

# Vascon Dwellings Private Limited

ANNUAL REPORT  
F.Y. 2013-14



*Anand Mehta & Associates*

CHARTERED ACCOUNTANTS

**MUMBAI**

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**INDEPENDENT AUDITORS 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 31<sup>st</sup> March, 2014 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 standard notified under the Companies (Accounting Standards) Rules, 2006 as per sub-section (3C) of section 211 of the Companies Act, 1956 of India (the Act) read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 or 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 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 audit evidence about 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

## 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 and in accordance with the accounting standards referred to in section 211(3C) of the said Act:
- In the case of the Balance Sheet , of the state of affairs of the company as at 31<sup>st</sup> March, 2014;
  - 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 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, 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

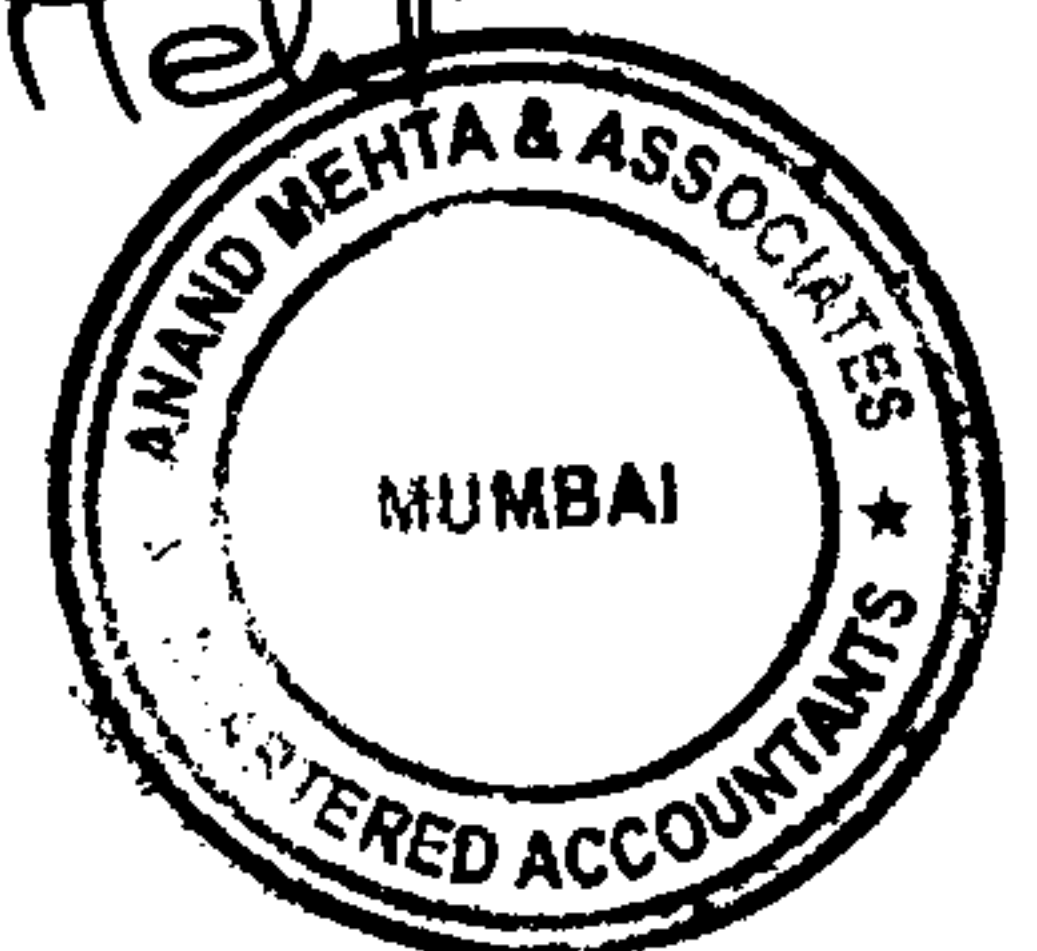
F.R No. 127305W

*Kulin V. Mehta*

Kulin V. Mehta

Partner

M. No. 38440



Pune; Dated

**16 MAY 2014**



*Anand Mehta & Associates*

Chartered Accountants

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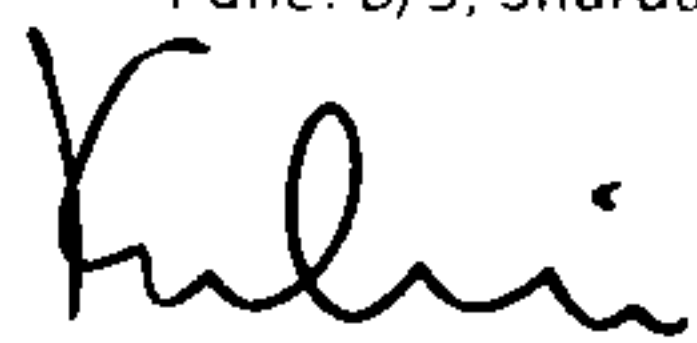
**ANNEXURE TO AUDITOR'S REPORT**

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, 2014

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.
  - 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.

