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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, 2015 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the financial statements that give a true and fair view and free from material misstatement, 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.
4. We have taken into account provisions of the Act, the accounting and auditing standards and matters which are required in the audit report under the provisions of the Act.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with Ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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6. 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 risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view 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 the company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Opinion**

8. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31<sup>st</sup> March 2015, and its loss and its cash flows for the year ended on that date.

#### **Emphasis of Matters**

9. We draw attention to the following matter in the Notes to the financial statements:
  - a. Note number 30 in the financial statements which describes the uncertainty related to the outcome of the lawsuit filed by the original co-owner in respect of sale of land at Nashik.

Our opinion is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

10. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
  - a. We have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. In our opinion there is no adverse effect on the going concern with regard to the functioning of the Company.
  - f. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - g. The company has internal financial controls over financial reporting and the operating effectiveness of such controls are adequate.

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- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements as per Note No 30 to the financial statements.
  - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For *Anand Mehta & Associates* Chartered Accountants LLP

CHARTERED ACCOUNTANTS  
F.R No. 127305W



*Kulin V. Mehta*

Kulin V. Mehta  
Partner  
M. No. 38440

Pune; Dated

*10/5/2015*



*Anand Mehta & Associates* **Chartered Accountants LLP**  
Chartered Accountants

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**ANNEXURE TO AUDITOR'S REPORT**

Annexure referred to in Paragraph 10 of the Independent Auditor's report to the members of Vascon Dwellings Private Limited for the year ended 31st March, 2015

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. In accordance with the Schedule II prescribed under the Companies Act, 2013 the assets whose economic useful life being over the same has been written off and adjusted against Reserves and Surplus.
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

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verification between the physical stock and book records were not material in relation to the operations of the Company.

3. The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Sec 189 of the Companies Act, 2013.
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. The Company has not accepted any deposits from the public within the meaning of the section 73 to 76 or any other relevant provisions of the Companies Act and the rules frame there under.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 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.
7.
  - a. According to the information and explanations given to us, the Company was regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income tax, Sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. Arrears of any statutory dues which were outstanding as at year end for a period more than 6 months from the date they become payable is shown below.

Sr.No.	Particulars	Amount	Period	Due Date
1	TDS on interest	20,30,000	F.Y. 2012-13	7th of the every following month
2	TDS on Salary	85,364	F.Y. 2013-14	7th of the every following month

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3	TDS on interest	1,28,700	F.Y. 2014-15	7th of the every following month
4	TDS on Salary	49,085	F.Y. 2014-15	7th of the every following month
5	TDS on contractor payments	67,340	F.Y. 2014-15	7th of the every following month
6	TDS on Professional Payments	1,22,204	F.Y. 2014-15	7th of the every following month
7	TDS on Brokerage	4,167	F.Y. 2014-15	7th of the every following month

- b. According to the information and explanations given to us, the Company did not have any disputed dues in respect of Income Tax or sales tax or Wealth tax or Service tax or duty of customs or duty of excise, value added tax or cess.
- c. According to the information and explanations given to us, there were no amounts required to be transferred to the Investor Education and Protection Fund by the company.
8. The accumulated losses of the Company exceeds fifty percent of its net worth at the end of the year. The Company has not incurred cash losses during the current financial year. However, the Company has incurred cash losses in the immediately preceding financial year.
9. The Company has not availed any loans from financial institutions, banks or issued any debentures and therefore, the provisions of Paragraph 3(ix) of the Order are not applicable.
10. 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.
11. According to the explanation and information given to us, the Company has not obtained term loans and therefore, the provisions of Clause (xi) of Paragraph 3 of the Order are not applicable.

