

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF VASCON PRICOL INFRASTRUCTURES LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of VASCON PRICOL INFRASTRUCTURES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and 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 prescribed under section 133 of the Act, as applicable.

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 and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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.

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

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

1. 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 prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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:

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- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
**Hemant M. Joshi**  
Partner  
(Membership No. 38019)

**Pune, May 17, 2016**

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## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting 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 Pricol Infrastructures Limited (“the Company”) as of March 31, 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. 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.

#### **Auditor’s 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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

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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, to the best of our information and according to the explanations given to us, 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 March 31, 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 DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
**Hemant M. Joshi**  
Partner  
(Membership No. 38019)

**Pune, May 17, 2016**



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### ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i) The Company does not have any fixed assets and hence reporting under clause 3 (i) of the Order is not applicable.
- ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii) 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, 2013.
- iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause 3 (iv) of the Order is not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause 3 (v) of the Order is not applicable.
- vi) Having regard to the nature of the Company's business / activities, reporting under clause 3 (vi) of the Order is not applicable.
- vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2016 on account of disputes.
- viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

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- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
**Hemant M. Joshi**  
Partner  
(Membership No. 38019)

**Pune, May 17, 2016**

**Vascon Pricol Infrastructures Limited**  
**Balance Sheet as at March 31,2016**

Particulars	Notes	Currency Indian Rupees	
		March 31,2016	March 31, 2015
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	71,000,000	71,000,000
Reserves and surplus	4	(62,908,638)	(48,004,853)
		8,091,362	22,995,147
<b>Non current liabilities</b>			
Long term borrowings	5	74,852,302	125,395,292
		74,852,302	125,395,292
<b>Current liabilities</b>			
Trade payables	6	46,500,425	87,673,030
Other current liabilities	7	36,607,637	43,192,005
		83,108,062	130,865,035
<b>Total</b>		<b>166,051,726</b>	<b>279,255,474</b>
<b>Assets</b>			
<b>Non current assets</b>			
Long term loans and advances	8	6,553,775	6,406,244
Non Current Investment	9	100,000	-
		6,653,775	6,406,244
<b>Current assets</b>			
Current investments	10	1,157,897	15,016,349
Inventories	11	145,558,149	225,375,770
Trade receivables	12	3,416,651	15,597,447
Cash and Bank Balances	13	4,215,261	2,469,035
Short term loans and advances	14	1,001,847	2,925,442
Other current assets	15	4,048,146	11,465,187
		159,397,951	272,849,230
<b>Total</b>		<b>166,051,726</b>	<b>279,255,474</b>

See accompanying notes forming part of the financials statement

As per our report of even date

For Deloitte Haskins and Sells LLP

Chartered Accountants

Firm Registration No. 117366W/W-100018

Hemant Joshi

Partner

Membership No. 38019

Place :

Date :

For and on behalf of the Board of Directors.

Mr. D. Santhanam  
Director

Mr.M Krishnamurthi  
Director





**Vascon Pricol Infrastructures Limited**  
Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Note	Currency Indian Rupees	
		March 31,2016	March 31, 2015
Revenue from operations	16	93,329,512	211,662,343
Other income	17	1,457,331	1,690,088
<b>Total revenue</b>		<b>94,786,843</b>	<b>213,352,431</b>
Construction Expenses	18	7,286,838	138,788,343
Changes in inventories of Development and Construction material	19	79,834,281	65,502,643
Finance costs	20	19,828,085	7,456,990
Other expenses	21	2,741,424	3,047,748
<b>Total expenses</b>		<b>109,690,628</b>	<b>214,795,724</b>
Profit before exceptional and extraordinary items and tax		(14,903,785)	(1,443,293)
Exceptional items		-	-
Profit/(Loss) before Prior Period Adjustments and Tax		(14,903,785)	(1,443,293)
Prior period (expenses) / income (net)		-	-
Extraordinary items		-	(69,118,692)
<b>Profit / (Loss) before tax</b>		<b>(14,903,785)</b>	<b>(70,561,985)</b>
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Excess / short provision for tax of ealier periods		-	-
<b>Profit / (loss) for the year from continuing operations</b>		<b>(14,903,785)</b>	<b>(70,561,985)</b>
Profit / (loss) from discontinuing operations			
<b>Profit / (loss) for the Year</b>		<b>(14,903,785)</b>	<b>(70,561,985)</b>
Earnings per equity share:(Nominal Value per share of Rs.10/- each)			
Earning Per Share - Basic & Diluted (before extraordinary items)	22	(2.10)	(0.20)

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

As per our report of even date  
For Deloitte Haskins and Sells LLP  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

For and on behalf of the Board of Directors.

