



AUDITOR'S REPORT

The Board of Directors of
VASCON ENGINEERS LIMITED

We have audited the attached Consolidated Balance Sheet of Vascon Engineers Limited and its subsidiaries and Joint Ventures (collectively called as "the Group"), as at 31st March, 2011, and also the Consolidated Profit & Loss Account and the Consolidated Cash flow Statement for the year ended as on that date annexed thereto. These financial statements are the responsibility of the Group's management and have been prepared by the management on the basis of separate Financial Statements and other Financial Information regarding components. 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.

We did not audit the financial statement of a Subsidiary, whose financial statement reflects total assets of Rs.139,60,15,094/- as at 31st March 2011, the total net profit of Rs. 13,45,66,694/- for the year then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.

We did not audit the financial statement of three Joint Venture Entities, whose financial statements reflect total assets of Rs.36,85,93,683/- as at 31st March 2011, the total net profit of Rs. 12,99,837/- for the year then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.

The financial statement of two Joint ventures, whose financial statement reflected the total assets of Rs.58,08,68,042/- as at March 31,2011 and net profit of Rs. 2,08,65,543/-for the year ended on that date are not audited as of the date of this audit report and have been included in the consolidated Financial Statements.

The financial statements of three associates for the year ended March 31st, 2011 are not audited as of the date of this report and share of profit/loss (net) Loss of Rs.82,62,736/- has been considered in the profit and loss account based on such an audited statement of accounts.

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", Accounting Standard (AS) 23, "Accounting of investment in Associates" and Accounting Standard (AS) 27, "Financial reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India.

Based on the audit and on the consideration of report of other auditor and to the best of our information and according to the explanations given to us the said Consolidated Balance Sheet, Profit and Loss Account and Cash Flow Statement read together with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India.

- I. In the case of Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
- II. In the case Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
- III. In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For

Anand Mehta & Associates
CHARTERED ACCOUNTANTS

Kusal Goawala
Partner

Membership No. 39062

Firm Registration No. 127305W

Place: Pune, Dated: May 14, 2011



CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars	Schedules	March 31, 2011	March 31, 2010
SOURCES OF FUNDS			
1) Share Holders Fund:			
a) Capital	1	900,160,500	900,160,500
b) Share Application Money		830,000	-
c) Reserves and Surplus	2	6,274,863,805	5,710,868,991
		7,175,754,305	6,611,029,491
2) Minority Interest		76,508,558	73,786,732
3) Loan Funds:			
a) Secured Loans	3	2,665,659,915	1,778,721,643
b) Unsecured Loans	4	1,037,876,646	389,450,227
		3,703,536,561	2,168,171,870
4) Deferred Tax Liability		1,616,572	2,061,500
		10,957,415,997	8,855,049,593
APPLICATION OF FUNDS			
1) Fixed Assets			
a) Gross Block	5	2,562,403,361	1,775,847,132
b) Less: Depreciation / Amortization		505,539,713	274,622,831
c) Net Block		2,056,863,648	1,501,224,301
d) Capital Work in Progress Including Capital Advances		196,528,927	269,103,638
		2,253,392,575	1,770,327,939
2) Investments	6	1,016,222,983	1,674,153,673
3) Deferred Tax Asset (Net)		20,169,124	8,662,435
4) Current Assets, Loans and Advances			
a) Inventories	7	2,911,393,515	3,229,884,116
b) Debtors and Unbilled Revenues	8	3,435,181,832	1,886,735,085
c) Cash and Bank Balances	9	1,124,485,925	490,388,366
d) Loans and Advances	10	3,725,788,819	2,857,137,741
		11,196,850,091	8,464,145,308
Less: Current Liabilities and Provisions			
a) Current Liabilities	11	3,054,317,828	2,778,480,826
b) Provisions	12	474,900,948	283,758,936
		3,529,218,776	3,062,239,762
Net Current Assets		7,667,631,315	5,401,905,546
		10,957,415,997	8,855,049,593
Notes to Accounts	20		

AS PER OUR REPORT OF EVEN DATE

For Anand Mehta & Associates

CHARTERED ACCOUNTANTS

Kusal Goawala

PARTNER

MEMBERSHIP NO. 39062

Firm Registration No. 127305W

Place: Pune, Dated: May 14, 2011

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND
COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011



CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	Schedules	March 31, 2011	March 31, 2010
INCOME			
Income from Operations	13	10,759,508,469	7,989,856,591
Less: Value Added Tax Collected		(332,458,663)	(280,444,230)
Service Tax Collected		(193,860,974)	(155,932,211)
Luxury Tax Collected		(3,596,757)	(5,233,928)
Income from Operations (Net)		10,229,592,075	7,548,246,222
Interest Earned	14	116,868,704	68,796,253
Other Income	15	178,662,712	66,153,408
		10,524,923,491	7,683,195,883
EXPENDITURE			
Materials and other direct expenses	16	8,126,476,739	5,911,202,589
Personnel Expenses	17	623,494,714	394,183,291
Operating and Other Expenses	18	497,064,209	301,515,211
Financial Expenses	19	257,009,529	234,141,250
Depreciation / Amortisation	5	138,493,389	78,219,858
		9,642,538,580	6,919,262,200
Profit Before Taxation		882,384,911	763,933,683
Less: Provision for Taxation			
Current		256,134,673	246,049,006
Deferred Tax Expenses / (Gain)		(14,574,673)	(4,120,939)
		241,560,000	241,928,067
Profit After Tax		640,824,912	522,005,616
Excess/(Short) Provision W/back / (Off)		15,524,274	252,270
Prior Period Adjustments - Income / (Expenses)		2,200,489	10,232,955
Minority Share of Losses / (Profits)		(10,190,617)	450,926
		7,534,146	10,936,151
Balance available for appropriation		648,359,057	532,941,767
Less: Appropriations			
Transfer to Reserves		471,000	1,009,500
Dividend Paid / Proposed		90,016,050	-
Provision for Tax on Dividend		15,158,150	84,975
		105,645,200	1,094,475
Surplus for the Year Carried to Balance Sheet		542,713,857	531,847,292
Earnings Per Share (Equity Shares, Par Value of Rs. 10/- Each)			
Basic Earnings Per Share		7.20	6.71
Diluted Earnings Per Share		7.18	6.69
Notes to Accounts	20		

AS PER OUR REPORT OF EVEN DATE

For Anand Mehta & Associates
CHARTERED ACCOUNTANTS
Kusai Goawala

PARTNER

MEMBERSHIP NO. 39062

Firm Registration No. 127305W

Place: Pune, Dated: May 14, 2011

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND
COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	882,384,911	763,933,683
Adjustments to reconcile profit before tax to cash provided by operating activities		
- Depreciation / Amortization	138,493,389	78,219,858
- Borrowing Costs	257,009,529	234,141,250
- Dividend Income	(5,822,846)	(3,690,471)
- Employee Compensation Expenses (ESOP)		4,158,745
- Interest income	(116,340,104)	(68,796,253)
- Provision for Doubtful Debt	7,725,342	11,999,932
- Prior Period Adjustments	2,200,489	10,232,955
- (Profit) Loss on Sale of Assets	(106,680,786)	(63,203)
- (Profit) Loss on Sale of Investments/Subsidiary	(64,637,158)	(4,394,925)
Operating Profit before working capital changes	994,332,766	1,025,741,569
Adjustments for		
Decrease / (Increase) in Inventories before Capitalization of Borrowing Cost	(406,940,648)	(322,366,160)
Decrease / (Increase) in Sundry Debtors	(1,269,267,096)	(293,745,334)
Decrease / (Increase) in Other Current Assets		
Decrease / (Increase) in Loans and Advances	1,003,484,635	345,419,090
Increase / (Decrease) in Current Liabilities and Provisions	336,898,513	99,147,887
Cash generated from operations	658,508,172	854,197,053
Direct Taxes Paid (Net)	(240,027,855)	(177,731,690)
Net Cash flow from operating activities	418,480,317	676,465,363
B. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital	-	1,782,000,000
Increase / (Decrease) in Secured Loans	887,971,151	392,026,069
Increase / (Decrease) in Unsecured Loans	860,839,514	(228,099,729)
Share Application money received	930,000	-
Share Premium received by Joint Venture	-	9,613,503
Share Issue Expenses (IPO)		(127,732,728)
Interest Income	116,340,104	68,796,253
Interest Paid Including Capitalized to Qualifying Assets	(353,801,334)	(290,310,327)
Inter Corporate Deposit / advances to joint venture	(1,335,116,493)	(508,263,119)
Net Cash generated / (used) in financing activities	177,162,942	1,098,029,920



