

**VASCON®**

## Company Information

### BOARD OF DIRECTORS

V. Mohan, Chairman  
R. Vasudevan, Managing Director  
Amar Lulla, Director  
K.G. Krishnamurthy, Director  
Ameet Hariani, Director  
R. Kannan, Director

### COMPANY SECRETARY

M. Krishnamurthi

### AUDITORS

Anand Mehta & Associates  
Chartered Accountants  
29, Khemji Meghji House  
3rd Floor, 11/15, Issaji Street,  
Vadgadi, Mumbai - 400 003

### BANKERS

State Bank of India  
Union Bank of India  
Citi Bank

### REGISTERED OFFICE

15/16, Hazari Baug,  
L.B.S. Marg, Vikhroli (West)  
Mumbai - 400 083  
Tel: +91-22-2578 1143/7419  
Fax: +91-22-25796333

### CORPORATE OFFICE

201, 'Phoenix', Bund Garden Road,  
Pune - 411 001  
Tel: +91-20-2612 8336/8339  
Fax: +91-20-26131071  
email: corporate@vascon.com

### WEBSITE

[www.vascon.com](http://www.vascon.com)



**N R Moorthy**  
1924-2008

“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.”

*A Message from our Senior Mentor,  
Annual Report 2007*

Thank you for having been our source of strength and wisdom in our journey so far. We shall follow the path you have shown and build a stronger Vascon you can be proud of always.

*The Vascon Family*

A message from  
**Managing Director**

Year 2007-08 was yet another successful year for Vascon. We were able to maintain our momentum. However, at the time of finalising the accounts, the economy appears to be losing its steam. Inflation is close to 8 percent and rising. Net foreign portfolio inflows have almost dried up and the stock market, after all the heights it touched, is decidedly bearish. GDP growth predictions of 8.5 percent appear to have been rather optimistic.

The signs would suggest that the economy is in for a difficult phase, though we are confident that it has enough inherent strength to bounce back, eventually. Every industry is bound to be affected by economic sentiments and real estate is no exception. Already, questions are being raised about the sustainability of malls while the average home seeker is unable to decide if it is the right time to go for that home loan.

Vascon has been fortunate to witness and learn from such cycles during our 22 years. It will be no exaggeration to claim that today Vascon is better prepared to brave economic downturns that it ever was before.

Including projects recently initiated, today we have a presence in 13 cities in India, Ahmedabad being the latest addition as this is being written. We are among the few engineering companies with a successful track record in development - everything from glittering multiplexes to efficient IT parks. In 2007-2008, we entered two new states - Gujarat and Madhya Pradesh.

Work on our first skyscraper has started in Mumbai and I am proud to say this is a project that is making maximum use of modern technology in Vascon's history. In fact, not many other current projects in India are making such intensive use of imported technology, innovatively adapted to Indian requirements.

Depending on market conditions and our careful assessment of the potential to add value, we shall continue our expansion into new areas both in terms of geography and business. This will further strengthen our base and give us the impetus to sustain our growth in the years to come.



Two areas will receive our special attention in the years to come. One is affordable housing for the masses. Given the scarcity of usable land and steadily rising prices, we will require the support of the government and the right political will to make this happen. Personally, I look at this as the need of the hour. I am confident that Vascon will be able to take up some projects, which will not only fit the pocket of the common man but also meet his rising aspirations. It is a tall order as of now; but Vascon is used to scaling new heights.

Secondly, environment care has always been a priority for Vascon even when green was not the colour of headlines. We would like to go a step further and focus on energy-efficient structures in commercial as well as residential segments. We believe energy conservation is no longer a feel-good option but a global imperative. We are willing to go the extra mile in terms of investing in technology and sharing the extra cost, if necessary, to achieve our goal.

There are gathering clouds on the nation's economic horizon. This is the time to reassess our thinking and our practices. Are we making the best possible use of our resources? Are we making extra efforts to pick up new skills and to strengthen our teams so that we are better equipped to explore new avenues? Are we focused on spotting and exploiting new opportunities, without getting swayed by sentiments?

We are confident of being able to keep up our growth rate. The environment may make it necessary for us to work harder to maintain our high growth rate. However, I have enough confidence in the capabilities of my team to say that Vascon will continue to excel.

*R. Vasudevan*

## Report on CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance aims at protecting stakeholders value legally and ethically. Our company is committed to good corporate governance adopting ethical principles to ensure fairness to every stakeholder.

#### OUR PRINCIPLES

Satisfy the spirit of Law and not just the letter of Law.

Make a clear distinction between personal conveniences & corporate resources.

Comply with the Laws in all states of India in which the company operates.

Management is the trustee of shareholders' capital and not the owner.

Our company believes in e-governance as another milestone to good governance. It has oriented itself to the commendable and proactive-governance to provide prompt and efficient services to its stakeholders through Ministry of Corporate Affairs.

Our company will continue to focus its resources, strengths & strategies to achieve its vision 'Be the engineers of choice for

quality construction & path breaking development project all over India & Asia while upholding the core value of transparency, integrity, honesty and accountability which are fundamentals of VASCON. Our company has adopted a code of conduct for its Board and adopted optional committee-IPO Committee as a good corporate practice.

### 2. BOARD OF DIRECTORS

Our Board is the core of Corporate Governance which oversees how the management serves and protects the long term interest of all stakeholders of the company.

#### COMPOSITION OF THE BOARD OF DIRECTORS

As on 31<sup>st</sup> March, 2008 the Board of Vascon consists of Six Directors - One Managing Director and Two Non Executive Directors and Three Non-Executive Independent Directors.

The Table gives the composition of the Board and inter alia the outside directorships held by each of the directors.

Name	Position	Date of Joining	Directorship U/s 275 of the Companies Act, 1956 in other Public Limited Companies	Number of Committee Chairmanships/ Memberships held in other Public Limited Companies	
				Committees membership	Committees chairmanship
V. Mohan DIN NO : 00071517	Chairman & Independent Director	May 12,2007	5	NIL	1
R. Vasudevan DIN NO : 00013519	Managing Director	Jan 1,1986	NIL	NIL	NIL
Amar Lulla DINNO : 00026027	Non-Executive Director	Feb 17,2007	1	1	NIL
K. G. Krishnamurthy DIN NO : 00012579	Non-Executive Director	June 21,2006	5	2	NIL
Ameet Hariani DIN NO : 00087866	Independent Director	Sept 19,2007	3	NIL	NIL
R. Kannan DIN NO : 00017321	Independent Director	Sept 19,2007	NIL	NIL	NIL

### DIRECTORS' SHAREHOLDING IN THE COMPANY

Mr. R. Vasudevan holds 8454400 equity shares jointly with Mrs. Lalitha Vasudevan and 1600000 equity shares under his own name.

## REPORT ON CORPORATE GOVERNANCE (Continued)

### BOARD MEETINGS

The Board met eight times during the financial year 2007-08 on the following dates. The maximum time gap between two meetings was not more than four calendar months. These were held on May 9,2007( through tele conference), June 11,2007 (coinciding with last year's Annual General Meeting of the Shareholders) Sept 19,2007 (through tele conference),Oct 25,2007, Nov 3, 2007, Feb 1,2008, Mar 03,2008 (through tele conference) and Mar 08,2008.

#### Number of Board meetings and all attendance of directors during the financial year 2007-08.

Given in the table is the attendance record of the directors:-

	Number of Board Meetings Held	Number of meetings attended	Attendance at Last AGM
V. Mohan*	8	7	Yes
R. Vasudevan	8	8	Yes
Amar Lulla*	8	7	Yes
K. G. Krishnamurthy *	8	6	Yes
Ameet Hariani * <sup>s</sup>	8	2	No
R. Kannan * <sup>s</sup>	8	1	No

\*Were given leave of absence on request.

\$ Appointed as director in Sept,2007

### 3. COMMITTEES OF BOARD

The Company has Board Level Committees, namely:

1. Audit Committee,
2. Remuneration/Compensation Committee,
3. Shareholders' Grievance Committee.

#### 1. AUDIT COMMITTEE

Our Audit Committee was reconstituted on Sept 19,2007 and now comprises of four directors . They are:

Mr. V. Mohan ( Chairman & Independent Director )

Mr. Ameet Hariani ( Independent Director )

Mr. R. Kannan ( Independent Director )

Mr. R. Vasudevan ( Managing Director )

The Company Secretary acts as secretary to the Audit Committee.

During the year Audit Committee met on June 11,2007.

#### 2. REMUNERATION/COMPENSATION COMMITTEE

Our Remuneration/Compensation Committee was reconstituted on Sept 19, 2007 and now comprises of four directors .They are :

Mr. V. Mohan ( Chairman & Independent Director )

Mr. R. Kannan ( Independent Director )

Mr. Ameet Hariani ( Independent Director )

Mr. Amar Lulla ( Non-executive Director )

The details of remuneration paid/payable to the directors for the year ended March 31,2008 are as under:

Name of Director	Salary, Commission & Ex-gratia	Other perquisites	Contribution to PF	Sitting fees	Total
R. Vasudevan	53305167	780000	626400	nil	54711567
V. Mohan	nil	nil	nil	70000	70000
Amar Lulla	nil	nil	nil	70000	70000
K. G. Krishnamurthy	nil	nil	nil	60000	60000
Ameet Hariani	nil	nil	nil	20000	20000
R. Kannan	nil	nil	nil	10000	10000

During the year Remuneration/Compensation committee met on Oct 23,2007 .

## REPORT ON CORPORATE GOVERNANCE (Continued)

### 3. SHAREHOLDERS GRIEVANCE COMMITTEE

Our Shareholders Grievance Committee was constituted on Oct 23,2007 and comprises of three directors. They are:

1. Mr. Amar Lulla (Chairman & Non-executive Director)
2. Mr. R. Vasudevan (Managing Director)
3. Mr. K. G. Krishnamurthy (Non-executive Director)

During the year no Shareholders Grievance Committee meetings were held.

### 4. GENERAL SHAREHOLDER INFORMATION

1. 23rd Annual General Meeting

Date: 25<sup>th</sup> August, 2008

Time: 3.00 p.m.

Venue: The Conference Room of HDFC, HI-REF, 6th Floor, Raman House, HT Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai - 400 020

2. Last three Annual General Meetings

YEAR	DATE AND TIME	VENUE	SPECIAL RESOLUTION (S) PASSED
2004-05	Sept 29, 2005 at 4.30 P.M.	15/16, Hazari Baug, LBS Marg, Vikhroli (West) Mumbai 400 083	NIL
2005-06	Sept 28, 2006 at 4.30 P.M.	15/16, Hazari Baug, LBS Marg, Vikhroli (West) Mumbai 400 083	NIL
2006-07	June 11, 2007 at 12.00 Noon	The Conference Room of HDFC HI-REF, 6th Floor, Raman House, HT Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020	1.Ammendement of Memorandum of Association on Increase in Authorised Capital of the Company. 2.Further issue of shares u/s 81(1A) of the Companies Act, 1956. 3.Adoption of the new set of Articles of Association of the Company.

All special resolutions in the Annual General Meeting held in 2007 were passed through show of hands. There is no proposal to conduct postal ballot for any matter in ensuing Annual General Meeting.

3. Financial Results on company's Website:

The annual results of the company are displayed on its website [www.vascon.com](http://www.vascon.com). Presentation to analysts, as and when made, are immediately placed on the website for the benefit of the shareholders and public at large.

