

www.vascon.com



Annual Report 2007
Building Future Perfect



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Building Future Perfect

It was a year of consolidation. Collaboration strategies were fine-tuned in keeping with the changing business environment. Vascon has embarked upon major expansion plans across the country. The focus is on picking up projects where there is maximum synergy and greatest value addition.

R. Vasudevan

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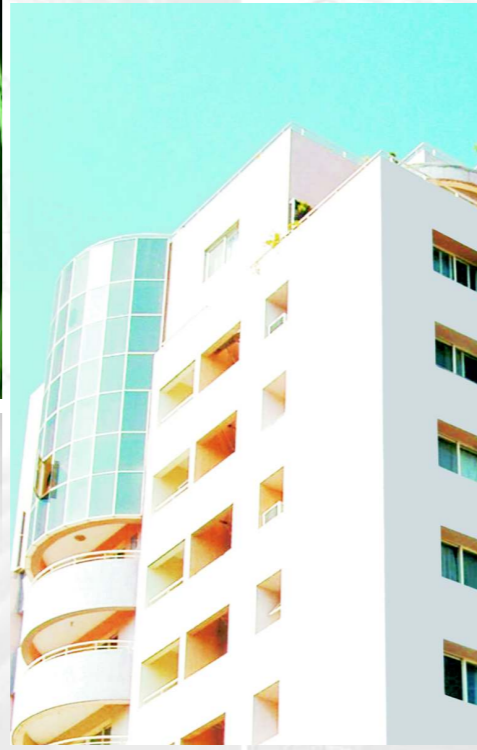


Ivy glen, Pune

Nucleus



Marigold



Symbiosis



ENGINEERING
is about efficient accuracy

DEVELOPMENT
is about delivering satisfaction

PERFECTION
is about striking the right balance





A Message from our Senior Mentor

It has always been my privilege to perform the puja at every new Vascon project. As my age advanced, so did the number of Vascon projects and their geographical spread. It was not easy for me to keep up.

When a solitary engineer started the company more than 20 years ago, he was understandably apprehensive. Today, Vascon is over 350 strong but I do hope that each one of you is as apprehensive as that young man was when he started out. You may wonder if I am being negative. Actually, I am being very positive. I believe that we have reached here only because we are always apprehensive if we are putting in our very best and if that best is good enough to more than satisfy the customer. That to me is a very healthy apprehension.

We will never be so big or so great that we can afford to ignore the interest of our smallest customer, to whom we have always delivered more than we have assured. This is something we need to tell ourselves over and over again.

A few months ago, the HDFC India Real Estate Fund (Hi-REF) invested in Vascon. To my mind this adds to our responsibilities. So far, we were mainly conscious of our responsibility to our buyer; soon we will be equally responsible to every investor.

We are legitimately proud of Vascon today. We are proud of our foundation, our values and our abilities. We must continue to work hard and think true so that tomorrow everyone will be proud to be associated with Vascon, one way or the other. I am confident that each member of the Vascon family has the ability to make that possible. It is up to each one of you to keep up the reputation of Vascon a level higher.

My good wishes to all of you.

N.R. Moorthy

Statement pursuant to Section 212 of the Companies Act, 1956 relating to company's interest in Subsidiary Companies

Name of the Subsidiary	Marvel Housing Private Limited	Vascon Dwellings Private Limited	IT Citi Infopark Private Limited	Cosmos Premises Private Limited	Calypso Premises Private Limited	Floriana Properties Private Limited	Windflower Properties Private Limited	Rose Premises Private Limited
Financial year ending of the Subsidiary	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007	31st March, 2007
Date from which they became Subsidiary	2nd January, 2006	1st April, 2006	2nd April, 2006	20th May, 2006	31st May, 2006	30th August, 2006	2nd November 2006	6th January, 2007
a) Number of shares held by the company in the subsidiary at the end of financial year of holding company.	10000	10000	10000	200000	9459000	7000	10000	4000000
b) Extent of interest of Holding Company at the end of the financial year of Subsidiary Company	100.00%	100.00%	100.00%	80.00%	63.00%	70.00%	100.00%	100.00%
The net aggregate amount of subsidiary companies profit/ (loss) so far as it concerns the members of holding company :								
a) Not dealt with in the holding company's accounts								
i) For the financial year ended 31st March, 2007	Loss Rs. 392,195	Loss Rs. 1,806,716	Loss Rs. 3,995,467	Loss Rs. 4,514,139	Loss Rs. 2,380,376	Loss Rs. 334,037	Loss Rs. 44,072	Loss Rs. 2,169,187
ii) For the Previous year of the subsidiary company since it became holding company's subsidiary.	Profit Rs. 1,234,918	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
b) Dealt with in the holding company's accounts								
i) For the financial year ended 31st March 2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) For the Previous year of the subsidiary company since it became holding company's subsidiary.	Nil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

For and on Behalf of the Board,
Vascon Engineers Limited,

Amar Lulla
Chairman

R. Vasudevan
Managing Director

K.G. Krishnamurthy
Director

M. Krishnamurthi
Company Secretary

Mumbai, May 9, 2007

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

	3	8	5	1	1
--	---	---	---	---	---

Balance Sheet Date

	3	1
--	---	---

Date

State Code

1	1		
---	---	--	--

0	3	2	0	0	7
---	---	---	---	---	---

Month Year

II. Capital Raised during the year (Amount in Thousands)

Public Issue

				N	I	L
--	--	--	--	---	---	---

Bonus Issue

				N	I	L
--	--	--	--	---	---	---

Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Private Placement

		5	3	2	2	3
--	--	---	---	---	---	---

III. Position of Mobilisation and Development of Funds (Amounts in Thousands)

Total Liabilities

3	0	1	6	1	2	9
---	---	---	---	---	---	---

Total Assets

3	0	1	6	1	2	9
---	---	---	---	---	---	---

Sources of Funds

Paid-up-Capital

0	3	5	4	8	2	4
---	---	---	---	---	---	---

Secured Loans

0	1	3	1	3	3	9
---	---	---	---	---	---	---

Deferred Tax Liability

0	0	1	5	9	0	3
---	---	---	---	---	---	---

Reserves & Surplus

2	0	4	8	5	9	1
---	---	---	---	---	---	---

Unsecured Loans

0	4	6	5	4	7	2
---	---	---	---	---	---	---

Share Application Money

				N	I	L
--	--	--	--	---	---	---

Application of Funds

Net Fixed Assets

0	2	3	1	9	0	8
---	---	---	---	---	---	---

Net Current Assets

2	2	4	9	8	4	2
---	---	---	---	---	---	---

Accumulated Losses

				N	I	L
--	--	--	--	---	---	---

Investments

0	5	3	4	3	7	9
---	---	---	---	---	---	---

Misc. Expenditure

				N	I	L
--	--	--	--	---	---	---

IV. Performance of Company (Amount in Thousands)

Turnover

3	8	2	0	7	4	6
---	---	---	---	---	---	---

	+
--	---

	+
--	---

(Please tick Appropriate box + for Profit - for Loss)

Earning per share in Rs.

0	0	0	0	0	1	4
---	---	---	---	---	---	---

Total Expenditure

3	1	3	2	3	8	6
---	---	---	---	---	---	---

Profit/Loss before Tax

0	6	8	8	3	6	1
---	---	---	---	---	---	---

Profit/Loss after Tax

0	4	8	8	9	1	3
---	---	---	---	---	---	---

Dividend rate %

	0	0
--	---	---

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

										N	A
--	--	--	--	--	--	--	--	--	--	---	---

Product Description

C	O	N	T	R	A	C	T	O	R	&	
D	E	V	E	L	O	P	E	R			

Item Code No. (ITC Code)

										N	A
--	--	--	--	--	--	--	--	--	--	---	---

Product Description

T	R	A	D	I	N	G					
---	---	---	---	---	---	---	--	--	--	--	--

For Anand Mehta & Associates
Chartered Accountants

Amar Lulla
Chairman

R. Vasudevan
Managing Director

K.G. Krishnamurthy
Director

Kulin V. Mehta
Partner
Membership No. 38440
Mumbai, May 9, 2007

M. Krishnamurthi
Company Secretary

Mumbai, May 9, 2007

A Message from our Managing Director



For some time now, people all over the world have been conscious of the need to conserve water. It would appear 2006-07 was the year when India realised that like drinkable water, usable land is also a scarce commodity and cannot be "grown" to match our needs. We need to make prudent use of what we have. However, booming urbanisation and ever-rising aspirations of the young, affluent middle class are probably among the pressure factors that contribute to the occasional unrealistic spurt in real estate prices all over the country.

During the 20 plus years that we have been in the industry, we have witnessed and grown through many such cycles. For the Vascon team, the focal point has always remained anticipating customer needs and overshooting their expectations. That focus has remained unchanged even as our role grew from engineers to developers to business partners. I believe that this focus puts us in a better position to make the most of opportunities when they come along. This also shields us from too much harm during the inevitable and, occasionally, vicious downturns.

Year 2006-07 was one of opportunities for us. A significant development was that the HDFC India Real Estate Fund (Hi-REF) invested in our company. HDFC has long been a respected name in the real estate industry and I would like to see this association as the coming together of two responsible players in the industry. I am confident that the future will witness more inflow of funds into real estate; the challenge for the industry is to ensure that the funds are employed for long-term growth and stability, rather than short-term spurts.

It was also the year when our pan-India ambitions began to find expression. Our industrial projects have already taken us beyond Maharashtra; now the Vascon stamp will be evident in residential complexes in Coimbatore and other cities.

The industry has been maturing at a fast rate, largely driven by rising customer expectations. Years ago, we had the privilege of introducing novel concepts both for customer convenience and environment preservation. Today, the customer expects rainwater harvesting to be as integral to a new project as Wi-Fi connectivity. For Vascon team, it is exciting to keep raising the bar, to keep challenging ourselves, whether it is to help a mega brand attract and convert footfalls, to ready software parks virtually at the click of a mouse or to ensure that the students at the little school we have adopted in Pune are comfortably housed.

Statistics are important to measure progress. For us the more important yardstick will remain the same one we used for our first project. When they invest in Vascon, we want our customers to expect the best. And we will spare no effort to deliver them a whole new world of engineering efficiency and thoughtful development.

R. Vasudevan

Report on Corporate Governance

COMPANY PHILOSOPHY

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards. The Board fully appreciates the importance of adopting high standards of corporate governance and the Company is totally committed to Corporate Governance with the objective of generating long-term economic value for all the stakeholders.

The key elements in corporate governance are transparency, integrity, professionalism and accountability. The Company ensures that the Board and the management of the Company are fully apprised with the affairs of the Company, in order to enable them in conducting the affairs of the Company efficiently and to meet the Company's obligations to the stakeholders.

BOARD OF DIRECTORS AND BOARD MEETINGS

The Board plays a primary role in Corporate Governance by setting out the strategic direction of the Group, establishing goals and ensuring a high degree of transparency and accountability towards all stakeholders.