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
C. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(465,799,780)	(154,086,736)
Dividend Income	5,822,846	3,690,471
Proceeds on Disposal of fixed assets	168,338,492	52,337,820
Proceeds on Disposal of Securities/Investments	250,907,236	41,088,544
Consideration paid on acquisition of Subsidiary	(394,082,542)	-
Dividend paid by Subsidiary	(233,211,470)	
Proceeds on Disposal of Subsidiary	168,684,912	
Long Term investments in securities	(85,205,072)	(676,260,078)
Share application money paid		(63,200,000)
Long term Investments in fixed deposits with banks	(96,608,398)	(197,919,515)
Net Cash generated / (used) in investing activities	(681,133,775)	(994,349,494)
D. NET CASH INFLOW / (OUTFLOW) (A+B+C)	(85,490,515)	780,145,790
Cash and cash equivalents at the beginning of the period	1,046,895,039	262,853,839
Cash and Cash equivalents pursuant to addition in Subsidiary	(33,100,000)	
Cash and Cash equivalents pursuant to change of Subsidiary status to joint Ventures, Associate to joint venture and Joint Venture to Associate	14,452,749	(3,895,410)
Cash and cash equivalents at the end of the period	980,051,775	1,046,895,039
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(85,490,515)	780,145,790
Reconciliation of Cash and Bank Balances		
Cash And Bank Balances	1,124,485,925	490,388,366
Less: Balances with scheduled bank in deposit accounts	(294,527,913)	(197,919,515)
Add: Mutual Fund Investment	150,083,763	754,426,188
Cash and cash equivalents at the end of the period	980,051,775	1,046,895,039
The Company has undrawn borrowing facilities of Rs.	297,249,651	387,344,983

AS PER OUR REPORT OF EVEN DATE

For Anand Mehta & Associates
CHARTERED ACCOUNTANTS

Kusal Goawala
PARTNER
MEMBERSHIP NO. 39062
Firm Registration No. 127305W
Place: Pune, Dated: May 14, 2011

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND
COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 1		
Share Capital		
Authorized		
100,000,000 (100,000,000) Equity Shares of Rs. 10/- Each	1,000,000,000	1,000,000,000
	1,000,000,000	1,000,000,000
Issued And Subscribed		
9,00,16,050 (9,00,16,050) Equity Shares of Rs. 10/- Each	900,160,500	900,160,500
	900,160,500	900,160,500
Out Of The Above:		
55,622,353 (55,622,353) Equity Shares of Rs.10/- each are allotted as Fully Paid-Up by way of Bonus Shares by Capitalizing Free Reserves of the Company.		
16,50,000 (16,50,000) 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.		
Schedule No. 2		
Reserves & Surplus		
Share Premium Account		
Balance at the Commencement	3,942,875,305	1,918,298,397
Add: Received during the year	-	2,152,309,637
Less: Change in status from Joint Venture to Associates	(9,174,756)	
Less: Share Issue Expenses	-	(127,732,728)
	3,933,700,549	3,942,875,305
General Reserve		
Balance at the Commencement	5,874,500	4,865,000
Add: Transferred from Profit and Loss Account	471,000	1,009,500
	6,345,500	5,874,500
Capital Reserve		
Balance at the Commencement	101,221,440	101,221,440
Add: Created during the year	27,233,611	-
	128,455,051	101,221,440
Employee Stock Options		
Employee Stock Options Outstanding	12,476,235	12,476,235
Less: Deferred Employee Compensation Outstanding	-	-
	12,476,235	12,476,235
Profit & Loss Account		
<i>(As per Annexed Profit & Loss Account)</i>		
Balance Brought Forward	1,648,421,514	1,116,574,219
Add: Change in Status from Joint Venture to Associates	2,551,099	
Less: Capitalization by way of Bonus Shares	-	-
	1,650,972,613	1,116,574,219
Add: Profit Transferred From Profit & Loss Account	542,713,857	531,847,292
	2,193,886,470	1,648,421,511
	6,274,863,805	5,710,868,991



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 3		
Secured Loans		
Term Loans		
a) From Banks	1,817,362,060	1,314,518,538
b) From Financial Institutions	31,238,272	167,159,594
Cash Credit From Banks	817,058,583	297,043,509
	2,665,659,915	1,778,721,643

- 1 (a) An amount of Rs. 169293618/- (Rs. 73345027/-) is secured by way of hypothecation of vehicles / assets financed by them.
- (b) An amount of Rs. 1045142242/- (Rs. 939153650/-) is secured by way of equitable mortgage of specific properties belonging to the Company and other Companies (including a Wholly Owned Subsidiary), hypothecation of all moveable assets belonging to the Company and other Companies, specific receivables of other Company and exclusive charge on escrow account and Debt Service Reserve account and related investment thereof.
This includes an amount of Rs. 41843646/- (Rs. 615575613/-) which is personally guaranteed by the Managing Director and other Directors and individuals associated with the Company and Rs. 58583320/- (Rs. 189654999/-) where the Managing Director is liable as co-borrower.
- (c) An amount of Rs. NIL/- (Rs. 302019864/-) is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other Companies, corporate guarantee of the other Company and personal guarantee of the Managing Director of the Company.
- (d) An amount of Rs.603143830/- (Rs. NIL) is secured by way of subservient charge over the current assets of the Company and mortgage of specific properties belonging to other company.
2. The term loans are secured by equitable mortgage of specified properties, hypothecation of receivables arising out of the same, belonging to the Company and its one wholly owned subsidiary and personal guarantee of the Managing Director and one Director of such subsidiary.
3. Cash Credit from bank is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other Companies, pledge of fixed deposits with bank and corporate guarantee of the other Company and personal guarantee of the Managing Director of the Company.

Schedule No. 4 Unsecured Loans

a) Long Term

Public Deposits	83,701,328	38,834,452
Security Deposits	23,695,842	21,106,149
From Companies	94,721,942	319,890,358
	202,119,112	379,830,959

b) Short Term

From Banks	318,704,592	-
From Companies	633,761,354	9,619,268
	952,465,945	9,619,268
(Less) : Bills Discounted Accepted by Debtors	(116,708,411)	-
	835,757,534	9,619,268
	1,037,876,646	389,450,227



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

SCHEDULE NO. 5 FIXED ASSETS

Amount in Rupees

No	PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK		
		OPENING	Adj	*ADDITION	DEDUCTION	CLOSING	OPENING	Adj *	ADDITION/ AMORTISATION	DEDUCTION	CLOSING	March 2011	March 2010	
(A) TANGIBLE ASSETS														
1	LEASEHOLD LAND	13,268,003	2,944,275	4,610,200	2,944,275	17,878,203	207,233	151,299	321,051	155,339	524,244	17,353,959	13,050,770	
2	LAND	91,630,125	30,728,535	98,254,250	-	220,612,911	-	-	-	-	-	220,612,911	91,630,125	
3	PREMISES	367,601,563	252,494,588	72,142,964	82,437,285	609,801,849	62,772,902	47,320,852	32,132,971	29,780,368	112,446,356	497,355,493	304,828,681	
4	PLANT & MACHINERY	395,374,767	194,662,416	114,468,564	-	704,505,737	117,777,326	61,887,610	56,504,005	-	246,168,940	459,336,797	277,597,432	
5	FURNITURE & FIXTURES	72,948,919	15,148,828	14,849,644	6,840,879	96,108,512	27,966,861	2,149,512	12,287,312	2,316,159	40,116,527	55,989,985	44,953,058	
6	ELEC. FITTINGS	12,494,648	30,969,373	851,229	-	44,315,249	7,318,735	10,254,961	4,279,327	-	21,853,024	22,462,226	5,175,912	
7	MOTOR VEHICLES	28,686,833	516,792	6,453,731	8,142,334	27,515,022	17,273,399	946,096	3,687,726	6,470,824	15,436,398	12,078,624	11,413,434	
8	AIR-CONDITIONERS	5,558,636	(203,000)	941,821	-	6,297,456	2,748,109	(21,344)	461,976	-	3,188,741	3,108,715	2,810,527	
9	OFFICE EQUIPMENTS	44,074,331	20,588,729	20,873,669	41,500	85,495,230	26,778,869	9,347,077	11,118,935	25,878	47,219,003	38,276,227	17,295,463	
10	OTHER CONSTR. ASSETS	1,884,121	-	-	-	1,884,121	651,553	-	171,450	-	823,003	1,061,118	1,232,588	
11	OTHER ASSETS	749,144	(588,895)	3,892,023	-	4,052,272	550,492	(434,838)	705,772	-	821,428	3,230,844	198,652	
(B) INTANGIBLE ASSETS														
1	Goodwill on Consolidation	731,027,678	-	-	-	731,027,678	-	-	4,030,930	-	4,030,930	726,996,748	731,027,678	
2	SOFTWARE	10,548,354	(420,875)	2,763,639	-	12,911,118	10,548,354	(429,170)	2,791,934	-	12,911,118	0	-	
	Total	1,775,847,131	546,840,787	340,121,735	100,406,274	2,562,403,359	274,822,831	131,172,057	138,493,390	38,748,568	505,539,712	2,056,863,647	1,501,224,298	
	Capital Work in Progress											196,528,926	269,103,638	
	PREVIOUS YEAR	1,198,753,543	(138,953,709)	776,340,230	60,292,833	1,775,847,131	225,548,538	(19,170,887)	76,265,495	8,018,316	274,822,831	1,501,224,300	973,207,003	