#### Contact Information

##### Registered Office:

15/16, Hazari Baug, LBS Marg,  
Vikhroli (West), Mumbai 400 083  
Tel: +91-22-25781143/25787419

##### Corporate Office

201, 'Phoenix', Bund Garden Road, Pune 411 001  
Tel: +91-20-26128336  
Fax: +91-20-26131071  
email: [corporate@vascon.com](mailto:corporate@vascon.com)

##### Compliance Officer

M Krishnamurthi, Company Secretary  
Tel: +91-20-26128336  
Fax: +91-20-26131071  
email: [mk\\_murthi@vascon.com](mailto:mk_murthi@vascon.com)

**Website:** [www.vascon.com](http://www.vascon.com)

## DIRECTORS' REPORT

Dear Members,

We are delighted to present our 23rd Annual Report on the business and operations of the company for the year ended 31<sup>st</sup> March, 2008.

### FINANCIAL RESULTS

Consolidated Figures of the company for the year are as follows:

	(Rs. In Crores)			
	March,08		March,07	
<b>Gross Receipts :</b>	<b>602.05</b>		<b>382.07</b>	
Profit before Interest and Depreciation		119.72		74.73
Less: Interest	15.95		3.72	
Depreciation	4.05	20.00	2.18	5.89
<b>Profit Before Tax</b>	<b>99.72</b>		<b>68.84</b>	
Less: Provision for Tax				
Current	36.60		19.25	
Fringe Benefit Tax	1.80		0.14	
Deferred Tax	-0.83	37.57	0.56	19.95
Expense/(Gain)				
<b>Profit After Tax</b>	<b>62.15</b>		<b>48.89</b>	
Prior Period Adjustment		0.79		-
Add/Less:				
Provision W Back/ Off		0.95		0.24
<b>Surplus for the year carried to Balance Sheet</b>	<b>63.89</b>		<b>49.14</b>	

### BUSINESS PROSPECTS

During the year, the Company achieved a 59.61 % percent growth in sales and a 27.12% jump in net profit, compared to the previous year.

The Company continued its strategy of expanding across the nation. During the financial year, new projects were initiated in Baddi, Amritsar, Chandigarh, Ahmedabad, Indore, Nasik, Aurangabad, Mumbai, Hyderabad, Belgaum, Goa, Coimbatore.

The Company kept up its efforts to strengthen the team and to better equip all employees to meet their career goals while sustaining the Company's momentum. The organisation structure was rationalised and new training programmes were put in place to enable multi-faceted growth.

The Company is confident that its strategy of diversified growth, coupled with the dedication and hard work of its team members will enable it to ride the ups and downs of the economy and emerge in a better position to exploit opportunities in the future.

### AWARDS AND RECOGNITION

During the year our company received various awards and recognition, significant amongst which are the follows:

- Architects, Engineers and Surveyor's Association Award (AESAs) for Vascon Weikfield IT CITI Info Park and Symbiosis Campus in 2008.
- Cityscape India Award for Zircon, Off Nagar Road, Pune for the year 2007.
- Zircon Award for Zircon residential project of Vascon has won the "Artists in Concrete Awards 2007" in two categories - for "Space Planning" and for "Natural Resources Utilisation"

### DIVIDEND

In view of plough back of profit for future growth of the company, we do not recommend any dividend for the year under review .

### CHANGE IN CAPITAL

#### AUTHORISED CAPITAL

Pursuant to the resolution passed by the Members at Annual General Meeting of the company held on June 11, 2007 the Authorised Capital of the company was reclassified and increased from Rs. 70 Crores (Rupees Seventy Crores Only) divided into 5,00,00,000 (Five Crores ) equity shares of Rs. 10/- each and 20,00,000 (Twenty Lac) redeemable preference shares of Rs. 100/- to Rs. 100,00,00,000/- divided 10,00,00,000 (Ten Crores) equity shares of Rs. 10/- each.

#### ISSUE OF BONUS SHARES AND CHANGE IN PAID UP SHARE CAPITAL

Pursuant to the resolution passed by the Members at Annual General Meeting of the company held on June 11, 2007, Bonus shares were allotted in the ratio of one equity share for every equity share held (1:1). Due to this , the paid up capital of the company increased from Rs. 354,823,530/- to Rs. 709,647,060/-. The number of paid up equity shares of Rs. 10/- each increased from 35,482,353 to 70,964,706. On Oct 25, 2007 the company allotted 16,50,000 equity shares of Rs. 10/- each under ESOS Scheme of the company increasing the paid up capital to Rs.726,147,060/- consisting of 72,614,706 equity shares of Rs. 10/- each.

#### PARTICULARS REGARDING EMPLOYEES

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 are given in the annexed statement.

#### SUBSIDIARY COMPANIES

The companies had 8 subsidiaries at the beginning of the year. During the year company set up/ acquired two new subsidiaries which are Greystone Premises Pvt Ltd and Vascon Pricol Infrastructures Ltd. Cosmos Premises Pvt Ltd ceased to be a subsidiary of the company due to sale of shares to Royal Orchids Hotels Ltd. Following this action, the company has 9 subsidiaries as on 31<sup>st</sup> March, 2008.

The Ministry of Company Affairs vide its letter No 47/102/2008-CL-III dt 25th March, 2008 granted approval to the company for not attaching copies of the Balance Sheet and Profit and loss Account , directors' Report and Auditor's Report of the subsidiary companies for the year 2007-08. However , on request by any member of the company/ statutory authority interested in obtaining them, these documents will be made available for examination , at its corporate office. As per condition no (i) of the above said letter , consolidated financial statements duly audited by the statutory auditors is enclosed with the statement of summarized financial of all the subsidiaries.



## DIRECTORS' REPORT (Continued)

### DIRECTORS

#### APPOINTMENT

Mr. R Kannan and Mr. Ameet Hariani were inducted as independent additional directors on the Board of the company on Sept 19, 2007. They will hold this office up to the conclusion of the ensuing Annual General Meeting of the company. The requisite notices have been received from members, pursuant to section 257 of the Companies Act, 1956 proposing their appointment. It is proposed to appoint them as directors of the company liable to retire by rotation.

#### RETIREMENT BY ROTATION

Mr. Amar Lulla retires by rotation and being eligible has offer himself for re-appointment. We propose to re-appoint Mr. Amar Lulla as director of the company at the ensuring Annual General Meeting.

The brief resume/details relating to directors, who are to be appointed/re-appointed has been furnished in the explanatory statement to the notice of the ensuing Annual General Meeting.

#### FIXED DEPOSIT

The company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding on the date of the balance sheet.

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

- 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 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 provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- \d) The annual accounts are prepared on a going concern basis.

### SOCIAL RESPONSIBILITY

Vascon is a construction company guided by mother nature and makes optimum use of the basic elements of Nature. Vascon believes man and nature should co-exist and created standards for eco-friendly homes maintaining prefect balance of nature.

Our company always made substantial contribution /donations for educational facilities through various organisations and this year is not exception , it has given donation to St. Pheonix School to provide facility of laboratory for its students. This year it has gone one step ahead and formed its own trust under name "VASCON MOORTHY FOUNDATION" to assist poor people living below the poverty line in educating their children, look after their healthcare and assist to lead a normal life. Initially things are starting with various projects of the company through its labours and their children which are normally not covered under any scheme. Our company in addition to education & health has also promoted different cultural and sport activities.

### AUDITOR

Anand Mehta & Associates , auditors, retire at the forthcoming Annual General Meeting and being eligible, seek reappointment. We recommend their re-appointment.

### ACKNOWLEDGMENT

We thank our bankers, customers and vendors for their continued support to our company's growth. We place on record our appreciation of the contributions 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.

Mumbai,  
23<sup>rd</sup> May, 2008

On Behalf of the  
Board of Directors

V. Mohan  
Chairman



## ANNEXURE TO DIRECTORS' REPORT

### Annexure-1

#### 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 the Board of Directors) Rules, 1988, our company is not covered by the Schedule of Industries which are required to furnish the information in Form-A.

Our company has not imported any technology or other items, or carried on the business of export or import. Therefore, the disclosure requirements against technology absorption are not applicable to the Company.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

	2008-07 (Rs.)	2007-06 (Rs.)
Foreign exchange earnings	182,689,896	-
Expenditure in foreign exchange	24,053,999	25,136,525

Mumbai,  
23<sup>rd</sup> May, 2008

On Behalf of the  
Board of Directors

**V. Mohan**  
Chairman



## ANNEXURE TO DIRECTORS' REPORT (Continued)

### Annexure-2

Pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are as under:-

NAME	AGE	GROSS	QUALIFICATION	EXPERIENCE	DATE OF JOINING	PREVIOUS EMPLOYMENT
Mr. R. Vasudevan	55	54,711,567	B.E.Civil	31	1-Jan-86	Cipla Ltd
Mr. M. Krishnamurthi	48	4,122,341	B.com, A.C.A., ACS,BGL, ACMA	23	19-Jul-05	Apollo Hospitals
Mr. S. P Nair	42	5,581,692	B.COM., DBM	23	1-Jan-06	Conamore Resorts Pvt Ltd
Mr. M.T. Badshah	44	2,926,058	B.COM.	23	22-May-89	Fluid Controls Pvt Ltd
Mr. Sudhakar Shetty	54	2,240,846	B.COM.	19	24-Jan-89	Blue Steel Engineers Ltd
Mr. C. V. Shah	46	6,120,988	B.E.Civil	26	10-Jan-00	Alcon Builders Pvt Ltd
Mr. P. S. Padgaonkar	50	4,281,692	B.E.Civil	28	17-Oct-88	Hindustan Ciba-Geigy Ltd
Mr. Kumar Krishnan	50	5,966,904	B.E.Civil	27	4-Jan-95	Mansoor Associates
Mr. D. Santhanam	45	4,781,692	B.com, A.C.A.	24	16-Jan-89	LIC OF INDIA
Mr. T.V. Jagdale	41	2,726,058	L.C. & S.E.	24	1-Jan-90	Shapoorji Pallonji & Co Ltd
Mr. J. K. Patoli	44	1,855,635	D.C.E.	25	16-Dec-88	Cipla Ltd

### Employed for the part of the year:

Mr. Santosh Sundarajan	31	2,659,839	BE, MBA, PHD	10	1-Oct-07	Buro Engineers Pte Ltd
Mr. Virendra Jain	34	2,048,447	B.ARCH. & MS in Facilities Management	12	1-Oct-07	Thornton & Tomaseti Group Inc, NY
Mr. Karunakar Panda	42	862,220	BA, MBA	17	24-Aug-07	Sumi Motherson Infotech & Designs Ltd

- Note:
1. All the above employments are contractual in nature.
  2. None of the employees are relatives within the meaning of Section 6 of the Companies Act, 1956.
  3. None of the employees in their capacity owns equivalent to or more than 2% of the outstanding shares of the company as on March 31, 2008.

**Mumbai,**  
23<sup>rd</sup> May, 2008

On Behalf of the  
Board of Directors

**V. Mohan**  
Chairman

## AUDITORS' REPORT

The Members of  
VASCON ENGINEERS LIMITED

We have audited the attached Balance Sheet of the above company as at 31st March, 2008, 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.

1 As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Sec. 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 paragraph 4 and 5 of the said order to the extent applicable to the company.

