

VAGHANI TECHNO-BUILD LIMITED

**18th
Annual Report
2011-12**

VAGHANI TECHNO-BUILD LIMITED

Board of Directors: Mr. Kantilal Savla – Chairman & Wholetime Director

Mr. Bavchandbhai Vaghani (*)

Mr. Ramesh Meisheri

Mr. Manojkumar Sharma

Mr. Sabu Daniel

Mr. Jayesh Nisar (**)

(*)Resigned on 14th August, 2012

(**)Resigned on 15th May, 2012

Auditors: M/s. M.L. Bhuwania & Co.
Chartered Accountants

Bankers: Union Bank of India,
Turner Road Branch, Bandra, Mumbai 400 050

Regd. Office: D-Wing, Karma Sankalp
Corner of 6th & 7th Road of Rajawadi,
Ghatkopar (east), Mumbai – 400 077.

**Registrar and Share
Transfer Agent:** Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L B S Marg, Bhandup (West),
Mumbai- 400 078.
Tel. (022) 25963838

NOTICE

Notice is hereby given that Eighteenth Annual General Meeting of **VAGHANI TECHNO-BUILD LIMITED** will be held at the Registered Office of the Company at D-wing, Karma Sankalp, Corner of 6th and 7th Road of Rajawadi, Ghatkopar (East), Mumbai – 400 077 on Friday, 28th September, 2012 at 10.30 A.M. to transact with or without modification(s), as may be permissible, the following business:

ORDINARY BUSINESS

1. To adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on 31st March, 2012 and the Reports of Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Kantilal M Savla, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sabu P Daniel, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s M.L. Bhuwania & Co, Chartered Accountants, the retiring Auditors who are eligible for re-appointment as Auditors of the Company from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

Registered Office:
D Wing, Karma Sankalp,
Corner of 6th & 7th Road of Rajawadi
Ghatkopar (east), Mumbai – 400 077.

For and on behalf of Board of Directors

Sd/-
Kantilal M Savla
Chairman & Wholetime Director.

Place: Mumbai
Date: 28th August, 2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE THE MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23-09-2012 to 28-09-2012 (both days inclusive).
3. The members are requested to:
 - a) Intimate to the Company's Registrars and Share Transfer Agents M/s. Link Intime India Private Limited the changes, if any, in their registered address, Bank account number / details etc. at an early date;
 - b) Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
 - c) Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
 - d) Get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
 - e) Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
 - f) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the Registered Office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
 - g) Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting is attached hereto.

Disclosure pursuant to Clause 49 of the Listing Agreement:

Disclosure of Directors seeking re-appointment at the Annual General Meeting to be held on 28th September, 2012.

Name of Director	Mr. Kantilal M Savla	Mr. Sabu P Daniel
Date of Birth	13/05/1959	03/02/1966
Date of Appointment	31/01/2009	31/01/2009
Qualification	B.com & OPM (Owner/President – Management Program) from Harvard Business School	MA(Public Administration)
Expertise in specific functional areas	Construction & Real Estate Business	Civil contractor and Real Estate Investment Services
Chairman / Member of the committee of other companies*	2	NIL

* only public Limited Companies are considered

For and on behalf of the Board of Directors

Sd/-

**Kantilal M Savla
Chairman & Wholetime Director**

**Place: Mumbai
Date: 28th August, 2012**

DIRECTOR'S REPORT

Dear Members,

Your Directors present their EIGHTEENTH ANNUAL REPORT together with the Audited Accounts along-with the report of the Auditors for the year ended 31st March, 2012

FINANCIAL RESULTS

(in Lacs ₹)

Particulars	Year 2011-12	Year 2010-11
Income	320.34	2869.69
Total Expenditure	334.43	2679.70
Profit Before Tax	(14.10)	414.75
Provision for Tax	-	134.12
Profit/(Loss) for the period (after tax)	(14.10)	280.63

DIVIDEND

The Board of Directors, in view of the loss incurred during the year, regrets their inability to recommend any dividend for the year ended 31st March, 2012.

REVIEW OF OPERATIONS

The total income of the Company for the year under review was ₹ 320.34 Lacs as against ₹ 2869.69 Lacs achieved during the previous year. Expenditure Incurred during the year is ₹ 334.43 Lacs and the Company's earnings before tax is ₹ (14.10) Lacs as against 414.75 Lacs in the previous year. Further Company's earnings after tax is ₹ (14.10) Lacs as against ₹ 280.63 Lacs in the previous year. EPS of the Company has decreased from ₹ 5.38 per share in the previous year to ₹ (0.27) per share in the current year.

BUSINESS AND FUTURE PLAN

The Company is trading in Transfer of Development Rights (TDR). Further steps will be taken to accelerate the same.

DIRECTORS

Mr. Kantilal M Savla and Mr. Sabu P Daniel retire by rotation and being eligible offers themselves for reappointment.

Mr. Jayesh Raichand Nisar resigned from the directorship due to his pre-occupation and he ceased to be director of the Company w.e.f. 15/05/2012. The Board placed on record its appreciation for the valuable services and support rendered by him during his tenure on the Board of the Company.

Mr. Bavchandbhai J Vaghani resigned from the directorship due to his pre-occupation and he ceased to be director of the Company w.e.f. 14/08/2012. The Board placed on record its appreciation for the valuable services and support rendered by him during his tenure on the Board of the Company.

A brief resume of the Directors being re-appointed are attached to the Notice of the ensuing Annual General Meeting.

DEPOSITS

The Company has not accepted any deposits from the public within the meaning of the Companies (Acceptance of Deposits) Rules, 1975 during the year under review.

