

VAGHANI TECHNO-BUILD LIMITED

**19th
Annual Report
2012-13**

VAGHANI TECHNO-BUILD LIMITED

Board of Directors: Mr. Kantilal Savla – Chairman & Wholetime Director
Mr. Ramesh Meisheri
Mr. Sabu Daniel
Mr. Bharat Shah (##)
Mr. Bavchandbhai Vaghani (*)
Mr. Jayesh Nisar (**)
Mr. Manojkumar Sharma (#)

(*)Resigned on 14th August, 2012

(**)Resigned on 15th May, 2012

(#)Resigned on 11th December, 2012

(##) Appointed on 11th December, 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 Nineteenth 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 Monday, 30th September, 2013 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, 2013 and Profit and Loss Account for the year ended on 31st March, 2013 and the Reports of Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Ramesh Meishri, who retires by rotation and, being eligible, offers himself for re-appointment.
3. 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.

SPECIAL BUSINESS

4. To consider and if though fit, to pass, the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 260 and other applicable provisions of the Companies Act, 1956, Mr. Bharat Shah, who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500/- pursuant to the provisions of Section 257 of the Act from a Member signifying his intention to propose Mr. Bharat Shah as a candidate for the office of Director of the Company, be and hereby appointed as a Director of the Company liable to retire by rotation."

5. To consider and if though fit, to pass, the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 269 read with Schedule XIII as amended and all applicable provisions if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Kantilal M Savla as the whole time Director of the Company for a period of 3 years with effect from 31st January, 2013 without any 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: 30th May, 2013

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 26-09-2013 to 30-09-2013 (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.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM No. 4 :

Mr. Bharat Shah was appointed as an Additional Director on the Board of the Company with effect from 11.12.2012 to hold the office till the conclusion of the ensuing Annual General Meeting, in terms of Section 260 of the Companies Act, 1956.

Mr. Bharat Shah vacates his office at this Annual General Meeting pursuant to Section 260 of the Act. The Board at its meeting held on 30th May, 2013 recommended for the approval of the Members, the appointment of Mr. Bharat Shah as Director of the Company.

Notice under Section 257 of the Act has been received from a Member proposing the appointment Mr. Bharat Shah as Director of the Company. Requisite consent, pursuant to Section 264(1) of the Act, has been filed by him to act as the Director of the Company.

None of the Directors of the Company, except Mr. Bharat Shah is interested in the said resolution.

ITEM No. 5 :

The Board of Directors of the Company at their meeting held on 31st January, 2013 re-appointed Mr. Kantilal. M. Savla as the Whole Time Director of the Company for a period of 3 years with effect from 31st January, 2013 without any remuneration

Under Part III of Schedule XIII, the appointment referred in Part I and Part II of the said schedule shall be subject to approval by a resolution of shareholders in general meeting

The Board of Directors accordingly recommends the resolution(s) set out at the item no. 5 for the approval of the Members.

None of the Directors of the Company, except Mr. Kantilal M Savla is interested in the said resolution.

Disclosure pursuant to Clause 49 of the Listing Agreement:

Disclosure of Directors seeking re-appointment at the Annual General Meeting to be held on 30th September, 2013.

Name of Director	Mr. Ramesh U. Meisheri	Mr. Bharat L Shah	Mr. Kantilal M Savla
Date of Birth	24.08.1944	11.05.1955	13.05.1959
Date of Appointment	31.01.2009	11.12.2012	31.01.2009
Qualification	BE Mech	B.E. (ELECTRICAL),	B.com & OPM (Owner/President – Management Program) from Harvard Business School
Expertise in specific functional areas	Engineering projects and Maintenance activities	Business Processes and System enablement using Information Technology spear heading the initiative Of Implementation Of ERP Systems Across The Group Management Of It Resources Across The Group	Construction & Real Estate Business
Chairman / Member of the committee of other companies*	NIL	NIL	2

* 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: 30th May, 2013

DIRECTOR'S REPORT

Dear Members,

Your Directors present their NINETEENTH ANNUAL REPORT together with the Audited Accounts along-with the report of the Auditors for the year ended 31st March, 2013

FINANCIAL RESULTS

(in Lacs ₹)

Particulars	Year 2012-13	Year 2011-12
Income	289.34	320.34
Total Expenditure	691.26	334.43
Profit Before Tax	(401.92)	(14.10)
Provision for Tax	-	-
Profit /(Loss) for the period (after tax)	(401.92)	(14.10)

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, 2013.