2 Further to our comments in the annexure referred to in paragraph 1 above:

- 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 Accounts as required by the law have been kept by the Company so far as it appears from examination of such books.
  - c. The Balance Sheet and Profit and Loss Account and Cash Flow Statement referred in this report are in agreement with the Books of Account.
  - d. 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.
  - e. 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.
  - f. In our opinion and to the best of our information and according to the explanations given to us, 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.
- I. In so far as it relates to the Balance Sheet, of the State of affairs of the company as on 31st March, 2008
  - II. 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
  - III. 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*

**Kusai Goawala**  
*Partner*  
Membership No. 39062  
Mumbai : Dated 23<sup>rd</sup> May, 2008

## AUDITORS' REPORT (Continued)

Annexure referred to in Paragraph 3 of the Auditor's report to the share holders of the Vascon Engineers Ltd., on the accounts for the year ended 31st March 2008.

### I)

- The company is maintaining proper records showing full particulars, including the quantitative details and situation of fixed assets.
- 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.
- 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 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.
- 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.
- 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)

- 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.

	Cur. Yr.	Prev. Yr.		Cur. Yr.	Prev. Yr.
No. of Parties	-	4	Amt. Involved Rs..	-	72,427,231

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

	Cur. Yr.	Prev. Yr.		Cur. Yr.	Prev. Yr.
No. of Parties	2	4	Amt. Involved Rs.	1,010,000,000	13,970,000

- 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.
- 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)

- 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)

- According to the information and explanation 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.
- In our opinion and according to information and explanation 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.

## AUDITORS' REPORT (Continued)

### 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 are applicable. According to the information and explanation given to us, no order has been passed by Company Law Board or the National Company Law Tribunal or any Court or any other Tribunal in regard to the above provisions.

### 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 was no arrears of any statutory dues which were outstanding as on 31st March, 2008 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	Cur. Yr.	Prev. Yr.
1	Income tax	Income tax Appellate Tribunal	0.00	6768000.00

### X)

a) In our opinion, the company is not having 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)

D)

a) According to the explanation 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.

### XIII)

a) In our opinion the company is not a Chit fund or niche or mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are 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 bank 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 Bank and/or financial institutions have been applied for the purpose for which the same has been availed.



## AUDITORS' REPORT (Continued)

### 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, except shares allotted under ESOS Scheme, made by the company during the year to the parties and/or companies covered in the Register maintained under section 301 of the Companies Act, 1956. Such shares allotted under ESOS Scheme is not considered as prejudicial to the interest as the same are allotted pursuant to the Scheme prepared as per the guidelines prescribed by ICAI and duly approved by the shareholders of the Company.

### 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**

KUSAI GOAWALA

*partner*

MEMBERSHIP NO. 39062

MUMBAI : Dated 23<sup>rd</sup> May, 2008



## Balance Sheet As At 31st March 2008.

Amount In Rupees

PARTICULARS	SCH.NO.	MARCH 2008		MARCH 2007	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>1) SHARE HOLDERS FUND :</b>					
a) Capital	1	726,147,060		354,823,530	
b) Reserves & Surplus	2	<u>2,398,560,062</u>		<u>2,048,591,149</u>	
			3,124,707,122		2,403,414,679
<b>2) LOANS FUNDS :</b>					
a) Secured Loans	3	80,805,496		131,339,065	
b) Unsecured Loans	4	<u>2,494,553,554</u>		<u>465,471,833</u>	
			2,575,359,050		596,810,898
			<u><u>5,700,066,172</u></u>		<u><u>3,000,225,577</u></u>
<b>APPLICATION OF FUNDS</b>					
<b>1) FIXED ASSETS</b>					
a) Gross Block	5	516,009,164		314,115,848	
b) Less : Depreciation		<u>124,985,223</u>		<u>85,448,186</u>	
		391,023,941		228,667,662	
c) Capital Work in Progress		<u>12,452,108</u>		<u>3,239,893</u>	
d) Net Block			403,476,049		231,907,555
<b>2) INVESTMENTS</b>					
	6		1,115,647,637		534,378,983
<b>3) DEFERRED TAX ASSET/(LIABILITY)</b>					
(Note No. 11)			2,154,646		(15,903,405)
<b>4) CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
a) Inventories	7	499,523,045		574,019,951	
b) Sundry Debtors	8	2,300,868,295		1,557,076,509	
c) Other Currents Assets	9	87,166,445		123,379,672	
d) Cash & Bank Balances	10	490,402,710		56,667,303	
e) Loans & Advances	11	<u>2,787,029,124</u>		<u>1,563,761,390</u>	
		6,164,989,619		3,874,904,825	
<b>LESS :- CURRENT LIABILITIES &amp; PROVISIONS</b>					
a) Current Liabilities	12	1,330,727,525		1,286,326,508	
b) Provisions	13	<u>655,474,254</u>		<u>338,735,873</u>	
		1,986,201,779		1,625,062,381	
			4,178,787,841		2,249,842,444
<b>5) MISCELLANEOUS EXPENDITURE</b>					
(To the extent not written off or adjusted)			-		-
			<u><u>5,700,066,172</u></u>		<u><u>3,000,225,577</u></u>
Notes To Accounts :	21				

AS PER OUR REPORT OF EVEN DATE  
 For Anand Mehta & Associates  
 CHARTERED ACCOUNTANTS  
 KUSAI GOAWALA  
 Partner  
 MEMBERSHIP NO. 39062  
 MUMBAI : Dated 23<sup>rd</sup> May, 2008

FOR VASCON ENGINEERS LIMITED  
 MANAGING DIRECTOR  
 DIRECTOR  
 COMPANY SECRETARY  
 MUMBAI : Dated 23<sup>rd</sup> May, 2008



## Profit and Loss Account for the year ended 31st March 2008

Amount In Rupees

PARTICULARS	SCH.NO.	MARCH 2008		MARCH 2007	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Work / Sales	14		6,032,357,422.60		3,726,189,346
Less : Value Added Tax Collected		(139,115,894)		(50,369,249)	
Service Tax Collected		(125,536,770)	(264,652,664.00)	(62,286,224)	(112,655,473)
Work / Sales (Net)			5,767,704,759		3,613,533,873
Other Operating Income	15		135,809,793		164,517,791
Interest Earned			58,909,761		8,851,649
[TDS Rs. 1,10,69,469/- (Rs.18,86,400/-) ]					
Other Income	16		58,026,172		33,843,179
			<b>6,020,450,485</b>		<b>3,820,746,492</b>
<b>EXPENDITURE</b>					
Cost Of Sale / Work	17	4,216,188,092		2,837,597,647	
Employees Remuneration & Welfare Expenses	18	299,612,903		108,022,155	
Office & Establishment Expenses	19	307,485,660		127,820,252	
Finance Cost	20	159,511,239		37,182,740	
Depreciation	5	40,480,704		21,762,971	
			<b>5,023,278,598</b>		<b>3,132,385,765</b>
<b>Profit Before Taxation</b>			<b>997,171,887</b>		<b>688,360,727</b>
Less : Provision For Taxation					
Current		366,000,000		192,500,000	
Fringe Benefit Tax		17,963,201		1,379,124	
Deferred tax expenses / (gain)		(8,278,456)		5,568,154	
			375,684,745		199,447,278
<b>Profit after Tax</b>			<b>621,487,142</b>		<b>488,913,449</b>
<b>Prior Year Adjustments</b>			7,940,324		-
Excess/(Short) Provision W/Back / (Off)			9,479,732		2,444,173
<b>SURPLUS FOR THE YEAR CARRIED TO BALANCE SHEET</b>			<b>638,907,198</b>		<b>491,357,622</b>

### Earning Per Share (Equity shares, par value of Rs 10/- each)

Basic Earning per share ( Refer Note No. 25 of Schedule 21)	8.71	7.06
Diluted Earning per share ( Refer Note No. 25 of Schedule 21)	8.70	7.06

### Notes to Accounts

21

AS PER OUR REPORT OF EVEN DATE

For Anand Mehta & Associates  
CHARTERED ACCOUNTANTS

KUSAI GOAWALA

Partner

MEMBERSHIP NO. 39062

MUMBAI : Dated 23<sup>rd</sup> May, 2008

FOR VASCON ENGINEERS LIMITED

MANAGING DIRECTOR

DIRECTOR

COMPANY SECRETARY

MUMBAI : Dated 23<sup>rd</sup> May, 2008

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2008

PARTICULARS	MARCH 2008		MARCH 2007	
	Rs.	Rs.	Rs.	Rs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before Tax</b>		997,171,887		688,360,727
Adjustments to reconcile profit before tax to cash provided by operating activities				
Add:				
Depreciation	40,480,704		21,762,971	
Amortisation/ excess short prov. w/back	9,479,732		2,398,341	
Interest paid	137,154,658		37,182,740	
Dividend Income	(7,497,007)		(7,980,877)	
Employee Compensation Expenses (ESOS)	65,885,245		-	
Interest income	(58,909,761)		(8,851,649)	
Provision for Doubtful Debt	44,176,977		2,402,229	
(Profit)/Loss on Sale of Assets	(154,873)		(21,310,760)	
(Profit)/Loss on Sale of Investments	(44,951,920)		(525,809)	
		<u>185,663,755</u>		<u>25,077,186</u>
		1,182,835,642		713,437,913
Income Taxes paid during the year	(443,500,515)		(143,527,729)	
Fringe Benefit Tax	(17,963,201)		(1,379,124)	
Prior Year Income /(expenses)	7,940,324		-	
<u>Changes in current assets and liabilities</u>				
Decrease / (Increase) in Inventories	74,496,906		367,522,628	
Decrease / (Increase) in Sundry Debtors	(787,968,763)		(1,008,497,315)	
Decrease / (Increase) in Other Current Assets	36,213,227		(384,136,418)	
Decrease / (Increase) in Loans and Advances	(779,767,219)		(559,909,707)	
Increase / (Decrease) in Current Liabilities and Provisions	(14,640,197)		729,192,316	
<b>A. NET CASH GENERATED BY OPERATING ACTIVITIES</b>		<u><b>(742,353,796)</b></u>		<u><b>(287,297,436)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase / (Decrease) in Share Capital		16,500,000		1,384,500,000
Increase / (Decrease) in Secured Loans		(50,533,569)		(402,675,860)
Increase / (Decrease) in Unsecured Loans		2,029,081,721		(169,833,484)
Dividend Paid		-		-
Dividend Tax paid		-		-
Interest income		58,909,761		8,851,649
Interest paid		(137,154,658)		(37,182,740)
<b>B. NET CASH GENERATED (USED) IN FINANCING ACTIVITIES</b>		<u><b>1,916,803,255</b></u>		<u><b>783,659,566</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets		(212,159,324)		(103,214,111)
Dividend Income		7,497,007		7,980,877
Proceeds on Disposal of fixed assets		264,999		44,117,056
Proceeds on Disposal of Securities/investments		46,981,920		2,675,809
Long Term investments in securities		(583,298,653)		(483,776,190)
<b>C. NET CASH (USED) IN INVESTING ACTIVITIES</b>		<u><b>(740,714,051)</b></u>		<u><b>(532,216,560)</b></u>
<b>D. NET CASH INFLOW (OUTFLOW) (A+B+C)</b>		<u><b>433,735,407</b></u>		<u><b>(35,854,430)</b></u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		56,667,303		92,521,733
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>490,402,710</u>		<u>56,667,303</u>
Net (decrease) / increase in cash and cash equivalents during the period		<u><b>433,735,407</b></u>		<u><b>(35,854,430)</b></u>

