



INDEPENDENT AUDITORS REPORT

To the Members of Vascon Pricol Infrastructures Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Vascon Pricol Infrastructures Limited (the "Company"), which comprises the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and Cash Flows 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 standard 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider 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 include 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, loss for the year ended on that date and
 - In 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, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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: Dated 02 MAY 2013



Anand Mehta & Associates

Chartered Accountants

ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in Paragraph 7 of the Auditor's report to the shareholders of Vascon Pricol Infrastructures Limited, for the year ended 31st March, 2013.

1. The Company did not have any fixed asset at any time during the year and therefore, the clauses (a), (b) and (c) of Paragraph 4 (i) of the Order are not applicable to the Company.

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 has 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.

 - 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.

a. The Company has not granted any loans to Companies, firms, or other parties listed in the Register maintained under sec. 301 of the Companies Act, 1956 and hence the clause (b) to (d) of Paragraph 4(iii) of the Order are not applicable.

e. The Company has taken unsecured loan from a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 4,87,10,731/- and the yearend balance of the loan was Rs. Nil

f. The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interests of the Company.

g. The loan taken from a party covered in the register maintained under section 301 of the act is considered repayable on demand. According to the information and explanations given to us, the company has been regular in repayment of principal and interest as demanded.

h. According to information and explanation given to us, there is no overdue amount for more than One lakh.

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 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 S. 301 of the Companies Act, 1956. Therefore clause (v) of Paragraph 4 of the Order is not applicable.

6. The Company has not accepted any deposits from the public within the meaning of the section 58A and 58AA and the rules frame there under.

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7. In our opinion, the company has an adequate internal audit system to commensurate with the size and the nature of its business.
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 explanations given to us, the Company was regular in depositing with appropriate authority undisputed statutory dues in respect of Income Tax, Wealth tax, service tax, cess and other statutory dues as may be applicable. There was 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 of in respect of Income tax, Wealth tax, Service Tax, and Cess which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year. The Company has incurred cash losses during current financial year. The Company has not incurred cash loss 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 provisions of Paragraph 4(xi) of the Order are not applicable.
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.

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13. In our opinion the Company is not a Chit fund or nidhi or mutual benefit fund/society and therefore, the provisions of Paragraph 4(xiii) of the order are not applicable.
14. According to explanation and information given to us, the Company is neither dealing nor trading in shares, securities, debentures and other investments and therefore, the provisions of Paragraph 4(xiv) of the Order are not applicable.
15. According to the information and explanations given to us, the Company has given Corporate guarantee to the scheduled bank in respect of term loan borrowed by the wholly owned subsidiary company. The Terms and conditions of guarantee are not prima facie prejudicial to the interest of the Company.
16. The Company has not taken any term loan during the year and therefore clause (xvi) of Paragraph 4 of the Order is not applicable.
17. The Company has not raised any short term funds during the year and therefore 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 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 clause (xx) of Paragraph 4 of the Order is not applicable.

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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 PRICOL INFRASTRUCTURES LIMITED
Balance Sheet as at March 31, 2013