COMPOSITION OF THE BOARD

The Directors of the Company are people of eminence, having vast and varied experience. The Board consists of 4 Directors – Mr. Amar Lulla (Chairman), Mr. R. Vasudevan (Managing Director), Mr. K. G. Krishnamurthy and Mr. V. Mohan.

In all 9 Board Meetings were held during the year 2006-07 on the following dates:

01.04.2006	16.04.2006	11.05.2006
21.06.2006	05.08.2006	24.10.2006
14.11.2006	17.02.2007	06.03.2007

AUDIT COMMITTEE

The Company has an Audit Committee comprising of Mr. Amar Lulla (Chairman), Mr. R. Vasudevan and Mr. K. G. Krishnamurthy.

The details of the Annual General Meeting held in the last year are as follows

Date	Venue	Time
28.09.2006	Registered Office	4: 30 p.m.

The details of the Extra-Ordinary General Meetings held in the last year are as follows:

Date	Venue	Time
21.06.06	Registered Office	2:30 p.m.
07.12.06	Registered Office	3:00 p.m.

GENERAL SHAREHOLDER INFORMATION

22nd Annual General Meeting

Date: June 11, 2007

Time: 12:00 p.m.

Venue: Conference Room, HDFC Hi-REF, 6th Floor, Raman House, H.T. Parekh Marg, 169 Backbay Reclamation, Churchgate, Mumbai- 411 020

Zensar, IT Park Kharadi



Annexure to Notes to Accounts

Annexure referred to in Note No. 21 of the Notes forming part of Accounts Disclosure of particulars of "Employee Benefits" as required by Accounting Standard 15

	March 2007 Rs.
Present Value of obligation	8,480,872
Fair Value of plan assets-1.4.06	-
Net Asset/(Liability) recognised in balance sheet	(8,480,872)
No. of Employees	345
Total monthly salary in Rupees	5,245,052
Average past service	2.96
Average Age	32.72

ASSUMPTIONS	March 2007
Discount Rate	7.50%
Rate of increase in compensation levels	
First five years	15%
Thereafter	5%
Expected Average remaining working	8.55
Lives of employees(years)	

TABLE SHOWING CHANGES IN PRESENT VALUE OF OBLIGATIONS	March 2007 Rs.
Present Value of obligations as at the beginning of the year	6,252,128
Acquisition adjustment	-
Interest Cost	468,910
Past Service Cost	-
Current Service Cost	1,476,189
Curtailement Cost/(credit)	-
Settlement Cost/(credit)	-
Benefits paid	439,309
Actuarial (gain)/loss on obligations	722,984
Present Value of obligation as at the end of the year	8,480,872

ACTUARIAL GAIN /LOSS RECOGNIZED	March 2007 Rs.
Actuarial gain/(loss) for the year - obligations	(722,954)
Actuarial (gain)/loss for the year - Plan Assets	-
Total (gain)/loss recognized in the year	722,954
Actuarial (gain)/loss recognized in the year	722,954
Unrecognized Actuarial (gain)/losses at the end of the year	-

THE AMOUNTS TOBE RECOGNIZED IN BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS	March 2007 Rs.
Present Value of obligations as at end of the year	8,480,872
Fair Value of plan assets as at the end of the year	-
Funded status	(8,480,872)
Unrecognized actuarial (gain)/Losses	-
Net assets/(liabilities) recognized in Balance Sheet	(8,480,872)

EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS	March 2007 Rs.
Current Service Cost	1,476,189
Past Service Cost	-
Interest Cost	468,910
Expected return on Plan assets	-
Curtailement Cost/(credit)	-
Settlement Cost/(credit)	-
Net Actuarial (gain)/Loss recognized in the year	722,954
Expenses recognized in the statement of Profit and Loss	2,668,053

Annexure to Notes to Accounts

Annexure referred to in Note No.18 of the Notes forming part of Accounts. Disclosure of particulars of significant leases as required by accounting standard 19

The Company's significant leasing arrangements are in respect of operating leases for commercial and residential premises.

a) Lease income from operating leases is recognised on a straight-line basis over the period of lease.

The particulars of significant leases under operating leases are as under

	March 2007 Rs.	March 2006 Rs.
Gross Carrying Amount of Premises	26,726,520	26,726,520
Accumulated Depreciation	2,073,685	776,168
Depreciation for the year	1,297,518	776,168

Future minimum lease income under non-cancellable operating leases

	March 2007 Rs.	March 2006 Rs.
a) Not later than 1 year	10,608,525	-
b) Later than 1 year and not later than 5 years	1,425,500	-
c) Later than 5 years	-	-
Income recognised during the year	3,421,200	1,995,700

Annexure referred to in Note No 19 of the Notes forming part of Accounts Investments purchased and sold during the year as follows

Particulars	No. of units		Cost of purchase	
	March 2007	March 2006	March 2007 Rs.	March 2006 Rs.
SBI Magnum Institutional Income- Saving Dividend	4,983,803	-	50,000,000	-
SBI Magnum Institutional Income- Weekly Dividend	6,629,855	-	70,000,000	-
HSBC Cash Institutional Fund	5,996,642	-	60,000,000	-
Reliance Fixed Horizon Fund	5,000,000	-	50,000,000	-
UTI Liquid Cash Plan Institutional- Daily Income option- Reinvestment	29,428	-	30,000,000	-
Standard Chartered Liquidity Mgr Plus- Daily Dividend	49,995	-	50,000,000	-
Reliance Short Term Dividend Plan	4,786,475	-	50,000,000	-
HDFC Liquid Fund Premium Plan	4,078,370	-	50,000,000	-
HDFC Cash Management Fund	7,991,426	-	85,000,000	-
Standard Chartered Liquidity Mgr Plus	29,987	-	30,000,000	-
DSP Merrill Lynch Liquid Plus (Daily)	49,990	-	50,000,000	-
HDFC Cash Management Fund- Saving Plan	7,522,332	-	80,000,000	-
ICICI Power Fund	-	75,415	-	1,000,000
HSBC Equity Fund	-	28,265	-	500,000
ABN Amro Equity Fund	-	9,775	-	100,000
Reliance Equity Opportunity fund	-	60,000	-	600,000
SBI-L081D Emerging Businesses Fund -Div	-	20,013	-	300,000

b) Lease expenses from operating leases is recognised on a straight-line basis over the period of lease.

The particulars of significant leases under operating leases are as under

Future minimum lease payments under non-cancellable operating leases

	March 2007 Rs.	March 2006 Rs.
a) Not later than 1 year	5,887,200	3,421,200
b) Later than 1 year and not later than 5 years	12,228,050	4,846,700
c) Later than 5 years	-	-

Directors' Report

Your Directors have pleasure in presenting their 22nd Annual Report on the business and operations of your Company for the year ended 31st March, 2007.

Financial Results

Highlights of the performance of our Company for the year are as follows

	March 2007 Rs. million	March 2006 Rs. million
Gross Receipts :	3,820.75	1,491.73
Profit before Interest and Depreciation	747.31	289.23
Less :		
Interest	37.18	29.19
Depreciation	21.76	58.94
	18.90	48.09
Profit Before Tax	688.37	241.14
Less :		
Provision for Tax		
Current	192.53	88.59
Fringe Benefit Tax	1.38	1.10
Deferred Tax		
Expense / (Gain)	5.57	199.48
	(2.07)	87.62
	488.89	153.52
Add/Less :		
Excess/(Short) Provision		
W Back/ Off	2.44	(0.37)
Net Surplus for the year	491.33	153.15

BUSINESS PROSPECTS

Your Directors are pleased to inform you that the Company has achieved an increase of 148% in sales and 218% in net profit during the year, as compared to the previous year. This jump was largely on account of the consolidation of various businesses of the Company. It was also thanks to the dynamic fine-tuning of the Company's collaboration strategies in keeping with the changing business environment and the Company's growing expertise in various fields. These moves put us in a better position to exploit the general buoyancy in the industry. Your directors are confident of keeping up this positive trend in the years to come.

The Construction industry is undergoing tremendous changes and has entered into the fast lane of growth. Your company has also embarked upon major expansion plans across the country.

Given the Company's rich experience, the focus is now on picking up projects where there is maximum synergy and greatest value addition. On the hospitality front, your Company is set to play an important role in bringing hotels of two international chains to Pune. The first chain of service apartments under the Vascon umbrella is also set to commence operations shortly.

While your Company owes its success to the consistent hard work put in by its team, it will be a challenge to recruit and retain skilled people in the days to come. Indian talent is now in great demand across a wide job spectrum in India and other countries. The Company is gearing up to cope with this by restructuring its personnel policies and ramping up its training programmes. Given

the different areas that the Company is now active in and the tremendous growth opportunities, your Directors are confident that the Vascon team will continue to work together to power the Company ahead. On the whole, the next three to four years promise to be very exciting for the Company.

DIVIDEND

The Directors recommend no dividend as the profits are to be channelised to fund the growth of the Company.

PARTICULARS REGARDING EMPLOYEES

The particulars of employees drawing remuneration exceeding Rs. 24,00,000/- per annum or Rs. 2,00,000/-per month, as required under section 217 of the Companies Act, 1956 is given in the annexed statement.

ISSUE OF EQUITY SHARES

As already reported, during the financial year, the Company has issued 53,22,353 shares of Rs.10 each at a premium of Rs. 250.13 to HDFC India Real Estate Fund (Hi-REF Property Fund)

CONVERSION TO PUBLIC COMPANY

The Company has converted itself into a public limited company with effect from 20th December, 2006.

SUBSIDIARY COMPANIES

The Company has 8 subsidiaries as on March 31, 2007. These are: Marvel Housing Pvt. Ltd., IT Citi Info Park Pvt. Ltd., Vascon Dwellings Pvt. Ltd., Floriana Properties Pvt. Ltd., Wind Flower Properties Pvt. Ltd., Rose Premises Pvt. Ltd., Calypso Premises Pvt. Ltd. and Cosmos Premises Pvt. Ltd. The particulars of these subsidiaries as required under Section 212 of the Companies Act, 1956 are enclosed. Clover Resorts Pvt. Ltd., a subsidiary of the company was merged with the company vide the order of the High Court of Judicature at Bombay dated January 19, 2007.

DIRECTORS

During the year, Mr. Amar Lulla and Mr. V. Mohan were appointed as directors. Mr. Amar Lulla is a Chartered Accountant and brings with him vast experience in finance and corporate affairs. Mr. V. Mohan, also a Chartered Accountant, has more than 25 years of consulting experience with V. Shankar Aiyar & Co.

Mr. N. R. Moorthy and Mr. Kannan have resigned as directors during the year and the Board places on record its appreciation of the valuable guidance and services rendered by them.

THE DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA)

To the best of our information

(a) The Company has followed all applicable accounting standards in the preparation of annual accounts as recommended by statutory auditors

(b) 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

Directors' Report

recommended by statutory auditors.

(b) 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 year and of the profit/loss of the Company for that year.

(c) The Directors have 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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, your Company is not covered by the Schedule of Industries which are required to furnish the information in Form-A. Your Company has not imported any technology or other items nor carried on the business of export or import and therefore the disclosure requirements against technology absorption are not applicable.

