

# 19TH ANNUAL - REPORT 2012-2013



**VAS INFRASTRUCTURE LTD.**





# VAS INFRASTRUCTURE LIMITED

19TH ANNUAL GENERAL MEETING 2012-2013

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**DR. JAYESH VINODRAI VALIA**  
Executive Chairman

**MRS. KIRTI KISHORE PADAVE**  
Executive Director

**MR. AJAY NAUTAMLAL JANI**  
Director (Upto 03/02/2014)

**MR. BABULAL BANSILAL JAIN**  
Director

**MR. GANESAN VENKATRAMAN**  
Director

**MR. V.H. MULWAD**  
Company Secretary

### STATUTORY AUDITORS

**M/s. KAKARIA & ASSOCIATES**  
Chartered Accountants

### REGISTERED OFFICE

PLOT 757/758, JWALA ESTATE, SONI WADI,  
GROUND FLOOR, NEAR KORA KENDRA,  
OFF S.V. ROAD, BORIVALI (WEST), MUMBAI 400 092.

### REGISTRARS & SHARE TRANSFER AGENTS

**Sharex Dynamic (India) Pvt. Ltd.**

Unit-1, Luthra Industrial Premises,  
Safeed Pool, Andheri Kurla Road,  
Andheri (East), Mumbai - 400 072.

### 19TH ANNUAL GENERAL MEETING

**DATE**  
March 25, 2014

**DAY**  
Tuesday

**TIME**  
12.00 noon

**PLACE**  
The No.1 Party Hall, Building No.1,  
Sumer Nagar, S. V. Road,  
Kora Kendra Bus Stop,  
Borivli (West), Mumbai 400 092.

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## NOTICE

Notice is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the members of VAS INFRASTRUCTURE LIMITED will be held on Tuesday, March 25, 2014, at The No.1 Party Hall, Building No.1, Sumer Nagar, S. V. Road, Kora Kendra Bus Stop, Borivali (West), Mumbai 400 092, at 12.00 noon to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 30th September, 2013 and the Profit and Loss Account for the 18 months ended on that date along with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Babulal Bansilal Jain, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ganesan Venkatraman, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the Auditors' to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution:

#### **BORROWING POWERS**

"RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions if any, of the Companies Act, 2013, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to create, charge, mortgage, hypothecations in addition to existing charges, mortgages and hypothecations created by the Company on such movable and immovable properties both present and future and in such manner as the Board may deem fit together with power to take over substantial assets of the company in certain events in favour of Banks/ Financial institutions, other investing agencies and trustees. For the holders of debentures/bonds /other instruments to secure rupee/foreign currency loans and/or issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to ordinary shares / and or rupee/convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of loans together with interest thereon, additional interest, compound interest liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges expenses and all other monies payable by the company in respect of the said loans shall anytime not exceed Rs.500 crores or aggregate of the paid up capital and free Reserves of the company that is to say reserved not set apart for any specific purpose at the relevant time, whichever is higher"

"RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things, to execute such documents instrument and writings as may be required.

**BY ORDER OF THE BOARD**

**(DR. JAYESH VINODRAI VALIA)  
EXECUTIVE CHAIRMAN**

### REGISTERED OFFICE

PLOT 757/758, JWALA ESTATE,  
SONI WADI, GROUND FLOOR,  
NEAR KORA KENDRA, OFF S.V. ROAD  
BORIVALI (WEST), MUMBAI 400 092

PLACE : MUMBAI

DATED : 03.02.2014

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and The Share Transfer Registers will remain closed between 19.3.2014 and 25.3.2014 (both days inclusive).
3. An Explanatory Statement under Section 173 of the Companies Act, 1956, dated 3.2.2014 and forming part of this Notice dated 3.2.2014 is enclosed herewith.
4. The members are requested to :
  - a) Intimate changes, if any, in their registered addresses at an early date.
  - b) Quote ledger folio nos. in all their correspondence.
  - c) Bring copies of the Annual Report and the Attendance Slips at the Annual General Meeting.

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, AND FORMING PART OF THE NOTICE CONVENING, THE 19TH ANNUAL GENERAL MEETING AND DATED 3.2.2014

### ITEM No. 4

#### **BORROWING POWERS**

In the Extra Ordinary General Meeting of the Company held on June 4, 2013, members had accorded their consent to the Board of Directors to borrow upto 500 crores. The proposed borrowing powers of the company, if necessary be secured by way of charge/ mortgage/hypothecation on the Company's assets in favour of lenders/holders of securities/trustees for the holders of the said securities as mentioned in the Resolution at Item No.4. As the documents to be executed between the lenders/security holders/trustees and the company may contain provisions to take over substantial assets of the company in certain events, it is necessary to pass necessary resolution under Section 293 (i) (a) of the Companies Act, 1956 and Section 180 (1) (a) of the Companies Act, 2013, for creation of charge/mortgage/hypothecation for amount not exceeding Rs.500 crores or aggregate of the paid up capital and free reserves of the company that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher.