* Adjustment on account of change in Subsidiary and Joint Venture



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 6		
Investments		
Investments - Long Term		
Trade:-	-	-
Others:-		
Quoted		
Corporation Bank Limited 200 (200) Equity Shares of Rs.10/- Each Fully paid.	16,000	16,000
	16,000	16,000
Unquoted:-		
Shares		
Investment in Other Shares		
The Saraswat Co-Op Bank Limited 2500 (1000) Equity Shares of Rs.10/- Each Fully Paid	25,000	10,000
Sahyadri Hospital Limited 250000 (250000) Equity Shares of Rs.10/- Each Fully Paid	2,500,000	2,500,000
PBAP Realty Private Limited (Formerly known as Promo Builders Private Limited) 5000 (5000) Equity Shares of Rs. 10/- Each Fully Paid	50,000	50,000
Core Fitness Private Limited 150 (150) Equity Shares of Rs. 100/- Each Fully Paid	15,000	15,000
Angelica Properties Private Limited 4710000 (4710000) Equity Shares of Rs. 10/- Each Fully Paid	52,538,066	62,476,098
Angelica Properties Private Limited 462625 (3062625) 0.10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- Each Fully Paid	29,539,815	195,939,815
Angelica Properties Private Limited 307800 (307800) Compulsory Convertible Preference Shares of Rs. 10/- Each Fully Paid	12,312,000	12,312,000
Viorica Properties Private Limited 11235417 (7425000) Equity Shares of Rs. 10/- Each Fully Paid	117,841,101	-
Aster Premises Private Limited NIL (10000) Equity Shares of Rs. 10 /- Each Fully Paid	-	100,000
Vascon Infrastructure Limited NIL (48000) Equity Shares of Rs 10/- Each Fully Paid	-	48,872,495
	214,820,982	322,275,408



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
UNQUOTED: PARTLY PAID		
PBAP Realty Private Limited (Formerly known as Promo Builders Private Limited 100000 (100000) Equity Shares of Rs. 10/- Each Re. 1/- Paid Up	100,000	100,000
Mutual Funds - Equity	1,500,000	-
Government and other Securities - Unquoted 7 Years National Savings Certificate	20,000	-
Others	1,520,000	-
Immovable Properties	-	74,908
Capital Investment In Partnership Concerns & Joint Ventures	147,499,508	180,258,513
Investments - Current	147,499,508	180,333,421
Trade		
Quoted	-	-
Unquoted		
Ascent Hotels Private Limited 6669492 (5294492) Equity Shares of Rs.10 /- Each Fully Paid	266,701,680	211,701,680
N.V. Projects Private Limited 1300000 (1300000) Equity Shares of Rs.10/- Each Fully Paid	32,350,000	32,350,000
N.V. Projects Private Limited 688426 (688426) Preference Shares of Rs.100/- Each Fully Paid	149,550,977	149,550,977
Sita Lakshmi Mills Limited 806000 (806000) Equity Shares of Rs.50/- Each Fully Paid	23,400,000	23,400,000
Mutual Funds - Debt	180,263,835	754,426,188
Unutilized funds out of the proceeds of the IPO NIL (P.Y. Rs.75,20,28,259/-) (Refer Note III (2) (q) of Schedule 20)	180,263,835	754,426,188
	1,016,222,983	1,674,153,673

1. The mode of valuation of Investments in securities/properties is given in the Note No III 1 (F) of Schedule 20



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 7		
Inventories		
Stock At Close:		
Materials/Tools/Stock for Resale/W.I.P/Finished Goods	848,461,197	408,004,851
Developments - Unfinished (Refer Note No III (2) (v) of Schedule 20)	2,061,216,176	2,820,737,244
House Keeping and Kitchen Material	1,716,142	1,142,021
	2,911,393,515	3,229,884,116
Schedule No. 8		
Debtors And Unbilled Revenues		
a) Debtors (Unsecured Considered Good, Unless Otherwise Stated)		
A) Outstanding For Period Exceeding Six Months		
Considered Good#	1,117,568,199	849,099,962
Considered Doubtful	73,974,137	66,073,258
	1,191,542,336	915,173,220
B) Others - Considered Good		
	2,427,729,128	549,565,865
	3,619,271,464	1,464,739,085
Add / (Less): Provision For Doubtful Debts (Refer Note III 2 (r) (a) of Schedule 20)		
(Less): Related Unearned Receivables	(501,176,301)	(202,123,266)
(Less): Bills Discounted Accepted by Customers	(116,708,411)	-
(Less): Commitment Deposit Received	(427,292,785)	(434,757,785)
	(1,119,151,834)	(702,954,309)
b) Retention (Accrued but not due)		
Outstanding for period exceeding six months	216,272,164	187,605,185
Others	105,503,322	190,021,608
C) Unbilled Revenues (Refer Note III 1 (G) (a) of Schedule 20)		
(Less): Related Advance Payment Received	665,660,143	917,362,144
	(52,373,628)	(170,038,628)
	613,286,515	747,323,516
	3,435,181,832	1,886,735,085



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 9		
Cash And Bank Balances		
Cash On Hand	29,176,700	14,119,979
Balances With Scheduled Banks In Current Accounts*	800,781,313	278,348,872
Balances With Scheduled Banks In Deposit Accounts#	294,527,913	197,919,515
	1,124,485,926	490,388,366
<p>*Includes Rs. Nil/- (Rs.167034730/-) unutilized monies out of the proceeds of the IPO. #Includes Rs. 218741231/- (Rs. 185725257/-) under banks lien for margin money deposits.</p>		
Schedule No. 10		
Loans And Advances		
(Unsecured Considered Good Unless Otherwise Stated)		
Advances / Loans to Firms / AOP in which Company or Subsidiary is Partner / Member	83,868,698	20,283,510
Advance Against Development / Work / Purchases	146,893,904	492,223,527
Project Advances	1,387,464,862	1,165,421,703
Intercorporate Deposits	1,354,929,538	186,093,260
Prepaid Expenses	32,670,279	28,130,937
Deposits (Includes Rs. 22,50,000/- (Rs. 22,50,000/-)		
Doubtful Of Recovery)	110,324,319	158,842,838
Advance Income Tax (Net of Provision)	132,839,432	74,772,246
Other Recoverables and Receivables	479,247,787	733,619,720
	3,728,038,818	2,859,387,741
Add / (Less): Provision For Doubtful Loans and Advances	(2,250,000)	(2,250,000)
	3,725,788,819	2,857,137,741



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 11		
Current Liabilities		
Sundry Creditors	1,716,901,875	1,123,503,750
Customer Advances	794,917,443	1,188,772,208
(Less): Related Unbilled Contract Revenue	(52,373,628)	(170,038,628)
	742,543,815	1,018,733,580
Commitment and Other Deposits#	477,317,691	675,464,207
(Less): Related Debtors	(427,292,785)	(434,757,785)
	50,024,906	240,706,422
Advances / Loans from Firms / AOP in which Company or Subsidiary Is Partner / Member	1,064,089	121,590,288
Unearned Revenue	554,242,841	278,848,676
(Less): Related Debtors	(501,176,301)	(202,123,266)
	53,066,542	76,725,410
Overdraft Balance in Current Account with Scheduled Bank	1,426,781	8,318,521
Interest Accrued But Not Due	521,474	2,207,934
Share Application Money / Preference Share Capital	16,520,138	32,320,870
Other Liabilities	472,248,208	154,373,951
	3,054,317,828	2,778,480,826
Schedule No. 12		
Provisions		
For Taxation (Net of Advance Tax)	94,887,546	47,883,055
For Gratuity	13,486,162	3,705,604
For Compensated Absences	43,011,090	28,452,040
For Unapproved Sales (Refer Note III 2 (r) (b) of Schedule 20)	14,021,530	1,806,951
For Warranty	4,528,029	1,911,286
For Contingency (Refer Note III 2 (r) (d) of Schedule 20)	200,000,000	200,000,000
For Proposed Dividend	90,016,050	-
For Tax on Dividend	14,950,541	-
	474,900,948	283,758,936