**AS PER OUR REPORT OF EVEN DATE**  
**For Anand Mehta & Associates**  
**CHARTERED ACCOUNTANTS**  
**KUSAI GOAWALA**

*Partner*

MEMBERSHIP NO. 39062

MUMBAI : Dated 23<sup>rd</sup> May, 2008

**FOR VASCON ENGINEERS LIMITED**

**MANAGING DIRECTOR**

**DIRECTOR**

**COMPANY SECRETARY**

MUMBAI : Dated 23<sup>rd</sup> May, 2008

# Ongoing Projects

Holiday Inn, Pune



E-Park, Kharadi



Neelkanth Palacia, Vidyavihar, Mumbai





Fashion Technology Park, Chandigarh



V-Tech (ITZ) Sanathal, Ahmedabad



Ruby Mills, Dadar, Mumbai



## SCHEDULES FORMING PART OF ACCOUNTS

Amount In Rupees

PARTICULARS	MARCH-08	MARCH-07
<b>SCHEDULE NO. 1</b>		
<b><u>SHARE CAPITAL</u></b>		
<b>AUTHORISED</b>		
100,000,000 (50,000,000 ) EQUITY SHARES OF RS. 10/- EACH.	1,000,000,000	500,000,000
Nil (2,000,000 ) PREFERENCE SHARES OF RS. 100/- EACH.	-	200,000,000
	1,000,000,000	700,000,000
<b>ISSUED AND SUBSCRIBED</b>		
72,614,706 (35,482,353) EQUITY SHARES OF RS.10/- EACH FULLY PAID-UP	726,147,060	354,823,530
	726,147,060	354,823,530
<i>Out Of The Above:</i>		
<i>35,482,353 (20,140,000) Equity Shares of Rs.10/- each are Allotted As Fully Paid-Up By Way of Bonus Shares by Capitalising Free Reserves of the Company.</i>		
<i>16,50,000 (Nil) Equity Shares of Rs.10/- each are Allotted As Fully Paid-Up to Employees of the Company Pursuant to the Employee Stock Option Scheme 2007.</i>		
<hr/>		
<b>SCHEDULE NO. 2</b>		
<b><u>RESERVE &amp; SURPLUS</u></b>		
<b>SHARE PREMIUM ACCOUNT</b>		
BALANCE AT THE COMMENCEMENT	1,331,276,470	-
ADD: RECEIVED DURING THE YEAR	61,726,500	1,331,276,470
	1,393,002,970	1,331,276,470
<b>GENERAL RESERVE</b>		
BALANCE AT THE COMMENCEMENT	37,553,366	37,553,366
LESS : CAPITALISATION OF PROFITS BY WAY OF BONUS SHARES	37,553,366	-
	0	37,553,366
<b>EMPLOYEE STOCK OPTIONS</b>		
BALANCE AT THE COMMENCEMENT	-	-
ADD: OPTIONS GRANTED DURING THE YEAR	74,202,735	-
LESS:- TRANSFERRED TO SECURITIES PREMIUM ON EXERCISE OF OPTIONS	(61,726,500)	-
	12,476,235	-
LESS : DEFERRED EMPLOYEE COMPENSATION	(8,317,490)	-
	4,158,745	-
<b>PROFIT &amp; LOSS A/C</b>		
<i>(As per annexed Profit and Loss Account)</i>		
BALANCE BROUGHT FORWARD	679,761,313	188,403,691
LESS : CAPITALISATION OF PROFITS BY WAY OF BONUS SHARE	317,270,164	-
	362,491,149	188,403,691
ADD : PROFIT TRANSFERRED FROM PROFIT AND LOSS ACCOUNT	638,907,198	491,357,622
	1,001,398,347	679,761,313
	<b>2,398,560,062</b>	<b>2,048,591,149</b>

## SCHEDULES FORMING PART OF ACCOUNTS (Continued)

PARTICULARS	Amount In Rupees	
	MARCH-08	MARCH-07
<b>SCHEDULE NO. 3</b>		
<b><u>SECURED LOANS</u></b>		
	<i>Note</i>	
TERM LOANS FROM FINANCIAL INSTITUTIONS/BANKS	1	72,282,661
CASH CREDIT FROM BANKS	2	8,522,835
		<u>80,805,496</u>
		<u>20,253,893</u>
		<u>111,085,172</u>
		<u>131,339,065</u>

- The above term loans are secured against the hypothecation of vehicles/assets financed by financier.
- Cash credit from banks is 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 FINANCIAL INSTITUTIONS/BANKS*	230,000,000	-
FROM COMPANIES	2,216,750,650	424,923,249
SECURITY DEPOSITS & ADVANCES	47,802,904	40,548,584
	<u>2,494,553,554</u>	<u>465,471,833</u>

\*Loan against the personal guarantee of Managing Director.

### **SCHEDULE NO. 6** **INVESTMENTS**

#### ***INVESTMENTS - LONG TERM***

TRADE :-	<u>Nil</u>	<u>Nil</u>
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#### **OTHERS :-** **QUOTED**

CORPORATION BANK LTD 200 (200) Equity Shares of Rs.10/- Each fully paid.	16,000	16,000
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\*\* Aggregate Market Value Of Quoted Investments  
Rs.56610/- ( Rs.76660/-)

<u>16,000</u>	<u>16,000</u>
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#### **UNQUOTED :-** **SHARES**

Investment in Subsidiaries		
MARVEL HOUSING PVT. LTD. 1000 (1000) Equity Shares of Rs. 100/= Each Fully Paid	100,000	100,000
IT CITI INFO PARK PVT. LTD. 10000 (10000)Equity Shares of Rs. 10/= Each Fully Paid	100,000	100,000
CALYPSO PREMISES PVT. LTD. 9459000 (9459000) Equity Shares of Rs. 10/= Each Fully Paid	94,590,000	94,590,000
VASCON DWELLINGS PVT. LTD. 10000 (10000) Equity Shares of Rs. 10/= Each Fully Paid	100,000	100,000

## SCHEDULES FORMING PART OF ACCOUNTS (Continued)

PARTICULARS	Amount In Rupees	
	MARCH-08	MARCH-07
GREYSTONE PREMISES PVT LTD 6500 (NIL) Equity Shares of Rs. 10/= Each Fully Paid	65,000	-
ROSE PREMISES PVT. LTD. 4000000 (4000000) Equity Shares of Rs. 10/= Each Fully Paid	40,000,000	40,000,000
FLORIANA PROPERTIES PVT. LTD. 7000 (7000) Equity Shares of Rs. 10/= Each Fully Paid	70,000	70,000
WIND FLOWER PROPERTIES PVT. LTD. 10000 (10000) Equity Shares of Rs. 10/= Each Fully Paid	100,000	100,000
VASCON PRICOL INFRASTRUCTURES LTD. 4970000 (Nil)Equity Shares of Rs. 10/= Each Fully Paid	49,700,000	-
	<b>184,825,000</b>	<b>135,060,000</b>
<b><i>Investment in Other Shares</i></b>		
THE SARASWAT CO-OP BANK LTD 1000(1000) Equity Shares Of Rs.10/- Each Fully Paid	10,000	10,000
MEDISPRAY LABORATORIES PVT. LTD. Nil (3000) Equity Shares of Rs.10/- fully paid.	-	30,000
SAHYADRI HOSPITAL LIMITED 250000(250000) Equity Shares Of Rs.10/- Each Fully Paid	2,500,000	2,500,000
PROMO BUILDERS PVT. LTD. 100000 (100000) Equity Shares of Rs. 1/= Each Fully Paid	100,000	100,000
CORE FITNESS PVT. LTD. 150 (150) Equity Shares of Rs. 100/= Each Fully Paid	15,000	15,000
JUST HOMES INDIA PVT. LTD. 5000 (5000) Equity Shares of Rs. 10/= Each Fully Paid	50,000	50,000
MARIGOLD PREMISES PVT. LTD. 25000 (25000)Equity Shares of Rs. 10/= Each Fully Paid	419,672	419,672
COSMOS PREMISES PVT. LTD. 177401 (200000) Equity Shares of Rs. 10/= Each Fully Paid	36,890,610	3,500,000
ANGELICA PROPERTIES PVT. LTD. 4710000 (4220000) Equity Shares of Rs. 10/= Each Fully Paid	54,450,000	42,200,000
ANGELICA PROPERTIES PVT. LTD. 4020425 (2634375)Preference Shares of Rs. 10/= Each Fully Paid	249,920,000	168,600,000
SYRINGA PROPERTIES PVT. LTD. 5000 (5000) Equity Shares of Rs. 10/= Each Fully Paid	50,000	50,000
VIORICA PROPERTIES PVT. LTD. 1127500 (1127500) Equity Shares of Rs. 10/= Each Fully Paid	11,275,000	11,275,000
MUMBAI ESTATES PVT. LTD. 10000 (10000) Equity Shares of Rs. 10 /=- Each Fully Paid	100,000	100,000



## SCHEDULES FORMING PART OF ACCOUNTS (Continued)

PARTICULARS	Amount In Rupees	
	MARCH-08	MARCH-07
ASTER PREMISES PVT LTD 10000 (Nil) Equity Shares of Rs. 10/= Each Fully Paid	100,000	-
	<u>355,880,282</u>	<u>228,849,672</u>
<b>UNQUOTED :-PARTLY PAID - (Refer Note 3 (e) )</b>		
ALMET CORPORATION LTD 28824 (Nil) Equity Shares of Rs 100/- each	49,499,455	-
JOHN FOWLER OPHTHALMICS PVT. LTD 2269853 (Nil) Equity Shares of Rs 10/- each	88,524,267	-
MARATHAWADA REALTORS PVT LTD 19216 (Nil) Equity Shares of Rs 100/- each	60,746,580	-
	<u>198,770,302</u>	<u>-</u>
<b>MUTUAL FUNDS - EQUITY</b>		
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 NIL(39119.8) units of Rs.10/- each	-	400,000
ABN AMRO FUTURE LEADERS FUND-GROWTH Nil( 50000)units of Rs.10/- each	-	500,000
FEDILITY INDIA SPECIAL SITUATION FUND 19559.902 (19559.902)units of Rs.10/- each	200,000	200,000
SILD SUNDARAM BNP PARIBAS INDIA LEADERSHIP FUND-DIVIDEND Nil (40682.489)units of Rs.10/- each	-	500,000
OPTIMIX ASSET ALLOCATOR MULTI MANAGER FOF SCH DIVIDEND Nil (58536.5854)units of Rs.10/- each	-	600,000
JP MORGAN INDIA EQUITY FUND 29339.853(Nil)Units of Rs 10/-	300,000	-
ICICI PRUDENTIAL FUND 21895.067(Nil) Units of Rs 10/-	357,754	-
STANDARD CHARTERED PERMIER EQUITY FUND 33581.839(Nil) Units of Rs 10/-	600,000	-
ABN AMRO CHINA FUND 63414.634(Nil) Units of Rs 10/-	650,000	-
(Aggregate Net asset value of Mutual Funds Rs. 43,66,131/-(48,83,727/- )	<u>3,857,754</u>	<u>3,950,000</u>

## SCHEDULES FORMING PART OF ACCOUNTS (Continued)

PARTICULARS	Amount In Rupees	
	MARCH-08	MARCH-07
<b>MUTUAL FUNDS - DEBT</b>		
RELIANCE LIQUID FUND NIL(1992427.228 ) units of Rs. 10/- each	-	20,053,386
RELIANCE LIQUID PLUS - NIL(100215.934)units of Rs. 10/- each	-	100,243,248
HSBC LIQUID PLUS NIL(38386.890) units of Rs. 10/- each	-	383,884
(Aggregate Net asset value of Mutual Funds Rs. Nil (120,712,037 /-)	-	120,680,518
<b>OTHERS</b>		
IMMOVABLE PROPERTIES	595,913	595,913
CAPITAL INVESTMENT in partnership concerns & Joint Ventures	45,781,070	45,200,880
	<b>46,376,983</b>	<b>45,796,793</b>
<b>INVESTMENTS - CURRENT</b>		
<b>UNQUOTED :-</b>		
ASCENT HOTELS PVT. LTD. 902600 (2600)Equity Shares of Rs. 10/= Each Fully Paid	211,701,680	26,000
N.V PROJECTS PVT LTD 1290000 (Nil) Equity Shares of Rs 100/= Each Fully Paid	32,250,000	-
N.V PROJECTS PVT LTD 379700 (Nil) Preference Shares of Rs 100/= Each Fully Paid	81,969,636	-
	<b>325,921,316</b>	<b>26,000</b>
	<b>1,115,647,637</b>	<b>534,378,983</b>

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

### SCHEDULE NO. 7

#### INVENTORIES

#### STOCK AT CLOSE :-

BUILDING MATERIALS/TOOLS	148,511,981	42,790,219
DEVELOPMENTS	350,943,022	511,584,998
STOCK FOR RESALE	68,042	19,644,734
	<b>499,523,045</b>	<b>574,019,951</b>

\* As Valued, Verified And Certified By Managing Director At Cost Or Net Realisable Value Whichever Is Lower.