REVIEW OF OPERATIONS

The total income of the Company for the year under review was ₹ 289.34Lacs as against ₹ 320.34 Lacs achieved during the previous year. Expenditure Incurred during the year is ₹ 691.26 Lacs and the Company's earnings is ₹(401.92) Lacs as against (14.10) Lacs in the previous year. EPS of the Company has decreased from ₹ (0.27) per share in the previous year to ₹ (7.70) 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. Ramesh U. Meisheri retire by rotation and being eligible offers himself 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

Mr. Manoj Shivnarayan Sharma resigned from the directorship due to his pre-occupation and he ceased to be director of the Company w.e.f. 11/12/2012. 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. Bharat L Shah appointed as an additional director of the Company w.e.f. 11/12/2012. to hold office up to conclusion of this ensuing Annual General Meeting and the approval of the members in the ensuing Annual General Meeting would be sought for his appointment

Mr. Kantilal M Savla is reappointed as Wholetime Director for a further period of 3 years with effect from 31st January, 2013 without any remuneration and the approval of the members in the ensuing Annual General Meeting would be sought for his appointment

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 Co., 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 opinions expressed under Independent Auditors Report and Report on other Legal and Regulatory Requirements as required under Section 217(3) of Companies Act, 1956

Under the heading Emphasis of matter the auditors have attempted to draw the attention towards Note No. 11 of the Financial Statement which states about advances of Rs. 65,00,000 which are outstanding since long but no provision for doubtful advances has been made in the accounts and mentioned that their opinion is not qualified in respect of this matter. Here your directors would like to clarify that management is hopeful of recovery

Under the heading Other matter the auditors have attempted to draw the attention towards the matter 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 VII of Annexure to Report on other Legal and Regulatory Requirements 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 31.03.2013 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 are listed with BSE 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

Place: Mumbai
Date: 30th May, 2013

Sd/-
Kantilal M Savla
Chairman & Wholetime Director

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 as on 31st March, 2013 four (4) directors, which include the one (1) Executive Directors and four (3) 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 R. Nisar(**)	Independent	NIL
Bharat . L .Shah (##)	Independent	NIL

(*) Resigned on 14th August, 2012

(**) Resigned on 15th May, 2012

(#) Resigned on 11th December, 2012

(##) Appointed on 11th December, 2012

II. Board Meetings, attendance, position held in meetings

The Board met nine (9) times on 01/04/2012, 15/05/2012, 14/08/2012, 28/08/2012, 28/09/2012, 09/11/2012, 11/12/2012, 31/01/2012, 12/02/2013. 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, 2013 are given below:

Name of the Director	Category	Attendance particular 2012-13					
		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/ Membership in other public limited Cos.
1. Kantilal M. Savla	Chairman	9	9	Yes	3	2	2
2. Bavchandbhai J. Vaghani (*)	Executive	3	3	No	NIL	NIL	NIL
3. Ramesh U. Meisheri	Independent	9	9	Yes	NIL	NIL	NIL
4. Manoj S. Sharma(#)	Independent	7	7	Yes	NIL	NIL	NIL
5. Sabu P. Daniel	Independent	9	9	Yes	NIL	NIL	NIL

6. Jayesh R. Nisar(**)	Independent	2	2	No	NIL	NIL	NIL
7. Bharat L Shah (##)	Independent	3	3	No	NIL	NIL	NIL

(*) Resigned on 14th August, 2012

(**)Resigned on 15th May, 2012

(#)Resigned on 11th December, 2012

(##) Appointed on 11th December, 2012

III. Information on Directors Re-appointment

Mr. Ramesh U Meisheri retire by rotation at the ensuing Annual Meeting, he being eligible, offer himself for reappointment. Mr. Bharat Shah and Mr. Kantilal M Savla who were appointed as an Additional Director and Whole time Director respectively sought confirmation for appointment.