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 13		
Income From Operations		
Contract Revenue / Sales Revenue (Gross)		
Refer Note III (1) (G) of Schedule 20		
- Sale of Unit/Land	1,908,695,174	1,019,661,599
- Contract Revenue	7,480,265,211	6,612,838,558
- Trading Sales & Other Sales	203,346,447	6,254,516
- Manufacturing Sales	1,006,956,552	86,872,897
- Hotel Revenue	92,209,456	97,223,999
	-	-
Other Operating Income		
- Rent / Compensation / Maintenance	51,739,013	79,598,300
- Share Of Profit / (Loss) from AOP / Firms	24,559,352	5,073,243
- Share of Profit / (Loss) from Associates	(8,262,736)	82,333,478
	<u>10,759,508,469</u>	<u>7,989,856,591</u>
Schedule No. 14		
Interest Earned		
Interest received on intercorporate deposits, from subsidiary and associate companies and others	100,496,518	48,413,043
	-	-
Interest on income tax refund	328,600	9,888,970
Interest on bank fixed deposits	14,532,974	10,082,303
Other Interest	1,310,612	411,937
	<u>116,668,704</u>	<u>68,796,253</u>
Schedule No. 15		
Other Income		
Refer Note No III (2) (s) of Schedule 20		
Dividend Income from long term investments - other than trade	6,646	3,664
Dividend Income from current investments - other than trade	5,816,200	3,666,807
Profit On Sale Of Fixed Assets (Net)	106,680,786	63,203
Profit On Sale Of Investments/Subsidiary/Joint Venture (Net)		
Long Term - other than trade	64,637,158	26,570,247
Foreign Exchange Gain/(Loss)	53,367	22,581
Remission of Liability	-	33,596,710
Miscellaneous Income	1,468,555	2,210,196
	<u>178,662,712</u>	<u>66,153,408</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 16		
Materials and other direct expenses		
Opening Inventory:-		
Materials / Tools / Stock for Resale/ W.I.P/ Finished Goods	408,004,851	175,360,840
Developments - Unfinished (Refer Note No III (2) (v) of Schedule 20)	2,820,737,244	2,786,916,699
House Keeping and Kitchen Material	1,142,021	1,427,126
	3,229,884,116	2,963,704,665
Add:-		
Purchase of Materials and Labour during the year	7,087,503,048	5,665,319,451
Expenses for Development	1,516,700,516	802,880,403
Other Direct Expenses	115,832,619	-
Land Cost on account of remission of liability	-	18,534,448
Allocation Of Borrowing Cost To Development	43,330,962	31,171,158
	8,763,367,145	6,517,905,460
Less:-		
Transferred to fixed assets / capital wip / Reduction due to cessation of subsidiary	734,383,128	109,763,527
Vat / Cenvat / Service Tax Input Credit	220,997,879	230,759,893
	955,381,007	340,523,420
Less:- Closing Inventory		
Materials / Tools / Stock for Resale/ W.I.P / Finished Goods	848,461,197	408,004,851
Developments - Unfinished (Refer Note No III (2) (v) of Schedule 20)	2,061,216,176	2,820,737,244
House Keeping and Kitchen Material	1,716,142	1,142,021
	2,911,393,515	3,229,884,116
	8,126,476,739	5,911,202,589
Schedule No. 17		
Personnel Expenses		
Salaries and Bonus	520,321,685	344,489,681
Gratuity	13,110,350	2,926,151
Compensated Absence	14,575,548	5,261,285
Contribution To Provident and other Defined Contribution Funds	21,797,456	9,993,335
Staff Welfare & Other Expenses	53,689,675	27,354,094
Employee Compensation Expenses	-	4,158,745
	623,494,714	394,183,291



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 18		
Operating and Other Expenses		
Advertisement	53,213,641	5,401,477
Bank Charges	27,009,241	15,410,283
Bad Debts	72,500	7,827,621
Brokerage/Commission	12,631,265	4,124,110
Conveyance	14,186,208	8,205,515
Donations	8,320,133	5,898,314
Electricity Charges	27,280,040	16,431,205
Insurance	21,818,143	19,889,359
Other Expenses	38,176,051	17,308,501
Other Operating Expenses	13,757,131	6,783,865
Parking and Game Shop Expenses	14,379,412	4,924,494
Provision For Doubtful Debt And Advances	7,725,342	11,999,932
Refer Note No III (2) (r) of Schedule 20		
Provision For Warranty Expenses	2,616,743	1,911,286
Post, Telephone And Telegram	19,431,367	9,521,863
Printing And Stationery	11,979,069	6,387,795
Rates & Taxes	7,449,514	7,454,359
Rent/Compensation	42,196,402	39,074,746
Repairs, Renovation And Maintenance		
Building	16,546,214	16,079,502
Plant and Machinery	2,293,307	503,298
Others	7,813,680	8,571,097
Sales Promotion Expenses	35,002,097	5,116,938
Traveling Expenses	30,172,905	9,269,326
Share Issue Expenses	-	2,010,747
Service Charges/Professional Fees/Retainers	82,993,804	71,409,576
	497,064,209	301,515,211
Schedule No. 19		
Financial Expenses		
Interest On:-		
Fixed Loans		
- Convertible Debentures	-	30,720,724
- Term Loans	159,161,175	126,381,860
- Others	3,067,921	2,889,987
- Public Deposits	8,103,848	1,397,007
	170,332,944	161,389,578
Other Loans		
- Banks	45,090,530	65,756,914
- Others	86,537,499	42,067,051
	131,628,029	107,823,965
Sub Total	301,960,973	269,213,543
Add: Other Charges		
Processing Charges	51,840,361	21,096,785
	353,801,334	290,310,328
Less: Borrowing Cost Transferred To Qualifying Assets	96,791,805	56,169,078
	257,009,529	234,141,250



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE NO. 20

(I) NATURE OF OPERATIONS

Vascon Engineers Limited (the Company), its Subsidiary Companies, Associates and Joint Venture Companies (together referred to as the Group) is engaged in the business of construction contracts and development of residential and commercial projects, industrial parks and hotels as well as operating and maintenance of the Industrial park/Hotels/Service Apartments/Malls. The Group also engages in business of spinning of development projects at various stages of completion to another parties/Special Purpose Vehicle as a part of its strategy to optimize its resources/returns and minimize risks, where the Group continues to associate either as a partner and/or a contractor.

(II) PRINCIPLE OF CONSOLIDATION

The consolidated financial statements relate to Vascon Engineers Limited (the Company), its Subsidiary Companies, Associates and Joint Venture Companies (together referred to as Vascon Group). The consolidated financial statements have been prepared on the following basis:

a) The accompanying Consolidated Financial Statements are prepared under the historical cost convention on an accrual basis of accounting in conformity with accounting principles generally accepted in India to reflect the financial position of the company its Subsidiaries and Joint Ventures.

b) Others:

(i) In respect of Subsidiary Companies, the Financial Statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealized profits/losses on intra-group transactions in accordance with the Accounting Standard (AS) - 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India (ICAI)

(ii) In case of Joint Venture Companies, the Financial Statements have been consolidated in accordance with the AS - 27 'Financial Reporting of Interests in Joint Ventures' issued by the ICAI.

(iii) In case of associates where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investment has significant influence in associates are accounted for using equity method in accordance with the AS - 23 'Accounting for investments in associates in consolidated financial statements' issued by the ICAI.

(iv) Investments other than its subsidiaries, joint ventures and associates have been accounted

in accordance with AS - 13 on "Accounting for Investments" issued by the ICAI.

(v) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviation if any have been made in consolidated financial statements and are prepared in the same manner as the Company's unconsolidated financial statements.

(vi) The excess of the cost to the Company of its investments in the subsidiaries over the Company's portion of equity on the acquisition date is recognized in the Consolidated Financial Statements as Goodwill. The Company's portion of the equity in the subsidiaries as at the date of acquisition is determined after realigning the material accounting policies of the subsidiaries to that of the parent and adjusting the charge/(reversal) on account of realignment to the accumulated reserves and surplus of the subsidiaries at the date of acquisition.

(vii) Minority Interest's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

(viii) Minority Interest's share of net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

(ix) The Subsidiary companies, Associates & Joint Ventures considered in Consolidated Financial Statement are as under:

Name of the company	Relationship	Country of Incorporation	Shareholding As at 31st March, 2011
Marvel Housing Private Limited	Subsidiary	India	100.00%
Vascon Dwelling Private Limited	Subsidiary	India	100.00%
IT-City Infopark Private Limited	Subsidiary	India	100.00%
Graystone Premises Private Limited	Subsidiary	India	85.00%
Vascon Pricol Infrastructure Limited	Subsidiary	India	70.00%
Roriana Properties Private Limited	Subsidiary	India	100.00%
Windflower Properties Private Ltd	Subsidiary	India	100.00%
Caspia Hotel Private Limited	Subsidiary	India	70.00%
GMP Technical Solutions Private Ltd.	Subsidiary	India	90.00%
Just Homes (I) Private Limited	Joint Venture	India	50.00%
Marigold Premises Private Limited	Joint Venture	India	50.00%
Phoenix Ventures	Joint Venture	India	50.00%
Rose Premises Private Limited	Joint Venture	India	50.00%
Weikfield IT City Info Park	Joint Venture	India	Refer Note III 2 (I)
Zenith Ventures	Joint Venture	India	Refer Note III 2 (I)
Zircon Ventures	Joint Venture	India	Refer Note III 2 (I)
Almet Corporation Limited	Joint Venture	India	49.00%
John Fowler Ophthalmics Private Limited	Joint Venture	India	49.00%
Marathwada Realtors Private Limited	Joint Venture	India	49.00%
Cosmos Premises Private Limited	Joint Venture	India	43.83%
Ajanta Enterprises	Joint Venture	India	50.00%
Viorica Properties Private Limited	Associates	India	27.90%
Angelica Properties Private Limited	Associates	India	26.00%
Mumbai Estate Private Limited	Associates	India	44.44%



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

In view of the intention of the Parent to dispose the following entities, relation of the parent and these entities is considered temporary and the same has been excluded from consolidation.

Name of the company	Country of Incorporation	Shareholding as at 31st March, 2011
Ascent Hotels Private Limited	India	21.79%
NV Projects Private Limited	India	26.00%
Sita Lakshmi Mills Limited	India	26.00%

(III) NOTES TO ACCOUNT

1 Statement of Significant Accounting Policy

A. Basis of Preparation of Financial Statement

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 ICAI and the provisions of the Companies Act, 1956, on accrual basis, as adopted consistently by the Group.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted 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 recognized prospectively in current and future periods.