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12. 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 LLP

**Chartered Accountants**

**Firm Registration No. 127305W**

*Kulin V Mehta*



**Kulin V Mehta**

**Partner**

**Membership No. 38440**

**Pune; Dated** 10/5/2015

**VASCON DWELLING PRIVATE LIMITED**  
Balance Sheet as at March 31 2015

Currency Indian Rupees

Particulars	Note No	March 31 2015	March 31,2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	100,000	100,000
Reserves and surplus	4	(26,691,698)	(24,964,950)
		(26,591,698)	(24,864,950)
<b>Non current liabilities</b>			
Long term borrowings	5	245,551,504	169,261,499
		245,551,504	169,261,499
<b>Current liabilities</b>			
Short term borrowings	6	2,500,000	20,556,460
Trade payables	7	265,672,082	277,893,020
Other current liabilities	8	159,274,398	64,746,058
Short term provisions	9	209,000	67,666
		427,655,481	363,263,204
<b>Total</b>		<b>646,615,286</b>	<b>507,659,753</b>
<b>Assets</b>			
<b>Non current assets</b>			
Fixed assets			
- Tangible assets	10	-	53,418
Long term loans and advances	11	42,770,073	35,477,282
		42,770,074	35,530,700
<b>Current assets</b>			
Inventories	12	65,282,387	358,784,390
Trade receivables	13	462,169,855	96,899,014
Cash and Bank Balances	14	70,145,041	5,526,626
Short term loans and advances	15	-	150,000
Other current assets	16	6,247,928	10,769,023
		603,845,211	472,129,053
<b>Total</b>		<b>646,615,286</b>	<b>507,659,753</b>
Summary of significant accounting policies	2		
Notes to Financial Statements	3-33		

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 LLP

Chartered Accountants

Firm Registration No. 127305W

*Kulin V Mehta*

Kulin V Mehta

Partner

Membership No. 38440

Pune: Dated

10/5/2015



For and on behalf of the Board of Directors

*Abhijit Pimple*

Abhijit Pimple  
Director

*Dr. Santosh Sundararajan*

Dr. Santosh Sundararajan  
Director

Pune: Dated

10/5/2015



**VASCON DWELLING PRIVATE LIMITED**  
Statement of Profit and loss for the period ended March 31 2015

Currency Indian Rupees

Particulars	Note No	March 31 2015	March 31,2014
Revenue from operations	17	432,750,856	177,852,628
Other income	18	2,845,342	831,063
<b>Total Revenue</b>		<b>435,596,199</b>	<b>178683691</b>
Cost of material consumed	19	39,085,122	65,650,502
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	290,642,197	78,893,033
Finance costs	21	35,938,432	9,880,922
Depreciation	10	-	11,819
Other expenses	22	68,865,419	35,894,634
<b>Total Expenses</b>		<b>434,531,171</b>	<b>190330910</b>
Profit before exceptional and extraordinary items and tax		1,065,028	(11,647,219)
<b>Profit /(Loss) before tax</b>		<b>1,065,028</b>	<b>(11,647,219)</b>
Tax expense:	23		
Current tax		209,000	-
Less :-			
MAT Credit entitlement		-	-
Earlier Year adjustment of MAT Credit Entitlement		2,529,355	-
		<b>2,738,355</b>	<b>0</b>
<b>Profit / (Loss) for the year from continuing operations</b>		<b>(1,673,327)</b>	<b>(11,647,219)</b>
<b>Profit /(Loss) for the period</b>		<b>(1,673,327)</b>	<b>(11,647,219)</b>
Earnings per equity share:(Nominal Value of Rs.10/- each) Basic & Diluted.	24	(167)	(1,165)
Summary of Significant Accounting Policies	2		
Notes to the financial statements	3-33		

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 LLP  
Chartered Accountants  
Firm Registration No. 127305W