*Kulvi*

3. The Company has neither granted nor taken 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.
  - a) According to the information and explanation given to us, we are of the opinion that the contracts/ arrangement that need to be entered into a register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to information and explanation given to us there were no transactions for the purchase of goods, materials and services and sales of goods, materials and services in pursuance of contracts or arrangement entered in register maintained under section 301 of the companies Act 1956, exceeding the value of Rs. 5,00,000/- in respect of each such party during the year.
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



Sr.No.	Particulars	Amount	Period	Due Date
1	TDS on interest	20,30,000	F.Y. 2012-13	7th of the every following month

- 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 incurred cash losses during the current financial year. However, the Company has not incurred cash losses 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 and conditions of guarantee given by the Company for loans taken by holding company from bank or financial institutions, are not prejudicial to the interest of the Company.
16. The Company has not taken any term loan and therefore, the clause (xvi) of Paragraph 4 of the Order is not applicable.

*Kulini*

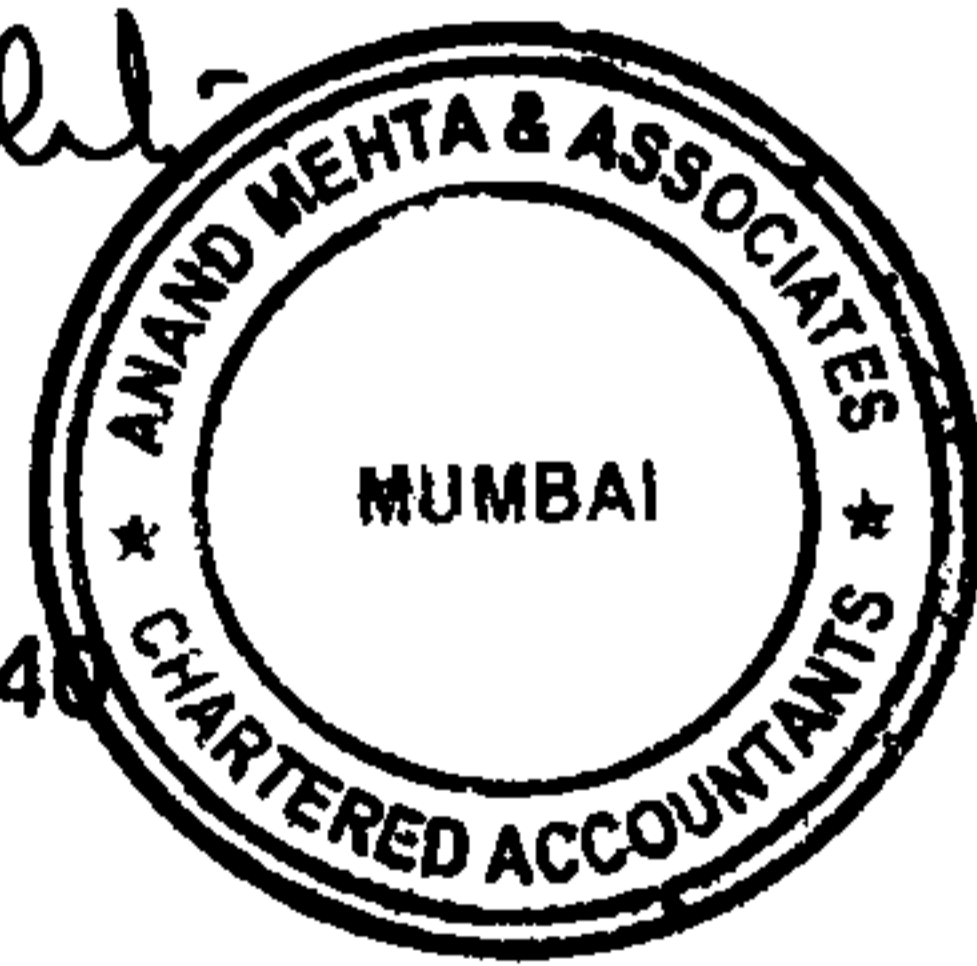
17. The Company has not raised any short funds and therefore, the clause (xvii) of Paragraph 4 of the Order is not applicable.
18. According to the explanation and information given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained 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. 38448**



