



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VASCON DWELLINGS PRIVATE LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **VASCON DWELLINGS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") 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 Section 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 judgments 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 and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of matter

We draw attention to the following matters in the Notes to the financial statements:

a. Note 28 in the notes to the financial statements which describes the uncertainty related to outcome of the lawsuit filed by the original co-owner in respect of sale of land at Nashik

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account 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 the 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) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) 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 - Refer Note 28 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 CHANDRASHEKHAR IYER & Co

Chartered Accountants

Firm Registration No. 114260W

CHANDRASHEKHAR IYER

Proprietor

Membership No. 47723



Thane

Date : 27 MAY 2016

ANNEXURE -A TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
VASCON DWELLINGSPRIVATE LIMITED

(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements"
section of our report of even date for the year ended 31 March, 2016)

- i. a. The Company has no fixed assets and accordingly, sub clause (a),(b) and (c) of clause (i) of paragraph 3 of the said order are not applicable.
- ii. The Company is engaged mainly in the construction business. Majority of the stock of the company are in form of developments/work in progress and building materials. The stock in the said form and stock of other materials have been regularly verified by the management during the year and no material discrepancies were noticed.
- iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clauses (a) ,(b) and (c) of clause (iii) of paragraph 3 of the said order are not applicable.
- iv. According to the information and explanations given to us , the company has neither made any loans and investments. Accordingly, clause (iv) of paragraph 3 of the said order are not applicable.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Act and the rules framed there under are applicable.
- vi. 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.
- vii. a. The Company is regular in depositing with appropriate authorities applicable undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of service tax , customs duty, excise duty were outstanding, as at March 31, 2016 for a period of more than six months from the date they became payable except the following :



Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Due Date	Remarks
Income Tax Act 1961	TDS on Interest	2030000	FY 12-13	7 th of every following month	
Income Tax Act 1961	TDS on salaries	8770	FY 13-14	7 th of every following month	
Income Tax Act 1961	TDS on interest	1203408	FY 14-15	7 th of every following month	
Income Tax Act 1961	TDS on salary	195961	FY 14-15	7 th of every following month	
Income Tax Act 1961	TDS on professional fees	35964	FY 14-15	7 th of every following month	
Income Tax Act 1961	TDS on interest	3398922	FY 15-16	7 th of every following month	
Income Tax Act 1961	TDS on salary	27480	FY 15-16	7 th of every following month	
Income Tax Act 1961	TDS on contractors	108045	FY 15-16	7 th of every following month	
Income Tax Act 1961	TDS on professional fees	578480	FY 15-16	7 th of every following month	
Income Tax Act 1961	TDS on brokerage	1427750	FY 15-16	7 th of every following month	
Employees Provident fund and miscellaneous Provisions Act 1952	Provident fund	16868	FY 15-16	15 th of every following month	

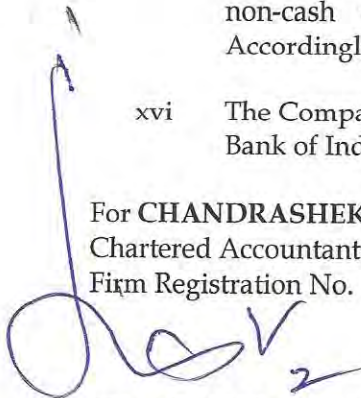
b. According to the information and explanations given to us and the records of the company examined by us, there are no dues of sales tax, income tax, customs duty and excise duty which have not been paid deposited on account of any dispute.

- viii. According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders or Government and accordingly clause viii of paragraph 3 of the said order is not applicable.



- ix. The Company did not raise any money by way of initial public offer or further public offer(including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Accordingly clause (xi) of paragraph 3 of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For CHANDRASHEKHAR IYER & Co
Chartered Accountants
Firm Registration No. 114260W



CHANDRASHEKHAR IYER
Proprietor
Membership No.47723



Thane

Date : 27 MAY 2016

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Vascon Dwellings Private Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and



dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

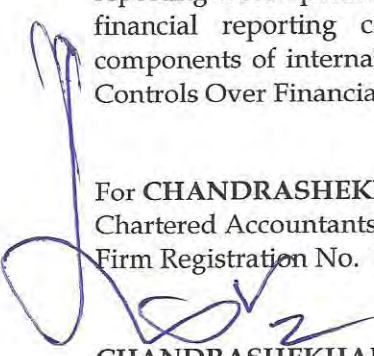
Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CHANDRASHEKHAR IYER & Co
Chartered Accountants
Firm Registration No. 114260W