Currency Indian Rupees

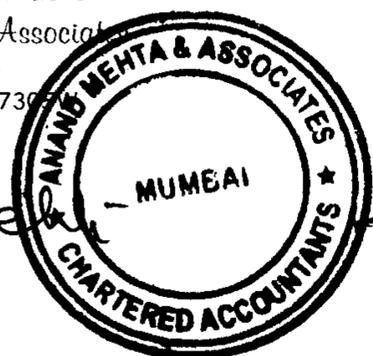
Particulars	Note	March 31, 2013	March 31, 2012*
Equity and liabilities			
Shareholders' funds			
Share capital	3	7,10,00,000	7,10,00,000
Reserves and surplus	4	2,40,94,823	3,10,01,571
		9,50,94,823	10,20,01,571
Non current liabilities			
Long term borrowings	5	-	15,05,56,822
Other long term liabilities	6	16,85,05,106	-
		16,85,05,106	15,05,56,822
Current liabilities			
Trade payables	7	11,68,96,938	7,43,85,393
Other current liabilities	8	14,40,21,434	5,07,09,854
Short term provisions	9	-	71,06,989
		26,09,18,372	13,22,02,236
		52,45,18,301	38,47,60,628
Assets			
Non current assets			
Non Current Investments	10	18,00,00,000	15,00,00,000
Long term loans and advances	11	5,48,12,230	1,93,99,758
		23,48,12,230	16,93,99,758
Current assets			
Inventories	12	27,23,12,990	17,99,74,554
Trade receivables	13	3,52,075	63,09,783
Cash and Bank Balances	14	87,54,618	11,52,160
Other current assets	15	82,86,389	2,79,24,373
		28,97,06,071	21,53,60,870
		52,45,18,301	38,47,60,628
Summary of significant accounting policies	2		
Notes to the financial statements	3 - 29		

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. 127305

Kulin V. Mehta
Kulin V Mehta
Partner
Membership No. 38440
Pune: Dated
02 MAY 2013



For and on behalf of the Board of Directors

M Krishnamurthi
M Krishnamurthi
Director

D Santhanam
D Santhanam
Director

Pune: Dated **02 MAY 2013**

VASCON PRICOL INFRASTRUCTURES 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	16	2,42,32,539	11,66,82,507
Other income	17	87,397	40,533
Total revenue		2,43,19,936	11,67,23,040
Construction Expenses	18	11,31,89,152	13,15,44,500
Changes in inventories of Development and Construction material	19	(9,22,62,453)	(5,61,34,918)
Finance costs	20	54,77,832	-
Other expenses	21	51,73,239	53,87,590
Total expenses		3,15,77,770	8,07,97,171
Profit/(Loss) before Prior Period Adjustments and Tax		(72,57,834)	3,59,25,869
Prior period (expenses) / income (net)		17,38,896	-
Profit / (Loss) before tax		(55,18,938)	3,59,25,869
Tax expense:			
Current tax		-	1,11,01,000
Excess / short provision for tax of earlier years		13,87,810	1,67,630
		13,87,810	1,12,68,630
Profit / (loss) for the Year		(69,06,748)	2,46,57,239
Earnings per equity share: (Nominal Value per share of Rs. 10/- each) Basic and Diluted.	22	(0.97)	3.47
Summary of significant accounting policies	2		
Notes to the financial statements	3 - 29		

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

As per our report of even date

For *Anand Mehta & Associates*

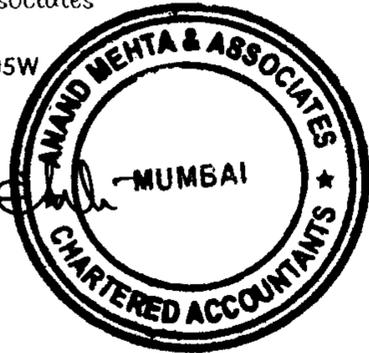
Chartered Accountants

Firm Registration No. 127305W

Kulin V. Mehta

Kulin V Mehta
Partner
Membership No. 38440
Pune: Dated

02 MAY 2013



For and on behalf of the Board of Directors

M. Krishnamurthi

M Krishnamurthi
Director

D. Santhanam

D Santhanam
Director

Pune: Dated

02 MAY 2013

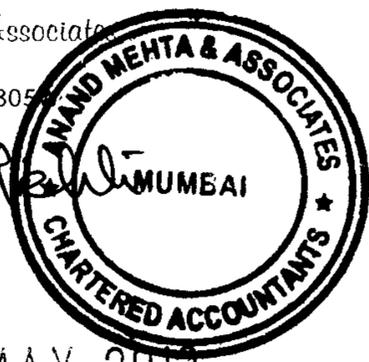
VASCON PRICOL INFRASTRUCTURES LIMITED
Cash Flow Statement for the year ended March 31, 2013

