LETTER OF OFFER
June 29, 2015
For the Eligible Equity Shareholders of the Company only

VASCON ENGINEERS LIMITED

Vascon Engineers Limited (the "**Company**" or "**Issuer**") was originally incorporated on January 1, 1986 as a private limited company under the provisions of the Companies Act, 1956, in Maharashtra, India. For details of changes in the name of our Company, please see the section titled "*General Information*" on page 57 of the Letter of Offer.

Registered Office: 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083, India, **Tel No:** +91 22 2578 1143
Corporate Office: 201, Phoenix, Bund Garden Road, Camp, Pune - 411 001, India, **Tel No.**: +91 20 3056 2200, **Fax No.:** +91 20 2613 1071.
Contact Person: Mr. M. Krishnamurthi, Company Secretary and Compliance Officer
E-mail: compliance.officer@vascon.com, **Website:** www.vascon.com.
Corporate Identity Number: L70100MH1986PLC038511

Promoters of our Company: R. VASUDEVAN, LALITHA VASUDEVAN, THANGAM MOORTHY, GEETA LULLA, VATSALYA ENTERPRISES PRIVATE LIMITED, PREMRATAN EXPORTS LLP AND GOLDEN TEMPLE PHARMA LLP

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

LETTER OF OFFER

ISSUE OF UPTO 6,66,66,666 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF VASCON ENGINEERS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 15 (INCLUDING A PREMIUM OF ₹ 5 PER RIGHTS EQUITY SHARE) PER RIGHTS EQUITY SHARE NOT EXCEEDING AN AMOUNT OF ₹ 1,000 MILLION BY THE COMPANY TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY IN THE RATIO OF 14 RIGHTS EQUITY SHARES FOR EVERY 19 EQUITY SHARES HELD ON THE RECORD DATE, I.E. JUNE 24, 2015 (THE "ISSUE"). THE ISSUE PRICE OF EACH RIGHTS EQUITY SHARE IS 1.50 TIMES THE FACE VALUE OF THE RIGHTS EQUITY SHARE.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, Investors must rely on their own examination of the Issuer and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India, ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this document. **Investors are advised to refer to the section titled "*Risk Factors*" on page 10 of the LOF before making an investment in this Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in the context of this Issue, that the information contained in the Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on the National Stock Exchange of India Limited, ("**NSE**") and the BSE Limited, ("**BSE**"). Our Company has received in-principle approvals from NSE and BSE for listing the Rights Equity Shares arising from this Issue pursuant to their letters dated January 20, 2015 and January 28, 2015, respectively. For the purposes of the Issue, the Designated Stock Exchange is the NSE.

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE
IDFC Securities Limited Naman Chambers, C - 32, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 **Telephone:** +91 22 6622 2500 **Facsimile:** +91 22 6622 2501 **Email:** vel.ri@idfc.com **Website:** www.idfccapital.com **Investor Grievance Email:** investorgrievance@idfc.com **Contact Person:** Mr. Akshay Bhandari **SEBI Registration Number:** MB/INM000011336	**IDBI Capital Market Services Limited** 3rd Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021 Maharashtra, India **Telephone:** +91 22 4322 1219 **Facsimile:** +91 22 2285 0785 **Email:** vel.ri@idbicapital.com **Website:** www.idbicapital.com **Investor Grievance Email:** redressal@idbicapital.com **Contact Person:** Mr. Sumit Singh **SEBI Registration Number**: INM000010866	**Karvy Computershare Private Limited** Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 **Telephone:** +91 40 6716 2222 **Facsimile**: +91 40 2343 1551 **E-mail:** vascon.rights@karvy.com **Website:** www.karvy.com **Contact Person:** Mr. Muralikrishna M. **SEBI Registration No.:** INR000000221

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
July 10, 2015, Friday	**July 17, 2015, Friday**	**July 24, 2015, Friday**

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

The following list of defined terms is intended for the convenience of the reader only and is not exhaustive.

Company Related Terms

Term	Description
Articles/Articles of Association/AoA	Articles of Association of our Company, as amended
Associate	The associate of our Company namely Mumbai Estate Private Limited
Board /Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Chairman	The chairman of our Board
Chief Operating Officer	The chief operating officer of our Company
Company Secretary and Compliance Officer/Compliance Officer	The company secretary and compliance officer of our Company
Director(s)	Any or all director(s) of our Company, as the context may require
EPC Contract(s)	Engineering, procurement and construction contract(s) for third parties
ESOP 2007	The employee stock option plan of our Company, as approved by the shareholders of our Company vide a special resolution dated October 23, 2007
ESOS 2013	The employee stock option scheme of our Company, as approved by the shareholders of our Company vide a special resolution dated September 12, 2013
ESOS 2014	The employee stock option scheme of our Company, as approved by the shareholders of our Company vide a special resolution dated September 15, 2014
Equity Share(s)	The equity share(s) of our Company having a face value of ₹ 10 each
Group Companies	Companies, firms, ventures, etc. promoted by the Promoters of our Company
Joint Ventures	The joint ventures of our Company namely, (i) Phoenix Ventures, (ii) Zenith Ventures, (iii) Zircon Ventures, (iv) Cosmos Premises Private Limited, (v) Ajanta Enterprises, and (vi) Vascon Qatar WLL
Land Reserves	Refers to land where, title of the land or the interest in land, is owned either by our Company, our Subsidiaries or our Joint Ventures. They also include lands, in respect of which our Company, our Subsidiaries and our Joint Ventures have entered into an agreement or a memorandum of understanding to purchase or develop lands.
Managing Director	The managing director of our Company
Memorandum/Memorandum of Association	Memorandum of Association of our Company, as amended
“we” or “us” or “our”	Unless the context otherwise indicates or implies, refers to Vascon Engineers Limited, Subsidiaries, Associates and Joint Ventures
Promoters	The promoters of our Company namely, R. Vasudevan, Lalitha Vasudevan, Thangam Moorthy, Geeta Lulla, Vatsalya Enterprises Private Limited, Premratan Exports LLP (Formerly, Premratan

Term	Description
	Exports Private Limited) and Golden Temple Pharma LLP (Formerly, Golden Temple Pharma Private Limited)
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company located at 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083, India
Statutory Auditor	Deloitte Haskins & Sells LLP, Chartered Accountants
Subsidiaries	The subsidiaries of our Company namely, (i) Marvel Housing Private Limited, (ii) Vascon Dwelling Private Limited, (iii) IT-Citi Infopark Private Limited, (iv) Greystone Premises Private Limited, (v) Vascon Pricol Infrastructure Limited, (vi) Floriana Properties Private Limited, (vii) Windflower Properties Private Limited, (viii) GMP Technical Solutions Private Limited, (ix) GMP Technical Solutions Middle East (FZE), (x) Almet Corporation Limited, (xi) Marathawada Realtors Private Limited, (xii) Just Homes (India) Private Limited; (xiii) Vascon Renaissance (LLP) and (xiv) Angelica Properties Private Limited (w.e.f. April 14, 2015)
"our Company" or "the Company"	Vascon Engineers Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, having its registered office at 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083, India

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Allottee(s)	The successful Investor(s) to whom Rights Equity Shares of our Company will be allotted pursuant to the Issue
Allotment/Allotted	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue to the Allottees
Application	Application made by the Investor whether submitted by way of CAF or in the form of a plain-paper Application, to subscribe to the Rights Equity Shares issued pursuant to the Issue at the Issue Price including applications by way of the ASBA Process
Application Amount	The aggregate value of the Application indicated in the Application Form or SAF, payable at the time of the Application
Application Form	The form in terms of which an Investor shall make an Application to subscribe to the Rights Equity Shares pursuant to the Issue, including plain-paper Applications
ASBA/Application Supported by Blocked Amount	An application (whether physical or electronic) used compulsorily by ASBA Investors to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with the SCSB
ASBA Account	Account maintained with a SCSB and specified in the CAF or plain paper application for blocking the amount mentioned in the CAF, or the plain paper application, as the case may be.
ASBA Investor(s)	Investor who; • hold the Equity Shares in dematerialized form as on the

Term	Description
	Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialized form; • have not renounced his/her Rights Entitlements in full or in part; • are not a Renouncee; • apply through a bank account maintained with one of the SCSBs; and • have not split the CAF. Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000.
Banker to the Issue	The banker to the Issue being HDFC Bank Limited
BSE	BSE Limited
Category III FPI(s)	Includes all other investors who are not eligible under category I and category II foreign portfolio investors (as defined under the SEBI (FPI) Regulations) such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
Composite Application Form/CAF	Form used by an Eligible Equity Shareholder to make an Application for Allotment of Equity Shares in the Issue, or renounce his Rights Entitlement or request for SAFs, and used by sole Renouncee to make an Application for Allotment of Equity Shares in the Issue to the extent of renunciation of Rights Entitlement in their favour
Consolidated Certificate	In case of holding of Rights Equity Shares in physical form, our Company would issue one certificate for the Rights Equity Shares allotted to one folio
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate applications under the Issue by the ASBA Investors with the Registrar to the Issue and the Stock Exchanges and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Branches	Such branches of the SCSBs which shall collect CAF from ASBA Investor and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Stock Exchange/DSE	NSE
Draft Letter of Offer/DLOF	The draft letter of offer of our Company dated November 21, 2014 filed with SEBI
Eligible Equity Shareholder(s)	A holder of Equity Shares as on the Record Date
FPI(s)	A foreign portfolio investor as defined under the SEBI (FPI) Regulations
Investor(s)	The Eligible Equity Shareholders of our Company on the Record Date i.e. June 24, 2015, and Renouncees
Issue	Issue of upto 6,66,66,666 Equity Shares of face value of ₹ 10 each ("**Rights Equity Shares**") of the Company for cash at a

Term	Description
	price of ₹ 15 (including a premium of ₹ 5 per Rights Equity Share) per Rights Equity Share not exceeding an amount of ₹ 1,000 million by the Company to the Eligible Equity Shareholders of the Company in the ratio of 14 Rights Equity Shares for every 19 Equity Shares held on the Record Date, i.e. June 24, 2015. The Issue Price of each Rights Equity Share is 1.50 times the face value of the Rights Equity Share.
Issue Closing Date	July 24, 2015
Issue Opening Date	July 10, 2015
Issue Price	₹ 15 per Rights Equity Share
Issue Proceeds	The monies received by our Company pursuant to the Rights Equity Shares which are allotted pursuant to the Issue
Lead Managers/LMs	IDFC Securities Limited and IDBI Capital Market Services Limited
Letter of Offer/LOF	The letter of offer dated June 29, 2015 filed with the Stock Exchanges
Listing Agreement(s) / Equity Listing Agreement(s)	The listing agreements entered into between our Company and the Stock Exchanges
Net Proceeds / Net Proceeds of the Issue	The Issue Proceeds less the Issue related expenses. For further details, please see the section titled "*Objects of the Issue*" on page 72 of the LOF
Non Institutional Investor(s)	All Investors including FPIs which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for a cumulative amount of more than ₹ 0.2 million.
Non Retail Investor(s)	Investors who are QIBs or Non Institutional Investors
NSE	National Stock Exchange of India Limited
QIB(s) / Qualified Institutional Buyer(s)	Qualified Institutional Buyer means: (i) a mutual fund, venture capital fund and FVCI registered with the Board; (ii) a FPI other than Category III FPI; (iii) a public financial institution as defined in Section 2 clause (72) of the Companies Act, 2013; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of 200 million rupees; (ix) a pension fund with minimum corpus of twenty five crore rupees; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;(xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India.
Qualified Foreign Investors/ QFI	QFI shall mean a person who has opened a dematerialized account with a qualified depositary participant as a qualified foreign investor under the SEBI (FPI) Regulations
Record Date	June 24, 2015
Registrar to the Issue or Registrar	Karvy Computershare Private Limited, situated at Plot 31-32, Gachibowli, Financial District,Nanakramguda, Hyderabad – 500 032
Renouncee(s)	Any person(s) who have/has acquired Rights Entitlements from Eligible Equity Shareholders
Retail Individual Investor(s)	Individual Investors who have applied for Equity Shares for an amount not more than ₹ 0.2 million (including HUFs applying

Term	Description
	through their Karta)
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his/ her shareholding in our Company as on the Record Date
Rights Equity Shares	The Equity Shares offered and to be issued and allotted pursuant to the Issue
SAF(s)	Split Application Form(s)
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Stock Exchange(s)	National Stock Exchange of India Limited and the BSE Limited where our Equity Shares are currently listed

Conventional and General Terms

Term	Description
Acre	Equals 43,560 sq. ft.
AGM	Annual General Meeting
AS	Accounting Standards, as issued by the ICAI
Brickwork	Brickwork Ratings India Private Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 2013 to the extent notified as on date of the Letter of Offer and the rule/s prescribed thereunder or the Companies Act, 1956, to the extent applicable as on date of the Letter of Offer
Companies Act, 1956	The Companies Act, 1956, to the extent applicable as on date of the Letter of Offer
Companies Act, 2013	The Companies Act, 2013 to the extent notified as on date of the Letter of Offer and the rule/s prescribed thereunder
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
Developable Area	Total area which is developed in each property, and includes carpet area, common area, service and storage area, as well as other open area
DIN	Director Identification Number
DP	Depository Participant
EGM	Extraordinary General Meeting
EPC	Engineering, Procurement and Construction
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 and any circulars, notifications, rules and regulations issued pursuant to the provisions thereof
FI	Financial Institution
FII(s)	Institution which is registered under the SEBI (FPI) Regulations
Financial Year/Fiscal	The period of 12 months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
FSI	Floor Space Index
FVCI(s)	Foreign venture capital investor registered with the SEBI under

Term	Description
	applicable laws
GoI	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
Indian GAAP	The generally accepted accounting principles in India
Industrial Policy	The industrial policy and guidelines issued by the Ministry of Industry, GoI
ISIN	International Securities Identification Number
IT Act	The Income Tax Act, 1961
LLP	Limited liability partnership formed and registered under the Limited Liability Partnership Act, 2008
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
N.A.	Not Applicable
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
Non Resident	Persons resident outside India as defined in the FEMA
NR	Non Resident
NRI(s)	Non Resident Indians, as defined in the Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depository Limited
OCB(s)	Overseas Corporate Body(ies)
Ongoing Projects	Real estate development projects that are currently under construction and planned for construction and development
Order Backlog	Consists of anticipated EPC Contract revenues from the uncompleted portion of existing EPC Contracts
PAN	Permanent Account Number
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RFPI	Registered Foreign Portfolio Investor
RoC	Registrar of Companies Mumbai, situated at 100, Everest, Marine Drive, Mumbai - 400 002, India
RTGS	Real Time Gross Settlement
Rupees / ₹ / Rs.	The official currency of Republic of India
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI (FPI) Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Securities Act	The United States Securities Act of 1933
SEZ	Special Economic Zone
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
w.e.f.	with effect from

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, 2013, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, terms under the sections titled "*Financial Statements*" and "*Statement of Tax Benefits*" on pages 94 and 79, of the LOF, respectively, shall have the meanings given to such terms in these respective Sections.

NOTICE TO INVESTORS

The distribution of the Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or the CAF may come are required to inform themselves about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to the Equity Shareholders and will dispatch the Letter of Offer / the Letter of Offer / the Abridged Letter of Offer and CAFs to such shareholders who have provided an Indian address. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Draft Letter of Offer / the Letter of Offer / the Abridged Letter of Offer and CAFs, shall not be sent the Draft Letter of Offer / the Letter of Offer / the Abridged Letter of Offer and CAFs. No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer was filed with SEBI for observations. Accordingly, the rights or Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Letter of Offer must be treated as sent for information only and should not be copied or redistributed.

Accordingly, persons receiving a copy of the Letter of Offer should not, in connection with the Issue of the rights or Equity Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the rights or Equity Shares referred to in the Letter of Offer. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue must provide an Indian address. Any person who makes an application to acquire rights and the Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, the Lead Managers or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in the Company’s affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

The contents of the Letter of Offer should not be construed as legal, tax or investment advice. Prospective Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Equity Shares. In addition, neither our Company nor the Lead Managers are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under any applicable laws or regulations.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. Our Company is an Indian listed company and prepares its financial statements in accordance with Indian GAAP, applicable accounting standards and guidance notes issued by the ICAI, the applicable provisions of the Companies Act, 2013 and other statutory and/or regulatory requirements. Indian GAAP differs significantly in certain respects from IFRS and US GAAP. Neither the information set forth in our financial statements nor the format in which it is presented should be viewed as comparable to information prepared in accordance with IFRS or any accounting principles other than principles specified in the Indian accounting practices. All references to "India" contained in the Letter of Offer are to the Republic of India, all references to the "US", or the "U.S." or the "USA" is to the United States of America and all references to "UK" are to the United Kingdom.

Unless otherwise stated, the financial information in the Letter of Offer is derived from our audited consolidated financial statements and audited standalone financial statements, for the Financial Year ended March 31, 2015. For details of such financial information, please see the section titled "*Financial Statements*" on page 94 of the LOF. We publish our financial statements in Indian Rupees.

In the Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Numerical values have been rounded off to two decimal places.

Unless stated otherwise, throughout the Letter of Offer, all figures have been expressed in Rupees in million.

Currency of Presentation

All references to "India" contained in the Letter of Offer are to the Republic of India, all references to the "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India.

Unless stated otherwise, throughout the Letter of Offer, all figures have been expressed in million. In the Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

In the Letter of Offer, references to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words 'Lakh" or "Lac" mean "100 thousand"; "10 lakhs" means a "million", and; "10,000 lakhs" means a "billion".

FORWARD LOOKING STATEMENTS

Our Company has included statements in the Letter of Offer which contain words or phrases such as "may", "will", "aim", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "seek to", "future", "objective", "goal", "project", "should", "potential" and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, factors affecting:

- We are exposed to significant construction risks under our contracts that could cause us to incur losses**.**
- The demand for our property development business is dependent on the performance of the property market in the areas in which we operate, and any slowdown in the demand for such development and demand for business of our customers could adversely affect our business.
- We have derived significant revenues from key customers and projects. The loss of one or more of our key customers or projects could adversely affect us.
- Our revenues depend upon the award of new contracts and the timing of those awards. Consequently, our results of operations and cash flows may be adversely affected or fluctuate materially from period to period.
- A significant portion of our revenues are generated from one state in India. Our growth strategy to expand into new geographic areas poses risks. We may not be able to successfully manage some or all of such risks, which may have a material adverse effect on our revenues, profits and financial condition.
- Our industry is highly fragmented and competitive and increased competitive pressure could result in a reduction in our market share or require us to incur substantial expenditures which may adversely affect our business, results of operations and financial conditions.
- We are dependent on our senior management and our inability to retain them and attract new key personnel may have an adverse impact on the functioning of our business.
- The monetary and fiscal policies of India.
- Unanticipated turbulence in interest rates.
- Equity prices or other rates or prices, the performance of the financial markets in India and globally.

For a further discussion of factors that could cause our Company's actual results to differ, please refer to the section titled "*Risk Factors*" on page 10 of the LOF. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the Lead Managers nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI / Stock Exchanges requirements, our Company and Lead Managers will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in equity and equity related securities involves a high degree of risk. You should carefully consider all of the information in the Letter of Offer, including the risks and uncertainties described below, before making an investment. Our Company's actual results could differ materially from those anticipated in the section titled "Forward Looking Statements" on page 9 of the LOF, as a result of certain factors, including the considerations described below. If any of the following risks actually occur, our business, financial condition, results of operations and prospects could suffer, the trading price of our Equity Shares and the Rights Equity Shares could decline and you may lose all or part of your investment. You should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries.