Hemant Joshi  
Partner  
Membership No. 38019  
Place :  
Date :

Mr. D. Santhanam  
Director

Mr.M Krishnamurthi  
Director



**Vascon Pricol Infrastructures Limited**  
Cash Flow for the period ended March 31, 2016

Particulars	Currency Indian Rupees	
	March 31, 2016	March 31, 2015
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit /(Loss) Before Taxation and prior period adjustments.	(14,903,785)	(70,561,985)
Adjustments for:		
Interest Income	(313,480)	(162,874)
Dividend Income	(1,141,548)	-
Finance Cost	19,463,109	-
(Profit)/loss on sale of investments.	-	69,118,692
<b>Operating Profit before working capital changes</b>	<b>3,104,296</b>	<b>(1,606,167)</b>
<b>Adjustments for increase / decrease in operating assets:</b>		
Decrease / (Increase) in Inventories	79,817,621	65,502,644
Decrease / (Increase) in Trade Receivables	12,180,796	(15,049,530)
Decrease / (Increase) in Loans and advances	1,923,595	3,515,549
Decrease / (Increase) in Loans and advances	-	20,800,000
Unbilled revenue	7,500,510	(11,033,460)
Unearned receivables	(16,174,433)	(61,016,215)
<b>Adjustments for increase / decrease in operating liabilities:</b>		
Increase / (Decrease) in Trade Payables (Refer note 2 below)	(41,172,605)	52,725,048
Increase / (Decrease) in Current Liabilities and Provisions	(2,416,034)	(9,352,608)
Income Tax paid during the period	(147,531)	(1,569,570)
<b>Net cash generated from Operating Activities.</b>	<b>44,616,215</b>	<b>42,915,691</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Long Term Investments in Shares	(100,000)	-
Interest Income	230,011	205,300
Proceeds from sale of mutual funds	61,500,000	-
Current Investments in Mutual fund	(46,500,000)	(15,016,349)
<b>Net cash generated / (Used) from Investing Activities.</b>	<b>15,130,011</b>	<b>(14,811,049)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Unsecured Loans.	(58,000,000)	(38,224,256)
<b>Net cash generated / (Used) from Financing Activities.</b>	<b>(58,000,000)</b>	<b>(38,224,256)</b>
<b>NET CASH INFLOW (OUTFLOW) (A+B+C)</b>	<b>1,746,226</b>	<b>(10,119,614)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>2,469,035</b>	<b>12,588,649</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>4,215,261</b>	<b>2,469,035</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents During The Period.</b>	<b>1,746,226</b>	<b>(10,119,614)</b>

Note:-

- Figures in brackets represent outflows of cash and cash equivalents.
- In the previous year, the company has sold off investment in Caspia Hotels Private Limited amounting to Rs. 1800 Lakhs to one of its creditor Samhi Hotels Private Limited at a loss of Rs. 692 lakhs in lieu of trade payables of Rs. 1109 lakhs. This being a non-cash transaction, the same has been appropriately excluded from investments and trade payables.

As per our report of even date  
For Deloitte Haskins and Sells LLP  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

Hemant Joshi  
Partner  
Membership No. 38019  
Pune Dated



For and on behalf of the Board of Directors.

  
Mr. D. Santhanam  
Director

Pune Dated

  
M Krishnamurthi  
Director



**Vascon Pricol Infrastructures Limited**  
**Notes to the Financial Statements for the year ended March 31, 2016**

**1 The Company overview**

Vascon Pricol Infrastructures Limited (Company) was incorporated on 2nd April 2007 and having CIN U45201TZ2007PLC013596. The Company is engaged in the business of Property Developers /Real Estate Developers, Builders.