*Kulin V Mehta*

Kulin V Mehta  
Partner  
Membership No. 38440  
Pune: Dated

10/5/2015



**For and on behalf of the Board of Directors**

*P. Abhyeer*  
Abhijit Pimple  
Director

*Dr. Santosh Sundararajan*  
Dr. Santosh Sundararajan  
Director

Pune: Dated

10/5/2015

**VASCON DWELLING PRIVATE LIMITED**  
Cash Flow for the period ended March 31 2015

Currency Indian Rupees

Particulars	March 31 2015	March 31,2014
<b>A Cash flows from operating activities</b>		
Profit Before Tax	1,065,028	(11,647,219)
Adjustments to Reconcile Profit Before Tax to Cash Provided by Operating Activities.		
Add/(Less):-		
Interest Expenses	35,938,432	9,880,923
Interest Income	(645,342)	(577,825)
MAT written off/Utilisation	(2,529,355)	-
Depreciation	-	11,819
	33,828,763	(2,332,303)
Income Taxes Paid During The Year	-	(1,372,390)
<u>Changes in Current Assets And Liabilities.</u>		
Decrease / (Increase) in Inventories (Before Capitalisation of Borrowing Cost).	295,029,922	88,956,759
Decrease / (Increase) in Trade Receivables	(365,270,841)	(85,322,530)
Decrease / (Increase) in Other Current Assets	4,521,095	7,772,685
Decrease / (Increase) in Loans and Advances	(4,835,875)	(129,404)
Increase / (Decrease) in Current Liabilities and Provisions	82,307,402	(19,546,909)
<b>Net Cash Generated By Operating Activities.</b>	<b>45,580,465</b>	<b>(11,974,091)</b>
<b>B Cash flows from financing activities</b>		
Increase/(Decrease) in Unsecured Loans	58,233,545	9,542,219
Interest expenses (including interest capitalised)	(37,466,355)	(18,068,298)
<b>Net Cash Generated (Used) in Financing Activities.</b>	<b>20,767,190</b>	<b>(8,526,079)</b>
<b>C Cash flows from investing activities</b>		
Purchase of Fixed Assets	-	-
Interest Expenses	-	-
(Increase)/decrease in loans and advances	(2,374,583)	22,791,357
Interest Income	645,342	577,825
<b>Net cash (used) in investing activities</b>	<b>(1,729,240)</b>	<b>23,369,182</b>
<b>D Net cash inflow (outflow) (a+b+c)</b>	<b>64,618,415</b>	<b>2,869,012</b>
<b>Cash and Cash Equivalents at the Beginning of the period.</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>Cash and Cash Equivalents at the end of the period.</b>		
a) Cash on hand	1,101,666	97,087
b) Balances with banks with current accounts	68,524,141	1,205,466
c) Balance with bank in deposit account maturing within 3 months	18,594	2,127,728
d) Balance with bank in deposit account maturing from 3 to 12 months from the Balance Sheet date	500,640	2,096,345
<b>Sub Total</b>	<b>70,145,041</b>	<b>5,526,626</b>
Net (Decrease)/Increase in Cash and Cash Equivalents during the period.	<b>64,618,415</b>	<b>2,869,012</b>

As per our report of even date

For *Anand Mehta & Associates* Chartered Accountants LLP

Chartered Accountants

Firm Registration No. 127305W

*Kulin V Mehta*

Kulin V Mehta

Partner

Membership No. 38440

Pune: Dated

10/5/2015



For and on behalf of the Board of Directors

*P. Pimple*  
Abhijit Pimple  
Director

*Dr. Santosh Sundararajan*  
Dr. Santosh Sundararajan  
Director

Pune: Dated

10/5/2015

## VASCON DWELLING PRIVATE LIMITED

### Notes to Financial Statements for the period ended March 31 2015

#### 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, 2013, 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 current and

##### **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**

a) Depreciation on tangible fixed assets has been provided under written down value method at the rates and manner prescribed in Schedule II to the Companies Act, 2013.

b) Cost of lease hold rights of land has been amortized evenly over a period of lease term.

c) Software in nature of intangible asset has been amortised over its estimated useful life evenly.

Particulars	Currency Indian Rupees	
	March 31 2015	March 31,2014
<b>3 Share capital</b>		
<b>A Authorised capital</b>		
10000 (10000) equity shares of Rs. 10/- each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>Issued and subscribed</b>		
10000 (10000) equity shares of Rs. 10/- each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<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 period	10,000	10000
Equity Shares Issued during the period	-	-
Equity Shares bought back during the period	-	-
	<u>10,000</u>	<u>10,000</u>
Equity Shares at the end of the Year		
<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
	<u>10,000</u>	<u>10,000</u>
Total		
Percentage Holding		
Name of Shareholder	% held	% held
Vascon Engineers Limited	100	100
	<u>100</u>	<u>100</u>
Total		
<b>4 Reserves and surplus</b>		
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance at the commencement of the period	(24,964,947)	(13,317,732)
Add: Net profit/(loss) for the period	(1,673,334)	(11,647,218)
Less :- Change in Depreciation	(53,418)	-
	<u>(26,691,698)</u>	<u>(24,964,950)</u>
Net Surplus/(Deficit) in the Statement of Profit and Loss		
<b>5 Long term borrowings</b>		
Unsecured		
Loans and advances from Holding Company	245,551,504	169,261,499
	<u>245,551,504</u>	<u>169,261,499</u>
<b>6 Short term borrowings</b>		
Secured		
Unsecured		
Loans repayable on demand		
a) from banks	-	-
from Corporates	2,500,000	18,144,356
Overdraft balance in current account with scheduled bank	-	2,412,104
	<u>2,500,000</u>	<u>20,556,460</u>