AUDITORS

M/s M. L Bhuwania and Company, Chartered Accountants, retiring auditors, is eligible for re-appointment and has expressed their willingness to accept office, if re-appointed. They have furnished Certificate u/s 224 (IB) of the Companies Act, 1956 for their eligibility for re-appointment. Your directors recommend their appointment as the statutory auditors till the conclusion of the next Annual General Meeting.

AUDITORS' REPORT

Explanation to Auditors Report as required under Section 217(3) of Companies Act, 1956

In point no. 4(VI) the auditors have mentioned that company has not appointed full time Company Secretary as required by 383A of the Companies Act, 1956. Here your directors would like to clarify that company is in the process of appointing full time Company Secretary.

In point no. 4(VI) the auditors have mentioned that the company has old trade receivable amounting to ₹ 98,98,024 (previous Year ₹ 1,08,98,024) however no provision for doubtful debts is made. Here your directors would like to clarify that company is hopeful of recovery and accordingly no provision for doubtful debt is made.

In Point VII of Annexure to Auditors Report it is mentioned that the Company does not have an internal audit System. Your director would like to clarify that the Company is taking all steps to achieve adequate internal audit system in the operation, optimum utilization of resources and effective monitoring thereof and compliance with laws applicable.

POLLUTION AND ENERGY CONSERVATION AND FOREIGN EXCHANGE

Your Company has not consumed energy of the significant level and accordingly no measures were taken for energy conservation and no additional investment was made for reduction of energy conservation. The particulars regarding technology absorption and Foreign exchange earnings and out go pursuant to Section 217 (1) (e) of the Companies Act, 1956 are NIL. During the year the company has not earned or expended foreign exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm the following:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments 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 ended 31.03.2012 and of the Profit & Loss of the Company for that year;
3. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on 'going concern' basis.

CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement with the Stock Exchange, the report of the Corporate Governance and the Certificate of the practicing Company Secretaries "PRS Associates", Mumbai in respect of compliance thereof are appended hereto and forming part of this report.

LISITNG

Shares of the Company have been listed with Bombay Stock Exchange Limited. Scrip Code No. 531676.

The Company has paid the annual listing fee to the above stock exchange for the financial year 2012-13.

DEMATERIALIZATION OF SHARES

To provide better and smooth services to the shareholders, the company's equity shares are made available for

dematerialization in electronic mode in the depository system operated by National Securities Depository Limited (NSDL) and with the Central Depository Services Limited (CDSL).

PARTICULARS OF EMPLOYEES

There was no employee drawing in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

APPRECIATION:

Your Directors express their sincere gratitude for the assistance and co-operation extended by customers, various Government, Semi-Government and Local Authorities, suppliers and business associates.

The Board of Directors also thanks the Investor Shareholders for their support, co-operation and faith in the Company and look forward for their continued support in future.

For and on behalf of the Board of Directors

Sd/-

**Kantilal M Savla
Chairman & Wholetime Director**

Place: Mumbai

Date: 28th August, 2012

CORPORATE GOVERNANCE

The Company pursuant to Clause 49 of the listing agreement with the Stock Exchange furnishes its report on the code on Corporate Governance.

COMPANYS' PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions, Shareholders have right to have complete information about the Directors and Management and their interest in the company as well as governance practices followed by them. Towards this end, the company is making extensive disclosures from time to time.

Board of Directors

I. Composition and Category

The Board of Company consists of Six (6) directors, which include the two (2) Executive Directors and four (4) Independent Directors.

Name of Directors	Executive/Non-Executive / Independent	No. of outside Directorship(s) Held (Public)
Kantilal M. Savla	Executive	3
Bavchandbhai J. Vaghani(*)	Executive	NIL
Ramesh U. Meisheri	Independent	NIL
Manoj S. Sharma	Independent	NIL
Sabu P. Daniel	Independent	NIL
Jayesh Raichand Nisar(**)	Independent	NIL

(*) Resigned on 14th August, 2012

(**) Resigned on 15th May, 2012

II. Board Meetings, attendance, position held in meetings

The Board met Seven (7) times on 01.04.2011, 30.05.2011, 13.08.2011, 30.09.2011, 15.11.2011, 27.01.2012, 28.03.2012. Notices of the meetings with agenda along with necessary details were sent to the directors in time.

The names and categories of the Directors, their attendance at Board meetings and General Meeting as also position held by them in committees of other public limited companies as on 31st March, 2012 are given below:

Name of the Director	Category	Attendance particular 2011-2012					
		Board Meeting held during tenure of Director	Board Meeting Attended	Last A G M	No. of Directorship in other Public Ltd. Cos	Chairman/ Member of the committee of other Cos.	Chairman/ Members hip in other public limited Cos.
1. Kantilal M. Savla	Chairman	7	7	Yes	3	2	2
2. Bavchandbhai J. Vaghani (*)	Executive	7	7	Yes	NIL	NIL	NIL
3. Ramesh U. Meisheri	Independent	7	7	Yes	NIL	NIL	NIL
4. Manoj S. Sharma	Independent	7	7	Yes	NIL	NIL	NIL
5. Sabu P. Daniel	Independent	7	7	Yes	NIL	NIL	NIL
6. Jayesh R. Nisar(**)	Independent	7	7	Yes	NIL	NIL	NIL

(*) Resigned on 14th August, 2012

(**) Resigned on 15th May, 2012

III. Information on Directors Re-appointment

Mr. Kantilal M Savla and Mr. Sabu P Daniel retire by rotation at the ensuing Annual Meeting. They being eligible, offer themselves for reappointment.