The following are their details:

Name of Director	Mr. Ramesh U. Meisheri	Mr. Bharat L Shah	Mr. Kantilal M Savla
Date of Birth	24.08.1944	11.05.1955	13.05.1959
Date of Appointment	31.01.2009	11.12.2012	31.01.2009
Qualification	BE Mech	B.E. (ELECTRICAL),	B.com & OPM (Owner/President – Management Program) from Harvard Business School
Expertise in specific functional areas	Engineering projects and Maintenance activities	Business Processes and System enablement using Information Technology spear heading the initiative Of Implementation Of ERP Systems Across The Group Management Of It Resources Across The Group	Construction & Real Estate Business
Chairman / Member of the committee of other companies*	NIL	NIL	2

* Only public limited companies are considered

IV. Audit Committee

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

Committee met on 01.04.2012, 15.05.2012, 14.08.2012, 28.08.2012, 09.11.2012, 12.02.2013 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 31.03.2012. 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)	6
2	Mr. Manoj Sharma (*)	5
3	Mr. Kantilal Savla	6
4	Mr. Bharat Shah (**)	1

(*) Resigned on 11th December, 2012

(**) Appointed on 11th December, 2012

V. SHARE TRANSFER COMMITTEE / INVESTOR GRIEVANCE COMMITTEE:

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

During the financial year 12-13, the Investors' Grievance Committee met Five (5) times on 15.05.2012, 14.08.2012, 28.08.2012, 09.11.2012, 12.02.2013

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. Bharat Shah (**)	Chairman # (NE & I)	1
3	Mr. Sabu Daniel	Member # (NE & I)	5
4	Mr. Kantilal Savla	Member @ (Exe.)	5
5	Mr. Ramesh Meisheri	Member # (NE & I)	5

Shares of the company are also available for dematerialization.

(*) Resigned on 11th December, 2012

(**) Appointed on 11th December, 2012

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@vagnitechnobuild.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:

a) 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.

b) 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.

c) 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.

d) 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, 2013.

VIII. MEANS OF COMMUNICATION:

The quarterly and yearly financial results are published in Free Press Journal (English Newspaper) and Navshakti (Marathi Newspaper). 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 2012 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 12	9.54	10.93	8.65	10.22	12,865	77	1,24,028	2.28	0.68
May 12	10.56	10.56	6.58	7.14	34,924	144	2,54,999	3.98	-3.42
Jun 12	6.79	8.48	6.50	7.74	25,437	91	1,86,211	1.98	0.95
Jul 12	8.00	9.01	7.23	7.25	8,428	73	68,495	1.78	-0.75
Aug 12	6.89	7.60	5.56	5.60	13,496	96	86,000	2.04	-1.29
Sep 12	5.40	7.71	5.02	7.69	12,302	136	78,371	2.69	2.29
Oct 12	8.00	10.00	8.00	8.87	5,220	53	46,349	2.00	0.87
Nov 12	8.43	9.92	8.43	9.92	246	10	2,266	1.49	1.49
Dec 12	10.10	10.10	7.42	7.99	5,887	31	47,028	2.68	-2.11
Jan 13	7.60	8.00	6.89	7.23	3,865	30	27,304	1.11	-0.37
Feb 13	6.87	6.87	5.53	5.53	7,593	34	43,086	1.34	-1.34
Mar 13	5.80	5.80	4.63	4.81	4,971	57	25,550	1.17	-0.99

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
2011-12	28/09/2012	10.30 A.M.	D-wing, Karma Sankalp, Corner of 6 th & 7 th Road of Rajawadi, Ghatkopar (East), Mumbai - 400077	NIL
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

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:	30 th September, 2013
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:	26.09.2013 to 30.09.2013