**Pune; Dated**

**16 MAY 2014**

**VASCÓN DWELLING PRIVATE LIMITED**  
Balance Sheet as at March 31, 2014

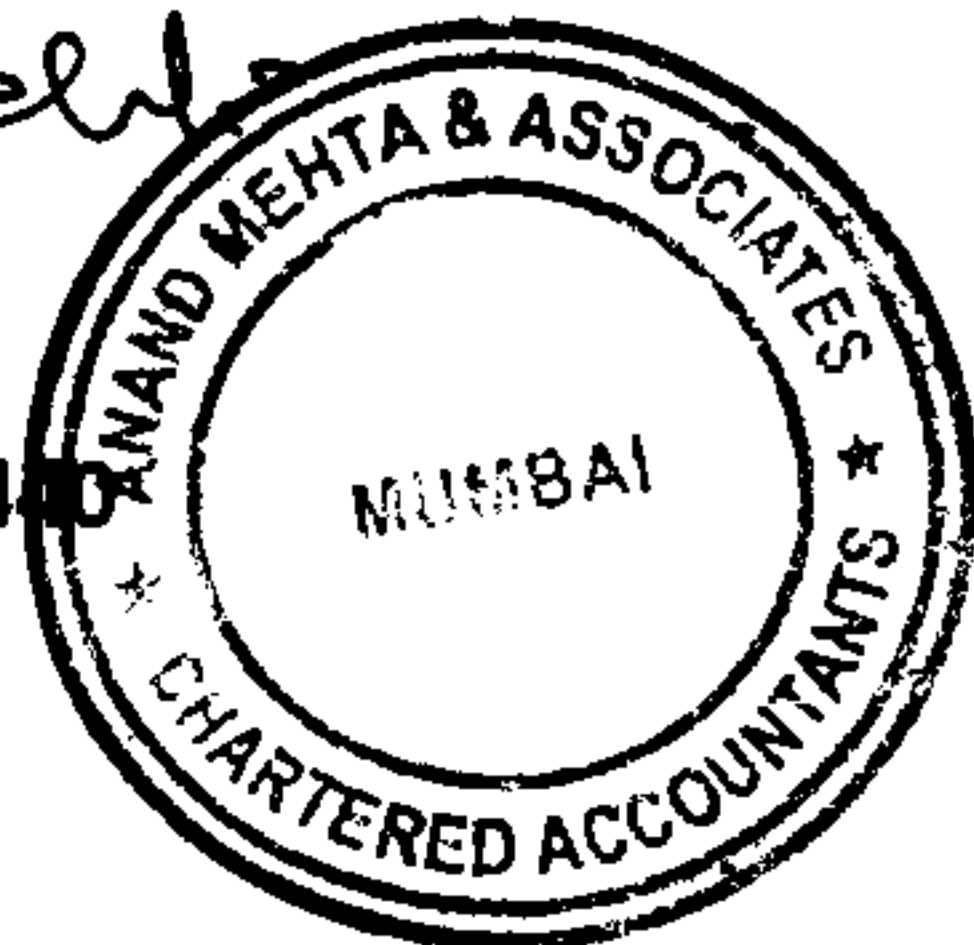
Currency Indian Rupees

Particulars	Note No	March 31, 2014	March 31, 2013
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	100,000	100,000
Reserves and surplus	4	(24,964,950)	(13,317,733)
		(24,864,950)	(13,217,733)
<b>Non current liabilities</b>			
Long term borrowings	5	169,261,499	163,275,740
		169,261,499	163,275,740
<b>Current liabilities</b>			
Short term borrowings	6	20,556,460	17,000,000
Trade payables	7	277,893,020	282,470,524
Other current liabilities	8	64,746,058	79,715,463
Short term provisions	9	67,666	1,477,395
		363,263,204	380,663,382
		<b>507,659,753</b>	<b>530,721,389</b>
<b>Assets</b>			
<b>Non current assets</b>			
Fixed assets			
- Tangible assets	10	53,418	65,237
Long term loans and advances	11	35,477,282	58,326,573
		35,530,700	58,391,810
<b>Current assets</b>			
Inventories	12	358,784,390	439,553,774
Trade receivables	13	96,899,014	11,576,484
Cash and Bank Balances	14	5,526,626	2,657,614
Short term loans and advances	15	150,000	-
Other current assets	16	10,769,023	18,541,707
		472,129,053	472,329,579
		<b>507,659,753</b>	<b>530,721,389</b>
Summary of significant accounting policies	2		
Notes to 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. 38400  
Pune: Dated