The following are their details:

Name of Director	Mr. Kantilal M Savla	Mr. Sabu P Daniel
Date of Birth	13/05/1959	03/02/1966
Date of Appointment	31/01/2009	31/01/2009
Qualification	B.com & OPM (Owner/President – Management Program) from Harvard Business School	MA(Public Administration)
Expertise in specific functional areas	Construction & Real Estate Business	Civil contractor and Real Estate Investment Services
Chairman / Member of the committee of other Co's*	2	NIL

* Only public limited companies are considered

IV. Audit Committee

Audit Committee, during the year under review, comprise of three members out of them two are independent directors Mr. Ramesh Meisheri, independent director, is the Chairman of the Audit committee, and (i) Mr. Manoj Sharma, independent director, (ii) Mr. Kantilal Savla, Chairman of the Company are members to the committee.

Committee met on 01.04.2011, 30.05.2011, 13.08.2011, 15.11.2011, 27.01.2012 for perusal of financial position, un-audited quarterly result and for Limited Review Report and for the finalization of account for the year ended on 31.03.2011. The Accounts and Financial position perused by the Audit Committee were placed before the board for their consideration.

Attendance

Sr. No.	Name of the Members	No. of Meetings Attended
1	Mr. Ramesh Meisheri (Chairman)	5
2	Mr. Manoj Sharma	5
3	Mr. Kantilal Savla	5

V. SHARE TRANSFER COMMITTEE / INVESTOR GRIEVANCE COMMITTEE:

The Investors / Shareholders' Grievance Committee comprise of four members chaired by Mr. Manoj Sharma being an independent, non-executive Director. The Committee looks into the Redressal of investors' complaints such as delay in transfer of equity shares, request for transmission of shares, issue of duplicate share certificates, non receipt of declared dividends / annual reports etc.

During the financial year 11-12, the Investors' Grievance Committee met four (4) times on 30.05.2011, 13.08.2011, 15.11.2011 and 27.01.2012.

Investors' Grievance Committee comprised of the following members:

Sr. No.	Name	Status	No. of Meeting Attended
1	Mr. Manoj Sharma	Chairman #(NE&I)	4
2	Mr. Sabu Daniel	Member # (NE & I)	4
3	Mr. Kantilal Savla	Member @ (Exe.)	4
4	Mr. Ramesh Meisheri	Member # (NE & I)	4

Shares of the company are also available for dematerialization.

Non-Executive & Independent, @ Executive

VI. EXCLUSIVE EMAIL-IDS:

Further as per clause 47 (f) of the Listing Agreement, the company has designated exclusive Email id: investor@vaghnitechnobuild.com for grievance Redressal service department for the purpose of registering complaints by investor. For, prompt disposal of any query or any matters Shareholders may contact to the Registrar and Share Transfer Agent and under the above referred email id.

VII. REGISTRAR AND SHARE TRANSFER AGENT:

The company has appointed M/s. Link Intime India Private Limited as Registrar and Share Transfer Agent.

DISCLOSURES:

- There were no transactions of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. However, the Company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transactions entered into with them.
- There were no instances of non-compliances nor have any penalties, strictures been imposed by Stock Exchange or SEBI or any statutory authority during the last 3 years on any matter related to capital markets except statutory payment of re-instatement penalty of ₹ 6,60,000 to BSE Limited for revocation of suspension in trading of equity shares.
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.
- The Chairman has issued a certificate to the Board in compliance with Clause 49 (V) of the Listing Agreement for the Financial Year ended March 31, 2012.

VIII. MEANS OF COMMUNICATION:

The quarterly and yearly financial results are published in Free Press Journal (English Newspaper) and Navshakti (Marathi Newspaper). A Management Discussion and Analysis Statement is a part of Company's Annual Report. More over necessary reports and certificates as required by the listing agreement are sent to BSE Ltd.

IX. MARKET PRICE DATA:

The 12 month wise detail of market prices of the shares from April 2011 is tabled below.

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (₹)	Spread High-Low	Spread Close-Open
Apr 11	14.95	18.00	13.35	15.30	1,83,459	818	28,94,287	4.65	0.35
May 11	14.80	15.95	13.40	15.35	3,00,762	463	45,90,469	2.55	0.55
Jun 11	16.10	16.10	11.90	12.10	33,370	188	4,50,307	4.20	-4.00
Jul 11	12.50	15.35	11.30	12.93	38,094	233	5,20,137	4.05	0.43
Aug 11	11.96	14.19	8.92	10.54	44,307	347	4,83,144	5.27	-1.42
Sep 11	11.05	13.20	10.51	11.27	14,935	127	1,78,237	2.69	0.22
Oct 11	11.71	11.71	8.84	10.25	11,042	72	1,09,448	2.87	-1.46
Nov 11	9.75	11.16	7.41	7.41	12,472	138	1,19,284	3.75	-2.34
Dec 11	7.35	8.39	5.55	6.14	37,703	204	2,39,106	2.84	-1.21
Jan 12	5.84	12.25	5.60	11.19	54,752	250	5,33,293	6.65	5.35
Feb 12	10.64	14.14	10.64	13.45	54,279	309	6,89,394	3.50	2.81
Mar 12	12.78	14.40	8.25	9.09	46,798	345	5,45,505	6.15	-3.69

X. MANAGEMENT DISCUSSION AND ANALYSIS:

Report on Management discussion and analysis has been given separately in this Annual Report and form part of this report.