Foreign Exchange Earnings and Outgo :

	March 2007 Rs.	March 2006 Rs.
Foreign Exchange Earnings	-	-
Foreign Exchange Expenditure	25,136,525	591,989

SOCIAL RESPONSIBILITY

Right from its inception, the Company has taken steps to preserve and enhance the natural wealth at its site and surroundings. All plans are driven by the goal to preserve existing trees and the natural lay of the land, so that projects cause minimum disturbance to the environment. Your Company was among the pioneers of environment-friendly measures like rainwater harvesting, water recycling, biogas plant etc.

The Company follows a policy of contributing to the beautification of its immediate community. In Pune, Vascon has already helped develop roads, traffic islands, etc. in Camp, Kalyaninagar and Yerwada areas. The Company is in the process of identifying the right social welfare organisations to work with in locations outside Pune.

Your Company has made substantial contributions to various charitable trusts for the care of poor patients. In addition to maintaining crèches at sites, your Company has invested in the medical care and education of the children. Vascon has also sponsored the formal education of needy children, through recognised organisations. This is in addition to scholarships offered to needy students selected from the College of Engineering, Pune.

Vascon has also promoted different cultural and sports activities.

AUDITORS

M/s. Kulin Mehta & Co., auditors, so far a proprietary firm, has now been converted into a partnership firm under the name and style of Anand Mehta & Associates. The auditors retire at the forthcoming Annual General Meeting and being eligible, seek re-appointment. The Directors recommend their re-appointment.

ACKNOWLEDGEMENT

The Directors thank the bankers, customers and vendors for their continued support to your Company's growth. Your Directors place on records their appreciation of the contribution made by Vascon's employees at all levels. Their competence, hard work, solidarity, cooperation and support have enabled the company to perform consistently well in a competitive environment.

For and on Behalf of the Board,

Amar Lulla,
Chairman

Mumbai, May 9, 2007

ANNEXURE TO THE DIRECTORS' REPORT

Information pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2007.

Name and Designation of Employee	Qualification	Age	Experience
Mr.R. Vasudevan Managing Director	BE (Civil)	55 years	31 years

Date of Commencement of employment	Remuneration	Last Employment held Post and period
01.01.1986	18,113,051	Cipla Limited Project Executive 5 years

Particulars of the Joint Ventures undertaken by the Company as required in Accounting Standard 27 "Financial Reporting of Interest in Joint Venture", in respect of which disclosures have been made (Note No 16 attached to and forming part of Accounts)

Name of the Joint Venture	Interest of Company in Joint Venture	Share in Assets of the Joint Venture	Share in Liabilities of the Joint Venture	Investment in Joint Venture	Add : Share of Profit	Less : Share of tax	Closing Balance of Investment	Loans given
Asset/(Liability)								
Zircon Ventures	67% of Revenue	359,448,736	462,811,144	-	8,382,189	-	8,382,189	8,382,189
Phoenix Ventures	10% of the total project Cost as project management Fees and 50% of remaining Profit	36,442,338	21,453,481	-	(11,143)	-	(11,143)	-
Zenith Ventures	62.5% of Revenue	77,619,060	56,889,249	-	(23,792)	-	(23,792)	83,096,324
Weikfield IT City Info Park (AOP)	15% of revenue subject to available profit	57,684,833	57,669,833	-	121,648,918	-	121,648,918	19,922,311
Vascon Hadapsar Ventures	50% Share of Profits	130,546,146	130,690,145	-	(143,999)	-	(143,999)	-
Just Home India Private Limited	50% Share of Profits	66,683,275	55,548,201	50,000	5,247,939	-	5,297,939	5,247,939
Marigold Premises Private Limited	50% Share of Profits	-	-	419,672	45,193,911	-	45,613,583	45,193,911
Cosmos Premises Private Limited	80% Holding	-	-	-	-	-	-	-
Calypso Premises Private Limited	67.5% Holding	667,449,936	234,958,708	-	-	-	-	-
Floriana Properties Private Limited	70% Holding	56,226	316,329	-	-	-	-	-
		1,395,930,550	1,020,337,091	469,672	180,294,023	-	180,763,695	161,842,674

(The above information is provided on the basis of latest available financial statements of the Joint Venture Entities)

Ventura, Pune



Annexure to Notes to Accounts

Sr.No.	Particulars	Name of the Party
1	Joint Venture	Weikfield IT Citi Info Park Phoenix Ventures Zenith Ventures Zircon Ventures Vascon Hadapsar Ventures
2	Key Management Personnel	Mr. R. Vasudevan
3	Relatives of Key Management Personnel	Mrs. Lalitha Vasudevan Mr. N. R. Moorthy Mrs. Thangam Moorthy Mrs. Lalitha Sundarrajan Mr. Siddarth Vasudevan
4	Associates	Marigold Premises Pvt. Ltd. Just Homes (India) Pvt. Ltd. Viorica Properties Pvt. Ltd. Angelica Properties Pvt. Ltd. Syringa Properties Pvt. Ltd. Mumbai Estate Pvt. Ltd.
5	Enterprise where key management personnel and their relatives exercise significant influence	Iris Properties Pvt. Ltd. One Stop Shop (I) Pvt. Ltd. Flora Premises Pvt. Ltd. Vastech Consultants Pvt. Ltd. Core Fitness Pvt. Ltd.
6	Subsidiary companies	Marvel Housing Pvt. Ltd. Vascon Dwellings Pvt. Ltd. Cosmos Premises Pvt. Ltd. IT Citi Info Park Pvt. Ltd. Wind Flower Premises Pvt. Ltd. Rose Premises Pvt. Ltd. Calypso Premises Pvt. Ltd. Floriana Properties Pvt. Ltd.

Annexure referred to in Note No .15 of the Notes forming part of Accounts.
Disclosure of particulars of contract revenue as required by Accounting Standard 7

Sr. No.	Particulars	March 2007 Rs.	March 2006 Rs.
1	Contract Revenue Recognised	1,464,281,240	1,445,264,220
2	Contract Expenses Recognised	1,125,438,611	970,981,164
3	Recognised Profit	338,842,629	474,283,056
4	Contract Cost Incurred	1,125,438,611	970,981,164
5	Progress Billing	1,340,901,568	1,438,686,424
6	Unbilled Contract Revenue Recognised	123,379,672	79,301,431
7	Advances from Customers	481,284,854	124,435,923
8	Contract Cost Incurred and Recognised Profit	1,464,281,240	1,445,264,220
9	Gross Amount Due from Customer	642,478,738	550,976,874

Auditors' Report

To the Members of
VASCON ENGINEERS LIMITED

We have audited the attached Balance Sheet of Vascon Engineers Limited as at 31st March, 2007 and also the Profit & Loss Account and the Cash Flow Statement for the year ended as on that date annexed thereto. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from any material misstatements. An audit includes examining on test basis evidence supporting the amount of disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

- As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered appropriate and to the best of our knowledge and according to the information and explanations given to us during the course of the audit, we give below in the annexure a statement on the matter specified in paragraphs 4 and 5 of the said order to the extent applicable to the Company.
- Further to our comments in the annexure referred to in paragraph 1 above
 - 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.
 - In our opinion, proper Books of Accounts as required by the law have been kept by the Company so far as it appears from examination of such book.
 - The Balance Sheet and Profit and Loss Account and Cash Flow Statement referred in this report are in agreement with the

Books of Account.

- In our opinion the Balance Sheet and Profit & Loss Account and Cash Flow Statement referred to in this report are in compliance with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.
- On the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors we report that none of the directors is disqualified at the year-end from being appointed to act as 'Director' under Section 274 (1) (g) of the Companies Act, 1956
- In our opinion and to the best of our information and according to the explanations given to us and subject to our reliance, because it is a technical matter, on certification by Managing Director in respect of the basis (technical estimation) of valuation of unbilled revenue and development at various work sites, the said Balance Sheet, Profit and Loss Account and Cash Flow Statement read together with the notes thereon give the information required by the Companies Act, 1956 in the manner as required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- In so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2007;
- In so as it relates to the Profit and Loss Account, of the profit of the company for the year ended on that date; and
- In so as it relates to the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For Anand Mehta & Associates
Chartered Accountants

Kulin V. Mehta
Partner
Membership No. 38440
Mumbai, May 9, 2007

Golden Suites, Pune



Auditors' Report

Annexure referred to in paragraph 1 of the Auditors' Report to the share holders, on the accounts for the year ended, 31st March, 2007.

- I)
- a) The company is maintaining proper records showing full particulars, including the quantitative details and situation of fixed assets.
- b) In our opinion, the fixed assets have been physically verified by the management at regular intervals, having regard to the size of the company and nature of its assets. No material discrepancies between the book records and physical inventory were noticed.
- c) During the year, the Company has not disposed off substantial part of fixed assets which may affect the going concern status of the Company.
- II) The company is engaged mainly in the construction business. Majority of the stock of the company are in the form of developments/ work-in-progress. The stock in the said form and stock of other materials have been regularly verified by the management during the year. 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 stocks followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The inventories which are in the form of work-in-progress/development keep on changing as work progresses. Due to its very nature it is not comparable with any book records. Except this, discrepancies noticed on verification between physical stock and book records were not material and have been properly dealt with in the books of accounts.
- III)
- a) The Company has granted loans to parties listed in Register maintained under section 301 of the Companies Act, 1956. The number of parties and the aggregate amount involved in the transaction during the year under review was as follows:
- | | March 2007 | March 2006 |
|---------------------|------------|-------------|
| No. of Parties | 4 | 4 |
| Amt. Involved (Rs.) | 72,427,231 | 139,239,826 |
- b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interests of the Company.
- c) In respect of such loans given by the Company, the parties are regular in repayment of the principal amounts as stipulated and payment of interest, where applicable.

d) According to the explanations and information given to us, no amount of principal and interest, in excess of Rs. 1 lac is overdue for repayment.

e) The Company has taken loans from parties listed in Register maintained under section 301 of the Companies Act, 1956, the number of parties and the aggregate amount involved in the transaction during the year under review was as follows:

	March 2007	March 2006
No. of Parties	4	3
Amt. Involved (Rs.)	13,970,000	17,769,511

f) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interests of the Company.

g) In respect of such loans taken by the Company, the company is regular in repayment of the principal amounts as stipulated and payment of interest, where applicable.

IV)

a) In our opinion, the company has an adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed continuing failure to correct major weaknesses in internal control systems.

V)

a) According to the information and explanations given to us, we are of the opinion that the contracts/ arrangement that need to be entered into a register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.

b) In our opinion and according to information and explanations given to us the transactions for the purchase of goods, materials and services and sales of goods, materials and services where-ever made in pursuance of contracts or arrangement entered in register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of each such party during the year were at reasonable prices, having regard to prevailing market prices at the relevant time.

VI)

The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India or the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under as applicable. According to the information and explanation given to us, no order has been passed by Company Law Board or National Company Law Tribunal or any Court or any other Tribunal in regard to the above provisions.