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 31.03.2013

<u>No. of Shares</u>	<u>No. of Shareholders</u>	<u>%</u>
1 - 500	738	59.37
501 - 1000	353	28.40
1001 - 2000	67	5.39
2001 - 3000	30	2.41
3001 - 4000	14	1.13
4001 - 5000	7	0.56
5001 - 10000	15	1.21
10000 and Above	19	1.53
TOTAL	1243	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 2012-13 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 ₹ 289.34Lacs as against ₹ 320.34 Lacs achieved during the previous year. Expenditure incurred during the year is ₹ 691.26 Lacs as against ₹ 334.43 Lacs during the previous year. The Company's earnings is ₹(401.92)Lacs as against (14.10)Lacs in the previous year. EPS of the Company has decreased from ₹ (0.27) per share in the previous year to ₹ (7.70) 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, 2013.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 30th May, 2013

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: 30th May, 2013

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, 2013 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: 30th May, 2013

VAGHANI TECHNO-BUILD LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	2012-13	2011-12
I EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	1	52,200,000	52,200,000
(b) Reserve & Surplus	2	12,008,043	52,199,565
Current Liabilities			
(a) Short Term Borrowings	3	-	476,698
(b) Trade Payables	4	69,895	167,472
(c) Other Current Liabilities	5	7,886	3,642,542
(d) Short - Term Provisions	6	602,632	602,632
TOTAL		64,888,456	109,288,909
II ASSETS			
Non - Current Assets			
(a) Long - Term Loans and Advances	7	50,166,292	23,486,926
Current Assets			
(a) Inventories	8	-	67,155,097
(b) Trade Receivables	9	-	3,398,024
(c) Cash & Cash Equivalents	10	1,465,329	21,864
(d) Short Term - Loans and Advances	11	13,256,835	15,226,998
TOTAL		64,888,456	109,288,909
Contingent Liabilities and Commitments	12		
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	1-26		

The notes referred above form an integral part of the Balance Sheet.

As per our report attached of even date.

FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration Number : 101484W

FOR AND ON BEHALF OF THE BOARD

J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO.12839

Sd/-
KANTILAL M. SAVLA
DIRECTOR

Sd/-
BHARAT SHAH
DIRECTOR

PLACE : MUMBAI
DATED : 30th May, 2013

VAGHANI TECHNO-BUILD LIMITED
Statement of Profit and Loss for the year ended 31ST MARCH, 2013

Particulars	Note No.	2012-2013	2011-2012
Revenue from Operations	13	21,187,164	31,242,510
Other Income	14	7,746,977	791,803
Total Revenue		28,934,141	32,034,313
Expenses			
Purchases of Stock - in - Trade	15	1,076,400	31,242,510
Changes in Inventories of Stock-in-Trade	16	67,155,097	-
Finance Costs	17	32,148	1,667,558
Other Expenses	18	862,018	533,796
Total Expenses		69,125,663	33,443,864
Profit before tax		(40,191,522)	(1,409,551)
Less: Provision for Taxation		-	-
Profit (Loss) for the period		(40,191,522)	(1,409,551)
Basic & Diluted Earning Per Share	19	(7.70)	(0.27)
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	1-26		

The notes referred above form an integral part of the Statement of Profit and Loss.

As per our report attached of even date

FOR M. L. BHUWANIA & CO.

CHARTERED ACCOUNTANTS

Firm Registration Number : 101484W

FOR AND ON BEHALF OF THE BOARD

J.P. BAIRAGRA

PARTNER

MEMBERSHIP NO.12839

Sd/-

KANTILAL M. SAVLA

DIRECTOR

Sd/-

BHARAT SHAH

DIRECTOR

PLACE : MUMBAI

DATED : 30th May,2013

VAGHANI TECHNO BUILD LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

NOTES FORMING PART OF THE BALANCE SHEET

1 SHARE CAPITAL

Particulars	As at March 31,2013	As at March 31,2012
<u>Authorized Shares</u>		
1,00,00,000 Equity shares, Rs. 10 /-par value (Previous Year : 1,00,00,000 Equity shares, Rs. 10 /- par value)	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
<u>Issued, Subscribed and Fully Paid Up Shares</u>		
52,20,000 Equity shares, Rs. 10 /- par value fully paid up (Previous Year : 52,20,000 Equity shares, Rs. 10 /-par value fully paid up)	52,200,000	52,200,000
	<u>52,200,000</u>	<u>52,200,000</u>
Total Issued, Subscribed and Fully Paid Up Share Capital	52,200,000	52,200,000