For and on behalf of the Board of Directors

*M. Krishnamurthi*

M. Krishnamurthi  
Director

*Dr. Santosh Sundararajan*

Dr. Santosh Sundararajan  
Director

Pune: Dated

16 MAY 2014

16 MAY 2014



**VASCON DWELLING PRIVATE LIMITED**  
**Statement of Profit and loss for the Year ended March 31, 2014**

Currency Indian Rupees

Particulars	Note No	March 31, 2014	March 31, 2013
Revenue from operations	17	177,852,628	111,437,308
Other income	18	831,063	6,101,567
<b>Total Revenue</b>		178,683,691	117,538,874
Cost of material consumed	19	65,650,502	90,854,207
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	78,893,033	(23,405,765)
Employee benefit expense	21	-	2,350,309
Finance costs	22	9,880,922	20,300,000
Depreciation	10	11,819	15,542
Other expenses	23	35,894,634	16,770,669
<b>Total Expenses</b>		190,330,910	106,884,961
Profit before exceptional and extraordinary items and tax		(11,647,219)	10,653,913
Prior period expenses / income (net)	24	-	987,316
<b>Profit / (Loss) before tax</b>		(11,647,219)	11,641,229
Tax expense:			
Current tax		-	2,446,000
Excess / short provision for tax of earlier years		-	(2,329,500)
MAT Credit entitlement		-	(4,242,380)
Earlier Year adjustment of MAT Credit Entitlement		-	(4,125,880)
<b>Profit / (Loss) for the year from continuing operations</b>		(11,647,219)	15,767,109
Profit / (loss) from discontinuing operations			
Tax expense of discontinuing operations			
Profit / (loss) from discontinuing operations (after tax)		-	
<b>Profit / (Loss) for the year</b>		(11,647,219)	15,767,109
Earnings per equity share: (Nominal Value of Rs.10/- each)			
Basic & Diluted.	25	(1,165)	1,577
Summary of Significant Accounting Policies	2		
Notes to the financial statements	3-34		

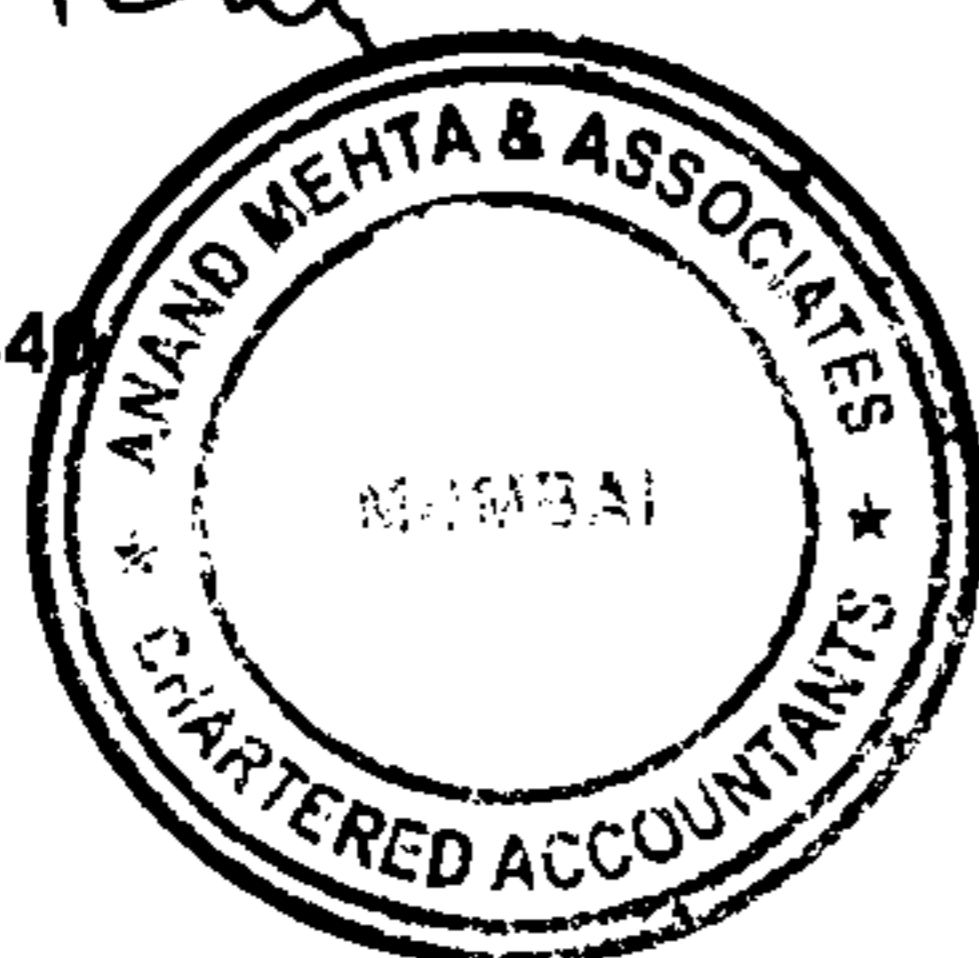
The notes referred to above form an integral part of these financial statements.