**2 Summary of Significant Accounting policies:**

**2.1 Basis of Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2.2 Use of Estimates**

The preparation of the financial statements, in conformity with the Indian GAAP, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liability) at the date of the financial statements and the reported amounts of revenues and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

**2.3 Recognition of Revenue / Cost**

**(i) 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.

**(ii) Units Under Development**

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 realized at the reporting date in respect of each of the contracts and there are no outstanding defaults of the payment terms in such contracts.
- (f) Certainty of recoverability of the balance consideration.

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

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

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

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



## 2.4 Inventories

### Development Work

#### (i) Development - Completed Units

Finished goods comprising of constructed units ready for sale are valued at lower of cost and net realisable value.

#### (ii) Development - Units under construction

The unit under construction to the extent not recognised as sales under the revenue recognition policy adopted by the Company is carried at lower of cost or net realisable value on the basis of technical estimate certified by the Managing Director / Technical Experts.

## 2.5 Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimates required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed in the financial statements unless the probability of outflow of resources is remote. A contingent asset is neither recognised nor disclosed in the financial statements.

## 2.6 Taxes on Income

a) Tax expense comprises of current tax and deferred tax.

b) Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates and tax laws.

c) Deferred tax is recognised on timing differences between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future income will be available against which these can be realised. Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognised only if there is virtual certainty that sufficient future taxable income will be available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

d) Minimum Alternate Tax (MAT) credit entitlement available under the provisions of Section 115JAA of the Income Tax Act, 1961 is recognised if there is convincing evidence that the Company will pay normal tax during the specified future period. The Company reviews the carrying amount of MAT credit entitlement at each balance sheet date and writes-down the carrying amount to the extent there is no longer convincing evidence that the Company will pay normal tax during the specified future period.

## 2.7 Joint Venture Projects

a) **Jointly Controlled Operations:-** In respect of joint venture contracts in the nature of jointly controlled operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognised in the agreed proportions, as may be belonging to the Company, under respective heads in the financial statements.

b) **Jointly Controlled Entities :-**

i) **Integrated Joint Ventures :-** Company's share in profits or losses of Integrated Joint Ventures is accounted on determination of the profits or losses by the joint venture.

Investments in Integrated Joint Ventures are carried at cost net of company's share in recognised profits or losses.

ii) **Incorporated Jointly Controlled Entities :-**

- Income on investments in incorporated Jointly Controlled Entities is recognised when the right to receive the same is established.

- Investment in such Joint Ventures are carried at cost after providing for diminution in value considered other than temporary in nature in the opinion of the management, if any.



**Vascon Pricol Infrastructures Limited**

**Notes to the Financial Statements for the year ended March 31, 2016**

**2.8 Earning Per Share**

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholder by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to equity shareholders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**2.9 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents presented in cash flow statement consists of cash in hand and unencumbered, highly liquid bank and other balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.