Particulars	Currency Indian Rupees	
	March 31, 2013	March 31, 2012
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Taxation and prior period adjustments	(72,57,834)	3,59,25,869
Adjustments Add/(Less):-		
Prior Period (Expenses)/Income	17,38,898	-
Depreciation	-	-
Operating Profit before working capital changes	(55,18,936)	3,59,25,869
Income Tax paid during the year	(84,88,810)	(55,83,630)
<u>Changes in Working Capital</u>		
Decrease / (Increase) in Inventories	(9,23,38,436)	(5,61,34,917)
Decrease / (Increase) in Trade Receivables	59,57,708	19,59,099
Decrease / (Increase) in Other Current Assets	2,27,37,984	(1,68,99,762)
Decrease / (Increase) in Loans and advances	(3,54,12,472)	(1,18,94,258)
Increase / (Decrease) in Current Liabilities and Provisions	30,43,22,242	6,99,59,246
Net Cash Generated from Operating Activities.	<u>19,12,59,279</u>	<u>1,73,31,646</u>
B CASH FLOWS FROM INVESTING ACTIVITIES		
Long Term Investments in Shares.	(3,00,00,000)	(2,00,00,000)
Share Application money paid	(31,00,000)	(5,00,000)
NET CASH Generated/ (USED) IN INVESTING ACTIVITIES	<u>(3,31,00,000)</u>	<u>(2,05,00,000)</u>
C CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Unsecured Loans.	(15,05,56,822)	-
Net Cash Generated/ (Used) in Financing Activities	<u>(15,05,56,822)</u>	<u>-</u>
NET CASH INFLOW (OUTFLOW) (A+B+C)	<u><u>76,02,457</u></u>	<u><u>(31,68,354)</u></u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR.		
a) Balances with banks in current accounts	10,95,137	42,53,023
b) Cash on hand	57,023	67,491
Sub-total	<u>11,52,160</u>	<u>43,20,514</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR.		
a) Balances with banks in current accounts	34,27,479	10,95,137
b) Cash on hand	36,009	57,023
c) Balances with banks in deposit accounts	52,91,130	-
Sub-total	<u>87,54,618</u>	<u>11,52,160</u>
Net (Decrease)/ Increase in Cash and Cash Equivalents During The year.	<u><u>76,02,457</u></u>	<u><u>(31,68,354)</u></u>

As per our report of even date

For Anand Mehta & Associates
Chartered Accountants
Firm Registration No. 127305

Kulin V. Mehta
Partner
Membership No. 38440
Pune, Dated



02 MAY 2013

For and on behalf of the Board of Directors

M. Krishnamurthi
Director

D. Santhanam
Director

Pune, Dated

02 MAY 2013

Vascon Pricol Infrastructures Limited.

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

1 The Company overview

Vascon Pricol Infrastructures Limited (Company) was incorporated on 2nd April 2007. The Company is engaged in the business of Property Developers /Real Estate Developers. Builders.

2 Summary of Significant Accounting policies:

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.

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.

Recognition of Revenue / Cost

Revenue from sale of units (UDS and Construction cost) is recognised as and when the underlying significant risk and rewards of ownership are transferred to the purchaser and when there is no uncertainty of the amount of consideration that will be derived and it is not unreasonable to expect ultimate collection. However, in case where the Company is obligated to perform any substantial acts after the transfer of all significant risks and rewards of ownership, revenue is recognised on proportionate basis as the acts are progressively performed, by applying the percentage of completion method as explained in AS - 7 (Revised), Construction Contracts.

Inventories

Development Work

The development work in progress represents progressive cost of work remaining incomplete/unsold as at close of the year ended is valued at lower of cost or net realisable value on the basis of technical estimate certified by the Managing Director/Expert. Finished goods comprising of constructed units ready for sale are valued at lower of cost and net realisable value.

Contingent Liabilities and Assets

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 ended but before finalisation of accounts and have material effect on balance sheet date.

Contingent assets as on the balance sheet, if any, are neither recognised nor disclosed in the financial statements.