Note No 1.1 The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2013 :

Particulars	As at March 31, 2013	As at March 31, 2012
Number of shares at the beginning	5,220,000	5,220,000
Add: Shares issued during the year	-	-
Less : Shares Bought back (if any)	-	-
Number of shares at the end	<u>5,220,000</u>	<u>5,220,000</u>

Note No 1.2 Terms/Rights attached to equity shares

(A) The company has only one class of equity shares having a par value of Rs. 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 Shareholders	No. of shares held	% held as at March 31, 2013	No. of shares held	% held as at March 31, 2012
Govind J. Vaghani	1,595,985	30.57%	1,595,985	30.57%
Kantilal M. Savla	978,760	18.75%	978,760	18.75%
Gunvanti Popatlal Gala	489,380	9.38%	489,380	9.38%
Kartik Popatlal Gala	489,380	9.38%	489,380	9.38%
2 RESERVE & SURPLUS				
Particulars	As at March 31, 2013		As at March 31, 2012	
Surplus - Opening balance	52,199,565		53,609,116	
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	(40,191,522)		(1,409,551)	
Surplus Closing Balance	12,008,043		52,199,565	
3 SHORT TERM BORROWING				
Particulars	As at March 31, 2013		As at March 31, 2012	
Unsecured Loans				
Loans and Advance from Related Parties				
Loan from Directors	-		476,698	
	-		476,698	
4 TRADE PAYABLES				
Particulars	As at March 31, 2013		As at March 31, 2012	
Sundry Creditors For Expenses (Refer Note No. 4.1 given Below)	69,895		167,472	
	69,895		167,472	
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 March 31, 2013	As at March 31, 2012
<u>Other Payable</u>		
Advance From Customers	-	3,500,000
Statutory Dues Payable	7,886	142,542
	<u>7,886</u>	<u>3,642,542</u>
6 SHORT TERM PROVISIONS		
Particulars	As at March 31, 2013	As at March 31, 2012
<u>Others</u>		
Provision for Taxation		
(Net Off Advance Tax Rs. 90,69,374/-)	602,632	602,632
(Previous Year Rs. 1,22,81,821/-)		
	<u>602,632</u>	<u>602,632</u>
7 LONG TERM LOANS & ADVANCES		
Particulars	As at March 31, 2013	As at March 31, 2012
Advance for Capital Goods	-	21,528,000
<u>Other Loan and Advances</u>		
Advance Tax and Tax Deducted at Source	477,506	79,180
Minimum Alternative Tax Credit	1,879,746	1,879,746
Loan to Other Parties	47,809,040	-
	<u>50,166,292</u>	<u>23,486,926</u>
8 INVENTORIES		
Particulars	As at March 31, 2013	As at March 31, 2012
Stock of Industrial Units	-	67,155,097
		<u>67,155,097</u>

9 TRADE RECEIVABLES		
Particulars	As at March 31, 2013	As at March 31, 2012
(Unsecured, Considered Good, Unless Specified otherwise)		
<u>Outstanding For More Than Six Months</u>		
Considered Good (Refer Note No 9.1 given Below)	-	3,398,024
	-	3,398,024
Note No 9.1 The company has old trade receivable amounting to Rs.NIL/- (Previous Year Rs. 33,98,024/-). However no provision for doubtful debts is made as the management is hopeful of recovery.		
10 CASH & BANK BALANCES		
Particulars	As at March 31, 2013	As at March 31, 2012
<u>Cash & Cash Equivalents</u>		
<u>Balances With Banks</u>		
In Current Account	421,852	3,679
Cash in Hand	1,043,477	18,185
	1,465,329	21,864
11 SHORT TERM LOANS & ADVANCES		
Particulars	As at March 31, 2013	As at March 31, 2012
(Unsecured, Considered Good, Unless Specified otherwise)		
<u>Other Loans and Advances</u>		
Prepaid Expenses	6,835	14,375
Loan to Body Corporate	-	8,712,623
Advance Given to Suppliers (Refer Note No. 11.1 given below)	13,000,000	6,500,000
Advance Tax and Tax Deducted at Source (Net Of Provision For Taxes Rs.32,12,447) (Previous Year Rs.NIL)	250,000	-
	13,256,835	15,226,998
Note No. 11.1 Advance given to Suppliers include Rs. 65,00,000 (Previous year: 65,00,000) outstanding since long but no provision has been made as the Management is hopeful of recovery.		