Notes to Financial Statements for the period ended March 31 2015

<b>7 Trade payables</b>		
Trade Payables (Refer Note No.31)	265,672,082	277,893,020
	<u>265,672,082</u>	<u>277,893,020</u>
<b>8 Other current liabilities</b>		
Statutory and other liabilities	7,286,803	2,361,197
Commitment Deposits received	-	22,606,518
Advance from customers	37,544,258	149,811,447
Less: related unbilled revenue	<u>(3,858,431)</u>	<u>(130,132,125)</u>
	33,685,827	19,679,321
Unearned receivables	29,617,330	6,750,201
Less: related debtors	<u>(727,912)</u>	<u>(2,607,091)</u>
	28,889,419	4,143,110
Payables for expenses	86,692,861	14,609,471
Corpus deposit Interest Payable	2,719,489	1,346,440
	<u>159,274,398</u>	<u>64,746,058</u>
* In absence of information in possession of company relating to the status of the suppliers, the information in respect of dues to Micro, Small and Medium enterprises is not provided.		
<b>9 Short term provisions</b>		
Provision for Taxation (Net of advance tax and TDS)	209,000	67,666
	<u>209,000</u>	<u>67,666</u>
<b>11 Long term loans and advances</b>		
(Unsecured considered good)		
Security deposits	10,023,620	15,013,620
Other Loans and advances	21,314,300	13,799,717
Advance Income Tax and TDS (Net off provision for tax)	11,432,153	6,663,945
	<u>42,770,073</u>	<u>35,477,282</u>
<b>12 Inventories</b>		
Building materials / tools	2,428,275	5,288,076
Developments -Units Under Construction	59,548,254	350,190,456
Developments -Completed Units	3,305,859	3,305,859
	<u>65,282,387</u>	<u>358,784,390</u>
<b>13 Trade receivables</b>		
(Unsecured Considered Good, Unless Otherwise Stated)		
Outstanding for period exceeding six months		
Considered good	6,723,763	22,758,765
Others considered good	456,174,004	76,747,340
(Less) : Related unearned receivables	<u>(727,912)</u>	<u>(2,607,091)</u>
	462,169,855	96,899,014
<b>14 Cash and Bank Balances</b>		
a) Cash and Cash equivalents		
Balances with banks in current accounts	68,524,141	1,205,466
Balance in deposit account upto 3 months	18,594	2,127,728
Cash on hand	1,101,666	97,087
b) Other Bank Balances		
Balance in deposit account from 3 to 12 months	500,640	2,096,345
	<u>70,145,041</u>	<u>5,526,626</u>

Note :-Balances with other Bank in Deposit account are under Lein to SBI.

**VASCON DWELLING PRIVATE LIMITED**

Notes to the financial statements for the period ended March 31 2015

**10 Fixed assets**

**Currency Indian Rupees**

**Tangible assets**

<b>Particulars</b>	<b>Plant &amp; Machinery</b>	<b>Furnitures &amp; Fixtures.</b>	<b>Computers</b>	<b>Total</b>
<b>Gross carrying value</b>				
As at April 1, 2014	56,897	22,050	27,700	106,647
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31 2015	<u>56,897.00</u>	<u>22,050.00</u>	<u>27,700.00</u>	<u>106,647.00</u>
<b>Accumulated depreciation</b>				
As at April 1, 2014	20,239	10,211	22,779	53,229.00
Additions	36,659	11,839	4,920	53,418.00
Disposals	-	-	-	-
As at March 31 2015	<u>56,897</u>	<u>22,050</u>	<u>27,700</u>	<u>106,647</u>
Capital work in progress	-	-	-	-
<b>Net carrying value as at March 31 2015</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Gross carrying value</b>				
As at April 1, 2013	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, 2013	14,316	7,595	19,499	41,410
Additions	5,923	2,616	3,280	11,819
Disposals	-	-	-	-
As at March 31, 2013	<u>20,239</u>	<u>10,211</u>	<u>22,779</u>	<u>53,229</u>
Capital work in progress	-	-	-	-
<b>Net carrying value as at March 31 2014</b>	<u><b>36,658</b></u>	<u><b>11,839</b></u>	<u><b>4,921</b></u>	<u><b>53,418</b></u>

Vascon Dwellings Private Limited.