XI. GENERAL BODY MEETINGS

a. Particulars of AGM held during last three years:

Year	Date	Time	Place of Meeting	Nos. of Special Resolutions Passed
2010-11	30/09/2011	10.30 A.M.	D-wing, Karma Sankalp, Corner of 6 th & 7 th Road of Rajawadi, Ghatkopar (East), Mumbai – 400077	NIL
2009-10	20/12/2010	10.30 A.M.	126/127, Shiv Centre, Sector-17, Plot No. 72, Vashi, Navi Mumbai-400703	NIL
2008-09	30/09/2009	10.30 A.M.	126/127, Shiv Centre, Sector-17, Plot No. 72, Vashi, Navi Mumbai-400703	NIL

All the resolutions including the special resolution set out in respective notices of the previous 3 AGM were passed by the shareholders.

XII. COMPLIANCE OFFICER:

As on date Mr. Kantilal Savla, is acting as the Compliance Officer of the company.

XIII. LISTING

The Equity Shares of the company are listed at BSE Ltd.

XIV. STOCK CODE

(1) Trading Scrip Code at BSE Ltd.: **531676**

(2) Demat ISIN number in NSDL/CDSL for equity Shares held: **INE554H01021**

XV. GENERAL MEETINGS:

Next Annual General Meeting and Date of Book Closure

Date:	28 th September, 2012
Time:	10.30 A M
Venue:	D-Wing, Karma Sankalp, Corner of 6 th and 7 th Road of Rajawadi, Ghatkopar (East), Mumbai – 400077
Date of Book Closure:	23.09.2012 to 28.09.2012

None of the items to be transacted at the ensuing Annual General Meeting are required to be passed by Postal Ballot.

XVI. DISTRIBUTION OF SHAREHOLDING PATTERN:

Category	Shares	% of total
Promoters- Kanti Savla & Gala Group	1957520	37.51
Vaghani Group	1956502	37.47
Banks, Financial Institutions, Mutual Funds	60	0.00
Public	1305978	25.02
In Transit	0	0.00
Total	5220000	100.00

The company is controlled by Kantilal Savla & Gala Group along with Vaghani Group.

Distribution Schedule: as on 31.03.2012

<u>No. of Shares</u>	<u>No. of Shareholders %</u>	<u>%</u>
1 - 500	734	2.97
501 - 1000	344	4.50
1001 - 2000	69	2.03
2001 - 3000	30	1.53
3001 - 4000	13	0.86
4001 - 5000	7	0.63
5001 - 10000	15	1.95
10000 and Above	19	85.49
TOTAL	1231	100.00

XVII. REGISTERED OFFICE:

The registered office of the Company is situated at D -Wing, karma Sankalp, Corner of 6th and 7th Road of Rajawadi, Ghatkopar (East), Mumbai – 400 077

XVIII. MANAGEMENT DISCUSSION AND ANALYSIS:

1. INDUSTRY OUTLOOK:

The year 2011-12 was a year of major economic upheaval, marked by sluggish growth, global uncertainties. The slowdown in the economy and the rise in real estate prices during previous years plummeted demand across all segments of the sector and further there was a downfall for demand of TDR in the market due to situation prevailing in the market and continuous regulatory uncertainty which also weighed off TDR Sales.

2. FINANCIAL AND OPERATIONAL PERFORMANCE:

The total income of the Company for the year under review was ₹ 320.34 Lacs as against ₹ 2869.68 Lacs achieved during the previous year. Expenditure Incurred during the year is ₹ 334.43 Lacs and the Company's earnings before tax is ₹ (14.10) Lacs as against 414.75 in the previous year. Further Company's earnings after tax is ₹ (14.10) Lacs as against ₹ 280.63 Lacs in the previous year. EPS of the Company has decreased from ₹ 5.38 per share in the previous year to ₹ (0.27) per share in the current year.

3. OPPORTUNITIES AND THREATS:

The company envisaged growth over previous years and by seeing at current scenario many opportunities can be predicted in future for development.

4. INITIATIVES:

The initiatives are being taken by the Company for improving the quality standards and reduction of costs at appropriate level and every effort is being taken at all levels to tackle all the types of situations which will improve the overall productivity and profitability.

5. RISKS AND CONCERNS:

The Company is in to TDR Trading where TDR FSI Prices are governed as per demand and supply of TDR FSI in the market as such it is highly volatile which can affect company's performance.

6. INTERNAL CONTROL SYSTEM:

The Company is taking all steps to achieve adequate internal audit system in the operation, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws.

7. FUTURE PLAN:

The Company is trading in Transfer of Development Rights (TDR) further steps will be taken to accelerate the same.

8. CAUTIONARY STATEMENT:

Certain statements in this section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results which could be different from what the directors envisage in terms of the future performance and outlook.

DECLARATION UNDER CODE OF CONDUCT

To,
The Shareholders
Vaghani Techno-Build Limited
Mumbai.

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members have confirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 28th August, 2012

Sd/-
Kantilal M Savla
Chairman & Wholetime Director

CEO/CFO CERTIFICATION

To,
The Board of Directors
Vaghani Techno-Build Limited

Mr. Kantilal Savla, the Chairman of the Company have certify to the Board that:

- (a) I have reviewed financial statements and the Cash Flow statement for the year and that to the best of my knowledge and belief:
 - (i.) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii.) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations,
- (b) They are to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or in violation of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committees.
 - (i) Significant changes in internal control over financial reporting during the year.
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 28th August, 2012

Sd/-
Kantilal M Savla
Chairman & Wholetime Director

REPORT ON CORPORATE GOVERNANCE

To,
The Members of
Vaghani Techno-Build Limited

We have examined the compliance of conditions of corporate governance by Vaghani Techno-Build Limited, for the year ended on 31st March, 2012 as stipulated in clause-49 of the Listing Agreement of the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause-49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For PRS Associates
Company Secretaries**

Sd/-
(Narayan Parekh)
Partner
ACS: 8059
CP No: 6448

Place:-Mumbai
Date: 28th August, 2012

AUDITOR'S REPORT TO THE MEMBERS OF VAGHANI TECHNO-BUILD LIMITED

1. We have audited the attached Balance Sheet of **Vaghani Techno-Build Limited**, Mumbai as at 31st March 2012, and the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes thereon *more particularly Note No. 10.1 of Note No. 10*, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India subject to:

Non appointment of full time company secretary as required by section 383A of the Companies Act, 1956.