## SCHEDULES FORMING PART OF ACCOUNTS (Continued)

PARTICULARS	Amount In Rupees	
	MARCH-08	MARCH-07
<b>SCHEDULE NO. 8</b>		
<b><u>SUNDRY DEBTORS</u></b>		
(Unsecured Considered Good, Unless Otherwise Stated)		
A) OUTSTANDING FOR PERIOD EXCEEDING SIX MONTHS		
CONSIDERED GOOD	1,187,623,367	261,802,102
CONSIDERED DOUBTFUL	45,579,206	2,402,229
	<u>1,233,202,573</u>	<u>264,204,331</u>
B) OTHERS - CONSIDERED GOOD	1,113,244,928	1,295,274,407
	<u>2,346,447,501</u>	<u>1,559,478,738</u>
ADD / (LESS) : RESERVE FOR DOUBTFUL DEBTS	(45,579,206)	(2,402,229)
	<u><u>2,300,868,295</u></u>	<u><u>1,557,076,509</u></u>

### SCHEDULE NO. 9

#### **OTHER CURRENT ASSETS**

(Refer Note 1.7.1)

UNBILLED CONTRACT REVENUE	87,166,445	123,379,672
	<u>87,166,445</u>	<u>123,379,672</u>

### SCHEDULE NO. 10

#### **CASH & BANK BALANCES**

CASH ON HAND	15,137,626	6,880,369
BALANCES WITH SCHEDULED BANKS IN CURRENT A/C'S	368,504,555	39,724,566
BALANCES WITH SCHEDULED BANKS IN DEPOSIT A/C'S	106,760,529	10,062,368
	<u>490,402,710</u>	<u>56,667,303</u>

### SCHEDULE NO. 11

#### **LOANS & ADVANCES**

(Unsecured Considered Good Unless Otherwise Stated)

ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED

ADVANCE AGST. DEVELOPMENT / WORK PURCHASES	64,888,436	16,910,622
PROJECT ADVANCES	1,048,518,645	357,312,033
INTERCORPORATE DEPOSITS	662,620,811	508,994,220
BALANCE IN CURRENT ACCOUNT WITH PARTNERSHIP FIRMS	4,712,355	7,840,837
PREPAID EXPENSES	18,975,330	25,666,029
DEPOSITS (Includes Rs. 10,00,000/- (Rs. Nil/-) doubtful of Recovery)	112,449,350	47,749,949
ADVANCE PAYMENT OF INCOME TAX & TDS	662,818,126	263,325,611
OTHER RECOVERABLES & RECEIVABLES	213,046,071	335,962,089
	<u>2,788,029,124</u>	<u>1,563,761,390</u>
ADD / (LESS) : RESERVE FOR DOUBTFUL LOANS & ADVANCES	(1,000,000)	-
	<u><u>2,787,029,124</u></u>	<u><u>1,563,761,390</u></u>

## SCHEDULES FORMING PART OF ACCOUNTS (Continued)

PARTICULARS	Amount In Rupees	
	MARCH-08	MARCH-07
<b>SCHEDULE NO. 12</b>		
<b><u>CURRENT LIABILITIES</u></b>		
SUNDRY CREDITORS	582,468,952	681,166,868
ADVANCE PAYMENT RECEIVED	427,795,790	528,819,700
O/D BALANCE IN CURRENT A/C WITH SCH.BANK	5,673,898	10,700
OTHER LIABILITIES	314,788,885	76,329,240
	<b>1,330,727,525</b>	<b>1,286,326,508</b>
<b>SCHEDULE NO. 13</b>		
<b><u>PROVISIONS</u></b>		
FOR TAXATION	650,367,200	328,375,200
FOR PROVISION FOR UNAPPROVED SALES (Refer Note 1.7.1)	5,107,054	10,360,673
	<b>655,474,254</b>	<b>338,735,873</b>
<b>SCHEDULE NO. 14</b>		
<b><u>WORK/ SALES</u></b>		
WORK / SALES ( Refer to Notes to Accounts )	5,926,940,423	3,642,503,322
TRADING SALES	141,630,227	39,607,783
LESS :- OPENING UNBILLED CONTRACT REVENUE	(123,379,672)	(79,301,431)
ADD :- CLOSING UNBILLED CONTRACT REVENUE	87,166,445	123,379,672
	<b>6,032,357,423</b>	<b>3,726,189,346</b>
<b>SCHEDULE NO. 15</b>		
<b><u>OTHER OPERATING INCOME</u></b>		
PROJECT MANAGEMENT FEES	80,413,309.00	13,216,756
RENT EARNED	36,722,579.00	21,403,679
SHARE OF PROFIT/(LOSS) FROM AOP/FIRMS	18,673,904.79	129,897,356
	<b>135,809,793</b>	<b>164,517,791</b>
<b>SCHEDULE NO. 16</b>		
<b><u>OTHER INCOME</u></b>		
DIVIDEND INCOME	7,497,007	7,980,876
PROFIT ON SALE OF FIXED ASSETS	154,873	21,310,760
PROFIT ON SALE OF INVESTMENTS (NET)	44,951,920	525,809
MISCELLANEOUS INCOME	5,422,372	4,025,734
	<b>58,026,172</b>	<b>33,843,179</b>

## SCHEDULES FORMING PART OF ACCOUNTS (Continued)

PARTICULARS	Amount In Rupees	
	MARCH-08	MARCH-07
<b>SCHEDULE NO. 17</b>		
<b><u>COST OF SALES / WORK</u></b>		
MATERIAL & LABOUR CONSUMED		
OPENING INVENTORY :-		
BUILDING MATERIALS / TOOLS DEVELOPMENTS	42,790,219	19,861,723
GOODS FOR RESALE	511,584,998	913,830,981
	19,644,734	7,849,875
	<b>574,019,951</b>	<b>941,542,579</b>
ADD :-		
PURCHASE OF MATERIALS & LABOUR DURING THE YEAR	2,655,985,095	2,065,100,380
EXPENSES FOR DEVELOPMENT	1,488,423,272	410,980,853
ALLOCATION OF BORROWING	26,778,391	12,608,527
COST TO COST OF DEVELOPMENT	<b>4,171,186,758</b>	<b>2,488,689,760</b>
LESS :-		
MVAT / CENVAT / SERVICE TAX	29,495,572	18,614,741
INPUT CREDIT	<b>29,495,572</b>	<b>18,614,741</b>
LESS :- CLOSING INVENTORY :- *		
BUILDING MATERIALS / TOOLS DEVELOPMENTS	148,511,981	42,790,219
GOODS FOR RESALE	350,943,022	511,584,998
	68,042	19,644,734
	<b>499,523,045</b>	<b>574,019,951</b>
Total construction expenses transferred to profit & loss account	<b>4,216,188,092</b>	<b>2,837,597,647</b>

Including Borrowing Cost capitalised during the year amounting to Rs.26,778,391/- (Rs.12,608,527/-)

\* As Valued, Verified And Certified By The Managing Director



## SCHEDULES FORMING PART OF ACCOUNTS (Continued)

Amount In Rupees

PARTICULARS	MARCH-08	MARCH-07
<b>SCHEDULE NO. 18</b>		
<b><u>EMPLOYEES REMUNERATION &amp; WELFARE EXPENSES</u></b>		
A) REMUNERATION & OTHER BENEFITS TO DIRECTOR	52,508,167	18,511,232
B) SALARIES	108,538,234	46,886,623
C) BONUS/EXGRATIA	41,804,529	18,539,475
D) CONT. TO P.F. & OTHER FUNDS	6,656,190	3,405,651
E) WELFARE EXPENSES	24,220,537	20,679,174
F) EMPLOYEE COMPENSATION EXPENSES	65,885,245	-
	<b>299,612,903</b>	<b>108,022,155</b>

### **SCHEDULE NO. 19** **OFFICE & ESTABLISHMENT EXPENSES**

ADVERTISEMENT	5,806,965	4,188,299
BANK CHARGES	5,806,227	2,074,838
BROKERAGE / COMMISSION	46,006,880	1,622,420
CONVEYANCE	9,611,272	6,622,452
DONATIONS	5,213,941	1,816,355
ELECTRICITY CHARGES	4,320,393	1,599,801
INSURANCE	13,414,064	9,518,909
OTHER EXPENSES	13,378,611	7,142,924
PROVISION FOR DOUBTFUL DEBT & ADVANCES	44,176,977	2,402,229
POST, TELEPHONE & TELEGRAM	6,347,248	3,574,560
PRINTING & STATIONERY	6,594,156	3,509,622
RATES & TAXES	5,944,000	1,840,385
RENT/COMPENSATION	26,515,383	16,358,619
REPAIRS,RENOVATION & MAINTENANCE	5,349,851	4,835,408
SALES PROMOTION EXPENSES	9,137,985	4,268,927
TRAVELLING EXPENSES	8,802,252	4,723,150
SHARE ISSUE EXPENSES	2,300,010	1,384,500
SERVICE CHARGES/PROF FEES/RETAINERS	88,759,445	50,336,854
	<b>307,485,660</b>	<b>127,820,252</b>



## SCHEDULES FORMING PART OF ACCOUNTS (Continued)

PARTICULARS	Amount In Rupees	
	MARCH-08	MARCH-07
<b>SCHEDULE NO. 20</b>		
<b><u>FINANCE COST</u></b>		
<b>INTEREST ON</b>		
FIXED LOANS		
FROM FINANCIAL INSTITUTES/ BANKS	59,550,649	726,504
FROM OTHERS	102,964,253	35,237,292
	<u>162,514,902</u>	<u>35,963,796</u>
<b>OTHER LOANS</b>		
FROM BANKS	22,356,581	13,827,471
	<u>22,356,581</u>	<u>13,827,471</u>
<b>SUB TOTAL</b>	<b><u>184,871,483</u></b>	<b><u>49,791,267</u></b>
<b>PROCESSING CHARGES</b>	1,418,147	-
	<u>186,289,630</u>	<u>49,791,267</u>
LESS : BORROWING COST	26,778,391	12,608,527
TRANSFERRED TO DEVELOPMENT	<u>159,511,239</u>	<u>37,182,740</u>