Unless specified or quantified in the relevant risk factors detailed below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Internal Risks

1. Our Company and our Subsidiaries are party to certain civil and taxation legal proceedings. As on June 1, 2015, the total amount involved in the legal proceedings initiated against our Company, our Subsidiaries, our Promoters and our Directors was around ₹7,744.96 million

There are certain outstanding legal proceedings initiated against our Company and our Subsidiaries. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable as on date of the Letter of Offer and include amounts claimed jointly and severally from us and other parties. Should any new developments arise, such as any change in applicable Indian laws or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. There can be no assurance that these proceedings will not be determined adversely to us or that penal or other action will not be taken against our Company or our Subsidiaries. Any adverse decision in such proceedings may have an adverse effect on our business, results of operations and financial condition. A summary of litigation and disputes involving potential financial liability of ₹ 50 million or more and certain other litigation which we consider material, is as follows:

- *Litigations initiated against our Company:*

(in ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Civil Proceedings	1	3,600.00
Criminal Proceedings	1	0.39

- *Litigations initiated against our Subsidiaries:*

(In ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Civil Proceeding	1	1,500.00

- *Litigations initiated against our Promoter and Managing Director Mr. R. Vasudevan:*

(In ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Criminal Proceedings	1	0.39

- *Litigations initiated by our Company :*

(In ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Civil Proceedings	2	1,228.00 (plus applicable interest)

- *Litigations initiated by our Subsidiaries :* Nil

- *Litigations against our Company / Subsidiaries where the Company / Subsidiary is only a party to the suit but there is no monetary claim:*

Nature of Litigation	Number of Outstanding Litigation
Civil Proceeding	2

Our failure to successfully defend claims could result in our business, prospects, financial condition and results of operations being adversely affected. For more information regarding pending litigation, please see the section titled "*Outstanding Litigations and Other Defaults*" on page 216 of the LOF.

2. *Some of our financing agreements require prior consent of our lenders for undertaking a number of corporate actions, including for initiating and consummating the Issue out of which we are yet to obtain consent from one lender.*

Under some of our financing agreements, we are required to obtain prior consents from the respective lenders to undertake certain actions, including initiating and consummating the Issue, altering the memorandum and articles of association of our Company, prepayment of such loans, effecting any change in the capital structure, issuing any fresh capital and for completion of other requirements pertaining to the Issue.

As on the date of the Letter of Offer, we have applied for such consents for the Issue from all our existing lenders and have yet to receive consents from one lender, namely, Central Bank of India. Although we have applied for such consent, there can be no assurance that we will be able to obtain such consent in a timely manner. Undertaking the Issue without obtaining such lender consents in a timely manner or at all, or in contravention of any conditions contained in such consents, may constitute a breach of the respective loan agreements. Any such default will enable the lenders to cancel any outstanding commitments, accelerate the repayment and enforce their security interests and may also trigger cross-defaults of other loan facilities. Further, such lenders may also curtail our ability to utilize a portion the Issue Proceeds for repayment or prepayment of certain debt availed to us. For further details of the proposed objects of the Issue, see *"Objects of the Issue"* on page 72 of the LOF. This may have a material adverse effect on the business, operations, prospects and financial conditions of our Company. We are also subject to restrictive covenants in debt facilities provided to us by our lenders which may limit our strategic decisions and operations and we may not be able to service our debt or make repayments on a timely basis or at all thereunder which may materially and adversely affect our business, results of operations, financial condition and prospects.

3. *We have in the past defaulted in repayment of dues to debenture-holders and banks.*

Our Company has in the past defaulted in the repayment of loans to banks and debenture-holders. For instance, the Statutory Auditor of our Company has in their Audit Report for the Financial Year ended March 31, 2015 has disclosed that there were delays in repayment of dues to banks and debenture holders (including during the year) as given below:

Nature of Dues	Amount of Default (Including Interest)	Period of delay – In the range of no. of days
18.25% Non -Convertible Debentures	108,749,397	1 to 44 days
Term loans from banks	9,732,173	3 to 110 days

Although these defaulted repayments have since been rescheduled with the lenders, there is no assurance that these defaults will not occur in the future. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms.

4. The loss of major customers could adversely affect our business, results of operations and financial condition.

Our Company's top ten EPC customers represent 69.07% of our total revenue on a standalone basis, amounting to ₹ 2,143.34 million for the financial year ended March 31, 2015. The loss of our major customers could lead to penalties, damages and cancellation/ non-renewal of orders which may result in loss of any of these customers or a significant reduction in demand and this could have an adverse effect on our business, results of operations and financial condition. Additionally, there can be no assurance that we will be able to renew our orders with such customers when the said orders come up for renewal and there can be no assurance that we will be able to replace the business lost due to the non-renewal of the same. Further, the loss or financial difficulties of any of our most significant customers, or significant decreases in the volumes of work from our customers, would have an adverse effect on our financial condition and profitability.

5. We had negative cash flows in the past, which if occurs in future could adversely affect our financial standing

We have incurred negative cash flow in the past and cannot assure that such negative cash flows will not occur again in the future. Details of cash flows for the preceding three years:

(₹ in million)

Particulars	**For the Fiscal**		
	2015	**2014**	**2013**
	(₹ in million)	**(₹ in million)**	**(₹ in million)**
Net cash (used in)/ generated from operating activities	572.55	(891.21)	388.99
Net cash generated (used) in/ generated from investing activities	(96.32)	(39.29)	27.45
Net cash (used in)/ generated from financing activities	(521.05)	991.78	(542.15)
Net increase in cash and cash equivalents	(44.81)	61.28	(125.71)

In case, we have negative cash flows in future, it could adversely impact our operations and financial standing of our Company.

6. Our industry is highly fragmented and competitive and increased competitive pressure could result in a reduction in our market share or require us to incur substantial expenditures which may adversely affect our business, results of operations and financial conditions.

We operate in an intensely competitive and highly fragmented industry with low entry barriers. Our business may face competition from businesses that are larger and have substantially greater resources than we do. We face significant competition in our business from a large number of Indian construction companies who also operate in the same regional markets as us. It is difficult for us to predict the timing and scale of our competitors' actions in these areas. We expect competition to continue to be intense going forward as our existing competitors may expand their operations. The extent of the competition we face in property development market depends on a number of factors, such as the size and type of property development, contract value and potential margins, the complexity and location of the property development, facilities and supporting infrastructure services, the reputation of our competitors, and the risks relating to revenue generation.

Some of our competitors are larger and have greater land reserves or financial resources or a more experienced management team than us. Competitors may, whether through consolidation or growth, present more credible, integrated, or low cost solutions than we do, causing us to win fewer contracts. Given the fragmented nature of the construction industry, we often do not have adequate information about the projects our competitors are developing and constructing and accordingly, we run the risk of underestimating supply in the market. Further, our competitors may commence operations in the vicinity of our Ongoing Projects and may offer their products at competitive prices, resulting in a decreasing of sales of our projects. We cannot assure you that we can continue to compete effectively with our competitors, which could adversely affect our business, financial condition and results of operations.

7. As of March 31, 2015, we had total debt of ₹ 3,574.88 million outstanding. Our indebtedness and the conditions and restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations.

As of March 31, 2015 we had total debt of ₹ 3,574.88 million outstanding. We and our Subsidiaries, Associate and Joint Ventures may incur additional indebtedness in the future. Our indebtedness and that of our Subsidiaries, Associate and Joint Ventures could have several important consequences, including but not limited to the following:

- a portion of our Company and our Subsidiaries, Associate and Joint Ventures cash flow may be used towards repayment of existing debt, which will reduce the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our Company and our Subsidiaries, Associate and Joint Ventures ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our Company and our Subsidiaries, Associate and Joint Ventures borrowings, as some of our Company and our Subsidiaries, Associate and Joint Ventures indebtedness are at variable interest rates;
- there could be an adverse effect on our business, financial condition and results of operations if we or our Subsidiaries, Associate and Joint Ventures are unable to service the indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Most of our Company and our Subsidiaries, Associate and Joint Ventures financing arrangements are secured by our or our Subsidiaries, Associate and Joint Ventures movable and immovable assets, as applicable. Many of our Subsidiaries, Associate and Joint Ventures financing agreements also include various conditions and covenants that require us or them, as applicable, to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations.

The agreements and instruments governing our Company and our Subsidiaries, Associate and Joint Ventures existing indebtedness and the agreements we and our Subsidiaries, Associate and Joint Ventures expect to enter into governing future indebtedness, contain and are likely to contain restrictions and limitations, such as restrictions on issuance of new Equity Shares or other securities, incurring further indebtedness, creating further encumbrances on assets, disposing of assets, effecting any scheme of amalgamation or restructuring, undertaking guarantee obligations, declaring dividends or incurring capital expenditures beyond certain limits. In addition, some of these financing agreements contain and are likely to contain financial covenants, which may require us to maintain, among other things, a specified net worth to assets ratio, debt service coverage ratio, and maintenance of collateral. Furthermore, some of these financing arrangements entered into by our Subsidiary (ies) require us, in the event of a default in repayment or prepayment, to convert the whole or part of the outstanding amount into fully paid up equity shares.

Our Company has not been able to comply with some of the conditions laid down in the revised terms dated January 9, 2015 of the loan availed from IDFC Real Estate Yield Fund. For instance, our Company has been unable to replace existing security of Nashik land 113/2 and Phoenix

Building, security for Kaledonia and Marigold apartments within the time period mentioned in the letter dated January 9, 2015 from IDFC Real Estate Yield Fund. We cannot assure you that we will be able to comply with all such covenants in a timely manner or at all or that we will be able to comply with all such covenants in the future. Any such failures to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes.

Moreover, our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. Our Company has in the past defaulted in the repayment of loans to banks and financial institutions. Although these defaulted repayments have since been rescheduled with the lenders, there is no assurance that these defaults will not occur in the future. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms.

8. Demand for our EPC services business is dependent on industry and general economic conditions.

The demand for our EPC services is also dependent on the level of domestic, regional and global economic growth and we are vulnerable to general economic downturns with respect to our EPC services business as well as our real estate business. Our EPC services business is also directly affected by changes in Government spending and capital expenditures by our customers. The growth rate of India's economy and that of the demand for infrastructure services in India have fluctuated since the global downturn in the latter half of 2007. During periods of strong economic growth, demand for our EPC services may grow at a rate equal to, or even greater than, that of the Indian GDP. Conversely, during periods of slow GDP growth, such demand may exhibit slow or even negative growth. Recent global economic developments have adversely affected the Indian markets. There can be no assurance that future fluctuations in economic or business cycles, or other events that could influence GDP growth, will not have an adverse effect on our EPC services business and as a result our results of operations.

9. We have incurred losses for the Financial Year ended March 31, 2015 may continue to experience losses in the future.

On a consolidated basis, our Company incurred a net loss after minority interest of ₹ 1,440.46 million for the Financial Year ended March 31, 2015 and on a standalone basis, our Company incurred a net loss after tax of ₹ 1446.92 million for the Financial Year ended March 31, 2015. For further details of such financial information, please see the section titled "*Financial Statements*" on page 94 of the LOF.

We cannot guarantee that we will become profitable in future. Further, in case we continue to incur losses our net worth shall get affected. We may continue to incur losses in the future for a number of reasons, including the other risks described in the Letter of Offer, and we may also encounter unforeseen expenses, difficulties, complications, delays and other unknown events. If we incur losses in the future, our financial condition, our reputation and the market price of our Equity Shares could suffer.

10. In relation to some of our SPVs, we have entered into certain shareholders agreements with certain investors with respect to certain project specific companies which contain certain conditions which may adversely affect our business, financial condition and results of operations.

As of March 31, 2015, in relation to some of our SPVs, we have entered into certain shareholders agreements with certain investors with respect to certain project specific companies. Certain business decisions and some of the operations of the project specific companies involved with these projects will require the prior consent of the relevant SPV Investor, such as in the case of, among other things, acquiring land, changing certain aspects of the project, commencing new business operations, incurring indebtedness beyond certain levels or restrictions on the amount of interest payable to our Company. We cannot assure you that such SPV Investors or their board nominees in the relevant project specific companies will vote in favour of our interests and the project specific companies may be prevented from implementing decisions which could be beneficial to our business, financial condition and results of operations. In addition, there could be delays in making such business decisions which could adversely affect our business, financial condition and results of operations. Some of these shareholders agreements also lay down certain restrictions on payment of dividend by the project specific companies. Further, certain shareholders agreements also provide the SPV Investor with rights such as right of first refusal, right of first offer, "drag along" right and "tag along" right. Fulfilling our obligations in compliance with the respective shareholder agreements may lead to a greater financial risk and capital expenditure with regard to the relevant project(s), which may have an adverse effect on our business, financial condition and results of operations.

11. Our business is heavily dependent on the availability of real estate financing and the failure to obtain additional financing may adversely affect our ability to grow and our future profitability.

Our business and growth strategy is highly capital intensive, requiring substantial capital on acceptable terms to develop and market our projects. The actual amount and timing of our future capital requirements may also differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our projects, unanticipated expenses, regulatory changes and engineering design changes. To the extent our capital expenditure requirements exceed our available resources we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest cost and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per share and your interest in our Company and could adversely affect our share price. In addition, the Indian regulations on foreign investment in townships, housing, built-up infrastructure and construction and development projects impose significant restrictions on us. Further, under current Indian regulations, external commercial borrowings cannot be raised for investment in real estate, which may further restrict our ability to obtain necessary financing.

Our ability to obtain additional financing on favourable commercial terms, if at all, will depend on a number of factors, including:

- our future financial condition, results of operations and cash flows;
- the amount and terms of our existing indebtedness;
- general market conditions for financing activities by real estate companies; and
- economic, political and other conditions in the markets where we operate.

Our attempts to consummate future financings may not be successful at terms acceptable to us and failure to obtain financing on such terms could have an adverse effect on our business, prospects and results of operations. If we are unable to incur sufficient indebtedness or have access to capital, our ability to grow could be limited.

Furthermore, changes in the global and Indian credit and financial markets have recently significantly diminished the availability of credit and led to an increase in the cost of financing. In many cases, the markets have exerted downward pressure on the availability of liquidity and credit capacity. We may need liquidity for future growth and development of our business and may have difficulty accessing the financial markets, which could make it more difficult or expensive to obtain financing in the future. Without sufficient liquidity, we may not be able to purchase additional land or develop additional projects, which would adversely affect our results of operations. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew existing funding or to obtain additional financing on acceptable terms in a timely manner could adversely affect our planned capital expenditure, business and results of operations including our growth prospects.

12. ***As of March 31, 2015, we had contingent liabilities not provided for amounting to a total of ₹ 7,816.82 million. Further, our contingent liabilities as a percentage of our net worth was 150.76%. Our contingent liabilities which have not been provided for in our financial statements could adversely affect our financial condition.***

As of March 31, 2015, we had contingent liabilities not provided for, as disclosed in the notes to our condensed consolidated financial statements:

Particulars	**(₹ in million)**
a) Disputed demands for Income Tax	109.15
b) Disputed demands for Service Tax / Excise Duty	46.08
c) Disputed demands for Value Added Tax	31.10
d) Performance and financial guarantees given by the Banks on behalf of the Company	1,745.23
e) Corporate guarantees given for other companies / entities and mobilization	750.00
f) Claims against the Company not acknowledged as debts	3,620.53
i) In respect of claim against the Company amounting to Rs.360,00,00,000/- (Previous year Rs.360,00,00,000/-) 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. ii) One of our creditor has filed a civil suit claiming of ₹ 88,28,380/- (Previous year Rs. 88,28,380/-) as amount due to him, which claim the company is disputing. iii) Short Levy of Stamp Duty due to misclassification of conveyance deed as development agreement amounting to ₹ 8,67,370/- (Previous Year ₹ 8,67,370/-)with Joint District Registrar & Collector of Stamps , Pune. iv) One of the creditors of the Company has filed a winding up petition for non-payment of Rs. Nil (Previous year ₹ 350,134/-) (including interest) in respect of material supplied by the said party, which claim the Company is disputing. In the current year winding up petition was disposed of.	-
g) In respect of a development project, as per the terms of land purchase 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.	-
h) The levy of Maharashtra Value Added Tax (MVAT) in respect of Real Estate Development sales has been subject to considerable legislative amendments, litigation and administrative action. During the pendency of special leave petition before the Hon'ble Supreme Court against the earlier Hon'ble Mumbai High Court decision, a decision has been pronounced by the Hon'ble Mumbai High Court and the matter has not reached finality. The Industry, accounting and legal fraternity is examining the implications of the decisions and the way the liability will be worked out under various options provided. In view of such uncertainties, the management has been advised that in the present scenario it is difficult to correctly determine MVAT liability payable in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010. The Company is currently in process of ascertaining the exact applicability of these pronouncements, contractual ability to collect MVAT from past customers and the mechanism of collection of MVAT in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010.	-
i) Others	1,514.72
Maharashtra State Electricity Distribution Company Limited has raised demand dated September 17, 2014 of Rs. 1,41,81,748/- on account of unauthorized use of Electricity based on provisional assessment made. The Company has not accepted the same and legal process in respect to the above is carried on.	-
In respect of Land admeasuring 13,563 sq.mtr Situated at Vadgan Sheri, Pune consent term have been entered between the land owner Rock Enterprises and the	-

Particulars	(₹ in million)
Ultimate Owner Sansara Developers India Pvt. Ltd. For about 150 Crores Payable to the Land Owner. However Due to chain of agreement the Company is also party to the case filed by the Land Owner.	

Contingent liabilities which have not been provided for in our financial statements could adversely affect our financial condition.

13. ***Since we implement many of our real estate development projects through project-specific Subsidiaries, Associate and Joint Ventures, we are substantially dependant on the performance of such Subsidiaries, Associate and Joint Ventures.***

Some of our Subsidiaries**,** Associate and Joint Ventures develop real estate development projects. Some of our Subsidiaries**,** Associate and Joint Ventures not only develop real estate but also continue to own and operate such developments subsequent to their completion. As a result, although we generate revenues from our EPC services business and at times directly develop real estate, our financial condition and results of operations are dependent on the performance of our Subsidiaries**,** Associate and Joint Ventures and the revenues from EPC Contracts, dividends and other distributions we receive from them. As a result, in the event of non-performance of our Subsidiaries, Associate and Joint Ventures, losses incurred by such entities or non-receipt of EPC services revenues, or a lack of dividends or other distributions from them, our results of operations and financial condition may be adversely affected.

14. ***We depend upon the fulfilment of the obligations of our Joint Venture partners, as well as the products and services of a number of suppliers and sub-contractors, in the operation of our business.***

Our Joint Venture projects depend upon the fulfilment of the obligations of our Joint Venture partners. Although, typically, our joint development agreements and joint venture and other agreements and documents may legally obligate the other parties to provide the relevant services, we cannot assure you that they will provide such services on a timely basis, or at all, which could adversely affect our as well as our joint ventures' business and results of operations. In some cases, under the terms of the agreements with our partners, we along with our partners are required to provide additional funding into such entities. We cannot assure you that our partners will contribute towards such additional funding at the appropriate time and in the manner specified in such agreements, or at all. In addition, though our joint ventures and joint development agreements confer rights on us to construct, develop, market and sell the developed properties, our Joint Venture partners have certain decision-making rights which may limit our flexibility to make decisions relating to such projects, and may cause delays or losses.

We rely upon the products and services of a number of third-parties, suppliers and sub-contractors in the construction of our projects, such as architects, engineers, contractors and suppliers of labour and materials. These third parties undertake certain responsibilities for the services they are specialists in. Suppliers and sub-contractors also provide us with raw materials and equipment. We have limited control over the cost, availability or quality of their products or services, and as such the inability or unwillingness of such suppliers and sub-contractors to provide their products and services to us, including on a timely and cost-efficient basis, may adversely affect our business and results of operations. As a result, we may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of contracted services. Any consequent delay in project execution could adversely affect our profitability and reputation.

15. ***Out of the total Land Reserves around 30.65 acres is in the name of our Company and the remaining is in the name of SPVs.***

We own, in our name, a total of 30.65 acres of land aggregating 9.46% of our total Land Reserves. Most of our remaining Land Reserves are held in the project specific companies which will develop our projects. As a result, such project – SPVs will have significant control over our Land Reserves. Such control may limit our flexibility to make decisions relating to such Land Reserves and may cause delays or losses. If we are unable to carry out our operations in connection with such land, in a timely manner, our financial condition, profitability and results of operation may be adversely affected.