C. Fixed Assets and Capital Work in Progress

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 AS - 16 "Borrowing Cost" issued by the 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.

Intangible assets are recognized only if it meets with all the criteria specified in AS - 26 "Intangible Assets" issued by the ICAI. In other cases such expenditure is written off during the period in which it is incurred.

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

D. Impairment

The assets are tested for impairment and the provision, if applicable, is made wherever considered necessary based on economic utility of the asset as determined in accordance with the principles as laid down in AS - 28 "Impairment of Assets" issued by the ICAI.

E. Depreciation / Amortization

Depreciation on fixed assets has been provided under written down value method at the rates and manner prescribed in schedule XIV to the Companies Act, 1956. Cost of lease rights of land has been amortized over a period of lease term. Software in nature of intangible asset has been amortized fully in the year in which the same is ready for use.

F. Investments

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

G. Recognition of Revenue / Cost

(a) Construction contracts

Revenue from fixed price construction contracts is recognized 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 contract. Future expected loss, if any, is recognized as expenditure. In respect of unapproved revenue recognized, an adequate provision is made for possible reductions, if any. Contract revenue earned in excess of billing has been reflected under "Debtors" and billing in excess of contract revenue has been reflected under "Liabilities" in the balance sheet.

The Company provides for warranties and



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

technical evaluation and past experience of meeting such cost net of the obligations on account of subcontractors.

(b) Real estate development

(a) Completed Units

Revenue from sale of units is recognized as and when the underlying significant risk and rewards of ownership are transferred to the purchaser.

(b) Units Under Development

Revenue from sales of such units is recognized as and when the underlying significant risk and rewards of ownership are transferred to the purchaser, taking into account materiality of the work performed and certainty of recoverability of the consideration. Revenue is recognized on proportionate basis as the acts are progressively performed, by applying the percentage of completion method as explained in AS-7 (Revised) Construction Contracts in compliance with the authoritative professional view.

The percentage completion is determined based on actual costs incurred thereon by the Company to total estimated cost with reference to the saleable area. Cost for this purpose includes cost of land/development rights, borrowing costs, overheads, construction and development costs of such properties as may be applicable.

The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognized in the period in which such changes occur.

However, when the total project cost is estimated to exceed total revenues from the project, loss is recognized immediately.

(c) Share of Profit/Loss from Partnership firm/ Association of Person is recognized as Income on year-to-year basis on the basis of accounts made-up and allocation made by the firm/AOP in accordance with the Deed of Partnership/AOP Agreement.

(d) Interest Income - Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest.

(e) Dividend Income - Dividend income is recognized as and when the right to receive the same is established.

(f) 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.

(g) Income from services rendered is recognized as revenue when the right to receive the same is established.

(h) Other Operating Income - The revenue from Hotel, Game Shop and Maintenance are recognized as and when the services are availed by the customers.

(I) Profit on sale of investment is recorded upon transfer of title by the Company. It is determined as the difference between the sale price and the then carrying amount of the investment.

H. Inventories

(a) Stock of Material, etc

Stock of materials, etc. has been valued at lower of cost or net realizable value. The Cost is determined on Weighted Average 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 realizable value on the basis of technical estimate certified by the Managing Director/Expert. Finished goods comprising of constructed units ready for sale are valued at lower of cost and net realizable value.

(c) Stock of Trading Goods

Stock of Resale has been stated at cost or net realizable whichever is less. The cost is determined on weighted average method.

I. Retirement Benefits

Provision for Gratuity and Compensated Absences 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 and differential liability on account of excess of obligation over plan assets and actuarial loss for the period for the said Policy and Company's contribution for the year to P.F., Super Annuation Fund, etc. are charged to Revenue as and when incurred.

J. 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 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.



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

K. 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.

L. Contingent Liabilities and Assets

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

Contingent assets as on the balance sheet, if any, are neither recognized nor disclosed in the financial statements.

M. Taxes on Income

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. 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.

N. 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. In respect of the expenses relating to proposed public issue of shares is appropriated from Share Premium Account.

Cost of goodwill on acquisition of share in a partnership firm is amortized on systematic manner in proportion to the percentage of completed area of the project recognized as sale. Adjustments are made over the period of contract for any permanent impairment in value.

O. Segment Reporting

The Company has disclosed business segment as the primary segment. Segment have been identified taking into account the nature of the activity, the differing risks & returns, the organizational substructure. The companies operation predominantly relate to EPC activity. Other business segments reported are Real Estate Development, Hotel & Manufacturing & BMS. The Company operates only in India. As such there are no reportable geographical segments.

P. Foreign currency transaction

(a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange Difference

All exchange differences arising on settlement and conversion on foreign currency transactions are included in the profit and loss account, except in cases where they relate to the acquisition of fixed assets from outside India, in which case they are adjusted in the cost of the corresponding assets.

Q. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

R. 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 recognized 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 amortized portion of the cost is shown under reserves and surplus.



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

S. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

T. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2 OTHER NOTES

- (a) **Contingent Liabilities for Income tax & Service Tax:** It has not been considered necessary to make a provision in respect of Income-Tax demands and Service Tax not accepted by company for the amounts mentioned here below and disputed by the company in Appeal before higher authorities.

Particulars		2010-11 Rs.	2009-10 Rs.
Income Tax	Amount	137,761,370	40,292,555
Service Tax &			
Excise Duty	Amount	33,697,821	33,154,071

- (b) In view of the Delhi High Court decision Company has neither recovered nor paid with the government treasury the service tax on lease rental amounting to Rs. Nil/- (2,98,139/-). However the same if payable will be recoverable from the respective tenants, hence it will have no impact on Profit for the period.

- (c) **Other Contingent liabilities:**

Particulars		2010-11 Rs.	2009-10 Rs.
A. Bank guarantee			
(i) for other companies		-	-
(ii) for Performance		2,541,105,030	1,120,155,335
B. Corporate Guarantee			
		398,060,000	56,170,000
Claims against the Company not acknowledged as debt			
		6,092,583,351	2,492,583,351

- (a) The assignee of a development rights relating to a property had filed an arbitration proceedings making a claim of Rs. 248,78,00,000/- plus interest (Rs. 248,78,00,000/- plus Interest). The company has been legally advised that apart from the claim not being legally tenable, since the rights were only acquired by the Company as an assignee, the liability, if any, would be on the original owner(s).

- (b) In respect of claim against the Company amounting to Rs.360,00,00,000/- (Rs Nil) by a party who was originally claiming interest in a property, no provision has been considered necessary by the Management in view of the legal opinion that the said claim is not tenable on various grounds.

Uncalled Liability on Partly Paid Up

Shares	900,000	900,000
Others	14,218,166	12,576,666

- (d) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances are as given here under:

Particulars	2010-11 Rs.	2009-10 Rs.
Amount	138,775,494	100,749,597

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.3,71,02920/- (Rs. 3,71,02920/-).



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(e) Particulars of Construction Contract

Particulars	2010-11 Rs.	2009 -10 Rs.
Contract Revenue Recognized	8,934,920,537	8,138,227,392
Contract Expenses Recognized	5,709,882,123	5,064,462,612
Recognized Profit	1,225,038,414	1,073,764,780
Contract Cost Incurred	5,709,882,123	5,064,462,612
Progress Billing	8,293,866,690	5,220,865,248
Unbilled Contract Revenue	641,053,847	917,362,144
Unearned Revenue	507,896,562	278,848,676
Advances from Customers	202,417,344	570,930,988
Contract Cost Incurred & Recognized Profit	8,934,920,537	8,138,227,392
Gross Amount Due from Customer	2,280,820,493	1,069,289,308
Retention	321,775,486	377,626,793

(f) Loans advances and Sundry Debtors

Particulars	2010-11 Rs.	2009 -10 Rs.
(a) Loans and Advances include an amount due from Pvt. Ltd Companies where Directors are interested as director/ member	-	-
(b) Sundry Debtors include an amount due from Pvt. Ltd Companies where Directors are interested as director/membr	-	23,956,388

(g) Earning per share

Particulars	2010-11 Rs.	2009-10 Rs.
Net Profit after tax available for distribution to Equity Shareholders before Provision for Contingency (Net of Tax)	648,359,056	532,856,793
Provision for Contingency	-	-
Tax on Provision for Contingency	-	-
Net Profit after tax available for distribution to Equity Shareholders after Provision for Contingency (Net of Tax)	648,359,056	532,856,793
Weighted average number of shares outstanding for Basic EPS	90,016,050	79,416,323
Face Value per share	10	10
Earning Per Share-Basic	7.20	6.71
Weighted average number of shares outstanding for Diluted EPS	90,279,206	79,679,480
Earning Per Share-Diluted	7.18	6.69

(h) The particulars of Related Party transaction as required by AS - 18 Issued by the ICAI is given in the Annexed Statement

(i) Loans and advances includes an amount of Rs. 101,90,15,859/- (Rs. 70,46,02,284/-) paid as advances / deposits to the vendors for acquiring land/development rights for various projects under Single Joint Venture agreements. As per such Agreements the Group has to work out the consideration for acquisition of land/ development rights 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 Group or by the vendor since as such the liability is not presently quantifiable.