## SCHEDULES FORMING PART OF ACCOUNTS (Continued)

FIXED ASSETS		Amount In Rupees									
GROSS BLOCK	DEPRECIATION					NET BLOCK					
S.NO	PARTICULARS	OPENING	ADDITION	DEDUCTION	CLOSING	OPENING	ADDITION	DEDUCTION	CLOSING	MARCH 2008	MARCH 2007
<b>(A) TANGIBLE ASSETS</b>											
1.	LEASEHOLD LAND	1,678,245	-	-	1,678,245	115,321	31,258	-	146,579	1,531,666	1,562,924
2.	LAND	698,385	-	-	698,385	-	-	-	698,385	698,385	698,385
2.	PREMISES *	113,722,718	60,475,500	-	174,198,218	27,063,462	4,332,963	-	31,396,425	142,801,793	86,659,256
3.	PLANT & MACHINERY	116,888,755	112,670,360	-	229,559,115	23,803,374	17,791,926	-	41,595,300	187,963,815	93,085,381
4.	FURNITURE & FIXTURES	21,957,386	9,206,442	-	31,163,828	7,254,557	3,110,801	-	10,365,358	20,798,470	14,702,829
5.	ELEC. FITTINGS	12,278,390	-	-	12,278,390	3,544,633	2,261,169	-	5,805,802	6,472,588	8,733,757
6.	MOTOR VEHICLE **	21,680,869	4,153,693	1,053,793	24,780,769	11,918,651	2,785,741	943,667	13,760,725	11,020,044	9,762,218
7.	AIR-CONDITIONER	3,765,989	1,036,151	-	4,802,140	2,010,503	313,330	-	2,323,833	2,478,307	1,755,486
8.	OFFICE EQUIPMENTS	20,456,988	9,261,676	-	29,718,664	9,476,715	4,653,036	-	14,129,751	15,588,913	10,980,273
9.	OTHER CONSTR. ASSETS	787,224	1,096,897	-	1,884,121	68,096	152,974	-	221,070	1,663,051	719,128
10.	OTHER ASSETS	120,777	-	-	120,777	112,751	1,116	-	113,867	6,910	8,026
<b>(B) INTANGIBLE ASSETS</b>											
1	SOFTWARES	80122.00	5046390.00	-	5126512.00	80122.00	5,046,390	-	5,126,512	-	-
Total		314,115,848	202,947,109	1,053,793	516,009,164	85,448,186	40,480,704	943,667	124,985,223	391,023,942	228,667,662
Capital Work in Progress										12,452,108	3,239,893
PREVIOUS YEAR		243,572,918	100,528,557	29,985,627	314,115,848	70,864,546	21,762,971	7,179,332	85,448,186	228,667,662	172,708,372

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

\*\* VEHICLES INCLUDES RS.5,07,205/- ( RS.49,64,438 /- ) (GROSS AMOUNT) ACQUIRED BY THE COMPANY UNDER HIRE PURCHASE ARRANGEMENT.



Nucleus Mall, Pune

## NOTES TO 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 accounting principles (GAAP) requires 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 and Capital Work in Progress

##### 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 further adjusted by CENVAT credit and includes borrowing cost relating to any specific borrowing attributable to the acquisition of the fixed assets as per the provisions of Accounting Standard AS 16 "Borrowing Cost" issued by ICAI.

Assets under installation or under construction as at the Balance sheet date are shown as Capital work in progress. Advances paid towards acquisition of assets are also included under Capital work in progress.

##### 1.3.2 Intangible assets are recognised as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India and amortised as follows:

a) Specialised Software :- 100% during the year

##### 1.3.3 Payment for leasehold land is amortized over the period of lease.

##### 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 Accounting Standard 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

Investment are classified into current investments and long term investments. Current investments are carried at the lower of cost or fair value. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the profit and loss account. Long term investments are carried at cost less provision made to recognise any decline, other than temporary, in the value of such investments.

##### 1.7 Recognition of Revenue

##### 1.7.1 Revenue from fixed price construction contracts is recognised on the percentage completion method. The stage of completion is determined by survey of work performed / completion of physical proportion of the contract work determined by technical estimate of work done / actual cost incurred in relation to estimate contract amount, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as expenditure. In respect of unapproved revenue recognised, an adequate provision is made for possible reductions, if any. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Liabilities" in the balance sheet.

##### 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 period-to-period 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.

##### 1.7.7 Income from services rendered is booked based on agreements/arrangements with the concerned parties.

## NOTES TO ACCOUNTS (Continued)

- 1.8 Inventories
- (a) 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 Trading Goods  
Stock of trading goods has been stated at cost or net realisable whichever is less
- 1.9 Retirement Benefits  
Provision for Gratuity and Leave encashment on retirement payable are made on actuarial basis. 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 P.F. etc are charged to Revenue.
- 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. Advances/deposits given to the vendors under the contractual arrangement for acquisition of qualifying assets is considered for the purpose of capitalization of borrowing cost.
- 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 Taxes on Income:
- (a) Taxes on Income are accounted in accordance with AS – 22 “ Taxes on Income”. Taxes on Income comprise both current tax and deferred tax. Provision for current tax for the year is determined considering the disallowance, exemptions and deductions and/or liabilities / credits and set off available as laid down by the tax law and interpreted by various authorities.
- (b) 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). This is measured using substantively enacted tax rate and tax regulation.
- (c) 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
- 1.14 Amortization Expenses relating to increase in capital other than those related to public issue of shares, if any, are being written off in the year the same are incurred. The expenses relating to proposed public issue of shares is appropriated from Share Premium Account.
- 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 operation predominantly consist of construction / project activities. Hence there are no reportable segments under Accounting Standard - 17. During the year under the report, 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 Employee Stock Option Scheme  
Stock options granted to the employees under the stock options scheme are accounted as per the accounting treatment prescribed by Institute of Chartered Accountants of India. Accordingly, the excess of fair value over the exercise price of the options is recognised as deferred employee compensation and is charged to the profit and loss account on straight line basis over the vesting period of the options. The amortised portion of the cost is shown under reserves and surplus.

## NOTES TO ACCOUNTS (Continued)

### 2. OTHER NOTES

(a) Managerial Remuneration

Managing Director		F.Y. 2007-08	F.Y. 2006-07
2.1	Salary & Ex-gratia	Rs. 51,498,167	Rs. 15,390,367
2.2	Other Benefits & Allowances	Rs. 780,000	Rs. 1,063,813
2.3	Contribution to PF	Rs. 626,400	Rs. 626,400
2.4	Approximate monetary value of Perquisite in kind as per I.T. Act	Rs. -	Rs. 1,032,471
<b>Other Directors</b>			
	Sitting Fees	Rs. 2,30,000	Rs. 60,000
		<u>53,134,567</u>	<u>18,173,051</u>

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

Particulars	F.Y. 2007-08	F.Y. 2006-07
Profit before taxation	997,171,887	688,360,728
Add: Prior year Adjustment	7,940,324	(1,032,471)
Total	<u>1,005,112,211</u>	<u>687,328,257</u>
Add: Managerial Remuneration	52,904,567	18,113,051
Deferred expenses written off	-	-
Sitting fees	230,000	60,000
Less: Profit on sale of assets	154,873	21,310,760
Profit for the year as per section 349	<u>1,058,091,905</u>	<u>684,190,548</u>
Commission ( as approved and restricted by the Board of Directors)	<u>45,859,000</u>	<u>10,000,000</u>

(c) Employees compensation expenses relating to issue of shares under Employee Stock Option Scheme is not required to be included in managerial remuneration for the purpose of Section 349 of the Companies Act, 1956.

### 3 Contingent Liabilities :

(a) It has not been considered necessary to make a provision in respect of Income Tax demand not accepted by the Company for Rs. Nil. (Rs. 67,68,000/-) as the same has already been paid and disputed by the Company in Appeal.

(b) Securities/guarantees provided to the bankers :

(i) for other companies	Rs.	Nil	Rs.	Nil
(ii) for performance	Rs.	388,786,495	Rs.	89,577,268

(c) Corporate Guarantee given for other Companies

Rs.	Nil	Rs.	Nil
-----	-----	-----	-----

(d) Claims against the Company not acknowledged as debts

Rs.	Nil	Rs.	Nil
-----	-----	-----	-----

(e) Uncalled liability on shares partly paid

Rs.	110,556,680	Rs.	Nil
-----	-------------	-----	-----



## NOTES TO ACCOUNT (Continued)

4	(a) Loans and Advances include an amount due from Pvt. Ltd Companies where Directors are interested as director/member	Rs.	15,524	Rs.	Nil
	(b) Sundry debtors includes due from Pvt Ltd Companies where directors are interested as director / member	Rs.	5,124,519	Rs.	198,315,273
	(c) Loans and advances includes advances given for Joint Ventures being undertaken by the Company.	Rs.	225,620,060	Rs.	19,922,311
	(d) Loans and advances includes given to Subsidiary Companies :	Rs.	830,248,901	Rs.	364,983,774
	(e) Sundry Debtors includes dues from Subsidiary Companies :	Rs.	176,563,470	Rs.	34,492,172

5 Prior Period Adjustments :  
The profit for the year includes net income/(expense) of Rs. 79,40,324/- ((Rs 10,32,471/-)) in respect of prior years.

6 Details of Earnings & Expenditure In Foreign Currency

<b>Earnings</b>		<b>F.Y. 2007-08</b>	<b>F.Y. 2006-07</b>
On account of Sales/Work	Rs.	182,689,896	Rs. -
<b>TOTAL</b>	<b>Rs.</b>	<b>182,689,896</b>	<b>Rs. -</b>
<b>Expenditure</b>		<b>F.Y. 2007-08</b>	<b>F.Y. 2006-07</b>
On account of Travelling & other expenses	Rs.	925,425	Rs. 3,304,756
On account of purchase of Spares/ materials	Rs.	21,622,970	Rs. 16,696,732
On account of purchase of services	Rs.	414,230	Rs. Nil
On account of other expenditure	Rs.	1,091,374	Rs. Nil
On account of purchase of Fixed Assets	Rs.	Nil	Rs. 5,135,037
<b>TOTAL</b>	<b>Rs.</b>	<b>24,053,999</b>	<b>Rs. 25,136,525</b>

7 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 has not been changed.