Annexure to Notes to Accounts

Annexure referred to in Note No 11 of the Notes forming part of Accounts

Particulars	Unit	Opening Stock		Purchases		Sales		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Cement	Bags			19,478	3,587,181	15,304	2,921,226	4,174	803,819
				(-)	(-)	(-)	(-)	(-)	(-)
Sand	Brass			1,403	1,648,793	1,173	1,391,056	230	301,317
				(-)	(-)	(-)	(-)	(-)	(-)
Steel	Mt			28,059	14,657,407	508	14,975,416	14	405,319
				(-)	(-)	(-)	(-)	(-)	(-)
Time Share Agreement	Nos	23	7,849,875	-	-	23	7,849,875	-	-
		(23)	(7,849,875)	(-)	(-)	(-)	(-)	(23)	(7,849,875)
Others					28,225,151		10,835,147		18,134,279
				(-)	(-)	(-)	(-)	(-)	(-)
Total (Net Value)			7,849,875		48,118,532		37,972,720		19,644,734
Add: Taxes					1,777,783		1,635,063		
Total (Gross Value)			7,849,875		49,896,315		39,607,783		19,734,644
			(7,849,875)		(-)		(-)		(7,849,875)

Annexure referred to in Note No 14 of the Notes forming part of Accounts

Disclosure of transactions with related parties as required by Accounting Standard 18

Sr. No.	Particulars	Subsidiary	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Associates	Establishments where key personnel or relatives influence
1	Sales and Work	4,427,576	22,536,185	-	-	1,106,575,866	-
			(57,346,902)			(152,160,262)	
2	Rentals/Hire Charges	-	-	-	-	-	212,640
			(1,995,700)				
3	Interest income	338,706	-	-	-	2,270,483	-
			(1,889,473)				
4	Interest expenses	55,114	-	-	764,004	-	442,310
			(13,200)		(610,086)		(4,921,931)
5	Purchase of Goods/Work	-	-	-	-	-	-
6	Rendering of Services	17,912,974	138,983,593	16,454,180	964,581	7,050,257	25,542,772
			(37,871,238)	(12,261,145)	(769,531)	(926,568)	(2,093,073)
7	Share of Profit from AOP/Firm	-	130,031,107	-	-	-	-
			(387,640)				
8	Share of Loss from AOP/Firm	-	178,934	-	-	-	-
			(2,393,437)				
9	Amounts written off	-	-	-	-	-	-
10	Amounts written back	-	-	-	200	-	-
11	Purchase of Fixed Assets	-	-	-	-	-	(52,557,770)
	Outstanding as on 31st March 2007						
	Receiveable to Vascon Engineers Ltd.	431,165,909	129,627,229	-	-	480,311,175	15,380,690
		(65,580,340)	(31,017,798)		(1,051,172)	(4,351,500)	(15,350,815)
	Receiveable from Vascon Engineers Ltd.	228,000,000	54,875,352	-	-	-	-
		(1,395,238)	(119,265,202)			(171,615,070)	(9,072,432)

(Figures in bracket indicate previous years' figures)

Note : Names of related parties and description of relationship

Notes forming part of Accounts

22 Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Rs.2,157,686/- (previous year Rs. Nil)

23 Auditors' Remuneration

Particulars	March 2007 Rs.	March 2006 Rs.
Audit Fee		
For Statutory Audit and Tax Audit	200,000	100,000
TOTAL	200,000	100,000

(Fees mentioned above do not include service tax and education cess thereon)

24 Earning Per Share

Particulars	March 2007 Rs.
a Net Profit available for equity share holder	488,913,450
b Weighted average number of equity shares for Basic/ Diluted EPS	34,111,665
c Face Value per share	10
d Basic / Diluted EPS	14

25 During the year, the Company has changed the method of providing leave encashment by adopting Actuarial Valuation as against estimated method in accordance with the AS 15 (Revised) - "Employee Benefits", although the same is not mandatory. Had the Company continued to follow the method of such provision as per previous year, the profit would have been higher by Rs. 175,335/- (net of deferred tax gain) and correspondingly reserves would have been higher by Rs. 175,335/-

26 Value of development as on 31st March, 2006, includes cost

of 10,000 shares of Clover Resorts Private Limited acquired by the Company for a sum of Rs. 686,643,040/- (net of deferred tax gain) with an object of acquiring the underlying asset of the Company for development of a project. Pursuant to the order of the Bombay High Court, the said Company has been merged with our Company.

27 Other additional information required by schedule VI part II of the Companies Act, 1956 are not applicable to the company for the year.

28 Balance Sheet Abstract and Company's General Business Profile, in form prescribed in part III of Scheduled VI of the Companies Act, 1956, as amended by notification GSR No. 388(E) (F.No. 3/24/94-CLB) Dated 15/05/95 is attached herewith as Annexure.

29 Corresponding figures of the previous year have been regrouped, renamed or rearranged wherever necessary.

For Anand Mehta & Associates
Chartered Accountants

Kulin V. Mehta
Partner
Membership No. 38440
Mumbai, May 9, 2007

Amar Lulla
Chairman

R. Vasudevan
Managing Director

K.G. Krishnamurthy
Director

M. Krishnamurthi
Company Secretary
Mumbai, May 9, 2007

Eves Garden, Pune



Auditors' Report

VII)

In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.

VIII)

According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the company.

IX)

a) According to the information and explanations given to us, the Company was regular in depositing with appropriate authority, undisputed statutory dues in respect of Provident fund, Investor Education and Protection Fund, Employee's State Insurance, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues as may be applicable. There were no arrears of any statutory dues which were outstanding as on 31st March 2007 for a period of more than 6 months from the date they became payable.

b) According to the information and explanations given to us, there was no disputed dues in respect of Income tax, Sales tax, Custom duty, Wealth tax, Service tax, Excise duty

except in respect of the particulars given here under

Sr. Tax Laws	Forum where dispute is pending	March 2007 Rs.	March 2006 Rs.
1 Income tax	Income tax Appellate Tribunal	6,768,000	6,768,000

X)

a) In our opinion, the Company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit or the immediately preceding financial year.

XI)

a) According to the explanations and information given to us, the Company has not defaulted in payment of dues to financial institutions and banks. The Company has not issued any debentures and hence there is no question of default in respect of repayment of the same.

XII)

a) According to the explanation and information given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

Adam's Court, Pune



Auditors' Report

XIII)

- a) In our opinion the Company is not a chit fund or nidhi or mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.

XIV)

- a) According to explanation and information given to us, the Company is neither dealing nor trading in shares, securities, debentures and other investments, except to the extent of acquisition of shares incidental for acquisition of property and hence clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 is not applicable.

XV)

- a) 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.

XVI)

- a) According to the information and explanation given to us, the funds raised by the Company by way of term loans availed from banks and/or financial institutions have been applied for the purpose for which the same have been availed.

XVII)

- a) According to the information and explanation given to us and overall examination of the financial statements we are of the opinion that the company has not utilized the funds raised during the year on short term for long term purpose.

XVIII)

- a) According to the explanation and information given to us, the Company has not made any preferential allotment of shares during the period to the parties and/or companies covered in the Register maintained under section 301 of the Companies Act, 1956.

XIX)

- a) The Company has not issued any debentures and hence there is no question of creation of security in respect of the same.

XX)

- a) The Company has not made any issue of shares, debentures or any other securities to the public during the year under review and hence there is no question of disclosure of end use or verification thereof.

XXI)

- a) According to the explanation and information given to us, no fraud, on or by the Company, has been noticed or reported during the course of our audit.

For Anand Mehta & Associates
Chartered Accountants

Kulin V. Mehta
Partner
Membership No. 38440
Mumbai, May 9, 2007

Zircon, Pune



Notes forming part of Accounts

16 Particulars of the Joint Ventures undertaken by the Company as required in AS 27 "Financial Reporting of Interest in Joint Venture", in respect of which disclosures have been made are given in the Annexed Statement.

17 Joint Development : The Company has entered into arrangement for joint development of properties with the land owners and under such arrangements paid Rs.280,732,610/- (Rs.86,103,961/-) as advances/deposits to the joint venture partners out of which an amount of Rs.25,000,000/- (Nil) being non refundable deposit is debited to the cost of land and the balance Rs.255,732,610/- (Rs.86,103,961/-) is shown as advance/deposit under the head Loans and Advances. As per such Agreements the company has to work out the sharing of joint venture revenue on the basis of sale proceeds at the time of receipts of such proceeds of the developed area, in other words, no amount is payable if there is no sale. There is no event of any loss by the Company or by the vendor, except to the extent of non refundable amount of Rs.25,000,000/- which has been accordingly debited to the land cost. In view of the nature of these agreements, as a policy, the company will reduce the proceeds and account for the profit in the respective year to the extent of sale by the company. All monies received from the buyer and paid to the vendor earlier to this event will be considered advances received and paid, respectively.

18 The Company's significant leasing arrangements are in respect of operating leases for commercial premises. The particulars of such leases are given in the Annexed Statement.

19 The particulars of investments made/sold during the year are given in the Annexed Statement.

20 Amalgamation of Clover Resort Pvt. Ltd. with Vascon Engineers Ltd.

Pursuant to the Scheme of Amalgamation approved by the shareholders of the Company and the Honourable High Court

of Judicature at Bombay, vide its order dated January 19, 2007, all assets and liabilities and reserves of erstwhile Clover Resorts Private Limited wholly owned subsidiary of the Company having been vested in the Company from April 1, 2006 as per scheme of amalgamation sanctioned by the High Court, have been incorporated in these accounts.

Salient Features of the Amalgamation Scheme are detailed below:

- Name and general nature of business of Transferor Company: Clover Resorts Pvt. Ltd.
- Appointed date of amalgamation for accounting purpose: April 1, 2006
- Method of accounting used to reflect the amalgamation: Purchase Method
- Particulars of Scheme sanctioned by the statute:
 - With effect from April 1, 2006 the entire business and undertaking including all assets and liabilities of Clover Resort Pvt. Ltd. and rights and obligations, all books of account and documents and records relating thereto, are transferred to the Transferee Company pursuant to Section 394 (2) of the Companies Act, 1956; and
 - With effect from the appointed date, all proceedings, if any, pending by or against Clover Resort Pvt. Ltd. be continued by or against the Transferee Company; and consequent to giving effect to this scheme, the Company's investment in the share capital of Clover Resort has been cancelled against Share Capital of Clover Resort Pvt. Ltd. No Goodwill or Capital Reserve has arisen on account of this amalgamation.
- The particulars of employee benefits as required under AS 15 "Accounting for Employee Benefits" are given in the Annexed Statement. Although the application of this standard is not mandatory for this accounting period, the Company has chosen voluntarily to apply the same.

Kurkumbh, Cipla



Notes forming part of Accounts

3 Contingent Liabilities

- (a) It has not been considered necessary to make a provision in respect of Income-Tax demands not accepted by company for Rs.6,768,000/- (Rs.6,768,000/-) as the same has already been paid and disputed by the company in appeal.