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
- b. in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
M. L. Bhuwania & Co.
Chartered Accountants
Sd/-

Ashish Bairagra
Partner
Membership No: 109931
Firm Registration No. 101484W

Place: Mumbai
Date: 28th August, 2012

Annexure referred to in paragraph 3 of Auditor's report to the members of Vaghani Techno-Build Limited for the year ended 31st March 2012.

On the basis of the records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanation given to us on our enquiries, we state that:

- (i) The Company does not have fixed assets and accordingly clause 4(i) of the Order is not applicable to the company.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. No discrepancies were noticed during the physical verification of inventories.

- (iii) During the year, the Company has not granted unsecured loan to parties listed in the register maintained under Section 301 of the Companies Act, 1956.

During the year, the Company has taken unsecured loans from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The details of unsecured loans taken are as follows :

No. of parties	Amount (₹)	Maximum Amount outstanding during the year	Amount outstanding at the end of the year.
1	3,28,99,824	2,79,96,874	4,76,698

The other terms and condition on such loan are prima facie not prejudicial to the interest of the Company. There is no stipulation for the repayment of the principal amount.

- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal controls.
- (v) (a) According to the information and explanation given to us, we are of the opinion that during the year, the particulars of the contracts/arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) According to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of rupees five lacs in respect of any Party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from the public during the year within the meaning of the provision of section 58A of the Companies Act, 1956.
- (vii) *The Company does not have formal internal audit system.*
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
- (ix) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than six months from the date they became payable.

According to the records of the Company, there are no dues of Income Tax, Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty or Cess which have not been deposited on account of any dispute. The following are the disputed amounts in respect of Income Tax.

Name of Statute	Nature of Dues	Financial year	Amount (₹)	Forum where dispute is pending
Income-tax Act, 1961	Demand for tax liability	2007-08	2,22,010	Commissioner of Income Tax (Appeal)

- (x) The Company has accumulated losses at the end of the financial year. The Company has incurred cash loss during the current year and it has not incurred cash loss in the immediately preceding financial year.
- (xi) As per the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks. The Company has not borrowed from the financial institutions and does not have any borrowings by way of debentures.
- (xii) Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute application to chit fund and nidhi/mutual benefit fund/societies. Accordingly, clause 4 (xiii) of the order is not applicable to the Company.
- (xiv) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion, the Company is not dealing / trading in shares, securities, debentures and other investment. Accordingly, clause 4 (xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the order is not applicable to the Company.
- (xvi) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no term loans were taken by the Company. Accordingly, clause 4 (xvi) of the order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2012.

For and on behalf of
M. L. Bhuwania & Co.
Chartered Accountants
Firm Registration No. 101484 W
Sd/-
Ashish Bairagra
Partner
Membership No: 109931

Place: Mumbai
Date: 28th August, 2012

VAGHANI TECHNO-BUILD LIMITED				
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2012				
		2011-12 ₹		2010-11 ₹
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax & Extraordinary Items		(14,09,551)		4,14,75,609
Adjustment for :				
Depreciation written back	-		(2,24,77,105)	
Interest Received	(7,91,803)		(30,87,642)	
Interest Paid	16,67,558		13,72,486	
Sundry balance written Off/Back (Net)	57,099		(5,902)	
		9,32,854		(2,41,98,163)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(4,76,697)		1,72,77,446
ADJUSTMENTS FOR WORKING CAPITAL CHANGES:				
Inventories	-		4,13,85,322	
Trade receivables	10,07,000		1,73,93,000	
Short Term Loans and Advances	(80,14,375)		-	
Long Term Loans and Advances	-		(2,15,28,000)	
Trade Payable	(98,46,585)		(1,55,70,277)	
Other Current Liabilities	(4,35,937)		(2,84,56,570)	
		(1,72,89,897)		(67,76,525)
Cash Generated from Operations		(1,77,66,594)		1,05,00,921
Direct Taxes Paid		(90,41,950)		(1,25,64,991)
NET CASH FROM OPERATING ACTIVITIES		(2,68,08,544)		(20,64,070)
B) CASH FLOW FROM INVESTING ACTIVITIES:				
Loan received back		-		2,85,09,227
Interest Received		79,180		3,08,765
NET CASH USED IN INVESTING ACTIVITY		79,180		2,88,17,992
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayments)from/of Short term borrowings	(3,15,176)		7,91,874	
Interest paid	(13,44,724)	(16,59,900)	(8,03,486)	(11,612)
NET CASH USED IN FINANCING ACTIVITY		(16,59,900)		(11,612)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)		(2,83,89,264)		2,67,42,310
OPENING BALANCE OF CASH & CASH EQUIVALENTS		2,84,11,128		16,68,818
CLOSING BALANCE OF CASH & CASH EQUIVALENTS		21,864		2,84,11,128
		(2,83,89,264)		2,67,42,310

Notes:**Closing Balance of Cash and Cash Equivalents****1. Cash and Cash Equivalents Includes:**