CHANDRASHEKHAR IYER
Proprietor
Membership No.47723



Thane

Date : 27 MAY 2016

VASCON DWELLING PRIVATE LIMITED

Balance Sheet as at 31st March 2016

CIN : U45200MH2005PTC154825

Currency Indian Rupees

Particulars		March 31, 2016	March 31, 2015
Equity and liabilities			
Shareholders' funds			
(a) Share capital	3	100,000	100,000
(b) Reserves and surplus	4	(37,491,080)	(26,691,697)
		(37,391,080)	(26,591,697)
Non current liabilities			
(a) Long term borrowings	5	176,702,710	245,551,504
		176,702,710	245,551,504
Current liabilities			
(a) Short term borrowings	6	2,500,000	2,500,000
(b) Trade payables	7		
(A) Total Outstanding dues of micro enterprises and small enterprises		-	-
(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises		196,406,580	265,672,082
(c) Other current liabilities	8	50,358,341	159,274,398
(d) Short term provisions	9	-	209,000
		249,264,921	427,655,480
Total		388,576,551	646,615,287
Assets			
Non current assets			
(a) Long term loans and advances	10	43,558,871	42,770,074
(b) Other non current assets	11	560,057	-
		44,118,928	42,770,074
Current assets			
(a) Inventories	12	66,255,336	65,282,388
(b) Trade receivables	13	272,904,471	462,169,855
(c) Cash and Bank Balances	14	1,637,195	70,145,041
(d) Other current assets	15	3,660,621	6,247,929
		344,457,623	603,845,213
Total		388,576,551	646,615,287
Summary of significant accounting policies	2		
Notes to Financial Statements	3-35		

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

As per our Report of even Date
For Chandrashekhar Iyer & Co.
Chartered Accountants
Firm Registration No. 114260W

Chandrashekhar Iyer
Proprietor
Membership No. 047723
Pune; Dated

27 MAY 2016



For and on behalf of the Board of Directors

P. Pimple
Abhijit Pimple
Director
DIN : 06905810
Pune; Dated

27 MAY 2016

Dr. Santosh Sundarajan
Dr. Santosh Sundarajan
Director
DIN : 00015229



2)

VASCON DWELLING PRIVATE LIMITED
Statement of Profit and loss for the year ended March 31, 2016
CIN : U45200MH2005PTC154825

Particulars	Note No	Currency Indian Rupees	
		March 31, 2016	March 31, 2015
Revenue from operations	16	44,227,663	432,750,856
Other income	17	665,155	2,845,342
Total Revenue		44,892,818	435,596,198
Cost of material consumed	18	6,900,868	39,085,122
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(1,461,246)	290,642,197
Finance costs	20	36,246,305	35,938,432
Other expenses	21	14,006,274	68,865,419
Total Expenses		55,692,201	434,531,170
Profit before exceptional and extraordinary items and tax		(10,799,383)	1,065,028
Exceptional items			
Profit before extraordinary items and tax		(10,799,383)	1,065,028
Prior period expenses / income (net)		-	-
Extraordinary items			
Profit / (Loss) before tax		(10,799,383)	1,065,028
Tax expense:	22		
Current tax		-	209,000
Deferred tax		-	-
Excess / short provision for tax of earlier years		-	-
Less :-			
MAT Credit entitlement		-	2,529,355
Earlier Year adjustment of MAT Credit Entitlement		-	-
		-	2,738,355
Profit / (Loss) for the year from continuing operations		(10,799,383)	(1,673,327)
Profit / (loss) from discontinuing operations			
Tax expense of discontinuing operations			
Profit / (loss) from discontinuing operations (after tax)			
Profit / (Loss) for the period		(10,799,383)	(1,673,327)
Earnings per equity share: (Nominal Value of Rs.10/- each)			
Basic & Diluted.	23	(1,080)	(167)
Summary of Significant Accounting Policies	2		
Notes to the financial statements	3-35		

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

As per our Report of even Date
For Chandrashekhar Iyer & Co.
Chartered Accountants
Firm Registration No. 114260W

For and on behalf of the Board of Directors

Chandrashekhar Iyer
Proprietor
Membership No. 047723
Pune; Dated



Abhijit Pimple
Director
DIN : 06905810
Pune; Dated

Dr. Santosh Sundararajan
Director
DIN : 00015229



27 MAY 2016

27 MAY 2016

3)

VASCON DWELLING PRIVATE LIMITED
Cash Flow for the year ended March 31, 2016
CIN : U45200MH2005PTC154825