	March 2007 Rs.	March 2006 Rs.
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- (b) Securities/guarantees provided to the bankers :
- (i) for other companies 89,577,268 (2,000,000)
- (ii) for performance Nil (30,895,000)
- (c) Corporate Guarantee given for other Companies Nil (60,00,000)
- (D) Claims against the Company not acknowledged as debts Nil Nil

	March 2007 Rs.	March 2006 Rs.
--	-------------------	-------------------

- 4 (a) Loans and Advances include an amount due from Private Limited Companies where Directors are interested as director/member Nil (73,679,486)
- (b) Sundry debtors includes due from Private Limited Companies where directors are interested as director / member 198,315,273 (199,912,722)
- (c) Loans and advances includes advances given for Joint Ventures being undertaken by the Company.
- (d) Loans and advances includes given to Subsidiary Companies : 364,983,774 (65,580,340)
- (e) Sundry Debtors includes dues from Subsidiary Companies : 34,492,172 -

- 5 Unsecured loans include an amount of Rs. Nil due to directors of the Company.

6 Prior Period Adjustments

The profit for the year includes net expense of Rs.1,032,471/- (Rs1,244,785/-) in respect of prior years.

7 Expenditure In Foreign Currency

	March 2007 Rs.	March 2006 Rs.
--	-------------------	-------------------

On account of Travelling & other expenses 3,304,756 493,945

On account of purchase of Spares/ materials 16,696,732 -

On account of purchase of Fixed Assets 5,135,037 98,044

TOTAL 25,136,525 591,989

- 8 The particulars of the Partnership Firms where the Company is a partner as on the year end are as follows: Asset existing on the Balance Sheet date have not been changed.

Name of the Firm	Profit/Loss Sharing Ratio of Company	OtherPartners	Profit/Loss Sharing Ratio of other partners
------------------	--------------------------------------	---------------	---

Ajanta Enterprises	30%	a)Shree Madhur Realtors Pvt Ltd.	20%
		b)Dhiren Popatlal Nandu	10%
		c)Shishir Bhansali	3%
		d)Raj Bhansali	18%
		e)Javed Tapia	10%
		f) Azim Tapia	10%

Vascon Hadapsar Venture	50%	Panchshil Real Estate Pvt.Ltd	50%
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- 9 Instalments in respect of Term Loan due in next 12 months are Rs.11,565,571/- (Rs.681,763,432)

- 10 As the company is not a manufacturing company, the clauses 3(ii)(a) and (b) of Part II of Schedule VI of the Companies Act, relating to quantitative information do not apply.

- 11 The quantitative information in respect of trading activity of the company is given in annexed statement.

- 12 The break-up of Deferred Tax Liability / (Asset) is as under

	March 2007 Rs.	March 2006 Rs.
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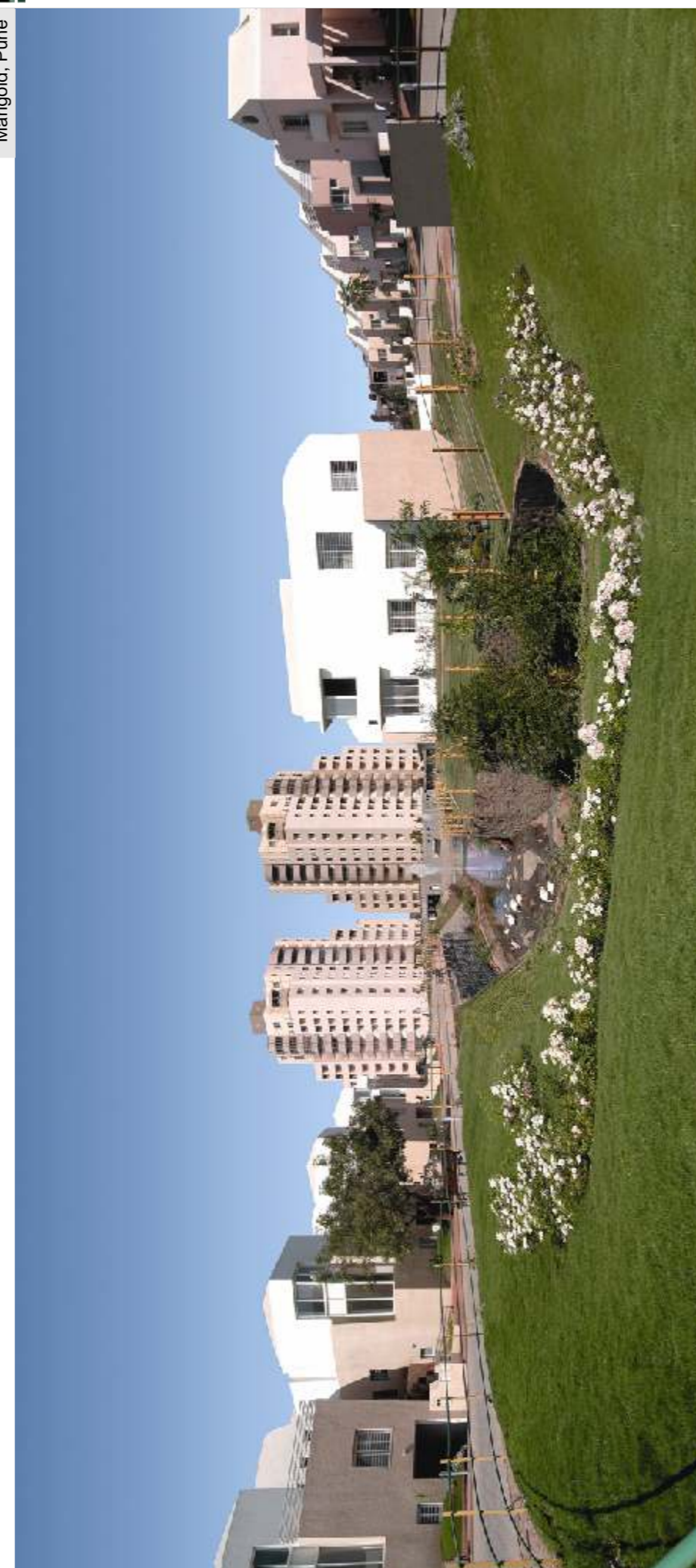
12.1 Depreciation	21,803,493	12,450,955
12.2 Statutory Payments -		
Leave Encashment	(1,482,553)	(1,607,035)
12.3 Other disallowances	(4,417,535)	(508,669)
Net Deferred Tax Liability	15,903,405	10,335,251

- 13 Current Liabilities includes dues to SSI units amounting to Rs. 1,475,880/- (Rs. 52,982/-). There were no overdues to such units exceeding 30 days. This information has been compiled in respect of parties to the extent to which they could be identified as small scale industrial undertakings on the basis of information available with the Company.

- 14 Related Party disclosures have been set out in a separate statement annexed to this schedule. The related parties as defined by AS 18 "Related Party Disclosure" issued by The Institute of Chartered Accountants of India, in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial persons taken on record by the Board.

- 15 Particulars of the Contract Revenue as required in AS 7 "Accounting for Construction Contracts" issued by the Institute of Chartered Accountants of India, in respect of which disclosures have been made are given in the Annexed Statement.

Marigold, Pune



Balance Sheet as at 31st March 2007

PARTICULARS	SCH NO.	MARCH 2007		MARCH 2006	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
1) SHARE HOLDERS FUND					
a) Capital	1	354,823,530		301,600,000	
b) Reserves & Surplus	2	<u>2,048,591,150</u>		<u>225,957,057</u>	
			2,403,414,680		527,557,057
2) LOANS FUNDS					
a) Secured Loans	3	131,339,065		534,014,925	
b) Unsecured Loans	4	<u>465,471,833</u>		<u>635,305,317</u>	
			596,810,898		1,169,320,242
3) DEFERRED TAX LIABILITY					
(Note No. 12)			15,903,405		10,335,251
			<u>3,016,128,983</u>		<u>1,707,212,551</u>
APPLICATION OF FUNDS					
1) FIXED ASSETS					
a) Gross Block	5	314,115,848		243,572,918	
b) Less : Depreciation		<u>85,448,186</u>		<u>70,864,546</u>	
		228,667,662		172,708,372	
c) Capital Work in Progress		<u>3,239,893</u>		<u>554,339</u>	
d) Net Block			231,907,555		173,262,711
2) INVESTMENTS					
	6		534,378,983		52,752,793
3) CURRENT ASSETS, LOANS & ADVANCES					
a) Inventories	7	574,019,951		941,542,579	
b) Sundry Debtors	8	1,557,076,509		550,981,423	
c) Cash & Bank Balances	9	56,667,303		92,521,733	
d) Other Current Assets	10	123,379,672		79,301,431	
e) Loans & Advances	11	<u>1,563,761,390</u>		<u>556,891,745</u>	
		<u>3,874,904,826</u>		<u>2,221,238,911</u>	
LESS :- CURRENT LIABILITIES & PROVISIONS					
a) Current Liabilities	12	1,286,326,508		567,494,865	
b) Provisions	13	<u>338,735,873</u>		<u>172,547,000</u>	
		<u>1,625,062,381</u>		<u>740,041,865</u>	
NET CURRENT ASSETS					
			2,249,842,445		1,481,197,046
MISCELLANEOUS EXPENDITURE					
(To the extent not written off or adjusted)			-		-
			<u>3,016,128,983</u>		<u>1,707,212,551</u>
Notes To Accounts	21				

As per our report of even date

For Anand Mehta & Associates
Chartered Accountants

Amar Lulla
Chairman

R. Vasudevan
Managing Director

K.G. Krishnamurthy
Director

Kulin V. Mehta
Partner
Membership No. 38440
Mumbai, May 9, 2007

M. Krishnamurthi
Company Secretary
Mumbai, May 9, 2007

Notes forming part of Accounts

for Leave encashment on retirement payable are made on actuarial basis.

1.10 Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets, if any, are capitalized up to the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account.

1.11 Leases

Lease rentals in respect of assets acquired under operating lease are charged to the Profit and Loss Account as incurred. Lease rentals in respect of assets given under operating lease are credited to the Profit and Loss Account as accrued.

1.12 Contingent Liabilities

Contingent liabilities, if any, have been disclosed by way of note to balance sheet. Provision has been made in respect of those, which have materialised after the year-end but before finalisation of accounts and have material effect on balance sheet date.

1.13 Income Tax

Provision for the tax for the year comprises current income-tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing difference representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period/s.

1.14 Amortization

Expenses relating to increase in capital are being written off in the year they are incurred.

1.15 Joint Venture Projects

1.15.1 Jointly Controlled Operations :- In respect of joint venture contracts in the nature of jointly controlled operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognised in the agreed proportions under respective heads in the financial statements.

1.15.2 Jointly Controlled Entities

a) Integrated Joint ventures

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

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

b) Incorporated Jointly Controlled Entities

1) Income on investments in incorporated Jointly Controlled Entities is recognised when the right to received the same is established.

2) Investment in such Joint Ventures are carried at cost after providing for any permanent diminution in value.