The above proposal is in the interest of the company and Directors recommend the resolution at Item No.4 of the accompanying notice for members' approval.

None of the Directors is interested or concerned in the resolution.

**BY ORDER OF THE BOARD  
FOR VAS INFRASTRUCTURE LTD.**

**(DR. JAYESH VINODRAI VALIA)  
EXECUTIVE CHAIRMAN**

#### **REGISTERED OFFICE**

PLOT 757/758, JWALA ESTATE,  
SONI WADI, GROUND FLOOR,  
NEAR KORA KENDRA, OFF S.V. ROAD  
BORIVALI (WEST), MUMBAI 400 092

PLACE : MUMBAI

DATED : 03.02.2014

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting their Nineteenth Annual Report and the Statement of Audited Accounts of your Company for the 18 months ended on 30th September, 2013.

### FINANCIAL RESULTS

	<b>Eighteen months ended 30.9.2013 Rs.</b>	(Amount in Lacs) Year ended 31.3.2012 Rs.
Turnover	<b>7860.15</b>	409.30
Profit/(Loss) Before Depreciation, Interest & Taxation	<b>262.58</b>	(232.78)
Profit/(Loss) before Depreciation & Taxation	<b>94.06</b>	(239.19)
Profit/(Loss) after Depreciation & Taxation	<b>81.41</b>	(247.76)
Surplus (Deficit) of Profit and Loss Account of earlier year	<b>(27.96)</b>	82.32
Balance carried over to Balance Sheet	<b>109.38</b>	(176.37)

### FIXED DEPOSITS

The company has not invited or accepted any Fixed Deposits from the public during the year under review.

### DIRECTORS

During the year under review Mr. Babulal Bansilal Jain, retires by rotation at the conclusion of this meeting and being eligible offers himself for re-election.

During the year under review Mr. Ganesan Venkatraman, retires by rotation at the conclusion of this meeting and being eligible offers himself for re-election.

Mr Ajay Nautamlal Jani resigned from the Board on February 1, 2014. The Board placed on record the valuable services rendered by him during his tenure on the Board.

### PARTICULARS OF EMPLOYEES

There were no employees who were in receipt of remuneration in excess of the amount prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, during the year under review.

### DIRECTORS' RESPONSIBILITY STATEMENT

Statement under sub-section (2AA) of Section 217 of the Companies Act, 1956 :

In the preparation of the Annual Accounts :

- the applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given.
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- proper and sufficient care has been taken for the 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 fraud and other irregularities.
- the Accounts have been prepared on a going concern basis.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information in accordance with Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure 'B' forming part of this report. Form 'A' requiring disclosure of particulars with respect to Conservation of Energy is not applicable in the case of your company.

### STOCK EXCHANGE

The Company is listed on the following Stock Exchange.

- Bombay Stock Exchange Ltd.

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Your Company is listed on Bombay Stock Exchange Ltd. and the Annual Listing fee has been paid.

## AUDITORS

The Statutory Auditors M/s. Kakaria & Associates, Chartered Accountants, Vapi are eligible to be re-appointed. The Directors recommend M/s. Kakaria & Associates, Chartered Accountants, Vapi, to be re-appointed as Statutory Auditors.

## CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement with The Bombay Stock Exchange Ltd, the Management Discussion and Analysis and the Report on Corporate Governance together with Practising Company Secretaries Certificate form a part of the Annual Report.

## ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation of the dedicated and devoted services rendered by the employees of the Group of Companies at all levels. Your Directors also thank the Bankers, customers, shareholders and the suppliers of services of your Company for their co-operation and valuable support.

**FOR AND ON BEHALF OF THE BOARD**

**(DR. JAYESH VINODRAI VALIA)**  
**EXECUTIVE CHAIRMAN**

PLACE : MUMBAI  
DATED : 03.02.2014

## ANNEXURE B TO THE DIRECTORS' REPORT

Particulars as required under Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 and forming part of Directors' Report for the eighteen months ended 30th September, 2013.