Notes to Financial Statements for the period ended March 31 2015

**15 Short term loans and advances**

Security deposits	-	150,000
	-	150,000

**16 Other current assets**

Advance against development / work / purchases	1,091,640	2,883,670
MAT Credit Entitlement	-	-
Prepaid expenses	-	93,040
Unbilled revenue	4,691,034	134,841,182
(Less) : related advance payment received	<u>(3,858,431)</u>	<u>(130,132,125)</u>
	832,603	4,709,057
Statutory dues recoverable	4,323,686	3,083,256
Other recoverables and receivables	-	-
	<u>6,247,928</u>	<u>10,769,023</u>

**Vascon Dwellings Private Limited.**  
**Notes to Financial Statements for the period ended March 31 2015**

Particulars	Currency Indian Rupees	
	March 31 2015	March 31,2014
<b>17 Revenue from operations</b>		
Contract revenue recognised / sales (gross)		
- Sale of unit (Net of cancellations)	432,750,856	167,478,227
- Sale of Rights	-	10,000,000
- Other sales	-	374,401
	<u>432,750,856</u>	<u>177,852,628</u>
<b>18 Other income</b>		
Interest income	645,342	577,825
Miscellaneous income	2,200,000	253,238
	<u>2,845,342</u>	<u>831,063</u>
<b>19 Construction Expenses</b>		
Expenses for Development - Direct.	37,557,199	57,463,126
Allocation of Borrowing Cost to Cost of Development.	1,527,923	8,187,376
	<u>39,085,122</u>	<u>65,650,502</u>
<b>20 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Opening Stock of Developments	353,496,312	432,389,345
Closing Stock of Developments	62,854,115	353,496,312
	<u>290,642,197</u>	<u>78,893,033</u>
<b>21 Finance costs</b>		
Interest expense	37,466,355	15,518,298
Other borrowing costs	-	2,550,000
Less : borrowing cost transferred to qualifying assets	(1,527,923)	(8,187,376)
	<u>35,938,432</u>	<u>9,880,922</u>



**Vascon Dwellinas Private Limited.**  
**Notes to Financial Statements for the period ended March 31 2015**  
**22 Other expenses**

Auditors remuneration	500,000	500,000
Bank charges	33,957	33,146
Brokerage / commission	14,086,671	279,599
Conveyance	94,387	80,093
Donations	500,000	2,100
Insurance	-	63,246
Other expenses	499,548	1,542,519
Postage and telephone	204,504	162,863
Printing and stationery	57,825	37,691
Rent	100,000	473,624
Compensation	46,155,828	30,637,322
Repairs & Maintenance	5,160,520	247,736
Travelling expenses	69,605	92,749
Service charges/professional fees	1,402,574	1,741,945
	<u>68,865,419</u>	<u>35,894,634</u>

**Auditors Remunerations :**

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)

**23 Tax expense:**

Current tax	209,000	-
Deferred tax	-	-
Excess / short provision for tax of ealier years	2,529,355	-
	<u>2,738,355</u>	<u>-</u>

**24 Earning per share (EPS)**

Net Profit / (Loss) after tax available for distribution to Equity		
Shareholders for Basic EPS	(1,673,327)	(11,647,219)
Weighted average number of shares outstanding for Basic EPS	10,000	10,000
Face Value per share	10	10
Earning Per Share - Basic & Diluted	(167)	(1,165)

## VASCON DWELLING PRIVATE LIMITED

### Notes to Financial Statements for the period ended March 31 2015

#### 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 borrowing
- (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 of
- (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 period ended March 31 2015**

#### **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 usina substantively enacted tax rate and tax reaulation.

#### **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 DWELLING PRIVATE LIMITED**  
**Notes to the financial statements for the period ended March 31 2015**

- 25 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.
- 26 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 assets.