1.16 Segment Reporting

The Company's operations predominately consist of construction contracts/development activities. Hence there are no reportable segments under Accounting Standard - 17. During the year under the review, the Company has engaged in its business only within India and not in any other country. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

1.17 Fringe Benefit Tax

Fringe benefit tax is recognised in accordance with the relevant provisions of the Income Tax Act, 1961 and the Guidance note on Fringe Benefits Tax issued by the ICAI.

OTHER NOTES

2 Managerial Remuneration

(a)

	March 2007 Rs.	March 2006 Rs.
2.1 Salary, Ex-gratia & Commission	15,390,367	12,300,000
2.2 Other Benefits & Allowances	1,063,813	334,676
2.3 Contribution to PF	626,400	396,000
2.4 Approximate monetary value of Perquisite in kind as per I.T. Act	1,032,471	-
	<u>18,113,051</u>	<u>13,030,676</u>

(b) Computation of Net Profit under Section 349 of the Companies Act, 1956 and commission payable to Managing director

	March 2007 Rs.	March 2006 Rs.
Profit before taxation	688,360,728	241,139,896
Add: Managerial Remuneration	18,113,051	13,030,676
Deferred expenses written off	-	224,000
Meeting fees	60,000	-
Less: Profit on sale of assets	21,310,760	3,094,822
Profit for the year as per section 349	684,190,548	251,299,750
Commission (as approved and restricted by the Board of Directors)	10,000,000	7,500,000

Notes forming part of Accounts

SCHEDULE NO : 21

(Figures in bracket pertain to previous year)

- 1 Significant Accounting Policies followed
- 1.1 Basis of Preparation of Financial Statements
- The financial statements are prepared under historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on accrual basis, as adopted consistently by the Company.
- 1.2 Use of Estimates
- The preparation of financial statements in conformity with generally accepted principles (GAAP) requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.
- 1.3 Fixed Assets
- 1.3.1 Fixed assets are stated at cost of acquisition or construction, after reducing accumulated depreciation till the date of the Balance Sheet. The cost of an item of fixed asset comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price and includes borrowing cost relating to any specific borrowing attributable to the acquisition of the fixed assets as per the provisions of AS 16 "Borrowing Cost" issued by ICAI.
- 1.3.2 Intangible assets are recognised as per the criteria specified in AS 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India and amortised as follows
- a) Specialised Software :- 100% during the year
- 1.4 Impairment
- The assets are tested for impairment and the provision, if applicable, is made wherever considered necessary based on economic utility of the asset as determined in accordance with the principles as laid down in AS 28 "Impairment of Assets".
- 1.5 Depreciation
- Depreciation on fixed assets have been provided under written down value method and manner at the rates prescribed in schedule XIV to the Companies Act, 1956. In respect of lease assets, the cost is depreciated over the lease period.
- 1.6 Investments
- Investments are classified as long term and current

investments. Long term investments are valued at cost of acquisition less provision for permanent diminution, if any, in the value of investment. Current investments are carried at lower of cost and fair value.

- 1.7 Recognition of Revenue
- 1.7.1 Revenue from fixed price construction contracts is recognised on percentage completion method. The stage of completion is determined by survey of work performed and or on completion of physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as expenditure. In respect of uncertified revenue recognised, an adequate provision is made for possible reductions, if any.
- 1.7.2 Revenue from sale of units is recognised as and when the underlying significant risk and rewards of ownership are transferred to the purchaser and when there is no uncertainty of the amount of consideration that will be derived and it is not unreasonable to expect ultimate collection.
- 1.7.3 Share of Profit/Loss from Partnership firm/ Association of Person is recognised as income on year-to-year basis on the basis of accounts made-up and allocation made by the firm/AOP in accordance with the Deed of Partnership/AOP Agreement.
- 1.7.4 Interest Income – Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest.
- 1.7.5 Dividend Income – Dividend income is recognized as and when the right to receive the same is established.
- 1.7.6 Rental Income - Income from letting-out of property is accounted on accrual basis- as per the terms of agreement and the right to receive the rent is established.
- 1.8 Inventories
- (a) Stock of Materials, etc.
- Stock of materials, etc. has been valued at lower of cost or net realisable value. The cost is determined on FIFO method.
- (b) Development Work
- The development work in progress represents progressive cost of work remaining incomplete/unsold as at close of the year, valued at lower of cost or net realisable value on the basis of technical estimate certified and verified by the Managing Director.
- (c) Stock of Resale Units
- Stock of Resale units has been stated at cost or net realisable whichever is less.
- 1.9 Retirement Benefits
- The Company has taken up a group policy with Life Insurance Corporation of India for future payment of gratuities to employees. Amount of premium for the period for the said policy and Company's contribution for the year to Provident Fund, etc. are charged to Revenue. Provision

Profit and loss Account for the year ended 31st March 2007

PARTICULARS	SCH NO.	MARCH 2007		MARCH 2006	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Work / Sales	14		3,736,875,064		1,509,267,969
Less : Value Added Tax Collected		(50,369,249)		(18,646,588)	
Service Tax Collected		(62,286,224)	(112,655,473)	(51,360,613)	(70,007,201)
Work / Sales (Net)			3,624,219,591		1,439,260,768
Interest Earned			8,851,649		11,586,630
[TDS Rs. 1,886,400/- (Rs.23,71,532/-)]					
Other Income	15		187,675,253		40,885,292
			3,820,746,493		1,491,732,690
EXPENDITURE					
Construction / Development Expenses	16	2,801,273,974		1,064,929,470	
Cost of Goods Resold	17	36,323,673		-	
Employees Remuneration & Welfare Expenses	18	108,022,155		74,621,587	
Office & Establishment Expenses	19	127,820,252		62,955,843	
Finance Cost	20	37,182,740		29,186,627	
Depreciation	5	21,762,971		18,899,266	
			3,132,385,765		1,250,592,794
Profit before Taxation			688,360,728		241,139,896
Less :					
Provision For Taxation					
Current		192,500,000		88,590,000	
Fringe Benefit Tax		1,379,124		1,097,030	
Deferred tax expenses / (gain)		5,568,154		(2,068,165)	
Profit after Tax			199,447,278		87,618,865
			488,913,450		153,521,031
Excess/(Short) Provision W.Back / (Off)			2,444,173		(366,187)
Less :					
Appropriation					
Dividend paid/proposed		-		10,659,948	
Dividend Tax		-		1,204,751	
Transfer to General Reserve		-		16,900,000	
			-		(28,764,699)
SURPLUS FOR THE YEAR CARRIED TO BALANCE SHEET			491,357,622		124,390,145
Notes To Accounts	21				

As per our report of even date

For Anand Mehta & Associates
Chartered Accountants

Kulin V. Mehta
Partner
Membership No. 38440
Mumbai, May 9, 2007

Amar Lulla
Chairman

R. Vasudevan
Managing Director

K.G. Krishnamurthy
Director

M. Krishnamurthy
Company Secretary

Mumbai, May 9, 2007

Cash Flow Statement for the year ended 31st March 2007

PARTICULARS	SCH NO.	MARCH 2007		MARCH 2006	
		Rs.	Rs.	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Tax			688,360,728		241,139,897
Adjustments to reconcile profit before tax to cash provided by operating activities					
Add:					
Depreciation		21,762,971		18,899,266	
Amortisation/ excess short provision written back		2,398,341		224,000	
Difference written off / (Fixed Assets)		-		362,533	
Interest paid		37,182,740		29,186,627	
Dividend Income		(7,980,877)		(571,351)	
Interest income		(8,851,649)		(11,586,630)	
Profit/(Loss) on Sale of Assets/Investments		(21,836,569)		(28,550,893)	
			<u>22,674,957</u>		<u>7,963,552</u>
			711,035,685		249,103,450
Income taxes paid during the year	1		(143,527,729)		(71,270,345)
Fringe Benefit Tax			(1,379,124)		-
Prior year expenses			-		(366,187)
Changes in current assets and liabilities					
Inventories			367,522,628		(703,053,918)
Sundry Debtors			(1,006,095,086)		(153,764,290)
Other Current Assets			(44,078,241)		(30,896,059)
Loans and Advances	2		(899,967,885)		(35,360,378)
Current Liabilities and Provisions	3		729,192,316		166,714,832
A NET CASH GENERATED BY OPERATING ACTIVITIES			<u>(287,297,436)</u>		<u>(578,892,895)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase / (Decrease) in Share Capital			1,384,500,000		(84,000)
Increase / (Decrease) in Secured Loans			(402,675,860)		498,894,233
Increase / (Decrease) in Unsecured Loans			(169,833,484)		157,884,371
Dividend paid			-		(18,595,068)
Dividend tax paid			-		(2,241,772)
Interest income			8,851,649		11,586,630
Interest paid			(37,182,740)		(29,186,627)
B NET CASH GENERATED (USED) IN FINANCING ACTIVITIES			<u>783,659,566</u>		<u>618,257,767</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of fixed assets			(103,214,111)		(67,871,257)
Dividend Income			7,980,877		571,351
Proceeds on disposal of fixed assets			44,117,055		3,963,050
Proceeds on disposal of securities/investments			2,675,809		111,598,171
Long Term investments in securities			(483,776,190)		(2,350,000)
Long Term (investments)/withdrawals from Partnership			-		(20,180,880)
C NET CASH (USED) IN INVESTING ACTIVITIES			<u>(532,216,560)</u>		<u>25,730,435</u>
D NET CASH INFLOW/(OUTFLOW) (A+B+C)			<u>(35,854,431)</u>		<u>65,095,306</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			92,521,733		27,426,428
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			56,667,303		92,521,733
Net (decrease) / increase in cash and cash equivalents during the period			<u>(35,854,430)</u>		<u>65,095,305</u>

As per our report of even date

For Anand Mehta & Associates
Chartered Accountants

Kulin V. Mehta
Partner
Membership No. 38440
Mumbai, May 9, 2007

Amar Lulla
Chairman

M. Krishnamurthi
Company Secretary
Mumbai, May 9, 2007

R. Vasudevan
Managing Director

M. Krishnamurthi
Company Secretary

K.G. Krishnamurthy
Director

Schedules forming part of Accounts

PARTICULARS	MARCH 2007		MARCH 2006	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE NO. 20				
FINANCE COST				
INTEREST				
FINANCIAL INSTITUTES/BANKS - TERM LOAN		726,504		13,733,943
BANKS - OTHER LOANS		13,827,471		4,985,468
OTHERS		35,237,292		38,787,900
		<u>49,791,267</u>		<u>57,507,311</u>
PROCESSING CHARGES		-		909,150
		<u>49,791,267</u>		<u>58,416,461</u>
LESS : BORROWING COST TRANSFERRED TO DEVELOPMENT		12,608,527		29,229,834
		<u>37,182,740</u>		<u>29,186,627</u>