Taxes on Income

Taxes on income are accounted in accordance with AS - 22 " Taxes on Income". Taxes on Income comprise both current tax and deferred tax.

Provision for current tax for the year ended 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.

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.

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.

Vascon Pricol Infrastructures Limited.

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

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.

Investments

Non current investments are carried at Cost . The Profit/(Loss) on sale of investments in securities/ properties is dealt with at the time of actual sale. Provision has been made in respect of diminution in the value of investments only if it is considered other than temporary in nature, in the opinion of the management.

	March 31, 2013	Currency Indian Rupees March 31, 2012
3 Share capital		
Authorised Capital		
10,000,000 (10,000,000) equity shares of Rs. 10/- each	10,00,00,000	10,00,00,000
	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Issued subscribed and paid up		
7,100,000 (7,100,000) equity shares of Rs. 10/- each fully paid up	7,10,00,000	7,10,00,000
	<u>7,10,00,000</u>	<u>7,10,00,000</u>

Reconciliation of the Number of shares

Description	No. of shares	Amount	No. of shares	Amount
No of Equity shares outstanding at the beginning of the year.	71,00,000	7,10,00,000	71,00,000	7,10,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
No of Equity shares outstanding at the end of the year.	<u>71,00,000</u>	<u>7,10,00,000</u>	<u>71,00,000</u>	<u>7,10,00,000</u>

Shareholders holding more than 5 percent shares in the Company

Name of the shareholder	No. of shares	% of Holding	No. of shares	% of Holding
Vascon Engineers Limited	49,70,000	70	4,97,00,000	70
Pricol Properties Limited	21,30,000	30	2,13,00,000	30

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 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 distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to their shareholding.

4 Reserves and surplus

Surplus/(Deficit) in the statement of Profit and Loss		
At the commencement of the Year.	3,10,01,571	63,44,330
Add /(Less) :-Profit/(Loss) transferred for the year	(69,06,748)	2,46,57,240
Net Surplus /(deficit) in the statement of Profit and Loss	<u>2,40,94,823</u>	<u>3,10,01,571</u>

5 Long term borrowings

Loans and advances from related parties		
Vascon Engineers Limited	-	10,54,11,211
Pricol Properties Limited	-	4,51,45,611
	<u>-</u>	<u>15,05,56,822</u>

(The Loans are repayable after 12 months from the date of call)

6 Other long term liabilities

Project Advances	16,85,05,106	-
	<u>16,85,05,106</u>	<u>-</u>

Vascon Pricol Infrastructures Limited.

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

	March 31, 2013	Currency Indian Rupees March 31, 2012
7 Trade payables		
Trade Payables (Refer Note No.27)	116,896,938	74,385,393
	<u>116,896,938</u>	<u>74,385,393</u>
8 Other current liabilities		
Statutory and other liabilities	1,400,247	807,616
Advance from customers	15,132,529	56,333,037
Less: related unbilled revenue	<u>(743,556)</u>	<u>(11,765,365)</u>
	14,388,973	44,567,672
Unearned receivables	149,527,065	1,406,986
Less: related debtors	<u>(21,477,159)</u>	<u>(314,525)</u>
	128,049,906	1,092,461
Others	182,308	4,242,105
	<u>144,021,434</u>	<u>50,709,854</u>
9 Short term provisions		
Taxation(Net of advance Tax & TDS)	-	7,101,000
Provision on Account of Dimunition	-	5,989
	<u>-</u>	<u>7,106,989</u>
10 Non Current Investments		
Trade:-	-	-
Others: (At Cost)		
Investment in equity instruments		
Wholly owned subsidiary		
Caspia Hotels Private Limited	180,000,000	150,000,000
18,000,000 (15,000,000) equity shares of Rs. 10/- each fully paid up	<u>180,000,000</u>	<u>150,000,000</u>
11 Long term loans and advances		
Project advances	54,812,230	19,399,758
	<u>54,812,230</u>	<u>19,399,758</u>
12 Inventories (At cost)		
Construction materials / tools	75,983	-
Developments	224,656,022	132,393,569
Plot of Land*	47,580,985	47,580,985
	<u>272,312,990</u>	<u>179,974,554</u>
* The land is given as collateral security for the term loan borrowed by wholly owned subsidiary Caspia Hotels Pvt Ltd.		
13 Trade receivables		
(Unsecured Considered Good, Unless Otherwise Stated)		
Outstanding for period exceeding six months	-	6624307
Others	<u>21,829,234</u>	<u>-</u>
	21,829,234	6,624,307
(Less) : related unearned receivables	<u>(21,477,159)</u>	<u>(314,525)</u>
	<u>352,075</u>	<u>6,309,783</u>