(j) Sales turnover for the year ended includes revenues from construction contracts, sale of developed units, sale of materials, consultancy services and room revenue.



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

- (k) The profit for the yearended includes net income/(expense) of Rs. 22,00,489/- Previous year (Rs. 1,02,32,965/-) in respect of prior years.
- (l) The Consolidated Financial Statements includes share of assets and liabilities of Zircon Ventures, Weikfield ITCIT Infopark and Zenith Ventures, the Jointly Controlled Entities (JCE) where in the share of the Company's assets and liabilities in such JCE are considered for consolidation based on the specific allocation of such assets and liabilities which relate to the Company as per the arrangement with the Joint Venture Partners.
- (m) During the year company has sold its stake in Calypso Premises Private Limited, one of the subsidiary and accordingly it ceases to be subsidiary w.e.f close of business on 29.09.2010. The effect of disposal of subsidiary on the financial position at the reporting date, the result for the reporting period and on the corresponding amounts for the preceding period is as follow.

Particulars	2010-11	2009-10
Reduction in Share of Profit/Loss	-	1,758,211
Reduction in share of Assets	-	153,016,183
Realisation of profit on Inventory	64,899,702	16,322,127

- (n) Deferred tax Asset /(Liability) arising due to timing difference comprise of:

Particulars	2010-11 Rs.	2009-10 Rs.
1. Depreciation	(20,233,142)	(11,126,744)
2. Statutory Payment		
- Gratuity	15,609,969	1,106,881
3. Reserve for Doubtful debts	23,662,559	22,325,064
4. Disallowance u/s 40a	3,117,385	-
5. Brought Forward Losses	(3,604,219)	(3,604,219)
Net Deferred Tax Asset / (Liability)	18,552,552	8,700,983
Deferred Tax Liability	1,616,572	2,061,500
Deferred Tax Assets	20,169,124	8,662,435

In absence of a reasonable certainty of setting off brought forward losses, the deferred tax asset amounting to Rs. 3,45,10,050/- (Rs. 44,25,161) has not been recognized.

(o) Leases

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

Lease Income from operating leases is recognised on straight-line bases over the period of lease. The particulars of significant leases under operating leases are as under-

Particulars	2010-11 Rs.	2009-10 Rs.
Gross Carrying Amount of Premises	94,877,338	94,877,338
Accumulated Depreciation	13,130,527	8,136,227
Depreciation for the period ended	3,524,018	2,355,163

Future minimum lease payment under non-cancellable operating leases:

Particulars	2010-11 Rs.	2009-10 Rs.
A) Not later than 1 year	9,640,102	7,010,858
B) Later than 1 year and not later than 5 years	3,937,292	10,660,324
C) Later than 5 years	10,894,238	9,990,333
Income recognised during the period	23,484,655	36,570,852

Lease Expenses from operating leases is recognised on straight-line bases over the period of lease. The particulars of significant leases under operating leases are as under:-

Particulars	2010-11 Rs.	2009-10 Rs.
A) Not later than 1 year	2,278,212	5,275,440
B) Later than 1 year and not later than 5 years	1,516,676	2,421,700
C) Later than 5 years	-	-
Expenses recognised during the period	1,125,964	-



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Profit and Loss Account includes Lease Income in respect of certain premises which are held as stock in trade with an intention to sale. The provision of Accounting Standard 19 'Accounting for Leases' do not apply to such Lease Agreements of premises held with an intention to sale. Accordingly, the above statement does not include such transactions further the underlying premises are held as Stock In Trade.

(p) During the year Company has acquired 90% stake in GMP Technical Solutions Private Limited and by which the same has become subsidiary of the Company. The Company has sold its stake in Calypso Premises Private Limited, one of the subsidiary and accordingly it ceases to be the subsidiary w.e.f. 29.09.2010

(q) Details of Issue proceeds received, utilized and unutilized through public issue (IPO) as on 31st March, 2011.

Particulars	Amount, Rs.
Proceeds from Initial Public Offer	1,782,000,000
Less: Payment towards IPO Expenses	127,732,729
(Net of Service Tax Input \Credit availed of Rs. 8967216/-)	
Net Proceeds from Initial Public Offer	1,654,267,271
Less: Utilization of Funds:	
(a) Payment towards prepayment of loan	361,682,463
(b) Construction of EPC Contract and Real Estate Development Project	1,189,184,808
(c) General corporate purposes (Refer Note Below)	103,400,000
Total of Utilization of Funds (a+b+c)	1,654,267,271
Balance Unutilized money from IPO Proceeds	0

Represented By:

(a) Investment in Mutual Fund - Debt -
 (b) Amount utilized towards temporary reduction of Cash Credit -
 (c) Balance lying current account with scheduled banks -

(r) Disclosure Relating to Provisions

(a) Provision for Doubtful Debts

Particulars	2010-11	2009-10
Opening Balance	66,073,258	55,360,356
Add: Provision during the period ended	45,087,224	17,344,207
	111,160,482	72,704,562
Less: Utilization / Transferred to Bad Debts	37,186,345	6,631,304
Closing Balance	73,974,137	66,073,258

(b) Provision for Unapproved Sales

Particulars	2010-11	2009-10
Opening Balance	1,806,951	3,721,401
Add: Provision during the period ended	14,021,530	969,550
	15,828,481	4,690,951
Less: Utilisation / Transfers	1,806,951	2,884,000
Closing Balance	14,021,530	1,806,951

(c) Provision for Warranty

Particulars	2010-11	2009-10
Opening Balance	1,911,286	-
Add: Provision during the period ended	3,851,761	1,911,286
	5,763,047	1,911,286
Less: Utilisation / Transfers	1,235,018	-
Closing Balance	4,528,029	1,911,286



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

d) Provision for Contingency

Particulars	2010-11	2009-10
Opening Balance	200,000,000	200,000,000
Add: Provision during the period ended	-	-
	200,000,000	200,000,000
Less: Utilisation / Transfers	-	-
Closing Balance	200,000,000	200,000,000

- (s) The Other income includes a sum of Rs. 4,22,31,785/- (Rs Nil/-) towards profits on sale of shares in a subsidiary/associate engaged in the business of real estate development/ Construction and a sum of Rs. 10,15,41,831/- (Rs Nil/-) towards profit on sale of fixed assets of the Company being building constructed for the purpose of sale in ordinary course of business but operated as a resort during intervening period. Considering the nature of the said transactions, such profits represents sale of underlying developments and accordingly in substance it is normal business operating profits of the Company.
- (t) The Company has provided share based payment schemes to its employees. During the year ended 31st March 2011, the "ESOS - 2007" scheme was in operation. 3,33,500 options were outstanding at the beginning and half year end. No options were granted or exercised during the period ended.
- (u) As per the terms of an agreement with a land vendor, an additional amount equivalent to 40% of sale proceeds will be 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.
- (v) Stock of Development includes cost amounting to Rs. NIL/- (Rs. 853960/-) in respect of units which are charged to a lender for financing the cost paid to the Company by the individual buyers as advance against booking of Units.
- (w) Share of Joint Venture in Consolidated Financial statement are as under.
Profit and Loss Account Items For The Year Ended March 31st, 2011

Particulars	2010-11	2009-10
INCOME		
Income From Operation	1,122,557,045	632,861,922
Interest Earn	9,277,614	18,267,502
Other Income	1,608,239	36,358,327
EXPENSES		
Cost of Sales	940,483,720	424,444,992
Personnel Expenses	19,482,174	15,721,649
Operating & Other Expenses	92,113,239	52,122,235
Financial Expenses	14,967,621	27,145,207
Depreciation / Amortisation	20,700,836	14,841,342
Provision For Taxation		
Current	24,007,747	45,971,608
Fringe Benefit Tax	-	-
Deferred tax expenses / (gain)	(745,346)	269,280
Excess/(Short) Provision W/Back / (Off)	(1,290)	(1,779,491)
Appropriation		
Dividend on Preference Shares	-	500,000
Dividend Tax	207,610	84,975
Transfer to General Reserve	678,610	1,009,500



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Balance Sheet Items As At March 31st 2011

Particulars	March 11	March 10
Secured Loans	109,621,943	248,716,307
Unsecured Loans	47,077,517	233,403,060
Deferred Tax Liability	1,616,572	755,124
Fixed Assets	1,189,002,954	575,667,253
Investment	(745,785,546)	151,432,029
Deferred Tax Asset/ (Liability)	1,124,658	439,914
Inventories	538,872,898	408,968,056
Sundry Debtors	(76,923,092)	92,206,314
Cash & Bank Balances	60,612,032	49,539,523
Loans & Advances	169,735,130	886,901,705
Current Liabilities	478,068,482	441,635,080
Provisions	33,290,838	40,156,412

(x) During the previous year ended March 31, 2010 accounts of a joint venture were consolidated on the basis of unaudited accounts as certified by management. The difference between such figures and audited accounts subsequently made available have been appropriately adjusted during the current year resulting in increase in expenses & depreciation by Rs. 44,85,109/- and corresponding decrease in reserve.

(y) The financial statements of subsidiaries, joint ventures and associates used in the consolidation are drawn up to the same reporting dates as of the company i.e. year ended March 31, 2011.