Sahyadri Hospital, Pune



Schedules forming part of Accounts

PARTICULARS	MARCH 2007 Rs.	MARCH 2006 Rs.
SCHEDULE NO. 17 COST OF GOODS FOR RESALE		
OPENING STOCK	7,849,875	7,849,875
ADD :		
PURCHASES AND EXPENSES INCIDENTAL THERETO	-	-
TRANSFERRED FROM MATERIALS CONSUMED	49,896,315	-
	<u>49,896,315</u>	<u>-</u>
LESS :		
MVAT / CENVAT / SERVICE TAX INPUT CREDIT	1,777,783	-
	<u>1,777,783</u>	<u>-</u>
LESS :		
CLOSING STOCK	19,644,734	7,849,875
	<u>36,323,673</u>	<u>-</u>
(As valued, verified and certified by the Managing Director).		
SCHEDULE NO. 18 EMPLOYEES REMUNERATION & WELFARE EXPENSES		
A) REMUNERATION & OTHER BENEFITS TO DIRECTORS	18,511,232	12,634,676
B) SALARIES	46,886,623	33,180,967
C) BONUS/EXGRATIA	18,539,475	14,223,368
D) CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	3,405,651	3,290,724
E) WELFARE EXPENSES	20,679,174	11,291,852
	<u>108,022,155</u>	<u>74,621,587</u>
SCHEDULE NO. 19 OFFICE & ESTABLISHMENT EXPENSES		
1 ADVERTISEMENT	4,188,299	2,659,976
2 AUDITORS REMUNERATION - AUDIT FEES	224,720	112,500
3 BANK CHARGES	2,074,838	1,478,982
4 BROKERAGE / COMMISSION	1,622,420	852,284
5 TRAVELLING & CONVEYANCE	6,622,452	4,866,709
6 DEFERRED EXPENSES WRITTEN OFF	-	224,000
7 DONATIONS	1,816,355	1,497,571
8 ELECTRICITY CHARGES	1,599,801	1,394,956
9 INSURANCE	9,518,909	7,441,090
10 OTHER EXPENSES	7,142,924	3,478,925
11 PROVISION FOR DOUBTFUL DEBT	2,402,229	-
12 POST, TELEPHONE & TELEGRAM	3,574,560	3,641,022
13 PRINTING & STATIONERY	3,509,622	2,512,426
14 PROFESSIONAL CHARGES	43,271,682	4,332,616
15 RATES & TAXES	1,840,385	6,628,309
16 RENT/COMPENSATION	16,358,619	3,967,520
17 REPAIRS,RENOVATION & MAINTENANCE	4,835,408	1,191,931
18 RETAINERSHIP FEES	6,840,452	8,777,503
19 SALES PROMOTION EXPENSES	4,268,927	5,076,236
20 TRAVELLING EXPENSES	4,723,150	2,821,288
21 SHARE ISSUE EXPENSES	1,384,500	-
	<u>127,820,252</u>	<u>62,955,843</u>

Schedules forming part of Account

PARTICULARS	MARCH 2007 Rs.	MARCH 2006 Rs.
SCHEDULE NO. 1 SHARE CAPITAL		
AUTHORISED		
50,000,000 EQUITY SHARES OF RS. 10/- EACH.	500,000,000	500,000,000
2,000,000 PREFERENCE SHARES OF RS. 100/- EACH.	200,000,000	200,000,000
	<u>700,000,000</u>	<u>700,000,000</u>
ISSUED AND SUBSCRIBED		
35,482,353 (30,160,000) EQUITY SHARES OF RS.10/- EACH FULLY PAID-UP	354,823,530	301,600,000
	<u>354,823,530</u>	<u>301,600,000</u>
Out of the above nil (20,140,000) equity shares of Rs.10/- each are allotted as fully paid-up by capitalisation of reserves/surplus.		
SCHEDULE NO. 2 RESERVES & SURPLUS		
SHARE PREMIUM ACCOUNT		
BALANCE AT COMMENCEMENT		
ADD: RECEIVED DURING THE YEAR	1,331,276,470	-
	<u>1,331,276,470</u>	<u>-</u>
GENERAL RESERVE		
BALANCE AT COMMENCEMENT	37,553,366	20,653,366
ADD: TRANSFERRED FROM PROFIT AND LOSS ACCOUNT	-	16,900,000
	<u>37,553,366</u>	<u>37,553,366</u>
PROFIT & LOSS A/C		
(As per annexed Profit and Loss Account)		
BALANCE BROUGHT FORWARD	188,403,691	256,013,546
LESS : CAPITALISATION OF PROFITS BY WAY OF BONUS SHARES	-	192,000,000
	<u>188,403,691</u>	<u>64,013,546</u>
ADD : PROFIT TRANSFERRED FROM PROFIT AND LOSS ACCOUNT	491,357,622	124,390,145
	<u>679,761,313</u>	<u>188,403,691</u>
	<u>2,048,591,150</u>	<u>225,957,057</u>

Schedules forming part of Accounts

PARTICULARS		MARCH 2007	MARCH 2006
		Rs.	Rs.
SCHEDULE NO. 3			
SECURED LOANS			
	Note		
TERM LOANS FROM FINANCIAL INSTITUTIONS/BANKS	1	20,253,893	465,127,645
CASH CREDIT FROM BANKS	2	111,085,172	68,887,280
		<u>131,339,065</u>	<u>534,014,925</u>
1	Term Loans from Banks are secured against the equitable mortgage of property of the Company /Subsidiary Company and personal guarantee of the Managing Director of the Company. The above term loan also includes loans secured against the hypothecation of vehicles/assets financed by them.		
2	Cash credit from banks are secured against hypothecation of raw materials, Work In Progress, stores, spares & finished goods, book debt, machinery and equitable mortgage of specified immovable properties of the Company and personal guarantee of the Managing Director of the Company.		
SCHEDULE NO. 4			
UNSECURED LOANS			
FROM COMPANIES		424,923,249	527,783,007
SECURITY DEPOSITS & ADVANCES		40,548,584	93,872,310
FROM SHAREHOLDERS / DIRECTORS		-	13,650,000
		<u>465,471,833</u>	<u>635,305,317</u>

Galaxy, Goa



Schedules forming part of Accounts

PARTICULARS	MARCH 2007	MARCH 2006
	Rs.	Rs.
SCHEDULE NO. 16		
CONSTRUCTION / DEVELOPMENT EXPENSES		
MATERIAL & LABOUR CONSUMED		
OPENING INVENTORY :		
BUILDING MATERIALS / TOOLS	19,861,723	15,125,407
DEVELOPMENTS	913,830,981	215,513,379
	<u>933,692,704</u>	<u>230,638,786</u>
ADD :		
PURCHASE OF MATERIALS & LABOUR DURING THE YEAR	2,065,100,380	984,630,592
EXPENSES FOR DEVELOPMENT - DIRECT	410,980,853	763,036,074
ALLOCATION OF BORROWING COST TO COST OF DEVELOPMENT	12,608,527	29,229,834
ALLOCATION OF ADMN. EXPS TO DEVELOPMENTS	-	-
	<u>2,488,689,760</u>	<u>1,776,896,500</u>
LESS :		
COST OF GOODS RESOLD CONSIDERED SEPERATELY	49,896,315	-
	<u>49,896,315</u>	<u>-</u>
LESS :		
MVAT / CENVAT / SERVICE TAX INPUT CREDIT	16,836,958	7,424,324
	<u>16,836,958</u>	<u>7,424,324</u>
LESS :		
TRANSFERRED TO FIXED ASSETS / INVESTMENTS	-	1,488,788
	<u>-</u>	<u>1,488,788</u>
LESS :		
CLOSING INVENTORY		
BUILDING MATERIALS / TOOLS	42,790,219	19,861,723
DEVELOPMENTS	511,584,998	913,830,981
	<u>554,375,217</u>	<u>933,692,704</u>
Total construction expenses transferred to profit & loss account	<u>2,801,273,974</u>	<u>1,064,929,470</u>

* Including borrowing cost capitalised during the year amounting to 12,608,527/- (Rs.29,229,834/-)

* As valued, verified and certified by the Managing Director

Chest Research Foundation, Pune



Schedules forming part of Accounts

PARTICULARS	MARCH 2007 Rs.	MARCH 2006 Rs.
SCHEDULES NO. 12		
CURRENT LIABILITIES		
SUNDRY CREDITORS	681,166,868	198,246,470
ADVANCE PAYMENT RECEIVED	528,819,700	300,458,452
O/D BALANCE IN CURRENT A/C WITH SCH.BANK	10,700	8,974,799
OTHER LIABILITIES	76,329,240	59,815,144
	<u>1,286,326,508</u>	<u>567,494,865</u>
SCHEDULES NO. 13		
PROVISIONS		
FOR TAXATION	328,375,200	172,547,000
FOR DEDUCTION IN UNAPPROVED SALES	10,360,673	-
FOR DIVIDEND	-	-
	<u>338,735,873</u>	<u>172,547,000</u>
SCHEDULE NO. 14		
WORK/ SALES		
WORK / SALES	3,573,887,609	1,429,966,538
(Refer to Notes to Accounts)		
TRADING SALES	39,607,783	-
UNBILLED CONTRACT REVENUE	123,379,672	79,301,431
	<u>3,736,875,064</u>	<u>1,509,267,969</u>
SCHEDULES NO. 15		
OTHER INCOME		
DIVIDEND INCOME	7,980,877	571,351
PROFIT ON SALE OF FIXED ASSETS	21,310,760	3,094,822
PROFIT ON SALE OF INVESTMENTS (NET)	525,809	25,456,071
RENT EARNED	21,403,679	11,910,846
MISCELLANEOUS INCOME	6,556,772	3,102,785
SHARE OF PROFIT/(LOSS) FROM AOP/FIRMS	129,897,356	(3,250,582)
	<u>187,675,253</u>	<u>40,885,293</u>

Schedules forming part of Accounts

S.NO	PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
		OPENING Rs.	ADDITION Rs.	DEDUCTION Rs.	CLOSING Rs.	March 2007 Rs.	March 2006 Rs.
(A)	TANGIBLE ASSETS						
1	LEASEHOLD LAND	1,678,245	-	-	1,678,245	83,425	1,562,924
2	LAND	-	698,385	-	698,385	-	698,385
3	PREMISES *	129,545,468	10,008,500	25,831,250	113,722,718	25,614,811	86,659,256
4	PLANT & MACHINERY	66,450,532	52,722,403	2,284,180	116,888,755	18,103,455	93,085,381
5	FURNITURE & FIXTURES	8,303,518	14,254,066	600,198	21,957,386	6,015,205	14,702,829
6	ELEC. FITTINGS	2,744,701	9,533,689	-	12,278,390	2,316,040	8,733,757
7	MOTOR VEHICLE **	18,184,425	4,288,288	791,844	21,680,869	9,715,029	9,762,218
8	AIR-CONDITIONER	3,242,538	523,451	-	3,765,989	1,762,082	1,755,486
9	OFFICE EQUIPMENT'S	13,241,439	7,693,704	478,155	20,456,988	7,099,801	10,980,273
10	OTHER CONSTR. ASSETS	61,275	725,949	-	787,224	42,842	719,128
11	OTHER ASSETS	120,777	-	-	120,777	111,856	8,026
(B)	INTANGIBLE ASSETS						
1	SOFTWARES	-	80,122	-	80,122	-	-
Total		243,572,918	100,528,557	29,985,627	314,115,848	70,864,546	228,667,662
							172,708,372
	Capital Work in Progress						3,239,893
	PREVIOUS YEAR	180,958,964	68,655,357	6,041,403	243,572,918	56,775,921	172,708,372
							124,183,043