Currency Indian Rupees

Particulars	March 31, 2016	March 31, 2015
A Cash flows from operating activities		
Profit Before Tax	(10,799,383)	1,065,028
Adjustments to Reconcile Profit Before Tax to Cash Provided by Operating Activities.		
Add/(Less):-		
Interest Expenses	36,246,305	35,938,432
Interest Income	(648,837)	(645,342)
MAT written off/Utilisation	-	(2,529,355)
Depreciation	-	-
	24,798,085	33,828,763
Income Taxes Paid During The Year	-	-
<u>Changes in Current Assets And Liabilities.</u>		
Decrease / (Increase) in Inventories (Before Capitalisation of Borrowing Cost).	(972,948)	295,029,922
Decrease / (Increase) in Trade Receivables	189,265,384	(365,270,841)
Decrease / (Increase) in Other Current Assets	2,587,308	4,521,095
Decrease / (Increase) in Loans and Advances	2,203	(4,835,875)
Increase / (Decrease) in Current Liabilities and Provisions	(178,181,559)	82,307,402
Net Cash Generated By Operating Activities.	37,498,473	45,580,466
B Cash flows from financing activities		
Increase/(Decrease) in Unsecured Loans	(68,848,794)	58,233,545
Interest expenses (including interest capitalised)	(36,246,305)	(37,466,355)
Net Cash Generated (Used) in Financing Activities.	(105,095,099)	20,767,190
C Cash flows from investing activities		
Purchase of Fixed Assets	-	-
Interest Expenses	-	-
(Increase)/decrease in loans and advances	(1,560,057)	(2,374,583)
Interest Income	648,837	645,342
Net cash (used) in investing activities	(911,220)	(1,729,241)
D Net cash inflow (outflow) (a+b+c)	(68,507,846)	64,618,415
Add :		
Cash and Cash Equivalents at the Beginning of the year.		
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
Sub Total	70,145,041	5,526,626
Cash and Cash Equivalents at the end of the year.		
a) Cash on hand	1,003,954	1,101,666
b) Balances with banks with current accounts	433,241	68,524,141
c) Balance with bank in deposit account maturing within 3 months	200,000	18,594
d) Balance with bank in deposit account maturing from 3 to 12 months from the Balance Sheet date	-	500,640
Closing Cash and cash equivalents at the end of the year	1,637,195	70,145,041

As per our Report of even Date
For Chandrashekhar Iyer & Co.
Chartered Accountants
Firm Registration No. 114260W

Chandrashekhar Iyer
Proprietor
Membership No. 047723
Pune: Dated

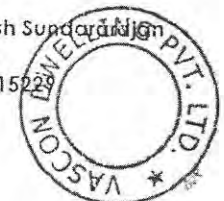


27 MAY 2016

For and on behalf of the Board of Directors

Abhijit Pimple
Director
DIN : 06905810
Pune: Dated

Dr. Santosh Sunda
Director
DIN : 00015223



27 MAY 2016

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

2.1 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013, on accrual basis, as adopted consistently by the Company.

2.2 Use of Estimates

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

2.3 Fixed Assets

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 Assets under installation or under construction as at the Balance sheet date are shown as Capital work in progress.

Assets acquired under finance leases are depreciated on a straight - line basis over the lease term. Where there is reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated at the rates prescribed under Schedule II to the Companies Act 2013.

2.4 Depreciation / Amortization

Depreciation on fixed assets have been provided under written down value method and manner at the rates prescribed in schedule II to the Companies Act, 2013. In respect of lease assets, the cost is depreciated over the lease period.

2.5 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 cost exceeds 25% of the project cost excluding land cost and borrowing cost.
- (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 each of the contracts and there are no outstanding defaults of the payment terms in such contracts.



(f) Certainty of recoverability of the balance consideration.

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

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

The estimates of the saleable area and costs are reviewed 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.

2.6 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.

2.7 Taxes on Income:

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

2.7.2 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.

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

2.8 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

2.9 Earning Per Share

The Company reports basic and diluted 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. Diluted earnings per shares outstanding during the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the result are anti - dilutive.



2.10 Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated

2.11 Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of transaction. Foreign currency assets and liabilities, if any, are reinstated at the rates at the year end. resultant differences are dealt with in statement of Profit and Loss.