CASH IN HAND	18,185	25,801
<u>BALANCE WITH SCHEDULED BANKS</u>		
- IN CURRENT ACCOUNT	3,679	2,83,85,327
	<u>21,864</u>	<u>2,84,11,128</u>

2. Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

As per our report of even date

FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 101484W

FOR AND ON BEHALF OF THE BOARD

Sd/-
ASHISH BAIRAGRA
PARTNER
MEMBERSHIP No. 109931

Sd/-
KANTILAL M. SAVLA
DIRECTOR

Sd/-
RAMESH U MEISHERI
DIRECTOR

PLACE: MUMBAI
DATED: 28th August, 2012

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

NOTES FORMING PART OF THE BALANCE SHEET

1. SHARE CAPITAL

Particulars	As at March31, 2012	As at March31, 2011
Authorised Shares		
1,00,00,000 Equity shares, ₹ 10/- par value (Previous Year : 1,00,00,000 Equity shares ₹ 10/- par value)	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
Issued, Subscribed and Fully Paid Up Shares		
52,20,000 Equity shares, ₹ 10/- par value fully paid up (Previous Year : 52,20,000 Equity shares ₹ 10/- par value fully paid up)	5,22,00,000	5,22,00,000
Total Issued, Subscribed and Fully Paid up Share Capital	5,22,00,000	5,22,00,000

Note No 1.1 The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31.03.2012

Particulars	As at March31, 2012	As at March31, 2011
Number of shares at the beginning	52,20,000	52,20,000
Add: Shares issued during the year	-	-
Less : Shares Bought back (if any)	-	-
Number of shares at the end	52,20,000	52,20,000

Note No 1.2 Terms/Rights attached to equity shares:

(A) The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(B) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note No 1.3 The details of shareholders holding more than 5% shares in the company:

Name of the Shareholder	No of shares held	% held as at March31, 2012	No of shares held	% held as at March31, 2011
Govind J. Vaghani	15,95,985	30.57%	15,95,985	30.57%
Kantilal M. Savia	9,78,760	18.75%	9,78,760	18.75%
Guvanti Popatlal Gala	4,89,380	9.38%	4,89,380	9.38%
Kartik Popatlal Gala	4,89,380	9.38%	4,89,380	9.38%

2. RESERVES & SURPLUS

Particulars	As at March31, 2012	As at March31, 2011
Surplus – Opening balance	5,36,09,116	2,55,45,818
Add : Net profit after tax transferred from statement of profit & Loss	-14,09,551	2,80,63,298
Surplus Closing Balance	5,21,99,565	5,36,09,116

3. SHORT TERM BORROWING

Particulars	As at March31, 2012	As at March31, 2011
Unsecured Loans		
<u>Loans and Advances from Related Parties</u>		
Loan from Director	4,76,698	7,91,874
	<u>4,76,698</u>	<u>7,91,874</u>

4. TRADE PAYABLES

Particulars	As at March31, 2012	As at March31, 2011
Sundry Creditors For Goods (Refer Note no. 4.1 given below)	25,00,000	1,24,39,800
Sundry Creditors For Expenses (Refer Note no. 4.1 given below)	1,67,472	74,257
	<u>26,67,472</u>	<u>1,25,14,057</u>

Note No. 4.1

The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given. The same has been relied upon by the Auditors.

5. OTHER CURRENT LIABILITIES

Particulars	As at March31, 2012	As at March31, 2011
<u>Other Payable</u>		
Advances from Customers	10,00,000	15,00,000
Statutory Dues Payable	1,42,542	78,479
	<u>11,42,542</u>	<u>15,78,479</u>

6. SHORT TERM PROVISIONS

Particulars	As at March31, 2012	As at March31, 2011
<u>Others</u>		
Provisions for Taxation {Net Off Advance Tax ₹ 1,22,81,821/- (Previous Year ₹ 1,25,94,596/-)}	6,02,632	92,42,568
	<u>6,02,632</u>	<u>92,42,568</u>

7 FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS At 31.03.2011	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2012	UP TO 31.03.2011	FOR THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2012	AS AT 31.03.2012	AS At 31.03.2011
TANGIBLE ASSETS:										
Land	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
TOTAL TANGIBLE ASSETS	-	-	-	-	-	-	-	-	-	-
Previous Year	5,97,09,420	-	5,97,09,420	-	2,24,77,105	-	2,24,77,105	-	-	

Note no 7.1

Accounting Policy of Fixed Assets & Depreciation / Amortisation

(A) Fixed Assets are stated at cost less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(B) Depreciation has been provided on Written Down Value at rates prescribed in Schedule XIV to Companies Act, 1956. Depreciation on assets Added / Disposed off during Year has been provided on a Pro-rata basis with reference to month of additions/deduction. Depreciation has been provided for full month ignoring part of month.

Note No 7.2

During previous year, the company has converted fixed assets consisting of Land and Building of ₹ 5,97,09,420/- (Gross) into Inventory pursuant to the order of Income Tax Department. Accordingly accumulated depreciation of ₹ 2,24,77,105 has been written back and credited to Statement of Profit & Loss during the previous year.

8. LONG TERM LOANS & ADVANCES

Particulars	As at March31, 2012	As at March31, 2011
Advance for Capital Goods	2,15,28,000	2,15,28,000
Other Loan and Advances		
Advance tax and Tax Deducted at Source	79,180	-
	<u>2,16,07,180</u>	<u>2,15,28,000</u>

9. INVENTORIES

Particulars	As at March31, 2012	As at March31, 2011
Stock of Industrial Units	6,71,55,097	6,71,55,097
	<u>6,71,55,097</u>	<u>6,71,55,097</u>

Note No 9.1

Accounting Policy of Inventories Valuation

TDR Stock and Industrial Units are valued at lower of Cost and Net Realisable Value. Cost is receivable at on basis of specific identification method.