* COST OF PREMISES INCLUDES AMOUNT PAID FOR SHARES IN CO-OPERATIVE SOCIETIES/COMPANIES

** VEHICLES INCLUDE Rs4,438/- (GROSS AMOUNT) ACQUIRED BY THE COMPANY UNDER HIRE PURCHASE AGREEMENT

Schedules forming part of Accounts

PARTICULARS	MARCH 2007 Rs.	MARCH 2006 Rs.
SCHEDULE NO. 6 INVESTMENTS - LONG TERM		
TRADE		
OTHERS QUOTED		
CORPORATION BANK LTD 200 (200) Equity Shares of Rs.10/- Each fully paid.	16,000	16,000
** Aggregate Market Value Of Quoted Investments Rs.57,800/- (Rs.76,660/-)	<u>16,000</u>	<u>16,000</u>
UNQUOTED		
SHARES		
Investment in Subsidiaries		
MARVEL HOUSING PVT. LTD. 1000 (1000) Equity Shares of Rs.100/- Each Fully Paid	100,000	100,000
WIND FLOWER PROPERTIES PVT. LTD. 10000 (NIL) Equity Shares of Rs.10/- Each Fully Paid	100,000	-
IT CITY INFO PARK PVT. LTD. 10000 (Nil) Equity Shares of Rs.10/- Each Fully Paid	100,000	-
CALYPSO PREMISES PVT. LTD. 9459000 (Nil) Equity Shares of Rs.10/- Each Fully Paid	94,590,000	-
VASCON DWELLINGS PVT. LTD. 10000 (Nil) Equity Shares of Rs 10/- Each Fully Paid	100,000	-
ROSE PREMISES PVT. LTD. 4000000 (Nil) Equity Shares of Rs.10/- Each Fully Paid	40,000,000	-
COSMOS PREMISES PVT. LTD. 225000 (Nil) Equity Shares of Rs.10/- Each Fully Paid	3,500,000	-
FLORINNA PROPERTIES PVT. LTD. 7000 (Nil) Equity Shares of Rs.10/- Each Fully Paid	70,000	-
	<u>138,560,000</u>	<u>100,000</u>
Investment in Other Companies		
THE SARASWAT CO-OP BANK LTD. 1000(1000) Equity Shares Of Rs.10/- Each Fully Paid	10,000	10,000
PRAVAS TRADERS PVT LTD NIL (10000) Equity Shares of Rs.10/- fully Paid.	-	100,000
MEDISPRAY LABORATORIES PVT. LTD. 3000(3000) Equity Shares of Rs.10/- fully Paid.	30,000	30,000
PYLOFF PACKING PVT. LTD. Nil (5000) Equity Shares Of Rs.100/- Each Fully Paid	-	500,000
SAHYADRI HOSPITAL LIMITED 250000(250000) Equity Shares Of Rs.10/- Each Fully Paid	2,500,000	2,500,000
PROMO BUILDERS PVT. LTD. 100000 (NIL) Equity Shares of Rs. 1/- Each Fully Paid	100,000	-
CORE FITNESS PVT. LTD. 150 (Nil) Equity Shares of Rs.100/- Each Fully Paid	15,000	-
JUST HOMES INDIA PVT. LTD. 5000 (Nil) Equity Shares of Rs.10/- Each Fully Paid	50,000	-
MARIGOLD PREMISES PVT. LTD. 25000 (Nil) Equity Shares of Rs.10/- Each Fully Paid	419,672	-
ANGELICA PROPERTIES PVT. LTD. 4220000 (Nil) Equity Shares of Rs 10/- Each Fully Paid	42,200,000	-

Schedules forming part of Accounts

PARTICULARS	MARCH 2007 Rs.	MARCH 2006 Rs.
SCHEDULE NO. 8 SUNDRY DEBTORS		
(Unsecured considered good, unless otherwise stated)		
A) OUTSTANDING FOR PERIOD EXCEEDING SIX MONTHS		
CONSIDERED GOOD	261,802,102	125,018,731
CONSIDERED DOUBTFUL	<u>2,402,229</u>	<u>-</u>
	264,204,331	125,018,731
B) OTHERS - CONSIDERED GOOD	<u>1,295,274,407</u>	<u>425,962,692</u>
	1,559,478,738	550,981,423
LESS : RESERVE FOR DOUBTFUL DEBTS	<u>2,402,229</u>	<u>-</u>
	<u>1,557,076,509</u>	<u>550,981,423</u>
SCHEDULE NO. 9 CASH & BANK BALANCES		
CASH ON HAND	6,880,369	3,384,980
BALANCES WITH SCHEDULED BANKS IN CURRENT A/cs	39,724,566	84,339,141
BALANCES WITH SCHEDULED BANKS IN DEPOSIT A/cs	<u>10,062,368</u>	<u>4,797,612</u>
	<u>56,667,303</u>	<u>92,521,733</u>
SCHEDULE NO. 10 OTHER CURRENT ASSETS		
UNBILLED CONTRACT REVENUE	<u>123,379,672</u>	<u>79,301,431</u>
(Refer Note 1.7)	<u>123,379,672</u>	<u>79,301,431</u>
SCHEDULE NO. 11 LOANS & ADVANCES		
(Unsecured considered good)		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECIEVED		
ADVANCE AGAINST DEVELOPMENT / WORK PURCHASES	16,910,622	21,716,676
PROJECT ADVANCES	255,732,611	104,603,230
INTERCORPORATE DEPOSITS	610,573,643	204,828,099
BALANCE IN CURRENT ACCOUNT WITH PARTNERSHIP FIRMS	7,840,837	-
PREPAID EXPENSES	25,666,029	8,576,042
OTHER CURRENT ASSETS & RECEIVABLES	335,962,089	44,948,344
DEPOSITS	47,749,949	15,795,504
ADVANCE PAYMENT OF INCOME TAX & TDS	263,325,611	156,423,850
	<u>1,563,761,390</u>	<u>556,891,745</u>

Schedules forming part of Accounts

PARTICULARS	MARCH 2007	MARCH 2006
	Rs.	Rs.
MUTUAL FUNDS - DEBT		
RELIANCE LIQUID FUND 1,992,427.228 (Nil) units of Rs. 10.0648/- each	20,053,386	-
RELIANCE LIQUID PLUS 100,215.934 (Nil) units of Rs. 1,000.2723/- each	100,243,248	-
HSBC LIQUID PLUS 38,386.890 (Nil) units of Rs. 10.0002/- each	383,884	-
(Aggregate Net asset value of Mutual Funds Rs. 120,712,037 /-(Nil)	120,680,518	-
OTHERS		
IMMOVABLE PROPERTIES	595,913	595,913
CAPITAL INVESTMENT In Partnership Concerns & Joint Ventures	45,200,880	45,200,880
	45,796,793	45,796,793
	534,378,983	52,752,793

- (1. The mode of valuation of investments in securities/properties is given in the Notes No 1.6 relating to significant accounting policies - Schedule 21
2. Particulars of investments purchased and sold during the year are given in the Note No 19 of Schedule 21)

SCHEDULE NO. 7 INVENTORIES

STOCK AT CLOSE

BUILDING MATERIALS/TOOLS	42,790,219	19,861,723
DEVELOPMENTS	511,584,998	913,830,981
STOCK FOR RESALE	19,644,734	7,849,875
	574,019,951	941,542,579

* As valued, verified and certified by Managing Director at cost or net realisable value, whichever is lower.

Nucleus, Pune



Schedules forming part of Accounts

PARTICULARS	MARCH 2007	MARCH 2006
	Rs.	Rs.
ANGELICA PROPERTIES PVT. LTD. 2634375 (Nil) Preference Shares of Rs.10/- Each Fully Paid	168,600,000	-
SYRINGA PROPERTIES PVT. LTD. 5000 (Nil) Equity Shares of Rs.10/- Each Fully Paid	50,000	-
VIORICA PROPERTIES PVT. LTD. 1125000 (Nil) Equity Shares of Rs.10/-Each Fully Paid	1,127,500	-
MUMBAI ESTATES PVT. LTD. 10000 (Nil) Equity Shares of Rs.10/- Each Fully Paid	100,000	-
ASCENT HOTELS PVT. LTD. 2600 (Nil) Equity Shares of Rs.10/- Each Fully Paid	26,000	-
	225,375,672	3,140,000
MUTUAL FUNDS - EQUITY		
HDFC CAPITAL BUILDER Dividend Option 4800.307 (4800.307) units of Rs.10/- each	100,000	100,000
HDFC CAPITAL BUILDER Dividend Option 7380.437 (7380.437) units of Rs.10/- each	150,000	150,000
KOTAK MAHINDRA CAPITAL Dividend Option 48899 756 (48899 756) units of Rs 10/- each	500,000	500,000
HDFC PREMIER MULTICAP DIV 97770.83 (97770.83) units of Rs.10/- each	1,000,000	1,000,000
PRINCIPAL INFRA & SERVICES IND.FUND 39119 8 (39119 8) units of Rs 10/- each	400,000	400,000
ABN AMRO FUTURE LEADERS FUND-GROWTH 50000 (NIL) units of Rs.10/- each	500,000	-
FEDILITY INDIA SPECIAL SITUATION FUND 19559.902 (Nil) units of Rs.10.225/- each	200,000	-
SILD SUNDARAM BNP PARIBAS INDIA LEADERSHIP FUND-DIVIDEND 40682.489 (Nil) units of Rs.12.2903/- each	500,000	-
OPTIMIX ASSET ALLOCATOR MULTI MANAGER FOF SCH DIVIDEND 58536.5854 (Nil) units of Rs.10.2500/- each	600,000	-
HSBC EQUITY FUND NIL (7412.972) units of Rs.10/- each	-	150,000
PRINCIPAL FOCUSSED ADVANTAGE FUND - Growth NIL (63538.612) units of Rs.10/- each	-	650,000
DSP MERYLL LYNCH OPPORTUNITY FUND NIL (4705.882) units of Rs.10/- each	-	100,000
DSPML OPPORTUNITIES FUND - Dividend option NIL (5452.563) units of Rs.10/- each	-	100,000
FEDILITY EQUITY FUND NIL (9779.951) units of Rs.10/- each	-	100,000
SUNDARAM MUTUAL FUND NIL (26121 94) units of Rs 10/ each	-	300,000
ABN AMRO DIV YIELD FUND - DIV NIL (14669.93) units of Rs.10/- each	-	150,000
(Aggregate Net asset value of Mutual Funds Rs. 46,51,972/-(48,83,727/-)	3,950,000	3,700,000

Ongoing Projects

V-tech, IT Park Nashik



Matrix, Wakdevadi



Phoenix, Pune