16. We may utilize a part of the Net Proceeds to repay certain loan facilities availed from IDFC Real Estate Yield Fund, which is an associate of IDFC Limited, an associate of IDFC Securities Limited, one of our Lead Managers.

We may utilize a part of the Net Proceeds to repay or prepay certain existing loan facilities availed from IDFC Real Estate Yield Fund, which is managed by IDFC Alternatives Limited, a wholly owned subsidiary of IDFC Limited, an associate of IDFC Securities Limited one of our Lead Managers. The repayment/prepayment of the loan availed from IDFC Real Estate Yield Fund shall not influence or modify the manner of repayment/prepayment and quantum of repayment / prepayment to other lenders as has been laid out in the on page 73 of the LOF. We do not believe that this constitutes a conflict of interest under the SEBI (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. However, the amount of Net Proceeds utilized towards such repayment or prepayment to IDFC Real Estate Yield Fund, will not be available for use in our business for any other purposes. For further details, see *"Objects of the Issue"* and *"Financial Indebtedness"* on page 72 and 200, respectively. For further details in connection with the conflict of interest of IDFC Securities Limited, please refer to page 58 of the section titled *"General Information"* of this Letter of Offer.

17. Portions of the land forming part of our Land Reserves consists of agricultural land, and as such require consents or approvals of regulating authorities prior to development.

Approximately 51.47% or 166.80 acres of the total Land Reserves consists of agricultural land. We shall commence development on such land upon receiving approvals from the relevant authority for the conversion of its usage to commercial and residential purpose. If such approvals from the relevant authority are not granted, we may not be able to carry on any developments on such land.

18. Sustained high raw material or equipment costs or the lack of their availability may adversely affect our business and results of operations.

Costs of raw materials constitute a significant part of our operating expenses. Our construction operations require a wide range of construction materials including steel, cement, sand and other aggregates, fittings, frames, doors and windows. In addition, we require the use of a range of construction equipment such as excavators, cranes and cement mixers in our construction processes. Furthermore, the increased number of infrastructure projects currently ongoing in India may lead to an increase in prices. Our ability to pass on increases in materials and equipment costs may be limited under contracts with limited or no price variation provisions. Although, historically, we have not faced any significant shortage of raw materials or equipment, we cannot assure you that we would not face any shortage in the future. Unanticipated increases in materials and equipment costs, not taken into account in our EPC Contracts or real estate development projects or the lack of their availability, may adversely affect our business and results of operations.

19. As of March 31, 2015 our Order Backlog was ₹ 7,100.41 million. Projects included in our Order Backlog may be delayed or modified, which could harm our cash flow position, revenues and income.

Projects included in our Order Backlog may be delayed or cancelled which could adversely harm our cash flow position, revenues and earnings. As of March 31, 2015, our Order Backlog was ₹ 7,100.41 million. This can be primarily attributed to the current challenging economic environment and delays in getting necessary approvals. However, Order Backlog does not necessarily indicate future earnings related to the performance of that work but merely refers to expected future revenues under signed contracts or contracts where letters of intent have been received. Order Backlog projects represent only business that is considered firm, although cancellations or scope of adjustments may occur. Due to changes in project scope and schedule, we cannot predict with certainty when or if Order Backlog projects will be performed. In addition, even if a project were to proceed as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. Any delay, cancellation or payment default could adversely harm our cash flow position, revenues or earnings.

For some of the contracts in our Order Backlog, our clients are obliged to perform or take certain actions, such as securing of the right of way, clearance of agricultural land or forest, obtaining required approvals, licenses or permits, timely payments of advances or opening of letters of credit, timely approval of designs and shifting of existing utilities. If a client does not perform all of such actions in a timely manner, or at all, our operations and our results of operations may be adversely affected.

20. Our profitability and results of operations may be adversely affected in the event of increases in the prices of raw materials or other inputs.

A significant part of our projects are executed on a fixed-price range basis, however, certain projects are subject to price variation or owner-supply provisions for the supply of steel and cement. In view of the same, the cost of raw materials and other input costs constitute a part of our operating expenses. Our construction services require various construction raw materials including steel, cement, bricks, building blocks and ready mixed concrete. For the financial year ended March 31, 2015, the cost of materials consumed constituted 69.53% of our expenses. Our ability to pass on increases in the purchase price of materials may be limited in the case of fixed-price contracts or contracts with limited price escalation provisions. Any unforeseen rise in prices of construction material makes it expensive for us to acquire such raw materials and may materially and adversely effect on financial condition and results of operations.

21. In our EPC services business, we are exposed to significant construction risks that could cause us to incur losses.

Our projects are generally performed on a fixed-price range basis, except in certain projects where we have price variation or owner-supply provisions for the supply of steel and cement. Under the terms and conditions of such fixed-price contracts, we generally agree to a fixed price for providing engineering, procurement and construction services for the project contracted to us, subject however, in certain cases to project variations pursuant to changes in the client’s requirements. Our actual expense for executing a fixed-price contract may vary substantially from the assumptions underlying our bid for several reasons, including unanticipated changes in engineering or design of the project, unanticipated increases in the cost of equipment, materials or manpower, delays associated with the delivery of equipment and materials to the project site, unforeseen construction conditions, including the inability of the client to obtain requisite regulatory, environmental and other approvals, resulting in delays and increased costs, delays caused by local weather conditions, and suppliers’ or subcontractors’ failure to perform.

Unanticipated costs or delays in performance of a part of the contract can have compounding effects by increasing costs of other parts of the contract. These variations, and the risks generally inherent to the construction industry, may result in our actual profits being different from those originally estimated and may result in our experiencing reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could have an adverse effect on our results of operations.

22. The Central Government has vide its letter dated September 30, 2014 has rejected the application of the Company made under Section 314 (1B) of the Companies Act, 1956 in connection with the remuneration payable to Mr. Siddharth Vasudevan Moorthy to hold an office or place of profit as the Chief Operating Officer of the Company. There can be no assurance that the refund of the remuneration paid to him shall be made in a timely manner.

Pursuant to resolutions passed by the Board of our Company on July 22, 2013 and the shareholders of our Company on September 12, 2013, subject to the approval of the Central Government, Mr. Siddharth Vasudevan Moorthy was been appointed to hold an office or place of profit as the Chief Operating Officer of our Company and payment of remuneration of ₹ 1,20,00,000 per annum for a period of five years with effect from April 1, 2013 to March 31, 2018. The Central Government has vide its letter dated September 30, 2014 has rejected the application of the Company made under Section 314 (1B) of the Companies Act, 1956 due to failure of the Company to submit the requisite information required to process the application. There can be no assurance that the refund of the remuneration paid to him shall be made by him in a timely manner.

23. Our business is subject to extensive government regulation. For example, the Government of India proposes to enact the Real Estate (Regulation and Development) Bill, 2013 (the "Real Estate Bill") with respect to real estate projects. Pending the Real Estate Bill becoming a statute, our Company is currently not in a position to analyze the requirements that our Company may have to comply with in accordance with the Real Estate Bill and accordingly predict the impact it may have on our business, prospects, financial condition and results of operations.

The Government of India proposes to enact the Real Estate Bill which is expected to include, *inter alia*, requirements to register real estate projects and obtain a certificate of registration and other approvals from the relevant authority constituted thereunder. Failure to comply with such provisions may attract penalties from the relevant authorities and/ or cause delays in the completion of a project. The Real Estate Bill was approved by the Union Cabinet on April 7, 2015 and shall come into force upon publication in the Official Gazette. Our Company is not in a position to analyze the requirements that our Company may have to comply with and the implications of the same on our business and results of operations. At this stage, we cannot predict with certainty the impact of the Real Estate Bill on our business and operations, if enacted.

24. Certain other ventures promoted by our Promoters are engaged in a certain line of business similar to us. Any conflict of interest which may occur between our business and the business of our Promoters, could adversely affect our business, prospects, results of operations and financial condition.

Some of our Promoters are engaged in a similar business as us, including development and construction of residential and commercial projects. In the event, if any of our Promoters undertake any business activity as similar to us, we cannot assure you that such of our Promoters will not favour their own business interests, which may affect our business, prospects, financial condition and results of operations.

We have not entered into any non-solicitation or non-compete agreement with any of our Promoters. While such of our Promoters are not currently carrying on any business in conflict of interest with our Company, there is no assurance that such a conflict of interest will not arise in the future. A conflict of interest may occur between our business and the business of the members of our Promoters, which could adversely affect on our business, prospects, results of operations and financial condition.

25. The unsecured loans taken by us, our Promoters, Group Entities or associates can be recalled at any time and this may affect our ability to finance our projects and operations.

We have in the past obtained unsecured loans. Any of the unsecured loans may be recalled by the lenders at any time. We may not be able to repay these loans or any delay in repaying these loans, could result in penalties being imposed or litigations against our Company. Further, we may be required to borrow funds at substantially high cost to repay these loans, which could adversely impact our financial standing. Additionally, if such loans are recalled, it may affect our ability to borrow in the future. Unsecured loans taken by Promoters, Group Entities or associates which are recalled may put financial stress on such entities which in turn could impact our operations, financial standings and market positioning. As of March 31, 2015, the total outstanding of loans availed by us from our Promoters, Group Entities and Associates on a consolidated basis is ₹ 293.88 million which amounts to 8.22% of our total indebtedness on March 31, 2015 on a consolidated basis.

26. Inadequate project management could affect our results of operations and financial condition as we may have to incur liquidated damages for time overruns.

Our EPC services and real estate development businesses depend on proper and timely project management of our projects. Although we focus on project management in a number of ways, including by appointing project managers at our sites and project coordinators at our headquarters and by obtaining progress reports periodically, ineffective or inefficient project management could increase our costs and expenses, and thus adversely affect our profitability.

Time is often of the essence in our projects. In our EPC services business, while we may enter into contracts which provide for liquidated damages for time overruns, in our real estate development business, we or our Subsidiaries, Associate and Joint Ventures may have to pay liquidated damages for delays in completion or delivery of the property. In the past three financial years i.e. Fiscal 2015, Fiscal 2014 and Fiscal 2013, there has been no instance of payment of liquidated damages for time overruns.

Additionally, in some EPC Contracts, in case of delays attributable to us or due to defective work undertaken by us, clients may have the right to appoint a third party to complete such work and also have the right to deduct additional costs or charges incurred for completion from the contract price payable to us. In case we are unable to meet the performance criteria as prescribed by the clients and if liquidated damages are levied, our results of operations and financial condition could be adversely affected.

27. Our operations are subject to hazards and other risks and could expose us to liabilities, loss in revenues and increased expenses.

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to, and destruction of, property and equipment, and environmental damage.

We may also be subject to claims from construction defects in the projects constructed by us within the warranty periods provided by us in our contracts. Actual or claimed defects in construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations. Our policy of covering these risks through contractual limitations of liability and insurance may not always be effective. Losses may derive from risks not addressed in our insurance policies, or it may no longer be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to effectively cover ourselves against engineering and construction industry risks for any of these reasons could expose us to substantial costs and could potentially lead to losses. Additionally, the occurrence of any of these risks may also adversely affect public perception about our operations and the perception of our suppliers, clients and employees, leading to an adverse effect on our business. These liabilities and costs could have an adverse effect on our business, results of operations and financial condition.

28. We may not be able to replenish our Land Reserves by acquiring suitable sites at suitable prices which may adversely affect our business and prospects.

Our growth plans require us to develop our Land Reserves at a rapid rate. In order to maintain and grow our business, we will be required to replenish our Land Reserves with suitable sites for future development. Our ability to identify and acquire suitable sites is dependent on a number of factors that may be beyond our control. These factors include the price and availability of suitable land, the willingness of land owners to sell or develop land on terms acceptable to us, the ability to obtain and complete an agreement to sell or develop land from all the land owners, where the land has multiple owners, the availability and cost of financing, encumbrances on targeted land, Government of India directives on land use and the obtaining of permits, consents and approvals for land acquisition and development. The failure to acquire or obtain development rights over targeted land may cause us to modify, delay or abandon entire projects, which in turn could cause our business to suffer.

In addition, land acquisition in India has historically been subject to regulatory restrictions on foreign investment. In addition to these restrictions being gradually relaxed, the aggressive growth strategies and financing plans of real estate development companies as well as real estate investment funds in India, is likely to make suitable land increasingly expensive. If we are unable to compete effectively for acquiring suitable land, our business and prospects will be adversely affected.

29. Certain information contained herein and estimated construction costs, are based on management estimates which may change for various reasons. Certain statistical and financial data from third parties contained herein may be incomplete or unreliable.

Some of the information contained in the Letter of Offer with respect to our projects such as the amount of land or land development rights owned by us and our Subsidiaries, Associate and Joint Ventures, the costs of construction, the location and type of development of such land used for development is based on management estimates. The total area of property that is ultimately developed may differ from the descriptions of the property presented herein depending on various factors such as market conditions, title defects, modification of architect estimates, and any inability to obtain necessary regulatory approvals. Therefore, our management's estimates with respect to our Ongoing Projects are subject to uncertainty.

We have not independently verified data from certain government and industry publications and other sources contained herein and therefore cannot assure you that they are complete or reliable. Also, data with respect to other countries may be produced on a different basis than the data that relates to India. Therefore, certain statements, contained herein, relating to India, its economy or our industry have not been verified by us and may be incomplete or unreliable.

30. We may not be successful in identifying suitable projects, which may impede our growth.

Our ability to identify suitable projects is fundamental to our business and involves certain risks, including identifying and acquiring appropriate land or development rights over appropriate land, appealing to the tastes of residential customers, understanding and responding to the requirements of commercial clients and anticipating the changing trends in India. In identifying new projects, we also need to take into account land use regulations, the land's proximity to resources such as water and electricity and the availability and competence of third parties such as architects, surveyors, engineers and contractors. While we have successfully identified suitable projects in the past, we may not be as successful in identifying suitable projects that meet market demand in the future. The failure to identify suitable projects, build or develop properties that meet customer demand in a timely manner could result in lost or reduced profits. In addition, it could reduce the number of projects we undertake and slow our growth.

31. We have in the past received show cause notices and work stop notices from regulatory authorities in connection with our development projects. There can be no assurance that we will not receive any such show cause notices and / or work stop notices in the future. Further, receipt of the any work stop notice may have an adverse impact on our results of operations, profitability and cash flows.

We have in the past received the following show cause / work stop notices:

i) A show cause notice dated January 13, 2014, issued by the Government of Maharashtra in connection with Project Phoenix, Pune. The Government of Maharashtra, Environment Department, Mumbai, has vide its letter dated November 15, 2014 withdrawn the said show cause notice and concluded that there is no case of violation of the EIA Notification 2006 in connection with Project Phoenix. No penalty was imposed on the Company by the Government of Maharashtra. The total inventory for Project Phoenix Venture as on March 31, 2015 was ₹ 114.68 million;

ii) Development of a five star hotel at Lohegaon, Pune, for which two Demand Notices (bearing nos. 1123 and 1124) were issued on July 6, 2009, a Work Stop Notice was issued on October 15, 2009. The said notices were withdrawn vide order dated November 30, 2009 by the Pune Municipal Corporation. The Company paid an amount of ₹ 4.44 million (including penalty). Notice was issued by the Building Control Department under Section 267 of the BPMC Act, 1949, for which a suit is currently pending before the Court of the Civil Judge Senior

Division, Pune. The project completion certificate was issued vide letter dated October 19, 2011 by the Pune Municipal Corporation.

iii) The Superintendent Engineer, Public Works Department, Tamil Nadu, Chennai issued a stop works letter dated June 3, 2011 alleging excess and wasteful expenditure and deficiency in standard of construction. Pursuant to the same, the Health and Family Welfare (E1) Department, vide its order dated July 17, 2013 announced the policy change and decision to convert the existing project of a building for the Tamil Nadu Legislative Assembly Complex into establishing a new Government Medical College and Hospital. The said stop works order was revoked on November 4, 2013. The total cost incurred on the Government Medical College and Hospital as on March 31, 2015 was ₹ 654.55 million.

There can be no assurance that we will not receive any such show cause notices and / or work stop notices in the future. Further, receipt of the any work stop notice may have an adverse impact on our results of operations, profitability and cash flows.

32. A decline in the financial stability of our commercial tenants as well as our prospective tenants may adversely affect our business and financial results.

Our Subsidiaries, Associate and Joint Ventures and ourselves, in some cases, own and lease commercial properties until such properties are sold. General economic conditions and other factors may affect the financial stability of our tenants and prospective tenants and/or the demand for our commercial real estate. In the event of a default or termination of the lease by the tenant prior to its expiry, we will suffer a rental shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. If we are unable to re-let or renew lease contracts promptly, if the rentals upon such renewals or re-leasing are lower than the expected value or if reserves, if any, for these purposes prove inadequate, our results of operations, financial condition and the value of our real estate could be adversely affected.

33. The success of our residential property business is dependent on our ability to anticipate and respond to consumer requirements.

The disposable income of India's middle and upper income classes, together with changes in lifestyle, has resulted in a substantial change in the nature of their demands. Increasingly, consumers are seeking better housing and better amenities in new residential developments. Our focus on the development of high quality luxury and comfortable residential accommodation requires us to satisfy these demanding consumer expectations. The range of amenities now demanded by consumers include those that have historically been uncommon in India's residential real estate market such as covered parking, gardens, community space, security systems, playgrounds, swimming pools, fitness centres, tennis courts and golf courses. If we fail to anticipate and respond to consumer requirements, we could lose potential clients to competitors, which in turn could adversely affect our business and prospects.

34. The estimated completion dates with respect to our Ongoing Projects are based on existing real estate regulations and current development plans, and may differ once the project is complete.

The estimated completion dates with respect to our Ongoing Projects are based on existing real estate regulations and current development plans. Any change in these regulations or plans may lead to changes in the estimated completion dates including a reduction in such area, which could adversely affect our business and results of operations. In addition, our estimates with respect to such completion dates necessarily contain assumptions that may not prove to be correct.

We are in the process of making the applications to regulatory authorities in connection with the development of some of our projects which are in the initial stages of development. As these property developments are still in initial stages of development, the proposed use and development plans for these projects may be subject to further changes, as may be decided by us keeping in mind various factors including the economic conditions, the prevailing preferences of the consumers and regulations applicable to us. We cannot assure you that we shall receive any of such approvals in a timely manner, or at all. In the event that we do not receive these approvals, our business, prospects, financial condition and results of operations could be adversely affected.

35. ***The real estate industry has witnessed significant downturns in the past, and any significant downturn in the future could adversely affect our business, financial condition and results of operations.***

Economic developments within and outside India adversely affected the property market in India and our overall business in the recent past. For instance, as of March 31, 2015, the total turnover was ₹ 6,370.59 million on a consolidated basis. During the financial year 2013-14 total turnover was ₹ 6,432.39 million as against ₹ 7,363.11 million in the financial year 2012-13. The overall reduction was on account of the general economic downturn, depressed business conditions in India, lack of consumer confidence resulting in decrease in demand from customers and cautious approach of the Company while bidding for new EPC projects. The global credit markets have experienced, and may continue to experience, significant volatility and may continue to have an adverse effect on the availability of credit and the confidence of the financial markets, globally as well as in India. As a result of the global downturn, the real estate industry also experienced a downturn. It resulted in an industry-wide softening of demand for property due to a lack of consumer confidence, decreased affordability, decreased availability of mortgage financing, and resulted in large supplies of apartments.

Even though the global credit and the Indian real estate markets have shown signs of recovery, market volatility and economic turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in the real estate industry. These effects include, but are not limited to, a decrease in the sale of, or market rates for, our projects, delays in the release of certain of our projects in order to take advantage of future periods of more robust real estate demand and the inability of our contractors to obtain working capital. We cannot assure you that the government's responses to the disruptions in the financial markets will restore consumer confidence, stabilize the real estate market or increase liquidity and availability of credit. Any significant downturn in future would have an adverse effect on our business, financial condition and results of operations.