10. TRADE RECEIVABLES

Particulars	As at March31, 2012	As at March31, 2011
(Unsecured, Considered Good, Unless Specified otherwise)		
Outstanding for More than Six Months		
Considered Good (Refer Note No. 10.1 Given Below)	98,98,024	1,09,05,024
	<u>98,98,024</u>	<u>1,09,05,024</u>

Note No.10.1

The company has old trade receivable amounting to ₹ 98,98,024/- (previous Year ₹ 1,08,98,024/-). However no provision for doubtful debts is made as the management is hopeful of recovery.

11. CASH & CASH EQUIVALENTS

Particulars	As at March31, 2012	As at March31, 2011
Balances With Banks		
In current Account	3,679	2,83,85,327
Cash in Hand	18,185	25,801
	<u>21,864</u>	<u>2,84,11,128</u>

12. SHORT TERM LOANS & ADVANCES

Particulars	As at March31, 2012	As at March31, 2011
(Unsecured, Considered Good, Unless Specified otherwise)		
Deposits	-	57,099
Other Loans and Advances		
Prepaid Expenses	14,375	-
Loan to Body Corporate	87,12,623	-
Minimum Alternative Tax Credit	18,79,746	18,79,746
	<u>1,06,06,744</u>	<u>19,36,845</u>

13. (A) CONTINGENT LIABILITY

Particulars	As at March31, 2012	As at March31, 2011
Disputed Income Tax Liability	2,22,010	-
Gaurantees given	-	-
	<u>2,22,210</u>	<u>-</u>

(B) COMMITMENTS

Particulars	As at March31, 2012	As at March31, 2011
Estimated Amounts of Contract remaining to be executed on capital account and not provided for	1,93,92,000	1,93,92,000
	<u>1,93,92,000</u>	<u>1,93,92,000</u>
Total (A+B)	<u>1,96,14,010</u>	<u>1,93,92,000</u>

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS**14. REVENUE FROM OPERATIONS**

Particulars	2011 - 2012	2010 - 2011
Sale of Products (Refer Note No. 14.2 given Below)	2,84,65,398	28,38,75,420
<u>Other operating revenues</u>		
Sales Compensation	27,77,112	-
	3,12,42,510	28,38,75,420

Note No14.1**Accounting Policy of Revenue Recognition**

Transfer of Development Rights Sale is recognised after entering into an agreement with the Purchaser of the Transfer of Development Rights.

Note No14.2 Sale of Products

Particulars	2011 - 2012	2010 - 2011
Transfer of Development Rights	2,84,65,398	28,38,75,420
Total	2,84,65,398	28,38,75,420

15. OTHER INCOME

Particulars	2011 - 2012	2010 - 2011
Interest Income (Refer Note No 15.1 given Below)	7,91,803	30,87,642
<u>Other non-operating income</u>		
Sundry Balance written Back	-	5,902
	7,91,803	30,93,544

Note No.15.1 Break-up of Interest received

Particulars	2011 - 2012	2010 - 2011
Interest on loan to Body Corporate	7,91,803	30,87,642
Total	7,91,803	30,87,642

16. PURCHASES OF STOCK IN TRADE

Particulars	2011 - 2012	2010 - 2011
<u>Stock in Trade</u>		
Traded goods (Refer Note No 16.1 given Below)	3,12,42,510	22,37,16,820
	3,12,42,510	22,37,16,820

Note No 16.1 Traded Goods

Particulars	2011 - 2012	2010 - 2011
Transfer of Development Rights	3,12,42,510	22,37,16,820
Total	3,12,42,510	22,37,16,820

17. CHANGES IN INVENTORIES

Particulars	2011-2012	2010-2011
STOCK IN TRADE – Transfer of Development Right		
Opening Stock of Traded Goods	-	4,13,85,322
Closing Stock of Traded Goods	-	-
		4,13,85,322
STOCK IN TRADE-INDUSTRIAL UNITS		
Opening Stock of Traded Goods	6,71,55,097	74,45,677
Add : Conversion of fixed Assets (Refer Note No 7.2 of Note No 7)	-	5,97,09,420
Closing Stock of Traded Goods	6,71,55,097	-
		6,71,55,097
Change in stock of Stock in Goods	-	4,13,85,322

18. FINANCE COST

Particulars	2011 - 2012	2010 - 2011
Interest Expenses (Refer Note No 18.1 given Below)	16,67,558	13,72,486
	16,67,558	13,72,486

Note No 18.1 Break- up of Interest paid

Particulars	2011 - 2012	2010 - 2011
Interest paid to Bank	22,697	1,01,431
Interest Paid on Income Tax	3,22,834	5,69,000
Interest Paid on Loan from Directors	13,22,027	7,02,055
Total	16,67,558	13,72,486

19. OTHER EXPENSES

Particulars	2011 - 2012	2010 - 2011
Advertisement & Publicity Expenses	35,275	26,625
Auditors Remuneration (Refer Note no 19.1 given below)	85,719	93,755
Legal and Professional Fees	80,150	5,46,715
RTA charges	33,664	22,104
Transfer of Development Right Scrutiny Fees	55,700	-
Brokerage	-	6,44,360
Rate & Taxes	5,000	-
Sundry Balance Written Off	57,099	-
Miscellaneous Expenses	1,81,189	1,62,273
	5,33,796	14,95,832