12 (A) CONTINGENT LIABILITY		
Particulars	As at March 31, 2013	As at March 31, 2012
Disputed Income Tax Liability	6,725,748	222,010
	<u>6,725,748</u>	<u>222,010</u>
(B) COMMITMENTS		
Particulars	As at March 31, 2013	As at March 31, 2012
Estimated Amounts of Contract remaining to be executed	-	19,392,000
on Capital Account and not provided for		
	<u>-</u>	<u>19,392,000</u>
TOTAL (A+B)	<u>6,725,748</u>	<u>19,614,010</u>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
NOTES FORMING PART OF THE BALANCE SHEET**

FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	AS AT 31.03.2012	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2013	UP TO 31.03.2012	FOR THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2013	AS AT 31.03.2012
TANGIBLE ASSETS:									
Land	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
TOTAL TANGIBLE ASSETS	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-

Note No.

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.

VAGHANI TECHNO-BUILD LIMITED

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

13 REVENUE FROM OPERATIONS

Particulars	2012-2013	2011-2012
Sale of Products (Refer Note No. 13.1 given below)	21,187,164	28,465,398
<u>Other Operating Revenues</u>		
Sales Compensation	-	2,777,112
	<u>21,187,164</u>	<u>31,242,510</u>
Note No 13.1 Sale of Products		
Particulars	2012-2013	2011-2012
Transfer of Development Rights	1,087,164	31,242,510
Industrial Units	20,100,000	-
Total	<u>21,187,164</u>	<u>31,242,510</u>

14 OTHER INCOME

Particulars	2012-2013	2011-2012
Interest income (Refer Note No 14.1 given Below)	4,246,972	791,803
<u>Other non- operating income</u>		
Sundry Balance Written Back	3,500,005	-
	<u>7,746,977</u>	<u>791,803</u>

Note No 14.1

Break-up of Interest received	2012-2013	2011-2012
Interest on loan to Body Corporate	77,340	791,803
Interest on loan to Others	4,169,632	-
Total	<u>4,246,972</u>	<u>791,803</u>

15 PURCHASES OF STOCK IN TRADE

Particulars	2012-2013	2011-2012
<u>Stock in Trade</u>		
Traded goods (Refer Note No 15.1 given Below)	1,076,400	31,242,510
	<u>1,076,400</u>	<u>31,242,510</u>
Note No 15.1 Traded goods		
Particulars	2012-2013	2011-2012
Transfer of Development Rights	1,076,400	31,242,510
Total	<u>1,076,400</u>	<u>31,242,510</u>

16	CHANGES IN INVENTORIES		
	Particulars	2012-2013	2011-2012
	<u>STOCK IN TRADE - INDUSTRIAL UNITS</u>		
	Opening Stock of Traded Goods	67,155,097	67,155,097
	Closing Stock of Traded Goods	-	-
	Change in Stock of Stock in Goods	67,155,097	-
17	FINANCE COST		
	Particulars	2012-2013	2011-2012
	Interest Expenses (Refer Note No 17.1 given Below)	32,148	1,667,558
		32,148	1,667,558
	Note No 17.1		
	Break-up of Interest paid		
	Interest Paid to Bank	-	22,697
	Interest Paid on Income Tax	-	322,834
	Interest Paid on Loan from Directors	32,148	1,322,027
	Total	32,148	1,667,558
18	OTHER EXPENSES		
	Particulars	2012-2013	2011-2012
	Advertisement & Publicity Expenses	47,056	35,275
	Auditors Remuneration (Refer Note No 18.1 given Below)	85,956	85,719
	Legal and Professional Fees	510,496	80,150
	Transfer of Development Right Scrutiny Fees	-	55,700
	Rate & Taxes	2,500	5,000
	Brokerage Expense	10,872	-
	Sundry Balance Written Off	-	57,099
	Miscellaneous Expenses	205,138	214,853
		862,018	533,796
	Note No 18.1		
	Payment to Statutory Auditors	2012-2013	2011-2012
	<u>As auditor :</u>		
	Audit Fee (including limited review)	65,000	65,000
	Tax Audit Fee	10,000	10,000
	Service Tax	9,270	9,064
	<u>In other capacity :</u>		
	Other Services	1,500	1,500
		186	1,655
	Total	85,956	85,719
19	EARNING PER SHARE		
	Particulars	2012-2013	2011-2012
	(A) Profit attributable to Equity Shareholders (Rs.)	(40,191,522)	(1,409,551)
	(B) No. of Equity Share outstanding during the year.	5,220,000	5,220,000
	(C) Face Value of each Equity Share (Rs.)	10	10
	(D) Basic & Diluted Earning Per Share (Rs.)	(7.70)	(0.27)