**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. 3844  
Pune: Dated



For and on behalf of the Board of Directors

*M. Krishnamurthi*

M. Krishnamurthi  
Director

*Dr. Santosh Sundararajan*

Dr. Santosh Sundararajan  
Director

Pune: Dated

16 MAY 2014

16 MAY 2014

**VASCON DWELLING PRIVATE LIMITED**  
Cash Flow for the year ended March 31, 2014

Currency Indian Rupees

Particulars	March 31, 2014	March 31, 2013
<b>A Cash flows from operating activities</b>		
Profit Before Tax	(11,647,219)	18,213,109
Adjustments to Reconcile Profit Before Tax to Cash Provided by Operating Activities.		
Add/(Less):-		
Interest Expenses	9,880,923	-
Interest Income	(577,825)	-
Depreciation	11,819	15,542
	(2,332,303)	18,228,651
Income Taxes Paid During The Year	(1,372,390)	(4,956,061)
<u>Changes in Current Assets And Liabilities.</u>		
Decrease / (Increase) in Inventories (Before Capitalisation of Borrowing Cost).	88,956,759	(23,518,518)
Decrease / (Increase) in Trade Receivables	(85,322,530)	11,609,351
Decrease / (Increase) in Other Current Assets	7,772,685	(15,401,500)
Increase / (Decrease) in provision for tax	(129,404)	
Increase / (Decrease) in Current Liabilities and Provisions	(19,546,909)	(30,428,574)
<b>Net Cash Generated By Operating Activities.</b>	<b>(11,974,091)</b>	<b>(44,466,651)</b>
<b>B Cash flows from financing activities</b>		
Increase/(Decrease) in Unsecured Loans	9,542,219	16,344,483
Interest expenses (including interest capitalised)	(18,068,298)	-
<b>Net Cash Generated (Used) in Financing Activities.</b>	<b>(8,526,079)</b>	<b>16,344,483</b>
<b>C Cash flows from investing activities</b>		
(Increase)/decrease in loans and advances	22,791,357	1,054,780
Interest Income	577,825	-
<b>Net cash (used) in investing activities</b>	<b>23,369,182</b>	<b>1,054,780</b>
<b>D Net cash inflow (outflow) (a+b+c)</b>	<b>2,869,012</b>	<b>(27,067,388)</b>
<b>Cash and Cash Equivalents at the Beginning of the year.</b>		
a) Cash on hand	97,307	526,214
b) Balances with banks with current accounts	2,560,307	29,198,788
c) Balance with bank in deposit account maturing within 3 months		
d) Balance with bank in deposit account maturing from 3 to 12 months from the Balance Sheet date		
<b>Sub Total</b>	<b>2,657,614</b>	<b>29,725,002</b>
<b>Cash and Cash Equivalents at the end of the year.</b>		
a) Cash on hand	97,087	97,307
b) Balances with banks with current accounts	1,205,466	2,560,307
c) Balance with bank in deposit account maturing within 3 months	2,127,728	-
d) Balance with bank in deposit account maturing from 3 to 12 months from the Balance Sheet date	2,096,345	-
<b>Sub Total</b>	<b>5,526,626</b>	<b>2,657,614</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents During The Year.</b>	<b>2,869,012</b>	<b>(27,067,388)</b>

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



For and on behalf of the Board of Directors

*M. Krishnamurthi*

M. Krishnamurthi  
Director

*Dr. Santosh Sundararajan*

Dr. Santosh Sundararajan  
Director

Pune: Dated 16 MAY 2014

## VASCON DWELLING PRIVATE LIMITED

### Notes to Financial Statements for the Year ended March 31, 2014

#### 1 The Company overview

Vascon Dwelling Pvt. Ltd. (Company) was incorporated on 15th July 2005 and having CIN U45200MH2005PTC154825. The Company is engaged in the business of Real Estate Development.

#### 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 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 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

##### **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.

Intangible assets are recognised as an asset only if it fulfills the criteria specified in AS 26 "Intangible Assets" issued by the ICAI.

##### **Inventories**

##### **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.

##### **Development Work:**

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

##### **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 Year of lease term. Software in nature of intangible asset has been amortised fully in the Year in which the same is ready for use.

## VASCON DWELLING PRIVATE LIMITED

### Notes to Financial Statements for the Year ended March 31, 2014

#### 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 Yearically and effect of any changes in such estimates is recognized in the Year 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

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

(e) Atleast 10% of the total revenue as per agreements of sale are realised at the reporting date in respect

(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 Yearically and effect of any changes in such estimates is recognized in the Year 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.

#### 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 Year -end but before finalisation of accounts and have material effect on balance sheet date.

## **VASCON DWELLING PRIVATE LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2014**

#### **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.

#### **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.

#### **Borrowing Cost**

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construcion 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 capitlization of borrowing cost.