36. ***The expansion of our commercial real estate business is dependent on the willingness and ability of corporate customers to purchase or pay rent at suitable levels.***

Our commercial real estate business has historically targeted, and will continue to target, domestic and multinational pharmaceutical, IT and ITES companies. Our growth and success will therefore depend on the provision of high quality office space to attract and retain clients who are willing and able to purchase or pay rent at suitable levels and on our ability to anticipate the future needs and expansion plans of these clients. We will incur significant costs for the integration of modern fittings, contemporary architecture and landscaping. Further, the security, telecommunications, broadband and wireless systems that our clients require involve additional costs associated with installation and maintenance by third parties. In addition, our commercial customers may choose to acquire or develop their own commercial facilities, which may reduce the demand for our commercial properties from these customers. Companies in the IT and ITES sector, constitute a significant proportion of our commercial tenant base and our commercial business would be adversely affected if these industries were to experience a slowdown or if companies in these industries were to scale down their operations.

37. ***The success of our real estate development business also depends on our ability to build hospitality properties, resorts, shopping malls and multiplexes in appropriate locations and attract suitable retailers and customers.***

The success of our real estate development business depends on our ability to recognise and respond to the changing trends in India's hospitality, consumer and retail sectors. Within our real estate development business, we and our Subsidiaries, Associate and Joint Ventures also continue to own hospitality properties, resorts and a service apartment complex. We believe that in order to draw consumers away from traditional shopping environments such as small local retail stores or markets as well as from competing shopping malls, we need to create demand where customers can take advantage of a variety of consumer and retail options, such as large department stores, designer stores, comprehensive entertainment facilities, multiplexes, restaurants, bars, air conditioning and underground parking.

Further, to help ensure our shopping malls' success, we must secure suitable anchor tenants and other retailers as they play a key role in generating customer traffic. With the likely entry of major international retail companies into India and the establishment of competing retail operations, there will be an increasing need to attract and retain major anchor tenants and other retailers who can successfully compete with the growing presence of large international retailers. A decline in consumer and retail spending or a decrease in the popularity of the retailers' businesses could cause retailers to cease operations or experience significant financial difficulties that in turn could harm our ability to continue to attract successful retailers and visitors to our shopping malls and hospitality properties.

38. Our hospitality properties and shopping mall operations and our plans to develop hospitality properties and shopping malls, are subject to risks inherent to such businesses and other contingencies, and may not be successful.

As part of our growth strategy, we have developed number of hospitality properties and shopping malls and office complexes and intend to develop several others. We derive revenue from entities involved in owning and operating hospitality properties and service apartment complexes. The success of our hospitality properties and shopping malls business is subject to the state of the Indian economy and the hospitality and retail industries and our ability to select appropriate locations and to successfully undertake and complete projects with our Subsidiaries, Associate and Joint Ventures.

We have entered into various arrangements with operators for our hospitality properties. Under these arrangements, we are required to develop the hospitality properties while our partners operate and manage the hospitality properties, resorts and serviced residences, in return for a management fee payable to them. The success of this business depends on our ability to identify and develop appropriate locations and to successfully operate these hospitality properties, resorts or serviced residences. In addition, the role of our partners is critical for the uninterrupted operations of these hospitality properties. If our hospitality partners fail to meet their obligations, experience financial or other difficulties or suffer a loss of reputation, the projects may suffer and as a result our business and results of operations may be adversely affected. In addition, in the event that these arrangements with our partners are not successful, our reputation as a hospitality partner for future projects may be adversely affected. The hospitality business entails additional risks that are distinct from those applicable to our EPC services business or the business of developing residential and commercial real estate, such as the oversupply of rooms, failure to attract and retain clients, and adverse international, national and regional travel or security risks. Any of these developments may have an adverse effect on our business, results of operations and financial condition.

39. We will face competition from SEZ developments and this may adversely affect our growth plans.

Owing to the relaxation of the regulatory framework and availability of fiscal and other benefits for setting up operations in SEZs, a large number of companies have expressed interest in developing SEZs in anticipation of demand for space in the SEZs. We realise that many approvals have been granted in various locations including in and around Hyderabad, Chennai and Pune. We may face competition arising from SEZs being developed in neighbouring areas as well as from our current and potential customers who may set up their own SEZs. The entities in which we have an interest and with whom we carry on joint development activities could also prefer to carry on SEZ development on their own. This increased competition from future SEZ developments could adversely affect our growth plans.

40. We may not be able to complete the acquisitions or registrations of the land for which we, our Subsidiaries, Associate and Joint Ventures have entered into agreements to purchase.

We, our Subsidiaries, Associate and Joint Ventures, have entered into, and from time to time will enter into, agreements to purchase land from third parties. These agreements are entered into prior to acquiring the land or entering into a joint venture or joint development arrangements. These acquisition agreements typically stipulate time frames within which title to land or interest in such land must be conveyed and provide that all or a part of the advance monies paid to these third parties may be forfeited in the event that the acquisition process is not completed within the agreed time frames. In certain situations, agreements to purchase land may expire or contain irregularities that may invalidate them. As a result, we cannot assure you that we or our Subsidiaries or our Associate or our Joint Ventures will be successful in acquiring interest or in registering such land, and consequently, may not be able to develop such properties, which could have an adverse effect on our financial condition and results of operations.

We also cannot assure you that the land identified will be acquired at competitive prices. In the event that the prices are increased by the land owners, we may not be able to acquire additional land or proceed with the developments.

41. Governmental agencies in India may exercise rights of compulsory purchase or eminent domain in respect of our Land Reserves.

We are subject to the risk that Governmental agencies in India may exercise rights of eminent domain, or compulsory purchase in respect of our Land Reserves. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 allows the central and state Governments to exercise rights of compulsory purchase, or eminent domain, which, if used in respect of our land, could require us to relinquish land with minimal compensation. The likelihood of such actions may increase as the central and state Governments seek to acquire land for the development of infrastructure projects such as roads, airports and railways. Any such action in respect of one or more of our major current or proposed developments could adversely affect our business, prospects and results of operations.

42. A substantial portion of our business and operations are concentrated in Maharashtra, which exposes us to risks of geographic concentration.

A substantial portion of our business and operations are concentrated in Maharashtra, especially in and around Pune. As of March 31, 2015, we had 27 ongoing EPC Contracts, with an Order Backlog of ₹ 7,100.41 million out of which 42.77% of our Order Backlog is in Maharashtra. We, together with our Subsidiaries, Associate and Joint Ventures, have 11 Ongoing real estate projects, out of which 94.92% is being or to be developed in Maharashtra. In the event of a regional slowdown in the business, economic or construction activity in Maharashtra, especially in and around Pune, or any developments that make projects in Maharashtra less economically beneficial, our business, financial condition and results of operations could be adversely affected.

In addition, we may not be successful in diversifying our business and operations to other cities and states, due to our lack of experience regarding the development and regulations applicable in new geographic areas or because of the differences in scale or style of projects in such areas. In addition, our competitors may be better known in markets other than Maharashtra, enjoy better relationships with land-owners, gain early access to information regarding attractive parcels of land and be better placed to acquire such parcels of land.

43. We are exposed to significant construction risks under item rate contracts that could cause us to incur losses.

Our Company derives revenue from contracts where the consideration is predominantly payable on an item rate basis. Under the terms and conditions of such item rate contracts, we agree to provide certain construction activities in a particular project at a rate specified in the relevant bill of quantities ("**BOQ**") for performing each such activity. The BOQ is an estimate of the quantity of activities involved and these quantities may be varied by the parties during the course of the project. The unit rate, however, is fixed, although it may be increased pursuant to the occurrence of agreed escalation events. The actual expense to us for executing an item rate contract may vary substantially from the assumptions underlying our bid for several reasons, including:

a. unanticipated increases in the cost of subcontracting, cost of equipment and materials;
b. delays associated with the delivery of equipment and materials to the project site;
c. unforeseen construction conditions, resulting in delays and increased costs;

d. delays caused by local weather conditions; and
e. suppliers' or sub-contractors' failure to perform.

Unanticipated costs or delays in performing part of the contract can have compounding effects by increasing costs of performing other parts of the contract. These variations and the risks generally inherent to the construction industry may result in our profits being different from those originally estimated and may result in us experiencing reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could have a significant effect on our financial condition and results of operations.

44. We are required to pay security deposits and comply with certain obligations in relation to our joint ventures or joint development agreements.

We are often required to pay substantial advance payments as security deposits to the land owners in connection with the development of our Ongoing Projects. As of March 31, 2015, we paid an aggregate of ₹ 1,291.49 million as refundable security deposits / advances in relation to our Land Reserves. Under the terms of some of these joint ventures and joint development agreements, we are required to contribute a certain amount as initial capital contribution to the partnership and are entitled to a percentage of the profits that is generated by the partnership. Such joint ventures and joint development agreements also require us to obtain consents and approvals in a timely manner from the regulatory authorities to develop our projects. Further, we are required to complete the construction of our projects within specified periods of time. Under our joint venture and joint development agreements, we also indemnify our joint venture partners or land owners in connection with the development of our projects.

We cannot assure you that we will be able to obtain all necessary consents and approvals or develop our projects in a timely manner and, therefore we may not be able to recover the deposits paid by us or may be required to indemnify the land owners. This could adversely affect our business and business prospects, financial condition and results of operations. In addition, even if we comply with all terms and conditions of our joint ventures or joint development agreements, our joint venture or joint development partners may violate the terms of or terminate our agreements with them, which could adversely affect our business and results of operations.

45. We have high working capital and capital expenditure requirements. If we experience insufficient cash flows to meet required payments on our debt and working capital and capital expenditure requirements, there may be an adverse effect on our results of operations.

Our EPC services and real estate development businesses require a significant amount of working capital and capital expenditure. In many cases, significant amounts of our working capital are required to finance the purchase of materials and the performance of engineering, procurement, construction and other work on projects before payment is received from clients. Capital expenditure is required by us to purchase equipment. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital and capital expenditure needs.

Our working capital requirements may increase if the payment terms in our contracts include reduced advance payments or payment schedules that specify payment towards the end of a project. These factors may result, or have resulted, in increases in the amount of our receivables and short-term borrowings. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

It is customary in our businesses to provide advances, security deposits, bank guarantees or performance bonds in favour of customers to secure obligations under contracts. We may not be able to continue obtaining additional indebtedness, or new bank guarantees and performance bonds, in sufficient amounts to meet our business requirements. If we are unable to incur sufficient additional indebtedness or provide sufficient collateral to secure the bank guarantees or performance bonds, our ability to enter into new contracts could be limited.

46. We face uncertainty of title to land, which could adversely affect our property valuations and prospects.

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to land may often be fragmented and the land may have multiple owners. Some of such land may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subject to encumbrances of which we may not be aware. As we also undertake development in collaboration with third parties, in some of these properties, the title to the land may be owned by one or more of such third parties. In such instances, we cannot assure you that the persons with whom we enter into joint ventures or joint development agreements have clear title to such land.

While we and our Subsidiaries, Associate and Joint Ventures conduct due diligence and assessment exercises prior to acquiring land or entering into joint development agreements with land owners or such third parties, we may not be able to assess or identify all risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights. As a result, most of such land does not have guaranteed title and title has not been independently verified. The uncertainty of title to land makes the acquisition and development process more complicated, may impede the transfer of title, expose us to legal disputes, adversely affecting our land valuations and our business and financial condition.

Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the owners of the land, with whom we enter into development agreements or our Subsidiaries, Associate and Joint Ventures who own the land, are unable to resolve such disputes with these claimants, the interest in the land may be lost. The failure to obtain good title to a particular plot of land may materially prejudice the success of a development for which that plot is a critical part and may require us to write off expenditures in respect of the development. In addition, land for which we or entities which have granted us development rights, have entered into agreements to acquire but have not yet acquired form a significant part of our growth strategy and the failure to obtain good title to such land could adversely affect our property valuations and prospects.

47. ***Our Statutory Auditor has in its examination report on our Company's audited standalone financial statements for the Financial Year ended March 31, 2015 listed findings in accordance with the Companies (Auditors' Report) Order, 2003, made observations and placed emphasis on certain matters and which may adversely impact our results of operations.***

Our Statutory Auditor has in its examination report on our Company's audited standalone financial statements for the Financial Year ended March 31, 2015, listed the following findings in accordance with the Companies (Auditors' Report) Order, 2003:

According to the information and explanations given to us, in respect of statutory dues:

a) There were delays by the Company in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except for as given below:

Statute	Nature of dues	Amount (Rs.)	Period to which the Amount Relates	Due Date
Income Tax Act, 1961	Tax deducted at source (TDS)	44,376,963	April – August, 2014	7th of every following month
Finance Act, 1994	Service Tax	79,344,086	Dec 13 to August	6th of every

Statute	Nature of dues	Amount (Rs.)	Period to which the Amount Relates	Due Date
			2014	following month
Profession Tax Act, 1975	Profession Tax	494,324	April – August, 2014	20th of every following month
Employee Provident Fund Act, 1952	Provident Fund	7,908,153	April – August, 2014	20th of every following month

c) Details of dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Value Added Tax and Cess, which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Related	Amount Involved (Rs.)
Sales Tax Act	Sales Tax/ Value Added Tax/ Central Sales Tax	Deputy Commissioner of Sales Tax	Financial Year 2005-06	2,607,591
			Financial Year 2008-09	13,161,098
			Financial Year 2010-11	13,414,461
Income Tax Act, 1961	Income Tax	The Deputy Commissioner of Income Tax	Assessment Year 1998 - 99	6,768,009
			Assessment Year 2008 – 09	7,138,821
			Assessment Year 2009 - 10	46,407,820
Finance Act, 1994	Service Tax	Commissioner Appeals Service Tax, Pune	April & May 2006	6,988,858
		Service Tax Tribunal, Delhi	January 2007 to December, 2007	530,008
		Service Tax Tribunal, Mumbai	January 2008 to September, 2008	317,044
		Service Tax Tribunal, Mumbai	October 2007 to December, 2008	4,793,967

d) There were no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and Rules made thereunder.

(vii) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth as at the end of the year. The Company has incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.

(viii) According to the information and explanation given to us, there were delays in repayment of due to bank and debenture holders (including during the year) as given below:

Nature of Dues	Amount of Default (Including Interest)	Period of delay – In the range of no. of days
18.25% Non -Convertible	108,749,397	1 to 44 days

Nature of Dues	Amount of Default (Including Interest)	Period of delay – In the range of no. of days
Debentures		
Term loans from banks	9,732,173	3 to 110 days

There were no delays in repayment of dues to financial institutions.

The Statutory Auditors report on the consolidated financial statements for the financial years ended March 31, 2015 contain emphasis of matter in relation to the following matters, as reproduced herein below:

(i) Note 52 to the consolidated financial statements which indicates that the Holding Company has incurred cash losses during the year and previous year and there are delays in the payment of statutory dues and that 15% of the debenture amounts repayable during the year ending March 31, 2016 has not been maintained in one or more methods as prescribed under the Companies (Share Capital and Debentures) Rules 2014. However, the financial statements have been prepared on a going concern basis in view of the financial support of its shareholders and the future business / growth plans of the Company as further explained in the said note.

(ii) Note 54 to the consolidated financial statements regarding uncertainty related to outcome of the notice served on the third party for Rs. 500 lakhs receivable by one of subsidiary company. The subsidiary is in the course of realisation of advances given to third party, hence in the opinion of the management the said advance is fully recoverable.

If these estimates are found to be inaccurate, it may have a significant impact on the financial results of our Company. For further information, please refer to section titled *"Financial Statements"* in this Letter of Offer.

48. If we do not generate adequate profits, we may not be able to maintain an adequate Debenture Redemption Reserve, ("DRR").

Pursuant to Section 71 of the Companies Act, 2013 a company is required to maintain DRR up to 25% of the value of debentures issued through a public issue and also 25% DRR is required in the case of privately placed debentures by listed companies. Further, the amount to be credited as DRR will be carved out of the profits of the company only and there is no obligation on the part of the company to create DRR if there is no profit for the particular year. Further, pursuant to Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, every company required to create or maintain DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March next, following any one or more of the following methods, namely: (a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in sub-clauses (a) to (d) and (e) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year.

The Statutory Auditor in his Auditors' Report for the financial year ended March 31, 2015 has placed emphasis on the matter of the deposit of 15% of the amounts repayable during the year ending on March 31, 2016 in one or more methods prescribed under the Companies (Share Capital & Debentures) Rules 2014, which in accordance with the said rules were required, to be deposited by April 15, 2015.

Further, the Statutory Auditor in his Auditors' Report for the financial year ended March 31, 2015 has disclosed that there were delays in repayment of dues to debenture holders (including during the year) as given below:

Nature of Dues	Amount of Default (Including Interest)	Period of delay – In the range of no. of days
18.25% Non -Convertible Debentures	108,749,397	1 to 44 days

49. Inability to procure contiguous parcels of land may affect our future development activities.

We acquire parcels of land or development rights to such land in one or more locations, over a period of time, for future development. Some of these parcels of land may need to be subsequently consolidated to form a contiguous landmass, upon which we may undertake development. However, we may not be able to procure such parcels of land on terms that are acceptable to us, or at all, which may affect our ability to consolidate parcels of land into a contiguous mass. Failure to acquire such contiguous parcels of land may cause delays or force us to abandon or modify the development of the land in such locations in the manner sought by us, which may result in our failing to realise our investment for acquiring such parcels of land. Accordingly, our inability to procure contiguous parcels of land may adversely affect our business prospects, financial conditions and results of operations.

50. We and our Subsidiaries, Associate and Joint Ventures do not obtain independent purchase price estimates for our land.

We and our Subsidiaries, Associate and Joint Ventures have not obtained any third party appraisals in connection with the valuation for acquiring land or development rights to such land. The pricing methods used to calculate the price of our land are determined by our senior management. Our purchase price may exceed fair market value or the value that would have been determined by third party appraisals, which may have an adverse effect on our business.

51. Our insurance coverage may not adequately protect us against certain operational risks to or claims by our employees, and we may be subject to losses that might not be covered in whole or in part by existing insurance coverage.

We maintain insurance for a variety of risks, which is consistent with industry practice, including for loss or damage to equipment and materials supplied to our sites, fire and certain other eventualities. In addition, we generally carry workers' compensation and accident and medical insurance for certain of our employees. Under many of our EPC Contracts, we are required to obtain insurance for the projects undertaken by us, and as such regularly purchase specific business operations insurance policies for individual projects. However, in some cases, we may not have obtained the required insurance or such insurance policies may have lapsed prior to the completion of the project. As of March 31, 2015, the total amount of insurance coverage was ₹ 10,244.10 million (covering the assets, inventory and unfinished projects). It includes Contractors' All Risk Policy of ₹ 7,952.29 million which covers existing inventory as well as the unfinished part of the projects. The total inventory and fixed assets as on March 31, 2015, on a consolidated basis amounts to ₹ 4,212.59 million.

There are various other types of risks and losses for which we are not insured, such as loss of business, environmental liabilities and natural disasters, because they are either uninsurable or not insurable on commercially acceptable terms. We also do not carry any key-man insurance. Should an uninsured loss or a loss in excess of insured limits occur, we could incur liabilities, lose capital invested in that property or lose the anticipated future income derived from that business or property, while remaining obligated for any indebtedness or other financial obligations related to our business. Any such loss could result in an adverse effect to our financial condition.

52. We recognize revenue based on the 'percentage of completion method' of accounting on the basis of our management's estimates of the revenues and development costs of the project. Our revenues and development costs may fluctuate significantly from period to period.

We follow the percentage of completion method of accounting for revenue recognition. For further details, in connection with the method followed by the Company for revenue recognition, please see the '*Notes Forming part of the Financial Statements*' under the section titled "*Financial Statements*" beginning on page 94 of the LOF. We cannot assure you that the estimates used under the percentage of completion method will equal either the actual cost incurred or revenue received with respect to our projects. The effect of such changes to estimates is recognised in the financial statements of the period in which such changes are determined. This may lead to significant fluctuations in revenues and development costs. Therefore, we believe that period to period comparisons of our results of operations may not be indicative of our future performance. Such fluctuations in our revenues and costs could also cause our share price to fluctuate significantly.