VAGHANI TECHNO-BUILD LIMITED

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

20 RELATED PARTY DISCLOSERS

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 Ltd. (Erstwhile Shah Construction Co.)

Pranay Investment

Integrated Coreinfra Ltd.

Inegrtaed Estate Management Pvt. Ltd.

Pranay Properties

Pranay Realtors

Rehab Pranay Developers

R.K. Enterprises

Savla Associates

Nagi sales International

Integrated Realty Projects

Pranay Leela Associates

Sadgurukrupa Developers

Peninsula Land Developers Pvt. Ltd.

Satyam Concast Pvt. Ltd.

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	2012-2013	2011-2012
Mr. Kantilal M. Savla	Opening	476,698	791,874
	Loan Taken	525,531	32,899,824
	Loan Refund	1,002,229	33,215,000
	Loan Balance	-	476,698
	Interest Paid	32,148	1,322,027

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

- 22 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.
- 23 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.
- 24 Others provisions of Revised Schedule VI are not applicable to the company.

25 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) Inventories Valuation

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

(C) Revenue Recognition

1. Transfer of Development Rights Sale is recognized after entering into an agreement with the Purchaser of the Transfer of Development Rights.
2. Sale of Land & Building is recognized after entering in to an Agreement for Sale with the Purchaser.

(D) Taxation

(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.

(E) 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.

(F) 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.

26

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 attached of even date

FOR M. L. BHUWANIA & CO.

CHARTERED ACCOUNTANTS

Firm Registration Number : 101484W

FOR AND ON BEHALF OF THE BOARD

J.P. BAIRAGRA

PARTNER

MEMBERSHIP NO.12839

PLACE : MUMBAI

DATED : 30th May,2013

Sd/-
KANTILAL M. SAVLA

DIRECTOR

Sd/-
BHARAT SHAH

DIRECTOR

VAGHANI TECHNO-BUILD LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	2012-13	2011-12
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary Items	(40,191,522)	(1,409,551)
Adjustment for:		
Interest Received	(4,246,972)	(791,803)
Interest Paid	32,148	1,667,558
Sundry balance written Off /(Back) (Net)	(3,500,000)	57,099
	(7,714,824)	932,854
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(47,906,346)	(476,697)
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :		
Inventories	67,155,097	-
Trade receivables	3,398,024	1,007,000
Short Term Loans and Advances	2,220,163	(8,014,375)
Long Term Loans and Advances	21,528,000	-
Trade Payables	(97,577)	(9,846,585)
Other Current Liabilities	(134,656)	(435,937)
	94,069,051	(17,289,897)
Cash Generated from Operations	46,162,705	(17,766,594)
Direct Taxes Paid	(648,326)	(9,041,950)
	45,514,379	(26,808,544)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Loan Given	(43,960,304)	-
Interest Received	398,236	79,180
	(43,562,068)	79,180
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayments) from /of Short term borrowings	(476,698)	(315,176)
Interest Paid	(32,148)	(1,344,724)
	(508,846)	(1,659,900)
NET CASH USED IN FINANCING ACTIVITY	(508,846)	(1,659,900)
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	1,443,465	(28,389,264)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	21,864	28,411,128
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	1,465,329	21,864
	1,443,465	(28,389,264)