#### **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 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 Year and are capable of reversal in one or more subsequent Year (s).This is measured using substantively enacted tax rate and tax regulation.

#### **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 Financial Statements for the Year ended March 31, 2014**

	Currency Indian Rupees	
Particulars	March 31, 2014	March 31, 2013
<b>3 Share capital</b>		
<b>A Authorised capital</b>		
10000 (10000) equity shares of Rs. 10/- each	100,000	100,000
	100,000	100,000
<b>Issued and subscribed</b>		
10000 (10000) equity shares of Rs. 10/- each	100,000	100,000
	100,000	100,000
	100,000	100,000
<p>The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-per share. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote per share.</p> <p>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 the number of equity shares held by the shareholders.</p>		
<b>B Following are the details of the share capital</b>		
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
Description	No of shares	No of shares
No of shares outstanding at the beginning of the year	10,000	10000
Equity Shares Issued during the Year	-	-
Equity Shares bought back during the Year	-	-
	10,000	10,000
	10,000	10,000
<b>C Shareholders holding more than 5 percent shares in the Company</b>		
Name of the shareholder	No of shares	No of shares
Vascon Engineers Limited - Holding Company	10,000	10,000
	10,000	10,000
	10,000	10,000
<b>4 Reserves and surplus</b>		
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance at the commencement	(13,317,732)	15,767,109
Add: Net profit/(loss) for the year	(11,647,218)	(29,084,842)
Less: deductions during the year		
Net Surplus/(Deficit) in the Statement of Profit and Loss	(24,964,950)	(13,317,733)
	(24,964,950)	(13,317,733)
<b>5 Long term borrowings</b>		
Unsecured		
Loans and advances from Holding Company	169,261,499	163,275,740
	169,261,499	163,275,740
	169,261,499	163,275,740
<b>Terms of Repayment :</b>		
Particulars & Terms		
a) Period of repayment -Within 12 months from the date of Call.		
b) Rate of Interest -14%		
<b>6 Short term borrowings</b>		
Unsecured		
from Corporates	18,144,356	17,000,000
Overdraft balance in current account with scheduled bank	2,412,104	-
	20,556,460	17,000,000
	20,556,460	17,000,000
<b>Terms of Repayment :</b>		
Particulars & Terms		
a) Period of repayment -12 months after the date of Call.		
b) Rate of Interest -15%		

**Vascon Dwellings Private Limited.**

**Notes to Financial Statements for the Year ended March 31, 2014**

<b>7</b>	<b>Trade payables</b>		
	Trade Payables (Refer Note No.32)	277,893,020	282,470,524
		277,893,020	282,470,524
<b>8</b>	<b>Other current liabilities</b>		
	Statutory and other liabilities	2,361,197	10,317,314
	Commitment Deposits received	22,606,518	-
	Advance from customers	149,811,447	55,707,065
	Less: related unbilled revenue	(130,132,125)	(522,443)
		19,679,321	55,184,622
	Unearned receivables	6,750,201	14,930,230
	Less: related debtors	(2,607,091)	(8,096,614)
		4,143,110	6,833,616
	Payables for expenses	14,609,471	4,889,251
	Corpus deposit Interest Payable	1,346,440	2,490,661
		64,746,058	79,715,463
<b>9</b>	<b>Short term provisions</b>		
	Provision for Taxation(Net of advance tax and TDS)	67,666	1,477,395
		-	-
		67,666	1,477,395
<b>11</b>	<b>Long term loans and advances</b>		
	(Unsecured considered good)		
	Security deposits	15,013,620	15,150,814
	Other Loans and advances	13,799,717	36,603,879
	Advance Income Tax and TDS (Net off provision for tax)	6,663,945	6,571,880
		35,477,282	58,326,573
		35,477,282	58,326,573
<b>12</b>	<b>Inventories</b>		
	Building materials / tools	5,288,076	71,644,286.63
	Developments -Units Under Construction	350,190,456	417,696,125
	Developments -Completed Units	3,305,859	14,693,220
		358,784,390	439,553,774
		358,784,390	439,553,774
<b>13</b>	<b>Trade receivables</b>		
	(Unsecured Considered Good, Unless Otherwise Stated)		
	Outstanding for period exceeding six months		
	Considered good	22,758,765	5,548,448
	Others considered good	76,747,340	14,124,650
	(Less) : Related unearned receivables	(2,607,091)	(8,096,614)
		96,899,014	11,576,484
		96,899,014	11,576,484
<b>14</b>	<b>Cash and Bank Balances</b>		
	a) Cash and Cash equivalents		
	Balances with banks in current accounts	1,205,466	2,560,307
	Balance in deposit account upto 3 months	2,127,728	-
	Cash on hand	97,087	97,307
	b) Other Bank Balances		
	Balance in deposit account from 3 to 12 months	2,096,345	-
		5,526,626	2,657,614
		5,526,626	2,657,614
	Note :-Balances with Bank in Deposit account are under Lein to IDFC Bank Ltd.		
<b>15</b>	<b>Short term loans and advances</b>		
	Unsecured Considered Good		
	Security deposits	150,000	-
		150,000	-
		150,000	-

Vascon Dwellings Private Limited.

