-
Marketing Expenses	1,601,793	1,809,518
	16,770,669	9,873,097

AUDITOR'S REMUNARATION

Statutory Audit Fees	325,000	441,200
	325,000	441,200

(Fees mentioned above includes service Tax and education cess thereon)

NOTE NO. 24

Prior Period Expenses/(Income)

Income

Maintenance income	1,598,086	-
Electricity charges receivable	595,820	-
	2,193,906	-

Expenses

Corpus Interest	1,206,590	-
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Net Prior Period Income

	(987,316)	-
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NOTE NO. 25

Earning Per Share

a) Net Profit/(Loss) available for equity share holders	15,767,109	16,501,303
b) Weighted average number of equity shares for Basic EPS	10,000	10,000
c) Face Value per share	10	10
d) Basic EPS	1,576.71	1,650.13
e) Weighted average number of shares outstanding for Diluted EPS	10,000	10,000
f) Diluted EPS	1,576.71	1,650.13

VASCON DWELLINGS PRIVATE LIMITED

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

- 26 Company has entered into a single Joint Venture Agreement with the owner of land for jointly developing a project at Undri. As per the terms of the Agreement the sale proceeds will be shared in an agreed proportion as a consideration for jointly developing the project. Accordingly each joint venturer will record in its respective books the share of income and expenses accrued assets acquired and liabilities incurred by the Joint Venture as per the arrangement. In view of the above the Company's role being that of the developer of the project the cost of land is not recognised in the books of the Company.
- 27 Company has acquired land for developing a project at Nasik under a Development Agreement the consideration for which is payable as a percentage of sales proceeds as and when the same are materialised. Accordingly in absence of quantification and determination of consideration as of date no cost is attributed land. The same will be accounted as and when the sale are recognised.
- 28 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 Engineers Limited

2. Fellow Subsidiaries

- Marvel Housing Private Limited
- Greystone Premises Private Limited
- Windflower Properties Private Limited
- It Citi Infopark Private Limited
- Caspia Hotels Private Limited
- GMP Technical Solutions Private Limited
- Floriana Properties Private Limited
- Vascon Pricol Infrastructure Limited
- Vascon Renaissance EPC Limited Liability Partnership
- Almet Corporation Limited
- Marathawada Realtors Private Limited

3. Key Management Personnel

- D. Santhanam
- M. Krishnamurthy

Name of related party	Nature of relations	Type of transaction	Transaction Amount (Rs.)
Vascon Engineers Limited	Holding Company	Loan taken	61,818,907 (8,685,000)
Vascon Engineers Limited	Holding Company	Loan repaid	63,172,702 (60,00,000)
Vascon Engineers Limited	Holding Company	Interest expense	20,300,000 (NIL)
Vascon Engineers Limited	Holding Company	Purchases	5778 (5,175,172)
Vascon Engineers Limited	Holding Company	Guarantee Given	31,542,437 (1,284,264,076)

Name of related party	Nature of relations	Due to Company	Due by Company
Vascon Engineers Limited	Holding Company	Nil (Nil)	163,275,740 (146,359,535)
Vascon Engineers Limited	Holding Company	Nil (Nil)	18,270,000 (NIL)
Vascon Engineers Limited	Holding Company	Nil (Nil)	262,685,721 (294,519,789)
Vascon Engineers Limited	Holding Company	Nil (Nil)	Nil (Nil)

29 Contingent Liabilities

The Company has provided Securities/guarantees to the bankers for holding company Rs. 31,542,437(1,284,264,077)

- 30** Statement of Profit and Loss includes Lease Income in respect of certain premises which are held as stock in trade with an intention to sale . The provision of Accounting Standard 19 " Accounting for leases " do not apply to such Lease Agreement of Premises held with an intention to sale.

31 Note on litigation in Vista Annexs Project :

The Company has purchased the property bearing S. no. 84/1b/2 (part) admeasuring about 7,942 sqmt, Nashik at Rs 2,14,36,400/- from the owners namely Shri. Khanderao Khode & other through their POA holder M/s. Sanklecha Construction, Nashik by executing Development agreement along with irrevocable Power of Attorney.

One of the co-owner has filed a regular civil suit before the court of civil judge Nashik requesting for effecting partition of the suit property and to declare various documents executed by the owner with M/s. Sanklecha Construction vis-à-vis M/s. Vascon Dwelling Pvt. Ltd. as illegal null and void. The Company has taken the possession of the said property subject to above litigation. The Matter is pending in the Court of Civil judge Nashik.

32 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	-	-

33 Details of Earnings and Expenditure In Foreign Currency	March 31, 2013	March 31, 2012
Earnings	-	-
Expenditure	-	-

34 Corresponding figures of the previous year have been shown in 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. 38840
 Pune; Dated



M. L. Chavhan

Director

Pune; Dated

[Signature]

Director

02 MAY 2013

02 MAY 2013