53. We may not be able to compete effectively, particularly in regional markets which may adversely affect our profitability.

We operate our businesses in an intensely competitive and highly fragmented environment, and in industries with low entry barriers. We face significant competition in our business from a large number of international and Indian EPC services, real estate development and hospitality companies. The extent of the competition we face in a potential project depends on a number of factors, such as the sector, the size and type of project, contract value and potential margins, the complexity and location of the project, the reputations of the customer and us, and the risks relating to revenue generation.

In our EPC services business, while technical qualification is an important consideration in client decision, the price of the contract is a primary factor in most tender awards. The contract is usually awarded to the bidder quoting the lowest price. As a result of this competition, we face intense margin pressure from existing competitors and new entrants, which could have an adverse effect on our financial condition and prospects.

We face significant competition in our real estate development business from other developers, many of whom undertake similar projects within the same regional markets as us. Given the fragmented nature of the real estate development industry, we often do not have adequate information about the projects our competitors are developing and accordingly, we run the risk of underestimating supply in the market. Our business plan is to expand across India; however, our operations have historically focused on the Maharashtra state region. As we seek to diversify our regional focus, we face the risk that some of our competitors, who are also engaged in real estate development, may be better known in other markets, enjoy better relationships with land-owners and international or domestic joint venture partners, gain early access to information regarding attractive parcels of land and be better placed to acquire such land.

In our shopping malls business, we and certain of our tenants compete with other retail distribution channels, including department stores and other shopping malls, in attracting customers. In our hospitality properties business, we compete with other hospitality properties, resorts and service apartments operating in the neighbourhoods where our Subsidiaries, Associate and Joint Ventures' hospitality properties, resorts and service apartments are located. Increasing competition could result in price and supply volatility, which could cause our business to suffer.

Some of our competitors are larger than us and have greater land banks or financial resources. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated and/or lower cost solutions than we do, causing us to win fewer tenders. There can be no assurance that we can continue to compete effectively with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. Also, in the areas of business where we are a new entrant to the market, such as SEZs, shopping malls and hospitality properties, we may not be able to compete effectively with our competitors, some of whom may have greater breadth of experience and qualifications.

54. If we are unable to manage our growth effectively, our business and financial results will be adversely affected.

We are embarking on a growth strategy, which involves a substantial expansion of our current business lines. We have entered into agreements giving us and our Subsidiaries, Associate and Joint Ventures ownership or development rights over a significant amount of land. As of March 31, 2015, we are engaged in 27 EPC Contracts and we and our Subsidiaries, Associate and Joint Ventures are currently engaged in the development of 11 Ongoing Projects, including hospitality properties and resorts, spread over 7 states.

Our expansion and diversification is on a scale that is unprecedented in our history and places significant demands on our management as well as our financial, accounting and operating systems. We may not be able to sustain such growth in revenues and profits or maintain a similar rate of growth in the future. Further, as we grow and diversify, we may not be able to execute our projects efficiently, which could result in delays, increased costs and diminished quality and may adversely affect our reputation. If we are unable to manage our growth effectively, our business and financial results will be adversely affected.

55. We may not be successful in implementing our strategies, including our growth strategy.

The success of our business will depend greatly on our ability to effectively implement our business and strategies. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and strategies could have an adverse effect on our business, financial condition and profitability.

56. Our revenues and profits are difficult to predict and can vary significantly from period to period, which could cause the price of our Equity Shares to fluctuate.

Under our business model, our revenues and profits are derived primarily from our EPC services business and from the sale of properties, leasing of commercial properties and income from hospitality properties and mall operations. While rental income can be relatively stable, revenues from EPC services and sale of properties vary and are dependent on various factors such as the current stage and size of our projects and the expected completion dates of such projects, rights of lessors or third parties that could impair our ability to sell properties, in case of sales, and general market conditions. Our income from hospitality properties could also vary due to various factors such as the state of the economy and the hospitality industry. The anticipated completion dates for our projects, including those set forth in the Letter of Offer, are estimates based on current expectations and could change significantly, thereby affecting our income. Our revenue recognition policy in relation to real estate development projects recognises revenue only when the risks and rewards on the properties are transferred to the buyer. The combination of these factors may result in significant variations in our revenues and profits.

57. If we are unable to retain or recruit key personnel or maintain uninterrupted relationships with our sub-contractors of labour, our business could suffer.

Our senior management and key managerial personnel, many of whom have decades of experience with us and in the industries in which we operate, are difficult to replace. Any loss or interruption of the services of such key personnel, or our inability to recruit qualified additional or replacement personnel, could adversely affect our business. In addition, certain aspects of our construction processes depend upon highly skilled employees. As a result of economic growth and increased EPC services activity in India, we may be unable to find or retain skilled personnel in sufficient numbers to satisfy our requirements. This risk may be exacerbated by governmental policies and mandates to hire a local force, which may not be as skilled or available at rates commensurate with our operations in other geographical areas.

We also regularly contract with sub-contractors and third parties for the provision of labour for our projects. The number of contract labourers vary from time to time based on the nature and extent of EPC services. We are dependent on these sub-contractors and third parties, and if they experience disruptions related to their work force, including strikes and work stoppages, those disruptions may have an adverse effect on our business and results of operations. We cannot assure you that skilled labour, whether hired through sub-contracts, third parties or directly, will continue to be available at reasonable rates and in the areas in which we execute our projects. As a result, we may be required to mobilise additional resources at a greater cost to us to ensure the adequate performance and delivery of our EPC services. Also, all contract labourers engaged at our facilities are assured minimum wages that are fixed by local government authorities. Any upward revision of wages required by such governments to be paid to such contract labourers or offer of permanent employment or the unavailability of the required number of contract labourers, may increase our labour costs.

58. We have entered into related party transactions amounting aggregating to a total of ₹1,923.21 million, ₹ 1,989.50 million and ₹1,959.48 million during the financial years ended March 31, 2015; March 31, 2014 and March 31, 2013 respectively. We may continue to enter into transactions with related parties.

We have entered into certain transactions with related parties including in relation to income, expenditure, purchase and sale of fixed assets and loans and advances. These transactions or any future transactions with our related parties could potentially involve conflicts of interest and may harm our business or reputation. There can be no assurance that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and/or will not have an adverse effect on our business and results of operations. For details in connection with our related party transactions, please see the section titled "*Financial Statements*" on page 94 of the LOF.

59. Certain of our Subsidiaries, Associate and Joint Ventures have incurred losses in the past.

Certain of our Subsidiaries, Associate and Joint Ventures have incurred losses for the fiscal years 2015, 2014 and 2013.

The following Subsidiaries, associates and Joint Ventures have incurred losses in the last three fiscal years immediately preceding this Letter of Offer:

Name of the Company	**Profit/(Loss) after Tax (₹ in million)**		
	Fiscal Year 2015	**Fiscal Year 2014**	**Fiscal Year 2013**
Subsidiaries			
Marvel Housing Private Limited	(0.13)	(0.08)	0.02
Vascon Dwelling Private Limited	(1.67)	(11.65)	15.77
Greystone Premises Private Limited	(0.10)	(1.06)	(27.13)
Vascon Pricol Infrastructure Limited	(70.56)	(1.54)	(6.91)
Floriana Properties Private Limited	(0.10)	(0.09)	0.07
Windflower Properties Private Ltd	0.30	0.08	(7.80)
Almet Corporation Limited	(1.48)	(1.60)	(0.51)
Marathawada Realtors Private Limited	(2.36)	(1.19)	1.20
Just Homes (India) Pvt. Ltd	(0.80)	(6.52)	(2.14)
IT Citi Infopark Private Limited	(0.13)	2.18	6.73
Joint Ventures			
Zenith Ventures	(1.84)	295.25	(0.70)
Zircon Ventures	14.87	17.82	(3.56)
Phoenix Ventures	(3.96)	8.81	0.58
Associates			
Angelica Properties Private Limited*	5.22	(176.08)	17.99
Mumbai Estate Private Limited	N.A	(1.15)	(0.89)

**Angelica Properties Private Limited became our Subsidiary w.e.f. April 14, 2015*

60. Our Promoters and Promoter Group will continue to exercise influence over us, and their interests in our business may be different to those of other shareholders.

38.54% of our issued and outstanding Equity Shares are currently owned by our Promoters and Promoter Group. Immediately following this Issue, but assuming no other changes in shareholding, the Promoters and the Promoter Group will own 38.54% of our issued and outstanding Equity Shares. Accordingly, our Promoters and Promoter Group can exercise influence over our business policies and affairs and all matters requiring a shareholders' vote. This concentration of ownership also may delay, defer or even prevent a merger, acquisition or change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. We cannot assure you that the interests of these shareholders may not conflict with the interests of other shareholders.

61. Our Company has availed certain working capital demand loans and other loans which are repayable upon demand and/or notice by the relevant lenders. If such lenders call upon our Company to repay such borrowings on demand and/or upon serving a notice for the prescribed period, we may have to raise funds to refinance these obligations, which may adversely affect our business, operations, financial condition and cash flows.

Our Company has availed various working capital demand loans and other loans which are repayable upon demand and/or notice by the relevant lenders under the respective agreements. As of March 31, 2015, the total outstanding loans repayable on demand on a consolidated basis is ₹ 2,671.72 million which amounts to 74.74% of our total indebtedness on March 31, 2015 on a consolidated basis. If such lenders call upon our Company to repay such borrowings on demand and/or upon serving a notice for the prescribed period, we may have to raise funds to refinance these obligations. If we are unable to raise such finance in a timely manner or at all or our failure to otherwise repay such loans in a timely manner or at all, could adversely affect our business operations, financial condition and cash flows.

62. We operate in a highly regulated environment, and the government policies, laws and regulations affecting the sectors in which we operate and the related industries, could adversely affect our operations and our profitability.

We must comply with extensive and complex regulations affecting the construction and land development processes. These regulations impose on us additional costs and delays, which affect our business and results of operations. In particular, we are required to obtain the approval of numerous governmental authorities regulating matters such as permitted land uses, levels of density, the installation of utility services, zoning and building standards. The regulatory framework in India is evolving and regulatory changes could have an adverse effect on our business, results of operations and financial condition. In addition, the real estate industry in India is also heavily regulated by local governments. Non-compliance with any regulation may also lead to penalties, revocation of our permits or licenses or litigation.

Future government policies and changes in laws and regulations in India may adversely affect our business and operations, and restrict our ability to do business in our existing and target markets. The timing and content of any new law or regulation is not in our control and such new law or regulation could have an adverse effect on our business, results of operations and financial condition.

63. We require regulatory approvals in the ordinary course of our business, and the failure to obtain them in a timely manner or at all may adversely affect our operations.

We require regulatory approvals, licenses, registrations and permissions to operate our businesses, particularly to develop and construct our projects. These approvals, licenses, registrations and permissions are required from a range of Central and State Governments and their agencies. In addition, some of the regulatory approvals, licenses, registrations and permissions required for operating our businesses expire from time to time. We generally apply for renewals of such regulatory approvals, licenses, registrations and permissions, prior to or upon their expiry. Further, certain approvals / licenses for our projects are obtained in the name of some of subsidiaries and joint ventures.

As on date of the LOF, the following are the details of the pending approvals and pending renewals of licenses in relation to our projects based on the current stage of completion of the respective projects:

1. Phoenix, Pune:

i. We have made an application for environmental clearance under the Environmental Impact Assessment notification 2006 - category 8A on May 15, 2011; and
ii. We have made an application for consent to establish on June 29, 2011.

2. Forest County, Pune:

i. We have made an application for environmental clearance to the State Level Expert Appraisal Committee, Mumbai, Maharashtra for our proposed project situated at Village Kharadi, Taluka Haveli. District Pune on June 20, 2013.

3. Tulips, Coimbatore:

i. We have made an application for environmental clearance to the State Environment Impact Assessment Authority, Panagal Maligai, Chennai for our proposed project situated at Sowripalayam Village, Coimbatore South Taluk, Coimbatore District, Tamil Nadu.

However, we cannot assure you that we will obtain all regulatory approvals, licenses, registrations and permissions that we may require in the future, or receive renewals of existing or future approvals, licenses, registrations and permissions in the time frames required for our operations or at all, which could adversely affect our business.

64. The Central Government has vide its letter dated May 14, 2015 has rejected the application of the Company made under Section 197, 198 of the Companies Act, 2013 in connection with the remuneration payable to Mr. R. Vasudevan as the Managing Director of the Company. There can be no assurance that the refund of the remuneration paid to him shall be made by him in a timely manner.

Pursuant to resolutions passed by the Board of our Company on May 16, 2014 and the shareholders of our Company on September 15, 2014, subject to the approval of the Central Government, Mr. R. Vasudevan was been appointed as the Managing Director of our Company and payment of basic remuneration of ₹ 31,00,000 per month for his remaining term for the fiscals 2015 and 2016. The Central Government has vide its letter dated May 14, 2015 has rejected the application of the Company made under Section 197 of the Companies Act, 2013 due to failure of the Company to furnish a copy of the public notice as required under Section 201 of the Companies Act, 2013. There can be no assurance that the refund of the remuneration paid to him shall be made by him in a timely manner.

65. Compliance with, and changes in, environmental, health and safety laws and regulations may adversely affect our financial condition and results of operations.

We are subject to environmental, health and safety regulations. Governments may take steps towards the adoption of more stringent environmental, health and safety regulations, and we cannot assure you that we will be at all times in full compliance with these regulatory requirements. Due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditures to comply with regulatory requirements may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental, health and safety regulations we are subject to, we may need to incur substantial capital expenditures to comply with such new regulations. Our costs of complying with current and future environmental, health and safety laws and our liabilities arising from failure to comply with applicable regulatory requirements may adversely affect our business, financial condition and results of operations.

66. Taxes and other levies imposed by the local authorities, Central or State Governments, as well as other financial policies and regulations, may have an adverse effect on our business, financial condition and results of operations.

We are subject to taxes and other levies imposed by the Central or State Governments in India, including customs duties, excise duties, central sales tax, state sales tax, fringe benefit tax, service tax, income tax, value added tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Central or State Governments may adversely affect our competitive position and profitability.

67. The requirement of funds in relation to the Objects of the Issue has not been appraised and our budgeted expenditure program may change.

We intend to use the Net Proceeds for the purposes as described under the section titled "*Objects of the Issue*" on page 72 of the LOF. The Objects of the Issue have not been appraised by any bank or financial institution. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. In addition, a certain portion of the total Net Proceeds have been allocated to general corporate purposes and will be used at the discretion of our management.

68. We may undertake acquisitions, investments, strategic relationships or divestments in the future, which may pose management and integration challenges.

We may make acquisitions, investments, strategic relationships and divestments in the future as part of our growth strategy in India. These acquisitions, investments, strategic relationships and divestments may not necessarily contribute to our profitability and may divert the attention of our management or require us to assume high levels of debt or contingent liabilities, as part of such transactions. In addition, we could experience difficulty in combining operations and cultures and may not realize the anticipated synergies or efficiencies from such transactions. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

69. We have in the past acquired lands from entities in which our Promoters hold a stake.

Pursuant to a MOU dated October 25, 2007 with Venus Ventures, a partnership firm where R. Vasudevan and Lalitha Vasudevan are partners, we had acquired 5.50 acres located in Wagholi from Venus Ventures. We cannot assure you that we will not enter into any such MoUs in the future and whether the terms and conditions under these MOU will be in the best interests of our Company.

External Risks

70. Our performance and growth are dependent on the performance of the Indian economy and, more generally, the global economy. The downturn in the global economy would have a material adverse effect on us and on the real estate industry generally.

Our performance and growth are dependent on the health of the Indian economy as well as the global economy. For the Financial Year ended March 31, 2015, approximately 92.49% and 7.51% of our total revenue was derived from revenue in India and overseas, respectively. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy or the global economy may adversely affect our business and financial performance and the price of our Equity Shares.

71. Our future operating results are difficult to predict. Any unfavorable changes in the factors affecting our operations, including the economic, political, legal or social environments of the locations in which we operate may adversely affect our operating results and profitability.

Our business and results of operations may be adversely affected by, among other factors, the following:

- general economic and business environment in India;
- our ability to successfully implement our strategy and growth plans;
- our ability to compete effectively and access funds at competitive cost;
- changes in domestic or international interest rates and liquidity conditions;
- defaults by customers resulting in an increase in the level of non-performing assets in our portfolio;
- interest rates and our ability to enforce security; and
- change in political conditions in india.

All of the above factors may affect our revenues and therefore have an impact on our operating results and profitability.

Our business, earnings, asset values and the value of our Equity Shares may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, retail laws and regulations, taxation, expropriation, social instability and other political, legal or economic developments in or affecting the states in which we primarily operate. We have no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on our operations or the price of or market for our Equity Shares.

72. Restrictions on foreign direct investment in the real estate sector may adversely affect our business and prospects.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the Consolidated Foreign Direct Investment Policy effective from May 12, 2015 (the "**FDI Policy**") issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, for the construction development sector: townships, housing, built-up infrastructure and construction-development projects, FDI is permitted up to 100%, subject to certain restrictions under the FDI Policy under Sr. No. 6.2.11, for the construction development sector: townships, housing, built-up infrastructure and construction-development projects (which would include development of townships, construction of residential/commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships), which inter alia includes:

i) Minimum area to be developed under each project would be as under: (i) In case of development of serviced plots, no minimum land area requirement. (ii) In case of construction-development projects, a minimum floor area of 20,000 sq. meter.

ii) minimum capitalization requirements to be satisfied within a stipulated time period;

iii) compliance of the applicable building control regulations, by-laws, rules and other regulations as laid down by the State Government and/or the concerned Municipal/Local Body;

iv) lock-in and repatriation restrictions on the original investment brought in as FDI; and

v) the State Government and/or the concerned Municipal/Local Body to monitor compliance of the conditions by the developer as stipulated.

Our inability to raise additional capital as a result of these and other restrictions could adversely affect our business and prospects.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Due to the aforementioned factors FPIs, FVCIs, multilateral and bilateral institutes intending to apply for additional Rights Equity Shares or intending to apply for Rights Equity Shares renounced in their favour shall be required to obtain prior approval from the appropriate regulatory authority.

73. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offer document, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. We are also required to spend, in each financial year, at least 2% of our average net profits during three immediately preceding financial years towards corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on our Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by SEBI). Recently, SEBI issued revised corporate governance guidelines which are effective from October 1, 2014. Pursuant to the revised guidelines, we are required to, amongst other things ensure that there is at least one woman director on our Board of Directors at all times, establish a vigilance mechanism for directors and employees and reconstitute certain committees in accordance with the revised guidelines. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 and the revised SEBI corporate governance guidelines, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business, results of operations and financial condition.

74. Any downgrading of India's sovereign debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's sovereign credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

75. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of our Equity Shares.

76. Political instability or changes in the Government or its policies could impact the liberalization of the Indian economy and adversely affect economic conditions in India generally.

Our performance and growth are dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors.

The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and/or political changes.

While the current Government is expected to continue the liberalization of India’s economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India’s economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on our operations.

77. Changes in trade policies may affect us.

Any change in policies by the countries, in terms of tariff and non-tariff barriers, from which our suppliers import their raw materials may have an adverse effect on our profitability.

78. If the rate of Indian price inflation increases, our business and results of operations may be adversely affected.

In the recent past, India has experienced fluctuating wholesale price inflation as compared to historical levels due to the global economic downturn. An increase in inflation in India could cause a rise in the price of raw materials and wages, or any other expenses that we incur. If this trend continues, we may be unable to accurately estimate or control our costs of production and this could have an adverse effect on our business and results of operations.

79. Currency exchange rate fluctuations could have an adverse effect on our results of operations.

We have exposure, related to our revenue, expenditure and financing, to currencies other than Indian Rupees. Exchange rate fluctuations may have an adverse effect on our revenues and financial results.