Vascon Pricol Infrastructures Limited

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

Particulars	Currency Indian Rupees			
	March 31, 2016		March 31, 2015	
<b>3 Share capital</b>				
Authorised Capital				
10,000,000 (10,000,000) equity shares of Rs. 10/- each		<u>100,000,000</u>		<u>100,000,000</u>
		<u>100,000,000</u>		<u>100,000,000</u>
Issued subscribed and paid up				
7,100,000 (7,100,000) equity shares of Rs. 10/- each fully paid up		<u>71,000,000</u>		<u>71,000,000</u>
		<u>71,000,000</u>		<u>71,000,000</u>
Reconciliation of the Number of shares				
<b>Description</b>	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
No. of Equity shares outstanding at the beginning of the year.	7,100,000	71,000,000	7,100,000	71,000,000
No of Equity shares outstanding at the end of the year.	7,100,000	71,000,000	7,100,000	71,000,000
Shares held by holding company or ultimate holding company				
<b>Shareholders holding more than 5 percent shares in the Company</b>				
<b>Name of the shareholder</b>	<b>Number of shares</b>	<b>% of Holding</b>	<b>Number of shares</b>	<b>% of Holding</b>
Vascon Engineers Limited	7,100,000	100%	7,100,000	100%
<b>Total</b>	<u>7,100,000</u>	<u>100%</u>	<u>7,100,000</u>	<u>100%</u>
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 discharge of liabilities and distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.				
<b>4 Other reserves</b>				
Opening Balance		(48,004,853)		22,557,132
Add /(Less) :-Profit/(Loss) transferred for the year		<u>(14,903,785)</u>		<u>(70,561,985)</u>
Closing balance		<u>(62,908,638)</u>		<u>(48,004,853)</u>
<b>5 Long term borrowings</b>				
Loan and advances from related parties (Unsecured) :				
Vascon Engineers Limited		74,770,142		125,313,132
Pricol Properties Limited		<u>82,160</u>		<u>82,160</u>
		<u>74,852,302</u>		<u>125,395,292</u>
<b>6 Trade payables</b>				
Trade Payables (Refer Note No.27)		<u>46,500,425</u>		<u>87,673,030</u>
		<u>46,500,425</u>		<u>87,673,030</u>
<b>7 Other current liabilities</b>				
Income received in advance (Unearned Revenue)		1,273,464		22,434,065
Less: related debtors		<u>(250,719)</u>		<u>(5,236,887)</u>
		1,022,745		17,197,178
Statutory Remittances		2,012,790		199,459
Advance from customers		12,319,521		14,877,468
Less: related unbilled revenue		<u>(669,407)</u>		<u>(1,550,666)</u>
		11,650,114		13,326,802
Interest on Loan		17,516,778		7,456,990
Others		4,405,210		5,011,576
		<u>36,607,637</u>		<u>43,192,005</u>



Vascon Pricol Infrastructures Limited

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

Particulars	Currency Indian Rupees	
	March 31, 2016	March 31, 2015
<b>8 Long term loans and advances</b>		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Security deposits	6,326,000	6,326,000
Advance Income Tax	227,775	80,244
	<u>6,553,775</u>	<u>6,406,244</u>
<b>9 Non Current Investment</b>		
Investment in Shreyas strategists Private Limited		
10000 shares of Rs.10 /- Each	100,000	-
	<u>100,000</u>	<u>-</u>
<b>10 Current Investments</b>		
Investment in mutual funds	1,157,897	15,016,349
	<u>1,157,897</u>	<u>15,016,349</u>
<b>11 Inventories (At cost)</b>		
(As taken, valued and certified by Management)		
Construction materials / tools	16,660	-
Developments	97,960,504	177,794,785
Plot of Land	47,580,985	47,580,985
	<u>145,558,149</u>	<u>225,375,770</u>
<b>12 Trade receivables</b>		
(Unsecured Considered Good, Unless Otherwise Stated)		
Outstanding for period exceeding six months	1,116,774	13,217,659
Others	2,550,596	7,616,675
	3,667,370	20,834,334
(Less) : related unearned receivables	(250,719)	(5,236,887)
	<u>3,416,651</u>	<u>15,597,447</u>
<b>13 Cash and Bank Balances</b>		
a) Cash and Cash Equivalents		
Balances with banks in current accounts	2,000,449	2,444,326
Balances with banks in short term deposit accounts.	2,205,500	-
Cash on hand	9,312	24,709
	<u>4,215,261</u>	<u>2,469,035</u>
<b>14 Short term loans and advances</b>		
Balance with Service Tax Authority	818,759	2,645,939
Trade Advances	183,088	279,503
	<u>1,001,847</u>	<u>2,925,442</u>
<b>15 Other current assets</b>		
Unbilled revenue	4,634,084	13,015,853
(Less) : related advance payment received	(669,407)	(1,550,666)
	3,964,677	11,465,187
Interest Accrued on Fixed Deposit	83,469	-
	<u>4,048,146</u>	<u>11,465,187</u>