### I. RESEARCH & DEVELOPMENT (R & D)

- |  |      |
|--|------|
| a) Specific areas in which R & D carried out by the Company. | None |
| b) Benefits derived as a result of the above R & D           | None |
| c) Further plan of action                                    | None |
| d) Expenditure on Research & Development                     | Nil  |

### II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

- |  |     |
|--|-----|
| a) Efforts in brief made towards Technology, Absorption, Adaptation and Innovation | Nil |
| b) Benefit derived as a result of the above effort                                 | Nil |
| c) Particulars of Technology imported during the last 5 years                      | Nil |

### III. FOREIGN EXCHANGE EARNINGS & OUTGO

- |  |              |               |
|--|--------------|---------------|
| a) Activities relating to exports and export plans | Nil          |               |
|  | Current Year | Previous Year |
|  | Rs.          | Rs.           |
| b) Total Foreign Exchange Used & Earned :          |              |               |
| i) Foreign Exchange Used                           | 816386       | 466890        |
| ii) Foreign Exchange Earned                        | Nil          | Nil           |

**FOR AND ON BEHALF OF THE BOARD**

**(DR. JAYESH VINODRAI VALIA)**  
**EXECUTIVE CHAIRMAN**

PLACE : MUMBAI  
DATED : 03.02.2014

## **CORPORATE GOVERNANCE REPORT**

### **1. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**VAS INFRASTRUCTURE LTD. (VIL)** firmly believes that good Corporate Governance results in regulation of the affairs of your Company in a most transparent, ethical and accountable manner. This is not only the need of the hour but also a means to satisfy the aspirations of all those concerned with the Corporate World.

Adherence to Corporate Governance ensures greater level of transparency and accountability, fairness in operations, full disclosure, integrity and compliance of laws. Your Company is committed to administer good Corporate Governance.

VAS INFRASTRUCTURE LTD. recognizes the value of adherence to Corporate Governance in its true sense which alone can ensure continuation of belief and the trust reposed by one and all in your company.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT OVERALL (MD&A)**

The Report includes MD&A at appropriate places so that repetition and overlap between Directors Report and MD&A is avoided.

#### **THE BUSINESS**

Your Company is one of the leading redevelopment Real Estate Company especially in Borivali (West) Mumbai. The construction and redevelopment of projects at various locations are currently in progress. Your company has already initiated various steps for sustaining growth through cost optimization, process improvement and efficient management of working capital tools of innovation are employed for new projects/marketing initiative the purpose being constantly stay ahead in terms of ideas and performance.

#### **GLOBAL ECONOMIC OVERVIEW**

The year 2012-2013 was year of pronounced economic uncertainty around the globe. Even if positive trends are upheld rate of growth in 2013-2014 as a whole will remain below historic norms IMF has forecasted world economy to grow by 3.5% to 4% in 2013-2014. The risk remains significant. First develop economy need steady and sustained fiscal consolidation and second financial sector reforms to continue to decrease risks in financial system. There is slow growth in advanced economies including USA, Germany and Japan, will continue to weigh on growth in emerging economies.

#### **INDIAN ECONOMY**

After growing strongly before and after global financial crisis (GFC) India's economy has slowed substantially. Growth is vesting around 5.6% during the period 2012-2013-2014. The government took further steps for liberalization of FDI and restructuring of debts (CDR). G.O.I. and SEBI also announced slew of measures especially for Infrastructure/Realty Sector enabling foreign Investors/FII's to invest in Infrastructure Sector.

#### **REAL ESTATE SECTOR OVERVIEW**

Indian Real Estate Sector has emerged as one of the significant contributor to the country GDP.

Demand supply gap for residential housing favourable demographics rising affordability levels, availability of financing options as well as fiscal benefits available on availing of home loans are key driver supporting the demand for residential construction, out look in short term remains uncertain due to higher interest rates, high inflationary trends resorting into skeptical/consumer sentiments.

However Union Budget 2013 has immense potential to improve the sector sentiment and at the same time re-stimulate its growths. Setting up of Urban housing Fund and provision of INR 2000 crores, for this Fund, sops for home buyers of first housing loan of INR 25 lacs and increase in exemption limit of home/interest payable through separate section under Chapter VA of Income tax Act from INR 1.5 lacs. to INR 2.5 lacs. were a few positives for Real Estate Sector.

#### **OPPORTUNITES AND THREATS**

Urbanization has been progressing rapidly from around 11% in 1901 to 31% in 2011 and expected to reach 41% by 2030. Residential prices are expected to increase in almost all metropolitan cities. Realty Sector contributed 10.5% to countries GDP in 2011. By 2020, sector is expected to earn a revenue of \$ 180 billions. In the long run the residential Real Estate Sector has got a massive potential in the wake of growing demand supply gap also changing demographics and rapid urbanization. It is estimated that housing shortage in urban areas is likely to touch 21.07 million units by the end of 2014.