80. The price of the Equity Shares may be highly volatile after the Issue.

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the automotive / automotive ancillary industry; adverse media reports on us or the Indian automotive / automotive ancillary industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

81. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The Issue Price of Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the investor will be able to sell their shares at or above the Issue Price. Among the factors that could affect our share price are:

- quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- changes in revenue or earnings estimates or publication of research reports by analysts;
- speculation in the press or investment community;
- general market conditions; and
- domestic and international economic, legal and regulatory factors unrelated to our performance.

82. There is no assurance on our Company's ability to pay dividends on the Equity Shares in the future.

Our Company has not declared dividend on the Equity Shares for the financial years ended March 31, 2015; March 31, 2014 and March 31, 2013. The amount of future dividend payments by our Company, if any, will depend on our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. Our Company may decide to retain all of its earnings to finance the development and expansion of its business and therefore, may not declare dividends on the Equity Shares.

83. There are restrictions on daily movements in the price of equity shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, equity shares at a particular point in time.

We are subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of equity shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the equity shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

84. Any future issuance of equity shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future issuances by our Company may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by our Company, including by way of the Equity Shares issued pursuant to any stock options issued under the ESOS 2013, ESOS 2014 or sales of the Equity Shares by our Promoters or other major shareholders or may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

85. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Company's Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and Allotted. In addition, we are required to deliver the Draft Letter of Offer and Letter of Offer to SEBI and the Stock Exchanges under the applicable provisions of the Companies Act and the SEBI ICDR Regulations. The trading approval shall be granted subject to the submission of all other relevant documents authorizing the issuing of Equity Shares. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The Stock Exchanges has in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on the Stock Exchanges could adversely affect the trading price of the Equity Shares.

86. Significant differences exist between Indian GAAP and other accounting principles with which investors may be more familiar.

Financial statements included in the Letter of Offer are prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from International Financial Reporting Standards, U.S. GAAP and other accounting principles and auditing standards with which prospective investors may be familiar with in other countries. We do not provide a reconciliation of these financial statements to IFRS or U.S. GAAP or a summary of principal differences between Indian GAAP, IFRS and U.S. GAAP relevant to our business. Furthermore, we have not quantified or identified the impact of the differences between Indian GAAP and IFRS or between Indian GAAP and U.S. GAAP as applied to these financial statements. As there are significant differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP, there may be substantial differences in the results of operations, cash flows and financial positions discussed in the Letter of Offer, if the relevant financial statements were prepared in accordance with IFRS or U.S. GAAP instead of Indian GAAP. The significant accounting policies applied in the preparation of these financial statements are as set forth in notes to the audited financial statements included in the Letter of Offer. Prospective investors should review the accounting policies applied in the preparation of these financial statements, and consult their own professional advisors for an understanding of the differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP and how they might affect the financial information contained in the Letter of Offer.

87. Public companies in India, including us, may be required to prepare financial statements under Ind-AS. The transition to Ind-AS in India is still unclear and we may be adversely affected by this transition.

The Ministry of Corporate Affairs ("**MCA**") notified the "Companies (Indian Accounting Standards) Rules, 2015" on February 16, 2015 (the "**IAS Rules**"). The IAS Rules do not apply to banking companies, insurance companies and NBFCs. The IAS Rules provide that the financial statements of the companies to which they apply (as more specifically described below) shall be prepared and audited in accordance with Indian Accounting Standards ("**Ind-AS**"). Under the IAS Rules, any company may voluntarily implement Ind-AS for the accounting period beginning from April 1, 2015. Further, the IAS Rules prescribe that any company having a net worth of more than ₹5,000 million, and any holding company, subsidiary, joint venture or an associate company of such company, would have to mandatorily adopt Ind-AS for the accounting period beginning from April 1, 2016 with comparatives for the period ending March 31, 2016. Our Company has not determined with any degree of certainty the impact such adoption will have on its financial reporting. There can be no assurance that the Company's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under Ind-AS than under Indian GAAP. In the Company's transition to Ind-AS reporting, our Company may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of Ind-AS experienced accounting personnel available as more Indian companies begin to prepare Ind-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that our Company's adoption of Ind-AS will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt Ind-AS could adversely affect our Company's business, financial condition and results of operations.

88. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Indian Stock Exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian Stock Exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian Stock Exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

Prominent Notes:

- Issue of upto 6,66,66,666 Equity Shares of face value of ₹ 10 each of the Company for cash at a price of ₹ 15 (including a premium of ₹ 5 per Rights Equity Share) per Rights Equity Share, not exceeding an amount of ₹ 1,000 million by the Company to the Eligible Equity Shareholders of the Company in the ratio of 14 Rights Equity Shares for every 19 Equity Shares held on the Record Date, i.e. June 24, 2015. The Issue Price of each Rights Equity Share is 1.5 times the face value of the Rights Equity Share.

- Our Company's Net-Worth, on a consolidated basis, was ₹ 5,184.97 million, as on March 31, 2015, and on an standalone basis, was ₹ 4,833.70 million, as on March 31, 2015, as per our "*Financial Statements*" as disclosed on page 94 of the LOF.

- For details of the related party transactions of our Company as per AS 18, the nature of such transaction and cumulative values, please refer to the section titled "*Financial Statements*" on page 94 of the LOF.

- There are no financing arrangements whereby our Promoters and Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of this Letter of Offer.

SECTION III – INTRODUCTION

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section titled "*Terms of the Issue*" on page 232 of the LOF.

Rights Equity Shares being offered by our Company	Upto 6,66,66,666 Rights Equity Shares
Rights Entitlement for Rights Equity Shares	14 Rights Equity Shares for every 19 Equity Shares held on the Record Date i.e. June 24, 2015.
Record Date	June 24, 2015
Face Value per Rights Equity Shares	₹ 10
Issue Price per Rights Equity Share	₹ 15 including a premium of ₹ 5 per Rights Equity Share
Equity Shares outstanding prior to the Issue	90,475,927 Equity Shares
Issue size	Issue of upto 6,66,66,666 Equity Shares of Face Value of ₹ 10 Each for cash at a price of ₹ 15 (Including a premium of ₹ 5 per Rights Equity Share) per Rights Equity Share not exceeding an amount ₹ 1,000 million
Equity Shares outstanding after the Issue	15,17,42,593 Equity Shares
Terms of the Issue	Please refer to the section titled ***"Terms of the Issue"*** on page 232 of the LOF.
Use of Issue Proceeds	For further information, see the section titled "*Objects of the Issue*" on page 72 of the LOF.
ISIN Code	INE893I01013
BSE Scrip Code	533156
NSE Scrip Code	VASCONEQ

Payment terms

The payment terms are as follows:

Due Date	Amount
On Application of Rights Equity Shares	₹ 15 per Rights Equity Share which constitutes 100 % of the Issue Price.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our, audited consolidated financial statements and audited standalone financial statements, for the Financial Year ended March 31, 2015 prepared in accordance with Indian GAAP and the Companies Act, 2013.

Our summary financial information presented below, is in ₹ in million and should be read in conjunction with the financial statements and the notes thereto included in the section titled "*Financial Statements*", respectively, of the Letter of Offer.

SUMMARY OF CONSOLIDATED BALANCE SHEET

(Amount ₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES		
Shareholders' Fund :		
a)Share Capital	904.76	901.83
b) Reserves and Surplus	4,280.21	5,695.54
	5,184.97	6,597.37
Minority Interest	113.09	154.31
a) Long Term Borrowings	300.94	769.82
b) Deferred Tax Liabilities (net)	2.95	2.74
c) Other Long Term Liabilities	12.26	51.28
d) Long Term Provisions	54.15	17.01
	370.30	840.85
Current Liabilities		
a) Short Term Borrowings	2,306.11	2,374.74
b) Trade Payables	2,212.29	2,030.04
c) Other Current Liabilities	3,284.31	2,576.73
d) Short Term Provisions	81.77	174.22
	7,884.48	7,155.73
TOTAL	13,552.84	14,748.26
ASSETS		
Non Current Assets		
a) Fixed Assets		
- Tangible assets	1,155.10	1,146.30
- Intangible assets	4.14	1.85
	1,159.24	1,148.15
- Capital work in progress	21.25	253.90
	1,180.49	1,402.05
b) Goodwill on Consolidation	730.64	729.89
c) Non Current Investments	275.33	148.12
d) Deferred Tax Asset (Net)	35.14	20.01
e) Long term loans & Advances	2,690.94	3,331.01
f) Other Non Current Assets	18.84	12.66
	4,931.38	5,643.74
Current Assets		
a) Current Investments	336.23	535.94
b) Inventories	3,032.10	3,549.26
c) Trade Receivables	2,568.79	2,632.32
d) Cash and cash equivalents	583.94	497.65

(Amount ₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
e) Short Term Loans & Advances	913.04	539.88
f) Other Current Assets	1,187.36	1,349.47
	8,621.46	9,104.52
TOTAL	13,552.84	14,748.26

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Amount ₹in million)

Particulars	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**
Revenue from Operations :		
Revenue from operations	6,226.65	6,238.77
Other Income	143.94	193.62
Total revenue	6,370.59	6,432.39
Expenses :		
Construction expenses/ Cost of material consumed	5,102.96	4,765.10
Purchases of stock-in-trade	153.37	0.41
Changes in inventories of finished goods, work-in-progress and stock-in-trade	210.93	(123.22)
Employee benefit expense	769.66	802.07
Finance costs	296.42	419.72
Depreciation and amortization expense	223.65	187.70
Operating and Other Expenses	938.69	677.86
Total expenses	7,695.68	6,729.64
Loss before exceptional item and tax	(1,325.09)	(297.25)
Exceptional items	(39.04)	0.08
Loss before tax	(1,364.13)	(297.17)
Less: Tax Expense		
Current	64.96	138.64
Deferred Tax Expenses / (Gain)	(15.13)	(3.47)
Excess/ (short) provision for tax of earlier years	33.81	(0.43)
	83.64	134.74
Loss for the year after tax before Minority Interest	(1,447.77)	(431.91)
Minority share of profits / (losses)	7.31	(7.25)
Loss for the year	(1,440.46)	(439.16)
Earnings Per Share (Equity Shares, Par Value of Rs. 10/- Each)		
Basic Earnings Per Share (In Rs)	-15.97	-4.87
Diluted Earnings Per Share (In Rs)	-15.97	-4.87

SUMMARY OF CONSOLIDATED CASH FLOW STATEMENT

(Amount ₹in million)

PARTICULARS	For the year ended March 31, 2015	For the year ended March 31, 2014
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	(1,364.13)	(297.17)
Adjustments for :-		
- Depreciation / Amortisation	223.65	187.70
- Borrowing Cost	296.42	419.73
- Dividend Income	(3.47)	(4.78)
- Interest income	(34.41)	(129.95)
- Provision for Doubtful Debt	58.84	23.62
- Bad debts and other receivables, loans and advances written off	99.82	-
- Provision for diminution in value of shares	20.31	-
- Provision no longer required written back	(67.98)	-
- Employee Compensation Expenses (ESOP)	35.06	12.80
- Prior Period Adjustments	4.78	0.10
- (Profit) Loss on Sale of Assets	(21.61)	-
- (Exceptional Items)	-	(0.08)
- (Profit) Loss on Sale of Investments /Subsidiary	55.88	-
Operating Profit before working capital changes	(696.84)	211.97
Adjustments for (increase)/ decrease in operating assets		
Inventories before capitalization of borrowing cost	710.47	193.10
Trade receivables	(262.33)	370.01
Unbilled revenues and unearned receivables	449.12	153.12
Long term loans and advances	327.19	(749.82)
Other non current assets	(6.17)	8.87
Short term loans and advances	2.96	(208.54)
Other current assets	142.16	(15.36)
Adjustments for (increase)/ decrease in operating liabilities		
Current trade payables	237.40	(389.56)
Provisions	(1.46)	13.94

(Amount ₹in million)

PARTICULARS	For the year ended March 31, 2015	For the year ended March 31, 2014
Other Long term liabilities	(39.02)	(0.51)
Other current liabilities	153.51	(300.92)
Cash generated from operations	1,016.99	(713.70)
Direct Taxes Paid (Net)	(250.89)	(157.62)
Net Cash flow from operating activities	766.10	(871.32)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	(133.34)	(231.72)
Dividend received	3.47	4.78
Proceeds on Disposal of fixed assets	167.84	104.84
Proceeds from Non - Current Investments	24.25	2.87
Share application money paid / refund	(10.81)	41.44
Investments in fixed deposits with banks	33.75	(50.55)
Investments in liquid mutual funds	(104.15)	(4.89)
Net Cash generated / (used) in investing activities	(18.99)	(133.23)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of Equity shares	2.93	0.02
Share Application money received (ESOP)	-	(0.02)
Non-Convertible Debentures	-	650.00
Proceed / repayment from/to long term borrowing	(39.64)	(576.77)
Proceed / repayment from/to Short term borrowing	(68.64)	512.96
Interest Income	34.41	129.95
Inter Corporate Deposit / advances to joint venture	24.55	936.82
Interest Paid Including Capitalised to Qualifying Assets	(579.60)	(649.64)
Net Cash generated / (used) in financing activities	(625.99)	1,003.32

(Amount ₹in million)

PARTICULARS	For the year ended March 31, 2015	For the year ended March 31, 2014
D NET CASH INFLOW / (OUTFLOW) (A+B+C)	121.12	(1.23)
Cash and cash equivalents at the beginning of the period	295.86	307.71
Cash and Cash equivalents pursuant to addition in Subsidiary		
Cash and Cash equivalents pursuant to change of Subsidiary status to joint Ventures, Associate to joint venture, Joint Venture to Associate, Joint Venture to Subsidiary & sale of Joint Venture / Subsidiary	1.07	10.62
Cash and cash equivalents at the end of the period	415.91	295.86
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	121.12	(1.23)
Reconciliation of cash and bank balances		
Cash And Bank Balances	583.94	497.65
Less: Balances with scheduled bank in deposit accounts	(168.03)	(201.79)
Add: Mutual fund Investment		
Cash and cash equivalents at the end of the period	415.91	295.86
See accompanying notes forming part of the financial statements		
1. Figures in brackets represent outflows of cash and cash equivalents.		
2. During the year, the Company has received building worth Rs. 215.00 million from customer in lieu of trade receivable of Rs. 175.00 million and balance is shown under advance from customer against other projects. This being a non-cash transaction, the same has been appropriately excluded from purchase of fixed assets, trade receivable and other current liabilities.		

SUMMARY OF STANDALONE BALANCE SHEET

(Amount ₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Equity and liabilities		
Shareholders' funds		
Share capital	904.76	901.83
Reserves and surplus	3,928.94	5,344.08
	4,833.70	6,245.91
Non current liabilities		
Long term borrowings	251.50	593.96
Long term provisions	31.72	-
	283.22	593.96
Current liabilities		
Short term borrowings	2,020.13	2,049.20
Trade payables	1,598.71	1,576.37
Other current liabilities	2,351.66	1,896.55
Short term provisions	48.76	83.27
	6,019.26	5,605.39
Total equity and liabilities	11,136.18	12,445.26
Assets		
Non current assets		
Fixed assets		
- Tangible assets	623.18	456.03
- Intangible assets	-	-
- Capital work in progress	21.25	7.41
Non current investments	1,817.34	1,484.75
Deferred tax assets (net)		
Long term loans and advances	2,823.02	3,022.46
Other non current assets	0.19	0.09
	5,284.98	4,970.74
Current assets		
Current investments	276.53	535.94
Inventories	2,253.26	2,355.36
Trade receivables	1,466.53	2,006.56
Cash and bank balances	272.40	297.15
Short term loans and advances	512.62	1,146.66
Other current assets	1,069.86	1,132.85
	5,851.20	7,474.52
Total assets	11,136.18	12,445.26

SUMMARY OF STATEMENT OF PROFIT AND LOSS

(Amount ₹ in million)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue from operations	2,950.86	3,307.99
Other income	152.33	142.23
Total revenue	3,103.19	3,450.22
Construction expenses	3,226.44	3,025.70
Purchases of stock-in-trade	153.37	0.41
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(99.91)	(317.38)
Employee benefit expense	407.85	453.05
Finance costs	267.45	362.98
Depreciation and amortization expense	109.76	107.74
Other expenses	431.96	266.56
Total expenses	4,496.92	3,899.06
Loss before exceptional Items and tax	(1,393.73)	(448.84)
Exceptional items	(22.33)	0.08
Loss before tax	(1,416.06)	(448.76)
Tax expense:		
Current tax		
MAT credit entitlement		
Deferred tax		
(Excess) / Short provision for tax of earlier years	30.86	-
	30.86	-
Loss after tax for the year	(1,446.92)	(448.76)
Earnings / (Loss) per equity share (of Rs. 10/- each fully paid up) :		
Basic (In Rs)	(16.03)	(4.98)
Diluted (In Rs)	(16.03)	(4.98)

SUMMARY OF CASH FLOW STATEMENT

(Amount ₹ in million)

Particulars	For The Year Ended March 31, 2015	For The Year Ended March 31,2014
Profit/(loss) before taxation	(1,416.05)	(448.76)
Adjustments for:-		
- Depreciation and amortisation expense	109.76	107.88
- Finance costs	267.45	362.98
- Dividend income	(0.57)	(5.32)
- Expense employee stock option scheme	35.06	12.80
- Reversals of employee stock option compensation	-	(0.08)
- Provision for Diminution in value of investment	37.15	-
- Interest income	(81.67)	(132.44)
- Provision for doubtful debt and advances	54.48	7.50
- Bad debts and other receivables, loans and advances written off	85.20	-
- Decline in value of Investment (exceptional items)	22.32	-
- Provision no longer required written back	(42.67)	-
- Provision for unapproved sales	2.21	(5.86)
- (Profit) loss on sale of assets	(24.56)	-
- (Profit) loss on sale of investments	-	(164.63)
Operating Profit/(loss) before working capital changes	(951.89)	(265.93)
Adjustments for (increase)/ decrease in operating assets	-	-
Inventories before capitalisation of borrowing cost	321.13	(24.70)
Trade receivables (Refer note 2 below)	236.49	666.32
Unbilled revenues and unearned receivables	371.75	261.84
Long term loans and advances	321.73	(820.39)
Other non current assets	(0.10)	9.04
Short term loans and advances (Refer note 3 below)	64.20	(142.90)
Other current assets	140.46	(111.56)
Adjustments for (increase)/ decrease in operating liabilities		
Current trade payables	64.66	(475.87)
Provisions	(1.57)	10.35
Other current liabilities (Refer note 2 below)	99.16	62.21

(Amount ₹ in million)

Particulars	For The Year Ended March 31, 2015	For The Year Ended March 31,2014
Cash generated from operations	666.02	(831.59)
Net Income tax (paid)/refund	(93.47)	(59.62)
Net Cash flow from/(used in) operating activities	572.55	(891.21)
Cash flow from investing activities		
Purchase of fixed assets including capital work in progress (Refer note 2 below)	(65.68)	(22.52)
Dividend received	0.57	5.32
Proceeds on disposal of fixed assets	32.84	6.40
Proceeds on disposal of securities/investments (Refer note 3 below)	48.16	9.05
Purchase of Long Term investments	(37.00)	(96.83)
Share application money (given)/ refund	(10.81)	41.44
Investments in fixed deposits with banks	(19.95)	22.74
Investments in liquid mutual funds	(44.45)	(4.89)
Net Cash generated / (used) in investing activities	(96.32)	(39.29)
Cash flow from financing activities		
Proceed from issue of Equity shares	2.93	0.02
Share application money received	-	(0.02)
Proceed / repayment from/to long term borrowing	(53.58)	(456.79)
Increase / (decrease) in Non Convertible Debentures	-	650.00
Proceed / repayment from/to Short term borrowing	(29.08)	349.70
Decrease / (increase) in intercorporate deposits	-	817.51
(Increase) / decrease in advances to joint venture, subsidiaries	(35.61)	46.22
Interest income	79.48	132.44
Finance cost including capitalised to qualifying assets	(485.19)	(547.30)
Net Cash generated / (used) in financing activities	(521.05)	991.78
Net cash inflow / (outflow)	(44.82)	61.28

(Amount ₹ in million)

Particulars	For The Year Ended March 31, 2015	For The Year Ended March 31,2014
Cash and cash equivalents at the beginning of the year (Refer note - 19)	178.86	117.58
Cash and Cash equivalent taken over on merger of AOP	0.12	-
Cash and cash equivalents at the end of the year (Refer note - 19)	134.16	178.86
Net (decrease) / increase in cash and cash equivalents	(44.82)	61.28
See accompanying notes forming part of the financial statements		
Notes :-		
1. Figures in brackets represent outflows of cash and cash equivalents.		
2. During the year, the Company has received building worth Rs. 215.00 million from customer in lieu of trade receivable of Rs. 175.00 million and balance is shown under advance from customer against other projects. This being a non-cash transaction, the same has been appropriately excluded from purchase of fixed assets, trade receivable and other current liabilities.		
3. Purchase of investment and short term loans & advances excludes Rs. 142.88 million being conversion of loan to preference shares capital.		