No.	On account of	March 31 2015	March 31,2014
i)	Accumulated business loss	199,411	(3,484,665)
ii)	Accumulated depreciation	(12,962)	1,325
	<b>Net Deferred Tax Liability/(Assets)</b>	186,449	(3,483,340)

- 27 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  
 - Marathwada Realtors Private Limited  
 -Just Homes India Pvt. Ltd
3. Step Down Fellow Subsidiary  
 - Caspia Hotels Private Limited (Upto May 28, 2014)  
 - GMP Technical Solutions Middle East (FZE)
4. Key Management Personnel  
 - Dr.Santosh Sundararajan

Name of related party	Nature of relations	Type of transaction	Transaction Amount (Rs.)
Vascon Engineers Limited	Holding Company	Loan taken	66,151,687 (104,757,749)
Vascon Engineers Limited	Holding Company	Loan repaid	24,092,356 (110,049,708)
Vascon Engineers Limited	Holding Company	Interest expense	35,434,082 (11,277,718)
Vascon Engineers Limited	Holding Company	Purchases	0 (5,65,431)

Name of related party	Nature of Relations(Transactions)	Due to Company	Due by Company
Vascon Engineers Limited	Holding Company (Loan Account)	Nil (Nil)	245,551,504 (169,261,499)
Vascon Engineers Limited	Holding Company (Trade Payables)	Nil (Nil)	251,110,400 (261,218,318)

**28 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.2,766,296) comprising of :-  
 i) Land bearing survey no 113/2 admeasuring 1473 sq.mtr situated at village Wadala Nashik (Book cost of Rs. 2,766,296 )

**29 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 case of certain development projects, has paid Maharashtra Value Added Tax

**30 Note on Litigation :-A)** During the year the company has entered into agreement for sale in respect of plot of land admeasuring 5,016.95 sq mtrs for a consideration of Rs. 3,76,27,125/-.

In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land. As per the conditional sale the company has to obtain clear enforceable title within 3 months of the execution of the agreement. In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to Rs. 87,80,000/- along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of Rs. 3,00,000/- per month from the date of breach till the date of curing the breach.

B) During the year the company has transferred Development rights in respect of plot of land admeasuring 3,940 sq mtrs for a consideration of Rs. 2,95,50,000/-.

In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land. As per the conditional sale the company has to obtain clear enforceable title and to obtain certain permission/clearance within 18 months of the execution of the agreement.

In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to Rs. 68,95,000/- along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of Rs. 2,35,000/- per month from the date of breach till the date of curing the breach.

C) During the year the company has entered into agreement for sale in respect of plot of land admeasuring 11,377 sq mtrs for a consideration of Rs. 8,53,35,000/-.

The company is under obligation to obtain tentative layout approval from corporation, which is subject to new Development Plan to be issued by the corporation.

In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to Rs. 1,00,00,000/- along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and right to claim damages.

In respect of the above three agreement to sale of plots the company has recognised the sales amounting to Rs.152,512,125 /- and profit of Rs. 65,966,508/- . As on date of the balance sheet the company has not received any notice from the purchaser/transferee for termination of the agreement or claiming any interest/compensation.

**Amount outstanding in Debtors as on 31st March 2015 on the above transactions - Rs12,68,37,125/-**

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

Particulars	March 31 2015	March 31,2014
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 accountina 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	-	-
Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company. This has been relied upon by the auditors.		

32 Details of Earnings and Expenditure In Foreign Currency	March 31 2015	March 31,2014
Earnings	-	-
Expenditure	-	-

**33** 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 LLP  
 Chartered Accountants  
 Firm Registration No. 127305W

*Kulin V Mehta*

**Kulin V Mehta**  
 Partner  
 Membership No. 38440  
 Pune: Dated



10/5/2015

**For and on behalf of the Board of Directors**

*Abhijit Pimple*  
**Abhijit Pimple**  
 Director

*Dr. Santosh Sundararajan*  
**Dr. Santosh Sundararajan**  
 Director

Pune: Dated

10/5/2015