#### **THREAT, RISKS AND CONCERNS**

The Company operates in an environment which is affected by various factors, some of which are controllable and some are outside the control of the company. The Management monitors the Risk Management activities on regular basis and takes proactively steps to mitigate significant risk that may affect it.

#### **REAL ESTATE SECTOR SPECIFIC RISKS AND THREATS**

\*Fluctuation in market conditions may affect the ability to sell units at expected prices which could adversely impact revenues and earnings.

\*Increase in interest rate may dampen growth rate of demand for housing units.

\*Competition from existing as well new players.

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\*Changes in government policies including changes in tax structure would affect the growth of Real Estate Sector.

\*Operational Risks - longer gestation period for acquisition, non-availability of critical raw material such as cement and steel and sharp increase in prices of building materials could impact project schedules thereby impacting the revenue in margins.

\*Delays in obtaining approvals from Regulatory Authorities.

\*Policy and Regulatory Risk - Unfavourable changes in the Government Policies and the Regulatory Environment could adversely impact the performance of Real Estate Companies.

\*Non Implementation of long standing demands such as removal of the cascading effect on the stamp duties and rationalization of duty, rates, single window clearance mechanism for approvals.

\*Various taxes and levies would add to the cost and this is likely to squeeze margins as the end product prices may be not group correspondingly.

## FUTURE OUTLOOK

CRISIL has predicted that Indian GDP will grow at a higher rate of 6.7% in 2012-2013-2014 due to revival in consumption. The year 2013 has the potential to represent watershed for the Real Estate Sector in India. The Govt. has already introduced spate of reforms to help the economy and its cascading impact is bound to be there on Real Estate Sector. According to Knight and Frank year 2013 is going to bring cheers to home buyers in a country that has an acute housing shortage, there will always be takers provided the offerings are enticing. The year 2013 is going to be game changer in terms of policies and regulations as most of the bills that have been pending are expected to be passed by the parliament. The change in sentiment on account of above measures will have a positive impact on all the segments of the Real Estate Sector.

## INTERNAL CONTROL SYSTEMS

The Company has got internal control system commensurate to the size of the operations. It is supplemented by extensive internal audit, reviewed by Management and Audit Committee procedures. The internal audit covers all the activities of the company. Company is reviewing its internal control system on regular basis and they are upgraded based on internal audit recommendations. Your Company's statutory Auditors have confirmed the adequacy of internal control systems.

## CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis the Company's Objectives, projections, estimates may be 'FORWARD LOOKING STATEMENT' within the meaning of applicable statutory laws and Regulations. These statements are based on certain assumptions and reasonable expectations on future events.

Actual results could however differ materially from those expressed or implied. Important factor that could make a difference to the Company's operations include economic conditions, price conditions, cylindrical demand and pricing in the market in which your company operates, tax laws, economic development within India, other statutes and other incidental factors.

The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments changes.

The Company also assumes no responsibility to publicly amend, modify or revise the forward looking statement on the basis of subsequent developments, information or events.

## 2(1) TABLE OF DETAILS OF DIRECTORS, NO.OF BOARD MEETINGS, HELD, ATTENDANCE AT THOSE MEETINGS, FEES PAID AND ATTENDANCE AT THE AGM HELD FOR THE FINANCIAL YEAR 30.9.2013

Sr. No.	Name of Directors	AGM Held on 28/09/2012	No. of Meetings in a Year	Attendance	Fees
1)	Dr. Jayesh Vinodrai Valia - Executive Chairman	Yes	10	9	Nil
2)	Mr. Ajay Jani - Director	No	10	2	Nil
3)	Mr. Babulal Bansilal Jain - Independent Director	Yes	10	9	67,500
4)	Mr. Ganesan Venkatraman - Independent Director	Yes	10	10	75,000
5)	Mrs. Kirti Padave - Executive Director	Yes	10	6	Nil

\*Mrs. Kirti Padave was appointed as Director designated as Executive Director in the Board Meeting held on 14th August, 2012.

2 (1) Remuneration paid to Directors (18 months from April 1, 2012, to 30th September, 2013)

- |    |                           |                        |                |
|----|---------------------------|------------------------|----------------|
| a) | Dr. Jayesh Vinodrai Valia | (Executive Chairman) - | Rs.24.60 Lacs  |
| b) | Mrs. Kirti Kishore Padave | (Executive Director) - | Rs. 9.00 Lacs. |