2.12 Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

2.13 Operating Cycle

All assets and liabilities have been classified as current or non current based on operating cycle determined in accordance with the guidance as set out in the schedule III to the Companies Act 2013



Notes to Financial Statements for the period ended March 31, 2016

Particulars	Currency Indian Rupees	
	March 31, 2016	March 31, 2015
3 (a) Share capital		
A Authorised capital		
10000 (10000) equity shares of Rs. 10/- each	100,000	100,000
	100,000	100,000
Issued and subscribed		
10000 (10000) equity shares of Rs. 10/- each	100,000	100,000
	100,000	100,000

Sub- Notes :-

1 Reconciliation of the Number of shares :-

Particulars	March 31, 2016		March 31, 2015	
	Number	Amount	Number	Amount
Equity Shares at the beginning of the period	10,000	100,000	10,000	100,000
Equity Shares Issued during the period	-	-	-	-
Equity Shares bought back during the period	-	-	-	-
Equity Shares at the end of the period	10,000	100,000	10,000	100,000

2 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. 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 liabilities and distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Disclosure for shareholding more than 5%

Name of Shareholder	Number of shares held	% of Holding	Number of shares held	% of Holding
Vascon Engineers Limited (Holding company)	*10,000	100	*10,000	100

*(Including one share in the name of nominee)

NOTE NO. 4

Reserves and Surplus

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

Balance at the commencement of the period	(26,691,697)	(24,964,947)
Add: Net profit/(loss) for the period	(10,799,383)	(1,673,333)
Less :- Change in Depreciation	-	(53,417)
Net Surplus/(Deficit) in the Statement of Profit and Loss	(37,491,080)	(26,691,697)

NOTE NO. 5

Long term borrowings

Unsecured

Loans and advances from Holding Company 176,702,710 245,551,504

No call has been made by the lender on the date of the Balance sheet date. Rate of Interest 16% pa.)

176,702,710	245,551,504
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NOTE NO. 6**Short term borrowings**

Unsecured

Loans repayable on demand
from Corporates

2,500,000	2,500,000
2,500,000	2,500,000

NOTE NO. 7**Trade Payable**A Total outstanding dues of microenterprises
and small enterprisesB Total outstanding dues of creditors other than
micro enterprises and small enterprises

(Refer Note No. 30)

196,406,580	265,672,082
196,406,580	265,672,082

NOTE NO. 8**Other Current Liabilities**

Statutory liabilities

Advance from customers

Less: related unbilled revenue

9,043,101	7,286,803
17,896,613	37,544,258
-	(3,858,431)
17,896,613	33,685,827

Unearned receivables

Less: related debtors

-	29,617,330
-	(727,912)

Payables for expenses

Corpus deposit Interest Payable

Others

-	28,889,418
23,410,467	86,692,861
-	2,719,489
8,160	-
50,358,341	159,274,398

NOTE NO. 9**Short term provisions**

Provision for Taxation(Net of advance tax and TDS)

-	209,000
-	209,000

NOTE NO. 10**Long term loans and advances**

Security deposits

Other Loans and advances

Advance Income Tax and TDS (Net off provision for tax)

10,023,620	10,023,620
22,314,300	21,314,300
11,220,951	11,432,154
43,558,871	42,770,074

NOTE NO. 11**Other Non Current Assets**

Interest Accrued

Long term fixed deposits more than 12 months*

59,417	-
500,640	-
560,057	-

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

NOTE NO. 12**Inventories**

Building materials / tools

Developments -Units

Developments -Sample flat

1,939,977	2,428,275
61,009,500	59,548,254
3,305,859	3,305,859
66,255,336	65,282,388



NOTE NO. 13**Trade receivables**

(Unsecured Considered Good, Unless Otherwise Stated)

Exceeding six months :

Considered good

Total (1)

252,411,863	6,723,763
<u>252,411,863</u>	<u>6,723,763</u>

Others :

considered good

Total (2)

20,492,608	456,174,004
<u>20,492,608</u>	<u>456,174,004</u>

Total debtors (1+2)

<u>272,904,471</u>	<u>462,897,767</u>
--------------------	--------------------

(Less) : Related unearned receivables

-

(727,912)

<u>272,904,471</u>	<u>462,169,855</u>
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NOTE NO. 14**Cash and Bank Balances**

a) Cash and Cash equivalents

Cash on hand

Balances with banks in current accounts

Balance in deposit account upto 3 months

1,003,954	1,101,666
433,241	68,524,141
200,000	18,594

b) Other Bank Balances

Balance in deposit account from 3 to 12 months*

-

500,640

<u>1,637,195</u>	<u>70,145,041</u>
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*Note :-Balances with other Bank in Deposit account are under Lein to SBI.