GENERAL INFORMATION

We were originally incorporated on January 1, 1986 as a private limited company under the provisions of the Companies Act, 1956 as Vascon Engineers Private Limited. We became a deemed public company by virtue of Section 43A of the Companies Act, 1956, with effect from July 1, 1997 and were renamed as Vascon Engineers Limited.

Consequent to the amendment of Section 43A of the Companies Act, 1956, we became a private limited company with effect from January 20, 2001 and our name was changed to Vascon Engineers Private Limited. Further, pursuant to a resolution of our shareholders on December 7, 2006 and a fresh certificate of incorporation issued by the RoC on December 20, 2006, consequent upon the change of our name on conversion to a public limited company, we were again renamed as Vascon Engineers Limited.

Pursuant to the resolutions passed by the Board of our Company at its meeting held on October 20, 2014 it has been decided to make the following offer to the Eligible Equity Shareholders of our Company, with a right to renounce:

Issue of upto 6,66,66,666 Equity Shares of face value of ₹ 10 each ("**Rights Equity Shares**") of the Company for cash at a price of ₹ 15 (including a premium of ₹ 5 per Rights Equity Share) per Rights Equity Share not exceeding an amount of ₹ 1,000 million by the Company to the Eligible Equity Shareholders of the Company in the ratio of 14 Rights Equity Shares for every 19 Equity Shares held on the Record Date, i.e. June 24, 2015. The Issue Price of each Rights Equity Share is 1.50 times the face value of the Rights Equity Share.

For further details please refer to the section titled "*Terms of the Issue*" on page 232 of the LOF.

Registered Office of our Company

15/16, Hazari Baug,
L.B.S. Marg, Vikhroli (W),
Mumbai - 400 083, India.
Telephone: +91 22 2578 1143
Website: www.vascon.com
Email: compliance.officer@vascon.com
Registration No.: 038511
Corporate Identification No.: L70100MH1986PLC038511

Corporate Office of our Company

Phoenix, Bund Garden Road, Camp,
Pune - 411 001, India.
Telephone: +91 20 3056 2200
Fax: +91 20 2613 1071
Website: www.vascon.com
Email: compliance.officer@vascon.com

Address of the RoC

Registrar of Companies, Mumbai
100, Everest,
Marine Drive,
Mumbai - 400 002, India.

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited and the BSE Limited.

Company Secretary and Compliance Officer

Mr. M. Krishnamurthi
Phoenix, Bund Garden Road,
Camp, Pune - 411 001
Telephone: +91 20 3056 2200
Fax: +91 20 2613 1071
Website: www.vascon.com
Email: compliance.officer@vascon.com

Investors may contact the Compliance Officer for any pre-issue /post-issue related matters such as non-receipt of letters of allotment/ share certificates/ refund orders, etc.

Lead Managers to the Issue:

IDFC Securities Limited*
Naman Chambers,
C - 32, G-Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Telephone: +91 22 6622 2500
Facsimile: +91 22 6622 2501
Email: vel.ri@idfc.com
Website: www.idfccapital.com
Investor Grievance Email: investorgrievance@idfc.com
Contact Person: Mr. Akshay Bhandari
SEBI Registration Number: MB/INM000011336

IDFC Securities Limited ("IDFC Securities**"), a 100% subsidiary of IDFC Limited ("**IDFC Limited**"), has been appointed as one of the Lead Managers by the Company in relation to the proposed Issue. IDFC Limited is registered with the Reserve Bank of India as a non-banking financial company (further classified as an Infrastructure Finance Company). IDFC Alternatives Limited is a 100% subsidiary of IDFC Limited and the Fund / Investment Manager of IDFC Real Estate Yield Fund. IDFC Real Estate Yield Fund ("**Fund**") is a SEBI registered Category II - Alternative Investment Fund (Registration no. IN/AIF2/13-14/0091) of which IDFC Project Equity Company Limited (now merged with IDFC Alternatives Limited) is the Settlor, IDFC Trustee Company Limited is the trustee and IDFC Alternatives Limited is the Investment Manager.*

IDFC Real Estate Yield Fund is a domestic debt fund focused on the residential real estate segment in India, and has a fund size of ₹ 7,500.00 million comprising of approximately 440 investors.

IDFC Limited, as a Class A investor, has committed 6.67% of the capital commitments of IDFC Real Estate Yield Fund. The balance capital commitments aggregating to 93.33% have been committed by retail investors.

The Fund has invested in the Issuer Company in February 2014 by way of Unlisted Secured Non-Convertible Debentures and as on March 31, 2015 ₹615.00 million is outstanding (excluding interest).

Relation with IDFC Real Estate Yield Fund

IDFC Limited being the holding company of IDFC Securities would qualify as an 'associate' of IDFC SecuritiesIDFC Alternatives Limited is a 100% subsidiary of IDFC Limited and the Investment Manager of IDFC Real Estate Yield Fund. Hence, IDFC Alternatives Limited would also qualify as an 'associate' of IDFC Securities.

IDFC Real Estate Yield Fund is a SEBI registered Category II - Alternative Investment Fund (Registration no. IN/AIF2/13-14/0091). IDFC Alternatives Limited (a wholly-owned subsidiary of IDFC Limited) has been appointed as the Investment Manager of IDFC Real Estate Yield Fund.

The Issuer had availed a facility of ₹ 730.00 million from IDFC Real Estate Yield Fund in the form of Unlisted Secured Non-Convertible Debentures out of which the amount outstanding (excluding interest) as on March 31, 2015, of IDFC Real Estate Yield Fund facility is ₹615.00 million.

The details of the loans availed from the Fund and the loans that may be repaid out of the proceeds of the Issue are disclosed in the sections "Financial Indebtedness" and "Objects of the Issue" on pages 200 and 72, respectively, of this Letter of Offer.

Compliance with the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (the "Merchant Bankers Regulations").

In terms of Regulation 21A of the Merchant Bankers Regulations, a merchant banker shall not lead manage any issue if he is a promoter or a director or an associate of the issuer of securities. However, a lead manager who is an associate of the issuer may be appointed if such lead manager is involved only in the marketing of the issue.

Regulation 21A of the Merchant Bankers Regulations further states that a merchant banker shall be deemed to be an associate of the issuer, if: (i) either of them controls, directly or indirectly, not less than 15% of the voting rights in the other; (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the issuer, its subsidiary or holding company and the merchant banker.

We confirm that as on date of this Letter of Offer, IDFC Securities does not hold any Equity Shares in the Issuer or its subsidiaries. Further, as on June 23, 2015 IDFC Limited holds 572,221 Equity Shares of the Issuer (which amounts to 0.63% of the paid up capital of the Issuer); and there is no common director amongst the Issuer, its Subsidiaries or holding company and IDFC Securities. We further confirm that neither the Company nor IDFC Securities, in each case, directly or indirectly, by itself or in combination with other persons, exercises control over the other.

In light of the above, we submit that IDFC Securities is in compliance with Regulation 21A of the Merchant Banker Regulations and is not an associate of the Issuer Company and IDFC Securities by managing the Issue does not violate the restrictions imposed under the Merchant Banker Regulations.

In addition, whilst IDFC Alternatives Limited is a 100% subsidiary of IDFC Limited, it is the investment manager to the Fund, all investment and divestment decisions are made by the Investment Committee of the Fund. Furthermore, investors having made capital contributions of more than 75% of the aggregate capital contributions of the Fund can remove the Investment Manager without cause and for this purpose the vote of IDFC Limited or its affiliates is not taken into account.

Further IDFC Alternatives Limited as an investment manager to various funds, contributed by institutional and retail investors, has approximately USD 3.4 billion of funds under management.

This reiterates the fact thatIDFC Securities, does not exercise direct control over IDFC Real Estate Yield Fund.

The Company is repaying its high costs debts to improve its financial position and reduce the interest burden. The manner of repayment/prepayment and quantum of repayment / prepayment have already been laid out in this Letter of Offer and this cannot be modified or influenced either by IDFC Real Estate Yield Fund, IDFC Limited or by IDFC Securities.

Therefore, we do not believe that utilization of a part of the Net Proceeds for the purposes of prepayment of the fund based facilities obtained from IDFC Real Estate Yield Fund (i) will amount to any kind of conflict of interest, and (ii) would affect the independence of IDFC Securities, who is one of the Lead Managers to the Issue.

As part of its normal borrowing activity, the Company has availed certain loans.

Under the subscription agreement dated February 18, 2014 and revised terms dated January 9, 2015, the Issuer had availed a facility of ₹730.00 million from IDFC Real Estate Yield Fund in the form of Unlisted Secured Non-Convertible Debentures.

The Company has identified and proposes to repay / prepay certain loans, in full or in part, out of the Net Proceeds of the Issue, as disclosed on page 73 of this Letter of Offer). One of these identified borrowings is the facility obtained from IDFC Real Estate Yield Fund.

As of March 31, 2015, the Issuer had a total outstanding debt of ₹3,345.04 million on a consolidated basis (excluding interest) out of which the amount outstanding (excluding interest) as on March 31, 2015, of IDFC Real Estate Yield Fund facility is ₹615.00 million representing 18.39% of total debt. IDFC Real Estate Yield Fund has in its letter dated January 9, 2015 setting out the revised terms of the facility, stated that at least ₹200.00 millionor 20% of the Issue size, whichever is higher, is repaid to them, and the Issuer has proposed to repay / prepay an amount of ₹250.00 million representing 7.47% of the total outstanding debt of the Company.

The Company is part repaying some of its debts to improve its financial position and reduce the interest burden. Such debt has been identified based on the relative high costs of the debt (current and prospective).

IDBI Capital Market Services Limited
3rd Floor, Mafatlal Centre,
Nariman Point,
Mumbai 400 021,
Maharashtra, India
Telephone: +91 22 4322 1219
Facsimile: +91 22 2285 0785
Email: vel.ri@idbicapital.com
Website: www.idbicapital.com
Investor Grievance Email: redressal@idbicapital.com
Contact Person: Mr. Sumit Singh
SEBI Registration Number: INM000010866

Banker to the Issue

HDFC Bank Limited
Lodha – I Think Techno Campus,
O-3 Level, Next to Kanjurmarg Railway Station,
Kanjurmarg (East)

Mumbai – 400 042
Telephone: +91 22 3075 2927 / 3075 2914 / 3075 2928
Facsimile: +91 22 2579 9801
Contact Person: Uday Dixit/ Siddharth Jadhav
Email: uday.dixit@hdfcbank.com, siddharth.jadhav@hdfcbank.com
Website: www.hdfcbank.com
SEBI Registration No.: INBI00000063

Refund Banker to the Issue:

HDFC Bank Limited
Lodha – I Think Techno Campus,
O-3 Level, Next to Kanjurmarg Railway Station,
Kanjurmarg (East)
Mumbai – 400 042
Telephone: +91 22 3075 2927 / 3075 2914 / 3075 2928
Facsimile: +91 22 2579 9801
Contact Person: Uday Dixit/ Siddharth Jadhav
Email: uday.dixit@hdfcbank.com, siddharth.jadhav@hdfcbank.com
Website: www.hdfcbank.com
SEBI Registration No.: INBI00000063

Self Certified Syndicate Bankers:

The list of banks that have been notified by SEBI to act as SCSBs for the Applications Supported by Blocked Amount Process is provided at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000.

Notwithstanding anything contained hereinabove, all Renouncees shall apply in the Issue only through the non-ASBA process.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Investor, number of Rights Equity Shares applied for, amount blocked, ASBA account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors.

For more details on the ASBA process, please refer to the details given in CAF and also please refer to the section titled "*Terms of the Issue*" on page 232 of the LOF.

Domestic Legal Advisor to the Issue

J. Sagar Associates
Vakils House,
18 Sprott Road,
Ballard Estate,

Mumbai- 400 001
Telephone: +91 22 4341 8600
Facsimile: +91 22 4341 8617
Email: mumbai@jsalaw.com

Statutory Auditor of our Company

Deloitte Haskins & Sells LLP
706, 7th Floor, B Wing,
ICC Trade Tower,
Senapati Bapat Road, Pune – 411016
Tel: +91 020 66244600
Email: hmjoshi@deloitte.com
Firm Registration Number: 117366W / W-100018
Contact Person: Hemant M. Joshi
Peer Review Certificate No.: 006742

Registrar to the Issue

Karvy Computershare Private Limited
Plot 31-32, Gachibowli,
Financial District,
Nanakramguda, Hyderabad – 500 032
Telephone: +91 40 6716 2222
Facsimile: +91 40 2343 1551
E-mail: vascon.rights@karvy.com
Website: www.karvy.com
Contact Person: Mr. Muralikrishna M.
SEBI Registration No.: INR000000221

Note: Investors are advised to contact the Registrar to the Issue/Compliance Officer in case of any pre-Issue/post-Issue related problems such as non-receipt of the Draft Letter of Offer / the Letter of Offer / the Abridged Letter of Offer / CAF / allotment advice / share certificate(s) / refund orders.

Subscription by our Promoters and Promoter Group

- The following Promoters and the members of the Promoter Group of our Company have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue including, by subscribing for the Rights Equity Shares pursuant to renunciation, if any, obtained in their favour:

  (i) R. Vasudevan
  (ii) Lalitha Vasudevan
  (iii) Sowmya Vasudevan Moorthy
  (iv) Siddharth Vasudevan Moorthy
  (v) Thangam Moorthy
  (vi) Bellflower Premises Private Limited
  (vii) Vatsalya Enterprises Private Limited
  (viii) Vasumangal Constructions LLP

Premratan Exports LLP and Golden Temple Pharma LLP may subscribe to full or part of their Rights Entitlement in the Issue. Further, Geeta Lulla intends subscribe for the Rights Equity Shares pursuant to renunciation, if any, obtained in her favour.

- The following Promoters and the members of the Promoter Group of our Company have confirmed that they intend to subscribe to additional Rights Equity Shares to the extent of any unsubscribed portion in the Issue, to ensure achieving minimum subscription (i.e. 90 %) of the Issue:

  (i) R. Vasudevan

(ii) Lalitha Vasudevan
(iii) Sowmya Vasudevan Moorthy
(iv) Siddharth Vasudevan Moorthy
(v) Thangam Moorthy
(vi) Bellflower Premises Private Limited
(vii) Vatsalya Enterprises Private Limited
(viii) Geeta Lulla
(ix) Vasumangal Constructions LLP

Such subscription for the Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares shall not result in a change of control of the management of the Company in accordance with provisions of the Takeover Regulations and shall be exempt in terms of Regulation 10 (4) (a) and (b) of the Takeover Regulations.

The subscription by our Promoters and Promoter Group of the Rights Equity Shares in the Issue and the consequent allotment of the Rights Equity Shares would be subject to the aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post-Issue equity share capital of the Company on the date of Allotment, in compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and Clause 40A of the Equity Listing Agreements.

For further details please refer to "*Terms of the Issue - Basis of Allotment*" on page 255 of the LOF.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date:	**July 10, 2015**
Last date for receiving requests for SAFs:	**July 17, 2015**
Issue Closing Date:	**July 24, 2015**

Monitoring Agency

A monitoring agency is not required pursuant to Regulation 16 (1) of the SEBI ICDR Regulations. Our Board and the Audit Committee of our Board will monitor the use of proceeds of this Issue as per Clause 49 of the Equity Listing Agreements.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Expert

Except as stated below, our Company has not obtained any expert opinions:

i. Our Company has received written consent from the Statutory Auditor namely, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in the Letter of Offer in relation to the: i) reports of the Statutory Auditor dated May 12, 2015 for the audited consolidated financial statements and the audited standalone financial statements, respectively, of our Company for the Financial Year ended March

31, 2015; and ii) statement of tax benefits dated May 26, 2015 included in the Letter of Offer and such consent has not been withdrawn as of the date of the Letter of Offer.

ii. Certificate from Architect Shirish B. Mohile dated May 26, 2015 in connection with total estimated construction cost for the Project Ela- Residential.

iii. Certificate from Architect Sandeep Hardikar dated May 26, 2015 in connection with total estimated construction cost for the Project Windermere- Residential.

Listing on the Stock Exchanges

The Equity Shares of our Company are listed on the NSE and the BSE. We have received in-principle approvals for listing of the Rights Equity Shares from the NSE and the BSE by letters dated January 20, 2015 and January 28, 2015, respectively. We will make applications to the Stock Exchanges for final listing and trading approvals in respect of the Rights Equity Shares being offered in terms of the Letter of Offer.

Trustees

As this is an Issue of Rights Equity Shares, the appointment of trustee/s is not required.

Underwriting

This Issue shall not be underwritten.

Inter-se Statement of responsibility of the Lead Managers:

Sr. No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	IDFC and IDBI	IDFC
2.	Undertaking due diligence documents and together with legal counsels assist in drafting of the Offer Documents and of advertisement/publicity material including newspaper advertisements and brochure/ memorandum containing salient features of the Offer Document. Compliance with the SEBI ICDR Regulations and other stipulated requirements and completion of prescribed formalities with Stock Exchanges and SEBI.	IDFC and IDBI	IDFC
3.	Selection of various agencies connected with the issue, namely Registrar to the Issue, Bankers to the Issue, printers and advertisement agencies.	IDFC and IDBI	IDBI
4.	Marketing of the Issue, which shall cover, inter alia, formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) centers for holding conferences of stock brokers, investors, etc., (iii) bankers to the Issue, (iv) collection centers as per schedule III of the SEBI ICDR Regulations, (v) distribution of publicity and Issue material including composite application form, draft letter of offer, letter of offer, etc., and deciding upon the quantum of Issue material.	IDFC and IDBI	IDFC
5.	The post Issue activities will involve essential follow up steps, which must include finalization of basis of allotment / weeding out of multiple applications, listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrar to the Issue, Bankers to the Issue and the bank handling refund business. Lead Managers shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with the Company.	IDFC and IDBI	IDFC

Credit Rating

As this is an Issue of Rights Equity Shares, we are not required to obtain a credit rating in connection with the Issue and/or the Rights Equity Shares.

Principal Terms of Loans and Assets Charged as Security

For details in connection with the principal terms of loans and assets charged as security, please see the section titled "*Financial Indebtedness*" on page 200 of the LOF.

CAPITAL STRUCTURE

Our share capital as on the date of this Letter of Offer is set forth below:

(₹ in million except share data)

		Aggregate Value at nominal value	Aggregate Value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**		
	200,000,000 Equity Shares of ₹ 10 each	2,000.00	
B)	**ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL BEFORE THE ISSUE**		
	90,475,927 Equity Shares of ₹ 10 each	904.76	
C)	**PRESENT ISSUE IN TERMS OF THE LETTER OF OFFER***		
	Up to 6,66,66,666 Equity Shares of ₹ 10 each	666.67	1000.00
D)	**PAID UP EQUITY SHARE CAPITAL AFTER THE ISSUE**		
	15,71,42,593 Equity Shares of ₹ 10 each	1,571.43	
E)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	3,885.75	
	After the Issue	4,219.08	

* This Issue is being made pursuant to a resolution passed by the Board of our Company at its meeting held on October 20, 2014.