Name of the Firm	Profit/Loss Sharing Ratio of company	Other Partners	Profit/Loss Sharing Ratio of other partner
Ajanta Enterprises	30.00%	a) Shree Madhur Realtors Pvt Ltd. b) Dhiren Popatlal Nandu c) Shishir Bhansali d) Raj Bhansali e) Javed Tapia f) Azim Tapia	20.00% 10.00% 2.50% 17.50% 10.00% 10.00%

## NOTES TO ACCOUNT (Continued)

- 8 Instalments in respect of Term Loan due in next 12 months Rs.3,39,66,229/- (Rs.11,565,571/-)
- 9 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.
- 10 The quantitative information in respect of trading activity of the company is given in annexed statement.
- 11 The break-up of Deferred Tax Asset/(Liability) is as under

Particulars	F.Y. 2007-08	F.Y. 2006-07
11.1 Depreciation	Rs. (14,580,803)	Rs. (21,803,493)
11.2 Statutory Payments -		
Leave Encashment	Rs. -	Rs. 1,482,553
11.3 Other disallowances	Rs. 16,735,449	Rs. 4,417,535
Net Deferred Tax Asset/(Liability)	Rs. <u>2,154,646</u>	Rs. <u>(15,903,405)</u>

- 12 Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act,2006". Amount overdue as on 31st March, 2008, to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to Rs. Nil (Rs. Nil).
- 13 Sundry Debtors includes Rs 56,50,00,000/- being amount not yet due for payment in terms of the arrangement with the customer.
- 14 The Board has approved a scheme for granting stock option to employees (ESOS). As per the said scheme 2,000,000 shares are proposed to be offered to eligible employees. Out of the above 1,983,500 shares are offered and 1,650,000 was accepted by employees during the year.
- 15 As per the terms of an agreement with a land vendor, an additional amount equivalent to 40% of sale proceeds will required to be paid in the event the FSI availed is in excess of 580000 Sq ft. Since such event has not occurred till the date of balance sheet, no provision is required for this additional cost.
- 16 Related Party disclosures have been set out in a separate statement annexed to this schedule. The related parties as defined by Accounting Standard 18 'Related Party Disclosure' issued by The Institute of Chartered Accountants of India, in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial persons taken on record by the Board.
- 17 Particulars of the Contract Revenue as required in Accounting Standard 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.
- 18 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 are given in the Annexed Statement.
- 19 The Loans & Advances includes an amount of Rs. 55,22,33,051/- (Rs. 255,732,610/-) paid as advances/deposits to the vendors by the Company for acquiring land for its various projects under Single Joint Venture Agreements. As per such Agreements the company has to work out the consideration for acquisition of land on the basis of sale proceeds at the time of receipts of the 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.
- 20 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.
- 21 The particulars of investments made/sold during the year are given in the Annexed Statement.
- 22 The particulars of employee benefits as required under Accounting Standard 15 "Accounting for Employee Benefits" are given in the Annexed Statement.
- 23 Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances , Rs. 1,49,90,973/- (previous year Rs. 2,157,686/-)

As per the arrangement with a customer, the assets provided by it for the relevant contract will be acquired by the Company at 50% of the cost at the end of the project. The estimated amount of such commitment at the year end is Rs. 2,70,00,000/- (Rs. Nil)



## NOTES TO ACCOUNT (Continued)

### 24 Auditors' Remuneration

Particulars	2007-08	2006-07
Audit Fee	6,320,000	150,000
Tax Audit	500,000	50,000
Other Services	500,000	-
<b>TOTAL</b>	<b>7,320,000</b>	<b>200,000</b>

(Fees mentioned above does not includes service tax and education cess thereon)

### 25 Earning Per Share

Particulars	2007-08	2006-07
a) Net Profit available for equity share holder including prior period items	638,907,198	491,357,622
b) Weighted average number of equity shares for Basic EPS	73,331,509	69,594,018
c) Face Value per share	10	10
d) Basic EPS	8.71	7.06
e) Weighted average number of equity shares for Diluted EPS	73,445,831	69,594,018
f) Diluted EPS	8.70	7.06

### 26. Subsidiary Companies

The companies had 8 subsidiaries at the beginning of the year. During the year company set up / acquired two new subsidiaries which are Greystone Premises Pvt. Ltd. and Vascon Pricol Infrastructures Ltd. The company de-registered one of its subsidiaries, Cosmos Premises Pvt. Ltd. Following this action, the company has 9 subsidiaries as on 31st March, 2008

The Ministry of company affairs vide its letter No 47 / 102 / 2008 - CI-III dt 25th March, 2008 granted approval to the company for not attaching copies of the Balance Sheet and Profit and loss Account, Director's Report and Auditor's Report of the subsidiary companies for the year 2007-08. However, on requested financial statements duly audited, at its corporate office. A per condition no. (I) above said letter consolidated financial statements duly audited by the Statutory Auditors is enclosed with the statement of summarized financial of all the subsidiaries.

- 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.

AS PER OUR REPORT OF EVEN DATE.

FOR VASCON ENGINEERS LIMITED

For Anand Mehta & Associates

CHARTERED ACCOUNTANTS

MANAGING DIRECTOR

DIRECTOR

KUSAI GOAWALA

Partner

MEMBERSHIP NO. 39062

COMPANY SECRETARY

MUMBAI : Dated 23<sup>rd</sup>, May 2008

MUMBAI : Dated 23<sup>rd</sup>, May 2008

## ANNEXURE TO NOTES TO ACCOUNTS

Annexure referred to in Note No.10 of the Notes forming part of Accounts.

Particulars	Unit	Opening Stock		Purchases		Sales		Closing Stock	
		Qty	Amount Rs	Qty	Amount Rs	Qty	Amount Rs	Qty	Amount Rs
Cement	Bags	4174	803819	11595	3206157	15769	4363599	0	0
				(19478)	(3587181)	(15304)	(2921226)	(4174)	(803819)
Sand	Brass	230	301317	738	1479475	968	2599872	0	0
				(1403)	(1648793)	(1173)	(1391056)	(230)	(301317)
Steel	Mt	14	405319	2344	78637254	2358	76862938	0	0
				(28059)	(14657407)	(508)	(14975416)	(14)	(405319)
Time Share Agreement	Nos	0	0	0	0	0	0	0	0
		(23)	(7849875)	0	0	(23)	(7849875)	0	0
Others		0	18134279		31961050		52621315		68042
		0	0	0	(28225151)	0	(10835147)	0	(18134279)
Total ( Net Value)			19644734		115283936		136447724		68042
Add: Taxes					4684718		5182503		
Total ( Gross Value)			19644734		119968654		141630227		68042
			(7849875)		(49896315)		(39607783)		(19644734)

Annexure referred to in Note No 16 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 Mgt Personnel	Associates	Establishments where key personnel or relatives influence
1	Sales and Work	823,212,703 (4,427,576)	436,238,233 (22,536,185)	-	-	295,756,436 (1,106,575,866)	570,905,361 -
2	Rentals/Hire Charges /Dividend Income	-	6,500,000	-	-	-	- (212,640)
3	Interest income	32,263,720 (338,706)	23,676,531	-	-	8,248 (2,270,483)	594,170 -
4	Interest expenses	- (55,114)	-	-	-	-	3,070,685 (442,310)
5	Purchase of Goods/Work	-	258,130	-	(764,004)	-	- -
6	Rendering of Services	- (17,912,974)	-	52,508,167 (16,454,180)	493,990 (964,581)	-	13,010,896 (25,542,772)
7	Share of Profit from AOP/Firm	-	20,313,966 (130,031,107)	-	-	42,885	- -
8	Share of Loss from AOP/Firm	-	1,682,947 (178,934)	-	-	-	- -
9	Amounts written off	-	-	-	60,000	9,983	2,883
10	Amounts written back	-	-	-	-	-	-
11	Purchase of Fixed Assets	-	-	-	(200)	-	-
12	Sale of Fixed Asset	-	-	-	-	-	-
13	Loans & Advances Given	885,066,830 (398,818,522)	398,972,689 (502,660,280)	-	-	132,500,000 (55,952,100)	- (78,843,349)
14	Loans & Advances Accepted	-	-	-	-	3,790,620	1,010,000,000
		-	-	-	(1,410,000)	-	-
	<b>Outstanding as on 31st March 2008</b>						
	Receivable to Vascon Engineers Ltd.	1,233,762,213 (431,165,909)	690,274,069 (129,627,229)	-	-	288,012,265 (485,361,687)	255,319,255 (15,380,690)
	Receivable from Vascon Engineers Ltd.	-	128,979,720 (228,000,000)	41,604,300	-	-	1,082,025,779 -

(Figures in bracket indicate previous years' figures)

## ANNEXURE TO NOTES TO ACCOUNTS (Continued)

Note : Names of related parties and description of relationship

Sr.No.	Particulars	Name of the Party
1	Joint Venture	Weikfeilds ITCITI Info Park (AOP) Phoenix Ventures Zenith Ventures Zircon Ventures Marigold Premises Pvt Ltd Just Homes (India) Pvt Ltd Viorica Properties Pvt Ltd Cosmos Premises Pvt Ltd
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 Sundarajan Mr. Siddarth Vasudevan
4	Associates	Angelica Properties Pvt Ltd Syringa Properties Pvt Ltd Mumbai Estate Pvt Ltd Ajanta Enterprises
5	Enterprise where key management personnel and their relatives exercise significant influence	Iris Propeties Private Limited One Stop Shop (I) Pvt Ltd Flora Premises Pvt Ltd Vastech Consultants Pvt Ltd Core Fitness Pvt Ltd Cipla Limited
6	Subsidiary	Marvel Housing Pvt Ltd Greystone Premises Pvt Ltd Vascon Dwellings Pvt Ltd IT CITI Info Park Pvt Ltd Rose Properties Pvt Ltd Windflower Properties Pvt Ltd Calypso Premises Pvt Ltd Floriana Properties Pvt Ltd Vascon Pricol Infrastructures Ltd.

**Annexure referred to in Note No .17 of the Notes forming part of Accounts.  
Disclosure of particulars of contract revenue as required by Accounting Standard 7**

No	Particulars	2007-08	2006-07
1	Contract Revenue Recognised	3,293,059,813	1,464,281,240
2	Contract Expenses Recognised	2,446,813,236	1,125,438,611
3	Recognised Profit	846,246,577	338,842,629
4	Contract Cost Incurred	2,446,813,236	1,125,438,611
5	Progress Billing	3,205,893,368	1,340,901,568
6	Unbilled Contract Revenue Recognised	87,166,445	123,379,672
7	Advances from Customers	337,907,949	481,284,854
8	Contract Cost Incurred and Recognised Profit	3,293,059,813	1,464,281,240
9	Gross Amount Due from Customer	1,328,256,624	642,478,738

## ANNEXURE TO NOTES TO ACCOUNTS (Continued)

### Annexure referred to in Note No.20 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

	2007-08 Rs.	2006-07 Rs.
Gross Carrying Amount of Premises	26726520	26726520
Accumulated Depreciation	3306327	2073685
Depreciation for the year	1232642	1297518
Future minimum lease income under non-cancellable operating leases		
a) Not later than 1 year	6924000	10608525
b) Later than 1 year and not later than 5 years	0	1425500
c) Later than 5 years	0	0
Income recognised during the period	35281079	3421200

- 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	2007-08 Rs.	2006-07 Rs.
a) Not later than 1 year	18031944	5887200
b) Later than 1 year and not later than 5 years	9883067	12228050
c) Later than 5 years	0	0

## ANNEXURE TO NOTES TO ACCOUNTS (Continued)

Annexure referred to in Note No 21 of the Notes forming part of Accounts.  
Investments purchased and sold during the year are as follows :

Particulars	2007-08		2006-07	
	No. of units	Cost of purchase	No. of units	Cost of purchase
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
Reliance Liquidity Fund-Daily Dividend	5034359.91	50000000.00		
Fidelity International Oppt. Fund Reinvestment Option	29339.85	300000.00		

Annexure referred to in Note No.22 of the Notes forming part of Accounts.  
Disclosure of particulars of "Employee Benefits" as required by Accounting Standard 15

### Gratuity Plan Valuation

	2007-08	2006-07
Present Value of obligation	9,487,085	8,480,872
Fair Value of plan assets	10,592,361	-
Net Asset/ (Liability) recognised in balance sheet	1,105,276	(8,480,872)
No. of Employees	532	345
Total monthly Salary in Rupees	5,621,366	5,245,052
Average past service	2.43	2.96
Average Age	33.14	32.72