Vascon Pricol Infrastructures Limited

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

Particulars	Currency Indian Rupees	
	March 31,2016	March 31, 2015
<b>16 Revenue from operations</b>		
Contract revenue recognised / sales (gross)		
- Sale of unit	93,329,512	211,662,343
	<b>93,329,512</b>	<b>211,662,343</b>
<b>17 Other income</b>		
Interest income	313,480	162,874
Dividend income	1,141,548	16,350
Miscellaneous income	2,303	1,510,864
	<b>1,457,331</b>	<b>1,690,088</b>
<b>18 Construction Expenses</b>		
Cost of material consumed	7,286,838	138,788,343
	<b>7,286,838</b>	<b>138,788,343</b>
<b>19 Changes in inventories of Development and Construction material</b>		
Building materials / tools		
Stock for resale		
Opening Stock of Developments	225,375,771	290,878,414
Closing Stock of Developments	145,541,490	225,375,771
	<b>79,834,281</b>	<b>65,502,643</b>
<b>20 Finance costs</b>		
Interest expense	19,828,085	7,456,990
	<b>19,828,085</b>	<b>7,456,990</b>
<b>21 Other expenses</b>		
Electricity charges	182,208	502,935
Repairs and Maintenance	7,659	-
Rates and taxes	839,480	46,400
Travelling expenses	37,721	39,319
Donations	50,000	-
Legal and Professional Fees	74,150	233,838
Payment to Auditors (Refer Note (i) below)	500,000	500,000
Bad debts	-	-
Brokerage / commission	703,599	1,228,313
Miscellaneous Expenses	346,607	496,943
	<b>2,741,424</b>	<b>3,047,748</b>
<b>Auditors Remunerations :</b>		
Audit Fee	500,000	500,000
Tax Audit Fees	-	-
Total	<b>500,000</b>	<b>500,000</b>
( Fees mentioned above does not includes service tax and education cess thereon)		
<b>22 Earning per share (EPS)</b>		
Net Profit / (Loss) as per Statement of Profit and Loss	(14,903,785)	(70,561,985)
Weighted average number of shares outstanding	7,100,000	7,100,000
Face Value per share	10	10
Earning Per Share - Basic & Diluted (before extraordinary items)	(2.10)	(0.20)
Earning Per Share - Basic & Diluted (after extraordinary items)	(2.10)	(9.94)



**Vascon Pricol Infrastructures Limited**  
**Notes to the Financial Statements for the year ended March 31, 2016**

**23 Related Party Disclosure**

The related parties as defined by accounting standard 18 'Related party disclosure' issued by the Institute of Chartered Accountants of India, in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial persons taken on record by the Board.

**Names of related parties**

1. Holding Company  
-Vascon Engineers Limited
2. Subsidiary Company  
-Shreyas Strategists Private Limited
3. Key Management Personnel  
- D.Santhanam  
- M. Krishnamurthi

**Transactions with related parties:**

Name of related party	Nature of relations	Type of transaction	Transaction Amount(Rs.)
Vascon Engineers Limited	Holding Co.	Loan Repaid	58,000,000 (0)
Vascon Engineers Limited	Holding Co.	Loan Taken	0 (55,18,756)
Vascon Engineers Limited	Holding Co.	Interest on Loan taken	19,463,109 (74,56,990)
Vascon Engineers Limited	Holding Co.	Expenses Reimbursement.	247,077 ( 57,04,854)
Vascon Engineers Limited	Holding Co.	Purchase (Contract for Construction)	4,751,391 (132,615,866)

Particulars	Type of transaction	Due to Company	Due by Company
Vascon Engineers Limited	Creditors	Nil	44,774,350 (85,830,690)
Vascon Engineers Limited	Project Advance	Nil	74,770,142 (125,313,132)
Vascon Engineers Limited	Interest on loan	Nil	17,516,778 (7,456,990)



**Vascon Pricol Infrastructures Limited**  
**Notes to the Financial Statements for the year ended March 31, 2016**

24 On August 31, 2015, the Company had acquired 100% stake in Shreyas Strategists Private Limited along with its subsidiary Sansara Developers India Private Limited for a consideration of Rs. 100,000.

**25 Segment Reporting**

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

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

26 In absence of virtual certainty of taxable income in subsequent periods no provision for deferred tax assets in respect of carried forward business losses has been made.

27 Based on information available with the Company, no supplier of the Company is registered under "The Micro, Small and Medium Enterprises Development Act 2006". The same has been relied upon by auditor.

28 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.



For and on behalf of the Board of Directors.

A handwritten signature in blue ink, appearing to read "D. Santhanam".

D. Santhanam

Director

A handwritten signature in blue ink, appearing to read "M. Krishnamurthi".

M Krishnamurthi

Director