The accounts of Angelica Premises Private Limited, Mumbai Estate Private Limited, associates of the company have not been audited for the year ended March 31, 2011 as of balance sheet date and have been consolidated on the basis of the accounts as certified by the management.

The accounts of Cosmos Premises Private Limited & Ajanta Enterprise, joint venture of company have not been audited for the year ended March 31, 2011 as of balance sheet date and have been consolidated on the basis of the accounts as certified by the management.

(z) Managerial Remuneration

Particulars	2010-11 Rs.	2009 10 Rs.
Salary & Ex-gratia	12,020,000	11,100,000
Commission	13,707,600	21,591,600
Other Benefits & Allowances	1,630,000	750,000
Contribution to PF	1,202,400	1,058,400
Approximate monetary value of Perquisite in kind as per IT Act	-	-
TOTAL	28,560,000	34,500,000

(aa) Pending final decision and interim stay granted by the Hon'ble High Court of Bombay in case of MCHI, the Company being a member of MCHI, the Company, has, in case of certain development projects, neither collected nor paid Service Tax and Maharashtra Value Added Tax and in case of certain development projects, has paid Service Tax under Protest. As the amount of Service Tax and Maharashtra Value Added Tax, finally payable, if any, the same is recoverable from the customers and hence, shall have no impact on the Profit or Loss for the year.

(ab) Primary Segment information (business segment) as required in AS 17 "Segment Reporting", in respect of which disclosures have been made are given in the Annexed Statement.

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

AS PER OUR REPORT OF EVEN DATE

For Anand Mehta & Associates
CHARTERED ACCOUNTANTS

Kusal Goawala
PARTNER
MEMBERSHIP NO. 39062
Firm Registration No. 127305W
Place: Pune, Dated: May 14, 2011

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND
COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011



SCHEDULE - 1A LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	Financial Year Ended	
	March 31, 2011 Name of Party	March 31, 2010 Name of Party
Nature of Relationship		
Joint Venture	Phoenix Ventures Welkfield ITCITI Infopark (AOP) Zenith Ventures Zircon Ventures Just Homes (India) Pvt. Ltd. Marigold Premises Pvt. Ltd. Cosmos Premises Pvt Ltd Almet Corporation Limited John Fowler Ophthalmics Pvt. Ltd. Marathawada Realtors Pvt. Ltd. Rose Premises Pvt. Ltd. Ajanta Enterprises	Phoenix Ventures Welkfield ITCITI Infopark (AOP) Zenith Ventures Zircon Ventures Just Homes (India) Pvt. Ltd Marigold Premises Pvt. Ltd Viorica Properties Pvt Ltd Cosmos Premises Pvt Ltd Almet Corporation Limited John Fowler Ophthalmics Pvt Ltd Marathawada Realtors Pvt Ltd Rose Premises Pvt. Ltd. Ajanta Enterprises
Key Management Personnel	Mr. R. Vasudevan	Mr. R. Vasudevan
Relatives of Key Management Personnel	Mrs. Lalitha Vasudevan Late Mr. N. R. Moorthy Mrs. Thangam Moorthy Mrs. Lalitha Sundarajan Mr. Siddarth Vasudevan Ms. Soumya Vasudevan	Mrs. Lalitha Vasudevan Mr. N. R. Moorthy Mrs. Thangam Moorthy Mrs. Lalitha Sundarajan Mr. Siddarth Vasudevan Ms. Soumya Vasudevan
Associates	Angelica Properties Pvt. Ltd. Mumbai Estate Pvt. Ltd. Viorica Properties Pvt. Ltd.	Angelica Properties Pvt. Ltd. Mumbai Estate Pvt. Ltd. Vascon Infrastructure Limited
Enterprise where key management personnel and their relatives exercise significant influence	Flora Premises Pvt. Ltd. Vastech Consultants Pvt. Ltd. Vatsalya Enterprises Pvt. Ltd. Bellflower Premises Pvt. Ltd.	Flora Premises Pvt. Ltd. Vastech Consultants Pvt. Ltd. Vatsalya Enterprises Pvt. Ltd. Bellflower Premises Pvt. Ltd.



SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	2010-11	2009-10
Sales		
Joint Venture	45,095,014	187,815,081
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	58,986,829	231,705,019
Establishment where KMP and their relatives exercise significant influence	-	5,500,000
Purchases & Labour Charges		
Joint Venture	184,421	-
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Rendering Of Services		
Joint Venture	-	-
Key Management Personnel	25,357,600	33,000,000
Relatives of KMP	950,000	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	25,230,588	18,662,789
Rental/Hire Charges Paid		
Joint Venture	-	-
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Rent/Dividend Income		
Joint Venture	625,000	250,000
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	12,767	68,185
Establishment where KMP and their relatives exercise significant influence	-	-
Purchase of Fixed Assets		
Joint Venture	-	-
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Sale of Fixed Assets		
Joint Venture	-	-
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Interest Paid		
Joint Venture	-	912,057

Particulars	2010-11	2009-10
Key Management Personnel	-	3,576,758
Relatives of KMP	-	1,044,644
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	2,456,493
Interest Income		
Joint Venture	18,652,404	10,104,689
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Amounts Written Off		
Joint Venture	-	280,850
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Finance Provided (including loans and equity contributions in cash or in kind)		
Joint Venture	95,380,228	49,868,328
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	688,977,956	18,288,890
Establishment where KMP and their relatives exercise significant influence	-	-
Finance Availed (including loans and equity contributions in cash or in kind)		
Joint Venture	-	29,603,400
Key Management Personnel	-	1,000,000
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Balances as on 31.03.2011 and 2010		
Amount Due To Company		
Joint Venture	290,106,935	279,958,999
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	879,523,511	285,083,310
Establishment where KMP and their relatives exercise significant influence	50,528,337	5,441,850
Amount Due From Company		
Joint Venture	-	29,351
Key Management Personnel	13,180,285	14,505,738
Relatives of KMP	400,000	-
Associates	33,600,000	208,300,000
Establishment where KMP and their relatives exercise significant influence	7,637,135	4,886,436



SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars		March 31, 2011		March 31, 2010	
Sr. No	Nature of Transactions/Relationships/ Major Parties	Party Details	Gross Total	Party Details	Gross Total
1	Sales and Work				
i)	Joint Ventures		45,095,014		187,615,081
	Marigold Premises Private Limited	57,406		266,411	
	Phoenix Ventures	34,368,092		1,149,711	
	Viorica Properties Private Limited	9,222,039		21,501,391	
	Weikfelds ITCITI Info Park	-		164,697,566	
	Ajanta Enterprises	50,538		-	
	Almet Corpotation Limited	1,396,939		-	
ii)	Associates		56,966,829		231,705,019
	Angelica PropertiersPrivate. Limited.	56,966,829		171,705,019	
	Vascon Infrastructure Limited	-		60,000,000	
iii)	Enterprises		-		5,500,000
	Flora Premises Private Limited	-		5,500,000	
2	Interest Income				
i)	Joint Ventures		18,652,404		10,104,689
	Almet Corporation Limited	171,551		171,551	
	Phoenix Ventures	4,485,983		-	
	John Fowler Ophthalmics Private Limited	209,458		143,438	
	Marathawada Realtors Private Limited	296,763		255,893	
	Viorica Properties Private Limited	4,724,956		-	
	Rose Premises Private Limited	8,039,756		7,637,703	
	Ajanta Enterprises	723,937		1,896,105	
3	Dividend Income				
i)	Joint Venture		625,000		250,000
	Marigold Premises Private Limited	625,000		250,000	
ii)	Associates		12,767		68,185
	Angelica Properties Private Limited	12,767		68,185	
4	Interest Expense				
i)	Key management Personnel		-		3,576,758
	Mr R Vasudevan	-		3,576,758	
ii)	Joint Ventures		-		912,057
	Viorica Properties Private Limited	-		912,057	
iii)	Relatives of Key Management Personnel		-		1,044,644
	Mrs. Lalitha Vasudevan	-		1,023,479	
	Mrs. Thangam Moorthy	-		21,165	
iv)	Enterprise		-		2,456,493
	Vatsalya Enterprises Private Limited	-		2,115,321	
	Bellflower Premises Private Limited	-		341,172	



SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars		March 31, 2011		March 31, 2010	
Sr. No.	Nature of Transactions/Relationships/ Major Parties	Party Details	Gross Total	Party Details	Gross Total
5	Purchase Expenses				
i)	Joint Ventures Rose Premises Pvt Ltd	194,421	194,421	-	-
ii)	Enterprises Flora Premises Private. Limited.	-	-	-	-
6	Rendering Of Services				
i)	Key Management Personnel Mr R Vasudevan	25,357,600	25,357,600	33,000,000	33,000,000
ii)	Relatives of Key Management Personnel Siddharth Vasudevan	950,000	950,000		
iii)	Enterprise Vastech Consultants Private Limited	25,230,588	25,230,588	18,662,789	18,662,789
7	Amounts written off				
i)	Joint Ventures Cosmos Premises Private Limited	-	-	280,850	280,850
8	Finance Provided (including equity contributions in cash or in kind)				
i)	Joint Ventures Cosmos Premises Private Limited Just Homes (I) Private Limited Phoenix Ventures Viorica Properties Private Limited Ajanta Enterprises Marathawada Realtors Private Limited John Fowler Ophthalmics Private Limited	1,404,250 - 75,500,413 - 13,375,565 2,550,000 2,550,000	95,380,228	- 33,033 5,708,695 42,411,600 1,715,000 - -	49,868,328
ii)	Associates Mumbai Estate Private Limited Vascon Infrastructure Limited Viorica Properties Private Limited	20,000,000 5,000,000 663,977,956	688,977,956	18,288,890 - -	18,288,890
9	Finance Availed (including equity contributions in cash or in kind)				
i)	Key Management Personnel Mr R Vasudevan	-	-	1,000,000	1,000,000
ii)	Joint Ventures Viorica Properties Private Limited	-	-	29,603,400	29,603,400
iii)	Relatives of Key Management Personnel Mrs. Lalitha Vasudevan Mr. Siddarth Vasudevan Sowmya Vasudevan	- - -	- - -	- - -	- - -



SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars		March 31, 2011		March 31, 2010	
Sr. No	Nature of Transactions/Relationships/ Major Parties	Party Details	Gross Total	Party Details	Gross Total
iv)	Enterprise	-		-	
	Vatsalya Enterprises Private Limited	-		-	
	Bellflower Premises Private Limited	-		-	
10	Outstanding as on March 31, 2011				
	A) Receivable to Vascon Engineers Limited				
i)	Joint Ventures				
	a) Sundry Debtors		116,065,563		177,945,246
	Cosmos Premises Private Limited	-		49,364	
	Marigold Premises Private Limited	77,045,186		80,545,186	
	Phoenix Ventures	37,581,748		51,079,995	
	Welkfield ITCITI Info Park (AOP)	-		32,322,557	
	Ajanta Enterprises	54,825		13,948,145	
	Almet Corporation Limited	1,383,806		-	
	b) Loans & Advances		173,116,091		99,522,913
	Almet Corporation Limited	1,930,276		1,775,880	
	John Fowler Ophthalmics Private Limited	4,216,868		1,478,356	
	Marathawada Realtors Private Limited	5,485,541		2,668,454	
	Marigold Premises Private Limited	22,596,956		22,596,956	
	Phoenix Ventures	79,613,483		10,208,695	
	Ajanta Enterprises	4,422,117		13,179,501	
	Rose Premises Private Limited	54,850,851		47,615,071	
	c) Share Application Money		925,281		2,490,840
	Viorica Properties Private Limited	925,281		2,490,840	
ii)	Associates				
	a) Sundry Debtors		24,435,341		49,635,000
	Angelica Properties Pvt Ltd	17,683,339		-	
	Vascon Infrastructure Pvt Ltd	-		49,635,000	
	Viorica Properties Private Limited	6,752,002			



SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars		March 31, 2011		March 31, 2010	
Sr. No	Nature of Transactions/Relationships/ Major Parties	Party Details	Gross Total	Party Details	Gross Total
	b) Loans & Advances		855,050,970		235,411,110
	Mumbal Estate Private Limited	255,300,010		235,411,110	
	Viorica Properties Private Limited	599,750,960		-	
	c) Share Application Money		37,200		37,200
	Angelica Properties Private Limited	37,200		37,200	
II)	Enterprise				
	a) Sundry Debtors		45,528,337		5,441,650
	Flora Premises Private Limited	5,441,650		5,441,650	
	Vascon Infrastructure Limited	40,086,687		-	
	a) Loans & Advances		5,000,000		-
	Vascon Infrastructure Limited	5,000,000		-	
	B) Receivable from Vascon Engineers Limited				
i)	Joint Ventures				
	a) Advance from Customers		-		-
	Zircon Ventures	-		-	
	b) Sundry Creditors		-		29,351
	Rose Premises Private Limited	-		29,351	
II)	Key Management Personnel				
	a) For Services Received		13,180,295		14,505,738
	R. Vasudevan	13,180,295		14,505,738	
	b) Unsecured Loans		-		-
	R. Vasudevan	-		-	
III)	Relatives of Key Management Personnel				
	a) Payable for Expenses		400,000		-
	Siddharth Vasudevan	400,000		-	
IV)	Associates				
	a) Advance from Customers		-		8,300,000
	Angelica Properties Private Limited	-		8,300,000	
	b) Security Deposit / Other Payables		33,600,000		200,000,000
	Vascon Infrastructure Limited	-		-	
	Angelica Properties Private Limited	33,600,000		200,000,000	
V)	Enterprise				
	a) Sundry Creditors		7,637,135		4,886,436
	Vastech Consultants Private Limited	7,637,135		4,886,436	
	b) Loan Taken		-		-
	Vatsalya Enterprises Private Limited	-		-	

VASCON ENGINEERS LIMITED

Annexure referred to in Note No III (2) (ab) of the notes forming part of accounts for the year ended on March 31, 2011

Disclosure of particulars of segment reporting as required by Accounting Standard 17

Information about primary business segments

(In Rs.)

Particulars	EPC		Real Estate Development		Hotel		Manufacturing & BMS		Unallocable		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue												
Total Sales including eliminatio	7,350,811,515	6,545,069,779	2,120,362,983	1,019,671,609	87,611,611	90,266,374	986,322,326	-	-	-	10,545,108,435	7,655,007,762
External sales	7,057,350,964	6,271,303,218	2,030,362,983	1,019,671,609	87,417,190	90,266,374	984,917,323				10,160,048,460	7,381,241,201
Less: Eliminations	(293,460,551)	(273,766,561)	(90,000,000)		(194,421)		(1,405,003)				(385,059,974)	(273,766,561)
Other operating income	-	20,646,271	68,925,592	146,358,751	-		618,023		0		69,543,615	167,005,022
Total Revenue	7,057,350,964	6,291,949,489	2,099,288,575	1,166,030,360	87,417,190	90,266,374	985,535,346	-	0	-	10,229,592,075	7,548,246,223
Result												
Segment result	1,006,938,843	920,084,839	274,970,989	347,036,368	(23,779)	43,163,605	126,650,368	-			1,408,536,420	1,310,284,812
Unallocated expenditure net of unallocated income									(391,633,529)	(353,282,602)	(391,633,529)	(353,282,602)
Operating profit									(391,633,529)	(353,282,602)	1,016,902,891	957,002,210
Interest expenses									(257,009,529)	(234,141,249)	(257,009,529)	(234,141,249)
Interest and dividend income									122,491,550	41,072,727	122,491,550	41,072,727
Income taxes									(241,560,000)	(241,928,067)	(241,560,000)	(241,928,067)
Profit after tax									(767,711,508)	(788,279,191)	640,824,912	522,005,621
Other information												
Segment assets	4,002,275,035	3,211,313,884	5,715,604,349	6,522,041,164	438,897,801	521,601,032	1,155,778,565		3,174,079,024	2,469,252,956	14,486,634,774	12,724,209,036
Segment liabilities	1,857,226,947	1,708,020,228	1,691,152,978	2,433,160,426	167,837,203	292,239,160	427,246,708		3,168,346,636	1,679,759,726	7,311,810,472	6,113,179,541
Capital expenditure	89,906,794	47,218,270	160,010,636	4,848,101	79,637,773	194,258,304	72,963,883	-	40,938,510	34,075,611	443,457,596	280,400,286
Depreciation and amortization	42,135,402	36,301,091	12,568,290	3,047,300	10,407,544	12,977,239	46,437,151	-	26,945,001	25,894,227	138,493,388	78,219,858

Notes :

1 The business group/Segment comprise of the following

EPC	Construction of Residential, Commercial, Industrial and other constructions
Real Estate Development	Development of Residential, Hotel premises, Industrial park etc
Hotel	Heteliering
Manufacturing&BMS	Manufacturing of clean room partition & Building Management System (BMS)

2 Revenue and expenses have been identified to segment on the basis of nature of operations of segment. Revenue and expenses which relates to enterprises as whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

3 Segment assets and liabilities represents assets and liabilities in respective segments. Invetments, Tax related assets and other assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as "Un allocable"

4 The Subsidiaries ,Jointventures and Associates have been included in segment classified as follows

EPC	Vascon Engineers Limited
Real Estate Development	Vascon Engineers Limited, Vascon Dwellings Private Limited, Marvel Housing Private Limited, IT CITI Infopark Private Limite, Windflower Properties Private Limited, Floriana Properties Private Limited, Vascon Pricol Infrastructure Limited, Calypso Premises Private Limited, Greystone Premises Private Limited, Ajanta Enterprises, Zircon Ventures, Zenith Ventures, Phoenix Ventures, Marigold Premises Private Limited, Just Homes (I) Private Limited, Weikfield IT Citi Infopark, Almet Corporation Limited, John Fowler Ophthalmics Limited, Marathwada Realtors Private Limited
Hotel	Vascon Infrastructure Limited, Angelica Properties Private Limited, Mumbai Estate Private Limited.
Manufacturing&BMS	Cosmos Premises Private Limited, Rose Premises Private Limited, Capia Hotels Private Limited, Viorica Properties pvt Ltd
	GMP Technical Solutions Private limited