### I. ASSUMPTIONS :

	As on 31.03.2008	As on 31.03.2007
<b>Discount Rate</b>	<b>7.50%</b>	<b>7.50%</b>
<b>Rate of increase in compensation levels</b>		
First five years	15%	15%
Thereafter	5%	5%
<b>Rate of Return on Plan Assets</b>	<b>9.15</b>	<b>-</b>
<b>Expected Average remaining working Lives of employees(years)</b>	<b>8.78</b>	<b>8.55</b>

## ANNEXURE TO NOTES TO ACCOUNTS (Continued)

### II. Table Showing changes in present value of obligations:

	<u>As on 31.03.2008</u>	<u>As on 31.03.2007</u>
Present Value of obligations as at the beginning of the year	4,971,778	6,252,128
Acquisition adjustment	-	-
Interest Cost	372,883	468,910
Past Service Cost	-	-
Current Service Cost	2,857,765	1,476,189
Curtailement Cost/(credit)	-	-
Settlement Cost /(credit)	-	-
Benefits paid	(383,699)	(439,309)
Actuarial (gain)/loss on obligations	1,668,358	722,954
Present Value of obligation as at the end of the end of the year	9,487,085	8,480,872

### III. Table Showing changes in Fair Value of Plan Assets

	<u>As on 31.03.2008</u>	<u>As on 31.03.2007</u>
Fair Value of Palm Assetss at the beginning of the year	8,660,384	
Acquisition adjustment	-	
Expected Return on Plan Assets	792,425	
Contributions	1,541,469	
Benefits paid	(383,699)	
Actuarial (gain)/loss on Plan assets	(18,218)	
Fair Value of Plan Assets at the end of the end of the year	10,592,361	

### IV. ACTUARIAL GAIN /LOSS RECOGNIZED

	<u>As on 31.03.2008</u>	<u>As on 31.03.2007</u>
Actuarial gain/(loss) for the year - obligations	(1,668,358)	(722,954)
Actuarial (gain)/loss for the year-Plan Assets	18,218	-
Total(gain)/loss for the year	1,686,576	722,954
Actuarial (gain)/loss recognized in the year	1,686,576	722,954
Unrecognized Actuarial(gain)/losses at the end of year	-	-

### V. THE AMOUNTS TO BE RECOGNIZED IN BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

	<u>As on 31.03.2008</u>	<u>As on 31.03.2007</u>
Present Value of obligations as at end of the year	9,487,085	8,480,872
Fair Value of plan assets as at the end of the year	10,592,361	-
Funded status	1,105,276	(8,480,872)
Unrecognized actuarial (Gain) / Losses	-	-
Net assets / (liabilities) recognized in Balance Sheet	1,105,276	(8,480,872)



## ANNEXURE TO NOTES TO ACCOUNTS (Continued)

### VI. EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS

	<u>As on 31.03.2008</u>	<u>As on 31.03.2007</u>
Current Service Cost	2,857,765	1,476,189
Past service Cost	-	-
Interest Cost	372,883	468,910
Expected return on Plan assets	(792,425)	-
Curtailement Cost / (credit)	-	-
Settlement Cost / (credit)	-	-
Net Actuarial (Gain) / Loss recognized in the year	1,686,576	722,954
Expenses recognized in the statement of Profit And Loss	4,124,799	2,668,053

### LEAVE ENCASHMENT VALUATION

	<u>2007-08</u>	<u>2006-07</u>
Present Value of obligation	11,081,202	8,480,872
Fair Value of plan assets	-	-
Net Asset/ (Liability) recognised in balance sheet	(11,081,202)	(8,480,872)
No. of Employees	532	345
Total monthly Gross in Rupees	10,661,603	-
Total monthly in Rupees	13,250,864	5,245,052
Total Leave Balance in days	5,901	-
Average past service	2.43	2.96
Average Age	33.14	32.72

### I. ASSUMPTIONS :

	<u>As on 31.03.2008</u>	<u>As on 31.03.2007</u>
Discount Rate	7.50%	7.50%
Rate of increase in compensation levels		
First five years	15.00%	15.00%
Thereafter	5.00%	5.00%
Expected Average remaining working	8.78%	8.55%
Lives of employees(years)		

### II. Table Showing changes in present value of obligations:

	<u>As on 31.03.2008</u>	<u>As on 31.03.2007</u>
Present Value of obligations as at the beginning of the year	8,480,872	6,252,128
Acquisition adjustment	-	-
Interest Cost	636,065	468,910
Past Service Cost	-	-
Current Service Cost	1,448,572	1,476,189
Curtailement Cost/(credit)	-	-
Settlement Cost /(credit)	-	-
Benefits paid	(736,277)	(439,309)
Actuarial (gain)/loss on obligations	1,251,970	722,954
Present Value of obligation as at the end of the end of the year	11,081,202	8,480,872

## ANNEXURE TO NOTES TO ACCOUNTS (Continued)

### **IV. ACTUARIAL GAIN /LOSS RECOGNIZED**

	<b><u>As on 31.03.2008</u></b>	<b><u>As on 31.03.2007</u></b>
Actuarial gain/(loss) for the year - Obligations	(1,251,970)	(722,954)
Actuarial (gain)/loss for the year- Plan Assets	-	-
Total(gain)/loss for the year	1,251,970	722,954
Actuarial (gain)/loss recognized in the year	1,251,970	722,954
Unrecognized Actuarial(gain)/losses at the end of year	-	-

### **V. THE AMOUNTS TO BE RECOGNIZED IN BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS**

	<b><u>As on 31.03.2008</u></b>	<b><u>As on 31.03.2007</u></b>
Present Value of obligations as at end of the year	11,081,202	8,480,872
Fair Value of plan assets as at the end of the year	-	-
Funded status	(11,081,202)	(8,480,872)
Unrecognized actuarial (Gain) / Losses	-	-
Net assets / (liabilities) recognized in Balance Sheet	(11,081,202)	(8,480,872)

### **VI. EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS**

	<b><u>As on 31.03.2008</u></b>	<b><u>As on 31.03.2007</u></b>
Current Service Cost	1,448,572	1,476,189
Past service Cost	-	-
Interest Cost	636,065	468,910
Expected return on Plan assets	-	-
Curtailement Cost / (credit)	-	-
Settlement Cost / (credit)	-	-
Net Actuarial (Gain) / Loss recognized in the year	1,251,970	722,954
Expenses recognized in the statement of Profit And Loss	3,336,607	2,668,053

## ANNEXURE TO NOTES TO ACCOUNTS (Continued)

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 are given in the Annexed Statement. (Note No 18 attached to and forming part of Accounts for the year ended 31.3.2008)									
Name of the Joint Venture	Interest of Company in JV	Share in Assets of the JV	Share in Liabilities of the JV	Investment in Joint Venture	Add : Share of Profit	Less : Share of tax	Closing Balance of Investment Asset/ (Liability)	Loans given	
Zircon Ventures	67% of Revenue	507,065,759	496,179,222	1,305,328	15,411,209	5,830,000	10,886,537	-	
Phoenix Ventures	10% of the total project Cost as project management Fees and 50% of remaining Profit	62,729,612	43,433,001	19,988,857	(692,246)	-	19,296,611	-	
Zenith Ventures	62.5% of Revenue	140,723,334	141,692,102	99,533,097	(944,976)	-	98,588,121	-	
Weikfield IT CITI Info Park (AOP)	15% of revenue subject to available profit	179,808,509	296,021,461	(126,945,709)	10,732,757	-	(116,212,952)	-	
Just Home (India) Private Limited	50% Share of Profits	186,543,391	89,406,376	50,000	-	-	50,000	57,883,794	
Marigold Premises Private Limited	50% Share of Profits	345,096,101	208,032,694	419,672	-	-	419,672	-	
Vitorica Properties Private Limited	37.5% Share of Profits	50,639,208	40,165,977	11,275,000	-	-	11,275,000	12,567,697	
Cosmos Premises Private Limited	50% Share of Profits	62,215,756	5,745,555	36,890,610	-	-	36,890,610	500,000	
(The above information is provided on the basis of latest available financial statements of the Joint Venture Entities)									
	TOTAL	1,534,821,670	1,320,676,388	42,516,855	24,506,744	5,830,000	61,193,599	70,951,491	

## 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	Calypso Premises Private Limited	Floriana Properties Private Limited	Wind Flower Properties Private Limited	Rose Premises Private Limited	Vascon Pricol Infrastructure Ltd	Greystone Premises Private Limited
Financial year ending of the Subsidiary	March 31,2008	March 31,2008	March 31,2008	March 31,2008	March 31,2008	March 31,2008	March 31,2008	March 31,2008	March 31,2008
Date from which they became subsidiary	January 2,2006	April 1,2006	April 2,2006	May 31,2006	August 30,2006	November 2,2006	January 6,2007	April 2,2007	January 3,2008
a) Number of shares held by the company in the subsidiary at the end of financial year of holding company.	10000	10000	10000	9459000	70000	10000	4000000	4970000	6500
b) Extent of interest of holding Company at the end of the financial year of subsidiary company.	100%	100%	100%	63%	70%	100%	100%	70%	65%
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 Mar 31,2008	Loss Rs.500,357	Loss Rs. 1,786,807	Profit Rs. 37,392,076	Loss Rs.246,131	Loss Rs.17,800	Profit Rs.15,515,963	Loss Rs. 5,103,045	Loss Rs.116,572	Loss Rs. 2,416,343
ii)For the previous year of the subsidiary company since it became holding company's subsidiary.	Loss Rs.392,195	Loss Rs.1,806,716	Loss Rs.3,995,467	Loss Rs.2,380,376	Loss Rs.3,34,037	Loss Rs.44,072	Loss Rs.2,169,187	NA	NA
b)Dealt with in the holding company's accounts									
i)For the financial year ended Mar 31,2008	Nil	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	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## INFORMATION ON THE FINANCIALS OF SUBSIDIARIES

As on 31st March, 2008

(All figures in INR, except share data )

Name of the Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turn over	Profit Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend
Marvel Housing Private Limited	100,000	342,366	200,877,900	200,877,900	800,000	-	(500,357)	-	(500,357)	Nil
Vascon Dwellings Private Limited	100,000	-	189,313,955	189,313,955	-	-	(1,786,807)	-	(1,786,807)	Nil
IT-CITI InfoPark Private Limited	100,000	33,396,609	37,739,331	37,739,331	63,000	-	42,773,876	5,381,800	37,392,076	Nil
Calypto Premises Private Limited	150,133,300	-	601,100,516	601,100,516	-	-	(390,684)	-	(390,684)	Nil
Floriana Properties Private Limited	100,000	-	550,777	550,777	-	-	(25,429)	-	(25,429)	Nil
Wind Flower Properties Private Limited	100,000	15,515,963	118,621,847	118,621,847	289,000,000	289,000,000	241,600,35	8,600,000	15,560,035	Nil
Rose Premises Private Limited	40,000,000	-	316,591,393	316,591,393	6,077,805	83,976,670	2,780,382	117,620	(2,928,570)	Nil
Vascon Pricol Infrastructure Ltd	71,000,000	-	104,617,671	104,617,671	-	-	(116,572)	-	(116,572)	Nil
Greystone Premises Private Limited	100,000	-	57,400,000	57,400,000	-	-	(2,416,343)	-	(2,416,343)	Nil

NOTE: FULL ANNUAL ACCOUNTS OF THE SUBSIDIARIES ARE AVAILABLE FOR INSPECTION AT THE CORPORATE OFFICE OF THE COMPANY AND WILL BE SENT TO EVERY MEMBER ON REQUEST FREE OF COST.