Vascon Pricol Infrastructures Limited.

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

	March 31, 2013	Currency Indian Rupees March 31, 2012
14 Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	36,009	57,023
Balances with banks in current accounts	34,27,479	10,95,137
Balances with banks in deposit accounts	52,91,130	-
	<u>87,54,618</u>	<u>11,52,160</u>
15 Other current assets		
Trade Advance	24,37,770	32,02,782
Unbilled revenue	19,28,011	3,44,74,516
(Less) : related advance payment received	<u>(7,43,556)</u>	<u>(1,17,65,365)</u>
	11,84,455	2,27,09,151
Prepaid expenses	14,725	-
Statutory dues recoverable	10,49,439	15,12,440
Share application money paid	36,00,000	5,00,000
	<u>82,86,389</u>	<u>2,79,24,373</u>

Vascon Pricol Infrastructures Limited.

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

	March 31, 2013	Currency Indian Rupees March 31, 2012
16 Revenue from operations		
Contract revenue recognised / sales (gross)		
- Sale of unit	2,42,32,539	11,66,82,507
	<u>2,42,32,539</u>	<u>11,66,82,507</u>
17 Other income		
Interest income	81,630	-
Miscellaneous income	5,767	40,533
	<u>87,397</u>	<u>40,533</u>
18 Construction Expenses		
Cost of material consumed	11,31,89,152	13,15,44,500
	<u>11,31,89,152</u>	<u>13,15,44,500</u>
19 Changes in inventories of Development and Construction material		
Opening Stock of Developments	17,99,74,555	12,38,39,636
Closing Stock of Developments	27,22,37,007	17,99,74,555
	<u>(9,22,62,453)</u>	<u>(5,61,34,918)</u>
20 Finance costs		
Interest expense	54,77,832	-
	<u>54,77,832</u>	<u>-</u>
21 Other expenses		
Auditors Remunerations	89,888	1,12,360
Advertisement	2,11,613	76,517
Bank charges	8,723	22,155
Electricity charges	3,56,524	38,602
Insurance	1,512	-
Other expenses	6,10,860	97,939
Postage and telephone	85,672	86,915
Printing and stationery	52,918	1,07,509
Rates and taxes	5,737	1,39,948
Repairs and Maintenance	53,789	21,245
Sales promotion expenses	31,81,802	45,24,840
Travelling expenses	19,885	23,122
Service charges/professional fees/retainers	4,94,316	1,36,438
	<u>51,73,239</u>	<u>53,87,590</u>
<u>Auditors Remunerations :</u>		
Audit Fee	55,000	1,00,000
Tax Audit Fees	25,000	-
	<u>80,000</u>	<u>1,00,000</u>
(Fees mentioned above does not includes service tax and education cess thereon)		
22 Earning per share (EPS)		
Net Profit / (Loss) as per Statement of Profit and Loss	(69,06,748)	2,46,57,239
Weighted average number of shares outstanding	71,00,000	71,00,000
Face Value per share	10	10
Earning Per Share - Basic and Diluted	(0.97)	3.47

23 **Contingent Liabilities :**

Particulars	March 31, 2013	March 31, 2012
Corporate Guarantee given for Caspia Hotels Private Limited	34,62,00,000	35,63,00,000

24 **Related Party Disclosure**

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.