NOTE NO. 15**Other current assets**

Advance against development / work / purchases

Other receivable

Unbilled revenue

(Less) : related advance payment received

195,962	1,091,640
271,793	-
60,000	4,691,034
-	(3,858,431)

60,000

832,603

Statutory dues recoverable

3,132,866

4,323,686

3,660,6216,247,929

Particulars	Currency Indian Rupees	
	March 31, 2016	March 31, 2015
NOTE NO. 16		
Revenue from operations		
- Sale of unit (Net of cancellations)	44,227,663	432,750,856
	44,227,663	432,750,856
NOTE NO. 17		
Other income		
Interest income	648,837	645,342
Miscellaneous income	16,318	2,200,000
	665,155	2,845,342
NOTE NO. 18		
Construction Expenses		
Expenses for Development - Direct.	6,900,868	37,557,199
Borrowing cost allocated to the inventory	-	1,527,923
	6,900,868	39,085,122
NOTE NO. 19		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Building materials / tools		
Stock for resale		
Opening Stock of Developments	62,854,115	353,496,312
Developments		
Closing Stock of Developments	64,315,361	62,854,115
	(1,461,246)	290,642,197
NOTE NO. 20		
Finance costs		
Interest expense	36,246,305	37,466,355
Less : borrowing cost transferred to qualifying assets	-	(1,527,923)
	36,246,305	35,938,432



NOTE NO. 21

Other expenses

Auditors remuneration

Statutory Audit fees	150,000	500,000
Bank charges	41,234	33,957
Brokerage / commission	-	14,086,671
Conveyance	117,934	94,387
Donations	-	500,000
Other expenses	3,517,519	499,548
Postage and telephone	204,689	204,504
Printing and stationery	69,632	57,825
Rent	145,195	100,000
Compensation	4,598,475	46,155,828
Repairs & Maintenance	909,034	5,160,520
Travelling expenses	48,662	69,605
Service charges/professional fees	4,203,900	1,402,574

14,006,274 68,865,419

NOTE NO. 22

Tax expense:

Current tax	-	209,000
Deferred tax	-	-
Excess / short provision for tax of earlier years	-	2,529,355

- 2,738,355

NOTE NO. 23

Earning per share (EPS)

Net Profit / (Loss) after tax available for distribution to Equity Shareholders for Basic EPS	(10,799,383)	(1,673,327)
Weighted average number of shares outstanding for Basic EPS	10,000	10,000
Face Value per share	10	10
Earning Per Share - Basic & Diluted	(1,080)	(167)



28 (1) 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 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. 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 for the above debtors as on 31.03.2016 is 127,690,475

28 (2) 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

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



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

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.

Particulars March 31, 2016 March 31, 2015

(a) Principal amount due thereon remaining unpaid to any supplier at end of each accounting year.

(b) Interest due there on remaining unpaid to supplier as at end of each accounting year.

(c) The amount of interest paid in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.

(d) The 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 interest specified under this Act

(e) The amount of interest accrued and remaining unpaid at the end of the accounting year.

(f) The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006

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.

31 Details of Earnings and Expenditure In Foreign Currency
 Earnings
 Expenditure

March 31, 2016 March 31, 2015

Particulars	March 31 2016	March 31 2015
Project revenue recognised as revenue for the year ended 31st March	44,227,663	432,750,856
Methods used to determine the project revenue	Percentage of completion method	
Method used to determine the stage of completion of the Project	Physical completion substantiated by cost incurred	
In respect of all projects in progress		
Aggregate amount of costs incurred	712,552,017	705,651,149
Advances received as at 31st March 16	17,896,613	33,685,827
Amount of work in progress as at 31st March 16	66,255,336	65,282,388

33 Other additional information required by schedule III of the Companies Act, 2013 are not applicable to the company for the period.

34 The Board of Directors of the Company in its meeting held 9th February 2016 have proposed a scheme of merger of the Company with the holding company - M/s Vascon Engineers Limited (Pursuant to a resolution passed by the Board of Directors of the holding company on February 9th 2016), in terms of a scheme of amalgamation / merger under the Companies Act 1956 or corresponding provisions of the Companies Act 2013. As per the proposed scheme the business of the company shall be transferred to the holding company on a going concern basis. The scheme would be effective on receipt of necessary approval and completion of formalities as laid down thereunder.

35 Corresponding figures of the previous year have been shown in bracket and rearranged, renamed or rearranged wherever

As per our Report of even Date
 For Chandrashekhar Iyer & Co.
 Chartered Accountants
 Firm Registration No. 114260W



Chandrashekhar Iyer
 Proprietor
 Membership No. 047723
 Pune; Dated

27 MAY 2016

For and on behalf of the Board of Directors

Abhijit Pimple
 Director
 DIN : 06905810
 Pune; Dated

27 MAY 2016

Dr. Santosh Sundararajan
 Director
 DIN : 00015229