Notes**Closing Balance of Cash & Cash Equivalents**

1	<u>Balance with Schedules Banks</u>	421,852	3,679
	- in Current Account		

Cash and Cash Equivalents Includes:

Cash in Hand	1,043,477	18,185
	<u>1,465,329</u>	<u>21,864</u>

- 2 Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.
- 3 The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

As per our report attached of even date

FOR M. L. BHUWANIA & CO.

CHARTERED ACCOUNTANTS

Firm Registration Number : 101484W

FOR AND ON BEHALF OF THE BOARD

J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO.12839

Sd/-
KANTILAL M. SAVLA
DIRECTOR

Sd/-
BHARAT SHAH
DIRECTOR

PLACE : MUMBAI
DATED : 30th May, 2013

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

ATTENDENCE 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
30th September, 2013 at 10.30 A.M.

Signature of the Shareholder / Proxy holder: _____

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, _____

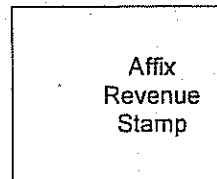
_____ of _____ in the district of _____
being a member(s) of the **Vaghani Techno-Build Limited** hereby appoint
_____ of _____ in the district of _____
or failing him, _____ of _____
in the district of _____ as my / our
proxy to vote for me / us and on my / our behalf at the **ANNUAL GENERAL MEETING** of
the Company to be held on **30th September, 2013 at 10:30 A.M.** at the Registered Office
of the Company and at any adjournment thereof.

Signed this _____ day of _____ 2013.

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

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

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



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.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VAGHANI TECHNO-BUILD LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Vaghani Techno-Build Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (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.

Emphasis of matter

1. We draw attention to Note No. 11 of the Financial Statement which states about advances of Rs. 65,00,000 which are outstanding since long but no provision for doubtful advances has been made in the accounts as the management is hopeful of recovery. Our opinion is not qualified in respect of this matter.

Other matter

1. We draw attention that the Company has not appointed a full time Company Secretary though required by Section 383A of the Companies Act, 1956. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
 - e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For and on behalf of
M L Bhuwania & Co.
Chartered Accountants
(Firm's Registration No. 101484W)**

Sd/-

**J.P. Bairagra
Partner
Membership No.12839
Place: Mumbai
Date: 30th May, 2013**

Annexure referred to in paragraph titled as "Report on Other Legal and Regulatory Requirements" of Auditor's report to the members of **Vaghani Techno-Build Limited** for the year ended 31st March 2013.

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 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 (Rs.)	Maximum Amount outstanding during the year	Amount outstanding at the end of the year.
1	5,25,531	8,87,229	Nil

The rate of interest and other terms and condition on such loan are prima facie not prejudicial to the interest of the Company. The Company is regular in repayment of the loan and the interest thereon.

- (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. No services has been rendered by the Company during the year. 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) Where each of the transactions is in excess of Rs. 5 lakhs in respect of any party, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, the transactions have been made at prices which are prima facie 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, 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 except income tax of Rs. 6,02,632.

According to the records of the Company, there are no dues of 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 (Rs.)	Forum where dispute is pending
Income-tax Act, 1961	Income Tax Dues	2007-08 to 2009-10	64,75,748	Commissioner of Income Tax (Appeal)

- (x) The Company does not have accumulated losses at the end of the financial year. The Company has incurred cash losses during the current year and also in the immediately preceding financial year.
- (xi) As per the information and explanation given to us, the Company has not borrowed from the banks and financial institutions and does not have any borrowings by way of debentures. Accordingly, clause (xi) of the Order is not applicable to the Company.
- (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 money by way of 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, 2013.

**For and on behalf of
M L Bhuwania & Co.
Chartered Accountants
(Firm's Registration No. 101484W)**

Sd/-

**J.P. Bairagra
Partner
Membership No.12839
Place: Mumbai
Date: 30th May, 2013**