Names of related parties

1. Holding Company

- Vascon Engineers Limited

2. Joint Venturer

- Pricol Properties Limited

3. Fellow Subsidiaries

- Marvel Housing Private Limited
- Grey Stone Premises Private Limited
- Vascon Dwellings Private Limited
- IT CITI Info Park Private Limited
- Windflower Properties Private Limited
- GMP Technical Solution Private Limited
- Floriana Properties Private Limited
- Vascon Renaissance EPC Limited Liability Partnership
- Almet Corporation Limited
- Marathawada Realtors Private Limited

4. Subsidiary Company

- Caspia Hotels Private Limited

5. Key Management Personnel

- D.Santhanam
- M.Krishnamurthy

Transactions with related parties:

Name of related party	Nature of relations	Type of transaction	Transaction Amount(Rs.)
Vascon Engineers Limited	Holding Co.	Loan Taken	5,889,000 (0)
Vascon Engineers Limited	Holding Co.	Loan repaid	114,783,376 (0)
Vascon Engineers Limited	Holding Co.	Project Loans and Advances Taken	120,783,376 (0)
Vascon Engineers Limited	Holding Co.	Purchase (Contract for Construction)	105,892,011 (120,733,103)
Vascon Engineers Limited	Holding Co.	Interest on Loan taken (Incl. TDS)	3,870,183 (0)
Pricol Properties Limited	Investing co.	Interest on Loan taken (Incl. TDS)	1,607,649 (0)
Pricol Properties Limited	Investing co.	Loan Taken	2,100,000 (0)
Pricol Properties Limited	Investing co.	Loan Repaid	48,692,494 (0)
Pricol Properties Limited	Investing co.	Project Loans and Advances Taken	48,710,730 (0)
Caspia Hotels Private Limited	Subsidiary co.	Share appln.money paid	33,100,000 (21,500,000)
Caspia Hotels Private Limited	Subsidiary co.	Allotment of Equity Shares recd.	30,000,000 (20,000,000)
Caspia Hotels Private Limited	Subsidiary co.	Expenses Reimbursement.	0 (0)
Vascon Engineers Limited	Holding Co.	Expenses Reimbursement.	832,625 (243,721)
Pricol Properties Limited	Investing co.	Expenses Reimbursement.	0 (0)
Caspia Hotels Private Limited	Subsidiary co.	Corporate Curantee Given on behalf of Subsidiary	34,62,00,000 (356,300,000)

Particulars	Vascon Engineers Limited	Caspia Hotels Private Limited	Pricol Properties Limited.
Due to Company	22,14,822	36,00,000	-
	(22,14,822)	(5,00,000)	-
Due by Company	22,61,86,447	-	4,87,10,730
	(17,22,60,905)	-	(4,51,63,847)

25 **Segment Reporting**

Business Segments :- The Company is solely engaged in Real Estate business as of the Balance sheet date. The entire operation are governed by the same set of risk and returns, hence the same has been considered as representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard-17 on Segment reporting.

Geographical Segments :- The Company sells its products and services within India with nil income from overseas markets and do not have any operations in economic environments with different set of risk and returns. Hence it is considered operating in a single geographical segment.

- 26 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.

Components of deferred tax assets are as follows:
On account of carried forward losses

March 31, 2013 March 31, 2012

(55,18,938)

-

Net deferred tax asset

(55,18,938)

-

- 27 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.

-

-

- 28 Details of Earnings and Expenditure In Foreign Currency

March 31, 2013

March 31, 2012

Earnings

-

-

Expenditure

-

-

- 29 Previous years figures have been regrouped, reclassified and shown in bracket where ever necessary to confirm current years classification.

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. 38440
Pune: Dated

02 MAY 2013



For and on behalf of the Board of Directors

M. Krishnamurthi

M Krishnamurthi
Director

D. Santanam

D Santanam
Director

Pune: Dated

02 MAY 2013