Note No19.1 Payment to Statutory Auditors

Particulars	2011 - 2012	2010 - 2011
As auditor :		
Audit Fee (including Limited review)	65,000	65,000
Tax Audit Fee	10,000	20,000
Service Tax	9,219	8,755
In other capacity		
Other Service	1,500	-
Total	85,719	93,755

20 . EXCEPTIONAL ITEMS

Particulars	2011 - 2012	2010 - 2011
Depreciation for Earlier years Written Back (Refer Note No 7.2 of Note No 7)	-	2,24,77,105
	-	2,24,77,105

21. EARNING PER SHARE

Particulars	2011 - 2012	2010 - 2011
(A) Profit attributable to Equity Shareholders (₹)	-14,09,551	2,80,63,298
(B) No. of Equity share Outstanding during the year	52,20,000	52,20,000
(C) Face Value of each Equity Share (₹)	10	10
(D) Basic & Diluted earnings per share (₹)	-0.27	5.38

22. RELATED PARTY DISCLOSURES**A. Names of related parties and description of relationship:****1. Key Management Personnel**

Mr. Kantilal M. Savla (Chairman)

Mr. Bavchandbhai J. Vaghani (Director)

2. Entities where Key Management Personnel and their relatives have control or significant influence.

Integrated Spaces Limited. (Erstwhile Shah Construction Co.)

B. Transactions that have taken place during the year with related parties by the Company

Name of Related Parties	Nature of Transaction during the year	2011-2012	2010-2011
Mr. Kantilal M. Savla	Opening	7,91,874	-
	Loan Taken	3,28,99,824	4,26,06,849
	Loan Refund	3,32,15,000	4,18,14,975
	Loan Balance	4,76,698	7,91,874
	Interest Paid	13,22,027	7,02,055
Integrated Spaces Limited.	Opening	-	2,57,30,350
	Loan Refund	-	2,57,30,350
	Interest Received	-	30,87,642

23 DEFERRED TAX ASSET:

	2011-12 ₹	2010-11 ₹
Opening Deferred Tax Asset	-	12,63,482
On account of difference of Depreciation as per Books and Income Tax	-	(12,63,482)
	-	-

24 Tax for earlier year includes ₹ 56,48,872 towards short provision for Income Tax for earlier years

25 The Company is engaged in the Real Estate related business and accordingly there are no reportable segments.

26 In the opinion of the Board, Current Assets, Loan and Advances are of the value stated if realised in the

ordinary course of business. The provision for all known and determined liabilities are adequate and not in excess of the amounts reasonable required.

27 Balances of the Trade Receivables, Trade Payables, Loans and Advances are subject to confirmation, reconciliation and consequent adjustment if any. However, in the opinion of the management such adjustments, if any, will not be material.

28 Others provisions of Revised Schedule VI are not applicable to the company.

29 Other significant Accounting Policies

(A) Basis of Preparation of financial statement

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principle in compliance with accounting standards and other requirements of the Companies Act, 1956.

(B) Taxation Policy

(i) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income- tax Act, 1961.

(ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax asset arising from timing differences are recognised to the extent there is a virtual certainty that this would be realised in future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

(C) 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 management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets 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 historical cost.

(D) Provision & Contingent Liability

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

30 Previous year's figures have been regrouped / rearranged wherever necessary to confirm the current presentation as per the Revised Schedule VI.

As per our report of even date

**FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 101484W**

FOR AND ON BEHALF OF THE BOARD

**Sd/-
ASHISH BAIRAGRA
PARTNER
MEMBERSHIP No. 109931**

**Sd/-
KANTILAL M. SAVLA
DIRECTOR**

**Sd/-
RAMESH U MEISHERI
DIRECTOR**

**PLACE: MUMBAI
DATED: 28th August, 2012**

VAGHANI TECHNO-BUILD LIMITED

REG. OFFICE: D-wing, Karma Sankalp, Corner of 6th and 7th Road of Rajawadi,
Ghatkopar (east), Mumbai – 400 077

FORM OF PROXY

I/We, _____ of
_____ in the district of _____ being a member(s) of
the Vaghani Techno-Build Limited hereby appoint _____ of
_____ in the district of _____ or failing him,
_____ of _____ in the district of _____
as my / our proxy to vote for me / us and on my / our behalf at the
ANNUAL GENERAL MEETING of the Company to be held on **28th September, 2012 at 10:30 A.M.**
at the Registered Office of the Company and at any adjournment thereof.

Signed this _____ day of _____ 2012.

DP. ID	
--------	--

Client ID/ Folio No.	
-------------------------	--

No. of Shares	
------------------	--

Affix
Revenue
Stamp

Signature: _____

Note:

The proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the date and time for holding the Annual General Meeting.

VAGHANI TECHNO-BUILD LIMITED
REG. OFFICE: D-wing, Karma Sankalp, Corner of 6th and 7th Road of Rajawadi,
Ghatkopar (east), Mumbai – 400 077

ATTENDANCE SLIP

(To be handed over, duly filled in, at the Entrance of the meeting Place)

Name of the attending Member/Proxy :
(in block letters)

DP. ID	
--------	--

Client ID/ Folio No.	
-------------------------------	--

No. of Shares	
------------------	--

I hereby record my presence at the Annual General Meeting at _____
_____ on _____, the 28th September, 2012 at 10.30 A.M.

Signature of the Shareholder / Proxy holder: _____

U.P.C/BOOK POST

To,

If undelivered please return to:
Link Intime India Pvt Ltd
Unit: Vaghani Techno-Build Limited
C-13, Pannalal Silk Mills Compound,
L B S Marg, Bhandup (West),
Mumbai - 400 078.
Tel.: (022) 25963838