Notes to Financial Statements for the Year ended March 31, 2014

16 Other current assets

Advance against development / work / purchases	2,883,670	2,863,371
Prepaid expenses	93,040	-
Unbilled revenue	134,841,182	1,103,704
(Less) : related advance payment received	<u>(130,132,125)</u>	<u>(522,443)</u>
	4,709,057	581,261
Statutory dues recoverable	3,083,256	9,210,481
Other recoverables and receivables	-	5,886,594
	<u>10,769,023</u>	<u>18,541,707</u>



VASCON DWELLING PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2014

10 Fixed assets

Currency Indian Rupees

Tangible assets

Particulars	Plant & Machinery	Furnitures & Fixtures.	Computers	Total
<b>Gross carrying value</b>				
As at April 1, 2013	56,897	22,050	27,700	106,647
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2014	<u>56,897</u>	<u>22,050</u>	<u>27,700</u>	<u>106,647</u>
<b>Accumulated depreciation</b>				
As at April 1, 2013	14,316	7,595	19,499	41,410
Additions	5,923	2,616	3,280	11,819
Disposals	-	-	-	-
As at March 31, 2014	<u>20,238</u>	<u>10,211</u>	<u>22,780</u>	<u>53,229</u>
Capital work in progress				-
<b>Net carrying value as at March 31, 2014</b>	<b><u>36,659</u></b>	<b><u>11,839</u></b>	<b><u>4,920</u></b>	<b><u>53,418</u></b>
<b>Gross carrying value</b>				
As at April 1, 2012	56,897.00	22,050	27,700	106,647
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2013	<u>56,897</u>	<u>22,050</u>	<u>27,700</u>	<u>106,647</u>
<b>Accumulated depreciation</b>				
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 March 31, 2013	<u>14,316</u>	<u>7,595</u>	<u>19,499</u>	<u>41,410</u>
Capital work in progress				-
<b>Net Carrying Value as at March 31, 2013</b>	<b><u>42,581</u></b>	<b><u>14,455</u></b>	<b><u>8,201</u></b>	<b><u>65,237</u></b>

**Vascon Dwellinas Private Limited.**  
**Notes to Financial Statements for the Year ended March 31, 2014**

Particulars	Currency Indian Rupees	
	March 31, 2014	March 31, 2013
<b>17 Revenue from operations</b>		
Contract revenue recognised / sales (gross)		
- Sale of unit	167,478,227	110315286
- Sale of Rights	10,000,000	-
- Other sales	374,401	1,122,022
	<u>177,852,628</u>	<u>111,437,308</u>
<b>18 Other income</b>		
Interest income	577,825	9,684
Miscellaneous income	253,238	6,091,883
	<u>831,063</u>	<u>6,101,567</u>
<b>19 Construction Expenses</b>		
Expenses for Development - Direct.	57,463,126	88,304,206
Allocation of Borrowing Cost to Cost of Development.	8,187,376	2,550,001
	<u>65,650,502</u>	<u>90,854,207</u>
<b>20 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Opening Stock of Developments	432,389,345	408,983,579
Closing Stock of Developments	353,496,312	432,389,345
	<u>78,893,033</u>	<u>(23,405,765)</u>
<b>21 Employee benefit expense</b>		
Salaries and wages	-	2,350,309
	<u>-</u>	<u>2,350,309</u>
<b>22 Finance costs</b>		
Interest expense	15,518,298	20,300,000
Other borrowing costs	2,550,000	2,550,001
Less : borrowing cost transferred to qualifying assets	(8,187,376)	(2,550,001)
	<u>9,880,922</u>	<u>20,300,000</u>
<b>23 Other expenses</b>		
Auditors remuneration	500,000	500,000
Bank charges	33,146	6,130
Brokerage / commission	279,599	337,397
Conveyance	80,093	64,381
Donations	2,100	3,000
Insurance	63,246	724,732
Other expenses	1,542,519	532,262
Postage and telephone	162,863	250,005
Printing and stationery	37,691	61,806
Rent	473,624	256,000
Compensation	30,637,322	4,987,150
Repairs & Maintenance	247,736	6,946,390
Sales promotion		1,601,793
Travelling expenses	92,749	113,795
Service charges/professional fees	1,741,945	385,828
	<u>35,894,634</u>	<u>16,770,669</u>
<b>Auditors Remunerations :</b>		
Audit Fee	325,000	325,000
Tax Audit Fee	175,000	175,000
Total	<u>500,000</u>	<u>500,000</u>
( Fees mentioned above does not includes service tax and education cess thereon)		

	-	987,316
<b>25 Earning per share (EPS)</b>		
Net Profit / (Loss) after tax available for distribution to Equity Shareholders for Basic EPS	(11,647,219)	15,767,109
Weighted average number of shares outstanding for Basic EPS	10,000	10,000
Face Value per share	10	10
Earning Per Share - Basic & Diluted	(1,165)	1,577

**VASCON DWELLING PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2014**

26 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.

27 Break up of Deferred Tax Liability (Asset) is given below:  
 In accordance with the provisions of AS 22 " Accounting for Taxation" in absence of virtual certainty of taxable income, no provision for deferred tax assets in respect of carried forward business loss, has been made as the net result is deferred tax

No.	On account of	March 31, 2014	March 31,2013
i)	Accumulated business loss	(3,484,665)	(3,627,651)
ii)	Accumulated depreciation	1,325	2,093
	<b>Net Deferred Tax Liability/(Assets)</b>	<b>(3,483,340)</b>	<b>(3,627,651)</b>

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  
 - 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  
 - Just Homes India Pvt. Ltd

3. Step Down Fellow Subsidiary  
 - Caspia Hotels Pvt. Ltd  
 - GMP Technical Solutions Middle East (FZE)

4. Key Management Personnel  
 - Dr.Santosh Sundararajan  
 - M. Krishnamurthi

**VASCON DWELLING PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2014

Name of related party	Nature of relations	Type of transaction	Transaction Amount (Rs.)
Vascon Engineers Limited	Holding Company	Loan taken	104,757,749 (61,818,907)
Voscon Engineers Limited	Holding Company	Loan repaid	110,049,708 (63,172,702)
Vascon Engineers Limited	Holding Company	Interest expense	11,277,718 (20,300,000)
Vascon Engineers Limited	Holding Company	Purchases	5,65,431 (5,778)
Vascon Engineers Limited	Holding Company	Guarantee Given	208,734,110 (31,542,437)

Name of related party	Nature of Relations(Transactions)	Due to Company	Due by Company
Vascon Engineers Limited	Holding Company (Loan Account)	Nil (Nil)	169,261,499 (163,275,740)
Vascon Engineers Limited	Holding Company (Trade Payables)	Nil (Nil)	261,218,318 (262,685,721)

**29 Contingent Liabilities**

- a) In respect of Secured Loan borrowed by the parent company, Vascon Engineers Limited of Rs.650,000,000 /- from IDFC Real Estate Yeild Fund the Company has pledged its stock in trade (Book cost of Rs.53,613,140) comprising of
- i) Land bearing survey no 113/2 admeasuring 12850 sq.mtr situated at village Wadala Nashik (Book cost of Rs. 29,705,549 )
  - ii) land bearing survey no 84/1B/2 admeasuring 8227 sq.mtr situated at Village Wadala Nashik (Book cost of Rs. 23,907,592 )
- b) In respect of Cash Credit availed by the parent company, Vascon Engineers Limited from SBI the Company has provided corporate guarantee as well as pledged its stock in trade of Rs.15,51,20,970/-(Book Cost) comprising commercial units on 3rd ,4th & 6th floor "A" building V-tech Park, Wadala Nashik admeasuring 7765.34 sq.m.

**30 For Development projects and according to the facts:**

Pending final decision and interim stay granted by the Hon'ble High Court of Bombay in case of MCHI, the Company , has in case of certain development projects, neither collected nor paid Maharashtra Value Added Tax and in cose of certain development projects, has paid Maharashtra Value Added Tax

**31 Note on litigation in Vista Annex Project :-**

The company has purchased the property bearing S. no. 84/1b/2 (part) admeasuring about 7942 sq mt , 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 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. Sonklecha Construction vis-à-vis M/s. Vascon Dwelling Pvt. Ltd. as illegal null & void. The Company has taken the possession of the said suit property. 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, 2014	March 31,2013
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 appinted doy 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 remainina unpaid at the end of the accounting year	-	-

**33 Details of Earnings and Expenditure In Foreign Currency**

	March 31, 2014	March 31,2013
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

Kulin V Mehta  
Partner  
Membership No. 38440  
Pune: Dated

16 MAY 2014



For and on behalf of the Board of Directors

*M. Krishnamurthi*

M. Krishnamurthi  
Director

*Dr. Santosh Sundararajan*

Dr. Santosh Sundararajan  
Director

Pune: Dated 16 MAY 2014