Notes to the Capital Structure

1. **Outstanding Instruments**

- ESOS 2013:

In terms of the special resolution passed by our shareholders on September 12, 2013 we have granted options in respect of 2,250,000 Equity Shares, which represents 2.49% of the pre-Issue paid up equity share capital of our Company, and 1.43% of the fully diluted post-Issue paid up equity share capital of our Company. As the date of this Letter of Offer, we have granted options in respect of 2,250,000 Equity Shares, which represent 2.49% of the pre-Issue paid up equity share capital of our Company to the employees of our Company, pursuant to ESOS 2013.

The following table sets forth the particulars of options under the ESOS 2013 as on date of this Letter of Offer:

Sl. No.	Description	ESOS 2013
1.	Options Granted	2,250,000
2.	The Pricing Formula	Intrinsic value
3.	Options Vested	2,250,000
4.	Options Exercised	2,93,377
5.	Total number of Equity Shares	2,93,377

Sl. No.	Description	ESOS 2013
	arising as a result of exercise of options	
6.	Options lapsed	Nil
7.	Variation in the terms of options	Nil
8.	Money realised by exercise of options (in ₹)	Nil
9.	Total number of options outstanding	19,56,623

Save as provided hereinabove, as on the date hereof there are no other outstanding options or other convertible securities of our Company.

- ESOS 2014

In terms of the special resolution passed by our shareholders on September 15, 2014 we have granted options in respect of 2,250,000 Equity Shares, which represents 2.49% of the pre-Issue paid up equity share capital of our Company, and 1.43% of the fully diluted post-Issue paid up equity share capital of our Company. As the date of this Letter of Offer, we have granted options in respect of 2,250,000 Equity Shares, which represent 2.49% of the pre-Issue paid up equity share capital of our Company to the employees of our Company, pursuant to ESOS 2014.

The following table sets forth the particulars of options under the ESOS 2014 as on date of this Letter of Offer:

Sl. No.	Description	ESOS 2014
1.	Options Granted	2,250,000
2.	The Pricing Formula	Intrinsic value
3.	Options Vested	2,250,000
4.	Options Exercised	Nil
5.	Total number of Equity Shares arising as a result of exercise of options	Nil
6.	Options lapsed	Nil
7.	Variation in the terms of options	Nil
8.	Money realised by exercise of options (in ₹)	Nil
9.	Total number of options outstanding	2,250,000

Save as provided hereinabove, as on the date hereof there are no other outstanding options or other convertible securities of our Company.

2. **Details of securities held by our Promoters and Promoter Group**

The table below presents the details of the securities of our Company held by our Promoters and Promoter Group as on June 23, 2015 including details of lock-in, pledge and/or encumbrance on such securities:

Sl. No.	Name of the Shareholder	Details of Shares held		Encumbered Shares			Details of Warrants		Details of Convertible Securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of shares held	As a % of total no. of equity shares outstanding as on June 23, 2015	No. of shares held	As a %	As a % of total no. of equity shares outstanding as on June 23, 2015	No. of warrants held	As a % total number of warrants of the same class	No. of convertible securities	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI) = (V) / (III) x 100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
Promoters and Promoter Group											
1.	Golden Temple Pharma Private Limited	7,783,273	8.60	0	0.00	0.00	0	0.00	0	0.00	8.60
2.	Vasudevan Rammoorthy	7,615,528	8.42	0	0.00	0.00	0	0.00	0	0.00	8.42
3.	Premratan Exports Pvt Ltd	6,667,637	7.37	0	0.00	0.00	0	0.00	0	0.00	7.37
4.	Vatsalya Enterprises Private Limited	5,227,273	5.78	0	0.00	0.00	0	0.00	0	0.00	5.78
5.	Lalitha Vasudevan	4,669,128	5.16	0	0.00	0.00	0	0.00	0	0.00	5.16
6.	Vasudevan Ramamoorthy	1,800,001	1.99	0	0.00	0.00	0	0.00	0	0.00	1.99
7.	Ms. Sowmya Vasudevan Moorthy	403,200	0.45	0	0.00	0.00	0	0.00	0	0.00	0.45
8.	Mr Siddharth Vasudevan Moorthy	403,200	0.45	0	0.00	0.00	0	0.00	0	0.00	0.45
9.	Bellflower Premises Private Limited	299,583	0.33	0	0.00	0.00	0	0.00	0	0.00	0.33
10.	Vasumangal Constructions LLP	1,000	0.001	0	0.00	0.00	0	0.00	0	0.00	0.001
Total		**3,48,69,823**	**38.54**	**0**	**0.00**	**0.00**	**0**	**0.00**	**0**	**0.00**	**38.54**

3. None of the Equity Shares held by our Promoters and Promoter Group are pledged with any banks, institutions, locked-in or subject to any encumbrance as on June 23, 2015.

4. Except as disclosed below, our Promoters and Promoter Group have not acquired any Equity Shares in the last one year immediately preceding the date of this Letter of Offer:

Nature of transaction and names of Person/Entity	Nature of transfer	Date of Sale	Details of Securities Sold	Total Consideration	Shareholding of the Promoter pursuant to the sale
Sale of shares by Golden Temple Pharma LLP to Lalitha Vasudevan	Off-market inter-se transfer between Promoters	May 18, 2015	Sale of 20,00,000 Equity Shares of Face Value ₹ 10 each	₹ 40.00 million (₹ 20 per Equity Share transferred)	Post this transfer shareholding of Golden Temple Pharma LLP is 77,

Nature of transaction and names of Person/Entity	Nature of transfer	Date of Sale	Details of Securities Sold	Total Consideration	Shareholding of the Promoter pursuant to the sale
					83,273 and shareholding of Mrs. Lalitha Vasudevan is 46,69,128.
Sale of shares by Bellflower Premises Private Limited to Vasumangal Constructions LLP	Off-market inter-se transfer between Promoter Group	June 23, 2015	Sale of 1,000 Equity Shares of Face Value ₹ 10 each	₹ 15,500 (₹ 15.50 per Equity Share transferred)	Post this transfer shareholding of Bellflower Premises Private Limited is 2,99,583 and shareholding of Vasumangal Constructions LLP is 1,000.

5. The ex-rights price arrived in accordance with Clause 4(b) of Regulation 10 of the Takeover Regulations, in connection with the Issue is ₹ 17.97.

6. **Shareholding Pattern:**

The table below presents our Company's shareholding as on June 23, 2015:

Category Code	Category Of Shareholder	No of Shareholders	Total Number Of Shares	No of Shares Held In Dematerialized Form	Total Shareholding As A % of Total No of Shares		Shares Pledge or Otherwise Encumbered	
					As a Percentage of (A+B)	As a percentage of (A+B+C)	Number Of Shares	As A Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	**PROMOTER AND PROMOTER GROUP**							
(1)	INDIAN							
(a)	Individual /HUF	5	14,891,057	14,891,057	16.46	16.46	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	5	19,978,766	19,978,766	22.08	22.08	0	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(1) :	**10**	**34,869,823**	**34,869,823**	**38.54**	**38.54**	**0**	**0.00**
(2)	FOREIGN							
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total A=A(1)+A(2)	**10**	**34,869,823**	**34,869,823**	**38.54**	**38.54**	**0**	**0.00**
(B)	**PUBLIC SHAREHOLDING**							
(1)	INSTITUTIONS							
(a)	Mutual Funds /UTI	2	18,37,985	18,37,985	2.03	2.03		
(b)	Financial Institutions /Banks	5	44,70,775	44,70,775	4.94	4.94		
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		

Category Code	Category Of Shareholder	No of Shareholders	Total Number Of Shares	No of Shares Held In Dematerialized Form	Total Shareholding As A % of Total No of Shares		Shares Pledge or Otherwise Encumbered	
					As a Percentage of (A+B)	As a percentage of (A+B+C)	Number Of Shares	As A Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	1	7,74,523	7,74,523	0.86	0.86		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00		
(i)	Others	0	0	0	0.00	0.00		
	Sub-Total B(1) :	**8**	**70,83,283**	**70,83,283**	**7.83**	**7.83**		
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate	200	41,941,034	40,570,124	46.36	46.36		
(b)	Individuals							
	(i) Individuals holding nominal share capital upto Rs.1 lakh	5266	18,52,225	18,52,223	2.05	2.05		
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	73	41,77,045	41,77,045	4.62	4.62		
(c)	Others							
	H U F	232	2,04,189	2,04,189	0.23	0.23		
	CLEARING MEMBERS	18	54,195	54,195	0.06	0.06		
	NON RESIDENT INDIANS	42	2,94,133	2,94,133	0.33	0.33		
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00		
	Sub-Total B(2) :	**5,831**	**48,522,821**	**47,151,909**	**53.63**	**53.63**		
	Total B=B(1)+B(2) :	**5,839**	**55,606,104**	**54,235,192**	**61.46**	**61.46**		
	Total (A+B) :	**5,849**	**90,475,927**	**89,105,015**	**100.00**	**100.00**		
(C)	Shares held by custodians, against which							
	Depository Receipts have been issued							
(1)	Promoter and Promoter Group							
(2)	Public	0	0	0	0.00	0.00		
	GRAND TOTAL (A+B+C) :	**5849**	**90475927**	**89105015**	**100.00**	**0.00**	**0**	**0.00**

Participation in the Issue by our Promoters and Promoter Group:

- The following Promoters and the members of the Promoter Group of our Company have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue including, by subscribing for the Rights Equity Shares pursuant to renunciation, if any, obtained in their favour:

(i) R. Vasudevan
(ii) Lalitha Vasudevan
(iii) Sowmya Vasudevan Moorthy
(iv) Siddharth Vasudevan Moorthy
(v) Thangam Moorthy
(vi) Bellflower Premises Private Limited
(vii) Vatsalya Enterprises Private Limited
(viii) Vasumangal Constructions LLP

Premratan Exports LLP and Golden Temple Pharma LLP may subscribe to full or part of their Rights Entitlement in the Issue. Further, Geeta Lulla intends subscribe for the Rights Equity Shares pursuant to renunciation, if any, obtained in her favour.

- The following Promoters and the members of the Promoter Group of our Company have confirmed that they intend to subscribe to additional Rights Equity Shares to the extent of any unsubscribed portion in the Issue, to ensure achieving minimum subscription (i.e. 90 %) of the Issue:

(i) R. Vasudevan
(ii) Lalitha Vasudevan
(iii) Sowmya Vasudevan Moorthy
(iv) Siddharth Vasudevan Moorthy
(v) Thangam Moorthy
(vi) Bellflower Premises Private Limited
(vii) Vatsalya Enterprises Private Limited
(viii) Geeta Lulla
(ix) Vasumangal Constructions LLP

Such subscription for the Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares shall not result in a change of control of the management of the Company in accordance with provisions of the Takeover Regulations and shall be exempt in terms of Regulation 10 (4) (a) and (b) of the Takeover Regulations.

The subscription by our Promoters and Promoter Group of the Rights Equity Shares in the Issue and the consequent allotment of the Rights Equity Shares would be subject to the aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post-Issue equity share capital of the Company on the date of Allotment, in compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and Clause 40A of the Equity Listing Agreements.

7. **Persons and Entities owning more than 1% of our Equity Shares:**

Statement showing shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of Equity Shares as on June 23, 2015:

Sl. No.	Name of the Shareholder	Number of shares held	Shares as a % of total number of equity shares outstanding as on June 23, 2015	Details of Warrants		Details of Convertible Securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				No. of warrants held	As a % total number of warrants of the same class	No. of convertible securities	% w.r.t total number of convertible securities of the same class	
1.	Dreamz Impex Pvt Ltd	9,783,273	10.81	0	0.00	0	0.00	10.81
2.	Dna Pharma Pvt Ltd	8,968,000	9.91	0	0.00	0	0.00	9.91
3.	Medicreams India Pvt Ltd	6,667,637	7.37	0	0.00	0	0.00	7.37
4.	Orion Life Sciences Pvt Ltd	6,112,000	6.76	0	0.00	0	0.00	6.76
5.	State Bank Of India	2,322,481	2.57	0	0.00	0	0.00	2.57
6.	Hdfc Ventures Trustee Company Limited	2,206,363	2.44	0	0.00	0	0.00	2.44
7.	Okasa Pvt. Ltd.	1,370,910	1.52	0	0.00	0	0.00	1.52
8.	Housing Development	1,161,240	1.28	0	0.00	0	0.00	1.28

Sl. No.	Name of the Shareholder	Number of shares held	Shares as a % of total number of equity shares outstanding as on June 23, 2015	Details of Warrants		Details of Convertible Securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				No. of warrants held	As a % total number of warrants of the same class	No. of convertible securities	% w.r.t total number of convertible securities of the same class	
	Finance Corporation Limited							
9.	IDBI Bank Ltd.	1,161,240	1.28	0	0.00	0	0.00	1.28
10.	Reliance Ventures Limited	1,161,240	1.28	0	0.00	0	0.00	1.28
11.	Sundaram Mutual Fund A/C Sundaram Smile Fund	983,826	1.09	0	0.00	0	0.00	1.09
	Total	41,898,210	46.31	0	0.00	0	0.00	46.31

8. The terms of issue to Eligible Equity Shareholders have been presented under the section titled "*Terms of the Issue*" on page 232 of the LOF.

9. At any given time, there shall be only one denomination of Equity Shares of our Company.

10. We have not revalued our assets during the last five Financial Years.

11. Issue to remain open for a minimum of 15 days and a maximum period which shall not exceed 30 days as may be determined by the Board.

12. Except as disclosed below, the Lead Managers and their affiliates do not hold any Equity Shares of the Company as on date of this Letter of Offer:

Sl. No.	Name of the Shareholder	Relationship with Lead Manager	Number of shares held	Shares as a % of total number of equity shares outstanding
1.	IDBI Bank Ltd.*	Holding Company of IDBI Capital Market Services Limited	1,161,240	1.28
2.	IDFC Limited	Holding Company of IDFC Securities Limited	572,221	0.63

**HDFC Ventures Trustee Company Limited in its capacity as trustee of HDFC Property Fund through its scheme HDFC India Real Estate Fund has done an Off Market In-Specie Distribution of Equity Shares on June 22, 2015 and June 23, 2015. IDBI Bank Limited being an investor in this fund has received 11,61,240 shares.*

13. All the Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on the date of the Letter of Offer. Further, the Rights Equity Shares when issued shall be fully-paid up.

OBJECTS OF THE ISSUE

The Objects of the Issue are:

1. Repayment/ pre-payment, in full or part, of certain identified loans availed by our Company;
2. Finance the construction of our Ongoing Projects; and
3. General corporate purposes.

The main objects clause of our Company's Memorandum of Association enables us to undertake our existing activities and the activities for which funds are being raised by our Company pursuant to the Issue.

We intend to utilize the Issue Proceeds after deducting the Issue related expenses ("**Net Proceeds of the Issue**" or "**Net Proceeds**") for the abovementioned objects.

The details of the estimated Issue Proceeds are as follows:

Sr. No.	Description	Amount (₹ in million)
1.	Gross Proceeds of the Issue	1,000.00
2.	Issue Expenses (On an estimated basis)	25.00
3.	Net Proceeds of the Issue	975.00

Utilisation of Net Proceeds of the Issue

The utilization of the Net Proceeds of the Issue is as follows:

Sr. No.	Particulars	Estimated amount to be utilized (₹ in million)
1.	Repayment/ pre-payment, in full or part, of certain identified loans availed by our Company	620.00
2.	Finance the construction of our Ongoing Projects	280.00
3.	General Corporate Purposes	75.00

Our fund requirements and deployment of the Net Proceeds of the Issue is based on internal management appraisals and estimates, and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial condition, business or strategy.

We operate in highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances or costs in our financial condition, business or strategy. Consequently, our fund requirements may also change. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. Until our Company realises the Net Proceeds, it proposes to utilize its internal accruals and/or raise additional debt and/or receivables from customers in the form of advances, to meet the proposed expenditure in respect of the Objects.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals, cash flow from our operations and/or debt, as required. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and / or seeking additional debt from existing and future lenders. In the event that the estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal. For risks relating to our objects please see the risk factor: "*The requirement of funds in relation to the Objects of the Issue has not been appraised and our budgeted expenditure program may change*" in the section titled *"Risk Factors"* on page 10 of the LOF.

Appraisal of the Objects:

None of the objects for which the Net Proceeds will be utilized have been appraised by any agency.

Details of the Objects of the Issue:

1. Repayment/ pre-payment, in full or part, of certain identified loans availed by our Company:

Our Company has entered into financing arrangements with various banks/ financial institutions /corporate entities. For details of our debt financing arrangements, please see the section titled "*Financial Indebtedness*" on page 200 of the LOF.

Our Company proposes to utilize an estimated amount of ₹ 620.00 million from the Net Proceeds of the Issue towards repayment/ pre-payment, in full or part, of certain identified loans availed by our Company. The said utilization of the Net Proceeds towards repayment/pre-payment of certain identified loans availed by our Company is proposed to be consummated, in full, during the Financial Year 2015-16. We also believe that such repayment/ pre-payment will help reduce our outstanding indebtedness and our debt-equity ratio. We believe that reducing our indebtedness and an enhanced equity base will assist us in maintaining a favourable debt-equity ratio in the near future and enable utilization of our internal accruals for further investment in business growth and expansion in new projects. In addition, we believe that the strength of our balance sheet and the leverage capacity of our Company will improve significantly which shall enable us raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides details of certain identified loans availed by our Company which we plan to repay/ pre-pay, in full or part, from the Net Proceeds of the Issue:

Sr. No.	Name of Lender	Nature of Loan and Date of the Loan Agreement	Purpose of Loan*	Amount Sanctioned (in ₹ million)	Total Amount Outstanding as on April 30, 2015 (in ₹ million)	Rate of interest (per annum)	Pre-payment Penalty	Repayment Schedule	Amount to be prepaid /repaid out of the Net Proceeds** (₹ in million)	Rationale for identification
1.	IDFC Real Estate Yield Fund***	Unlisted Secured non convertible debentures Subscription Agreement dated February 18, 2014	a. to prepay loan facility of ₹ 730.00 million availed by the Company from IDFC Limited; and b. to acquire transfer development rights in connection with a residential project named, "Windermere"#	730.00	615.00# (Fund Based)	18.25%	0% to 3%, depending upon the source of utilized for prepayment	See Note 1 below	250.00	High cost debt

#First level utilization: A loan of Rs. 650.00 million was availed from IDFC Limited, to prepay ICICI Bank Loan outstanding of ₹ 367.00 million, towards purchase of TDR of ₹ 205.80 million and approval and construction cost of Windermere Project for ₹ 77.20 million.

Eventual utilization: ICICI Loan of ₹ 500.00 million was taken to fund the Windermere Project.

Note 1: 1. Monthly principal repayment of ₹ 5 million per month from September 15, 2014 to March 15, 2015

2. Monthly principal repayment from April 15, 2015:

- 40% is outstanding as on April 15, 2015 and will be paid in twelve equal monthly installments from April 15, 2015.
- Balance of 60% will be paid in eleven equal monthly installments from April 15, 2016.

3. Proceeds from Nashik 113/2 sale:

Sr. No.	Name of Lender	Nature of Loan and Date of the Loan Agreement	Purpose of Loan*	Amount Sanctioned (in ₹ million)	Total Amount Outstanding as on April 30, 2015 (in ₹ million)	Rate of interest (per annum)	Pre-payment Penalty	Repayment Schedule	Amount to be prepaid /repaid out of the Net Proceeds** (₹ in million)	Rationale for identification
• ₹ 25.00 million upon receipt of the second tranche of payment and an additional amount of ₹ 25.00million upon receipt of the third and final payment to be received in the Escrow. • From the first tranche of ₹ 25.00 million, ₹ 15.00 million is to be utilized for the DSRA creation. • A balance of ₹ 35.00 million will be utilized towards an additional principal prepayment. 4. Additional Prepayment from Rights Issue: In case the Company does a right issue, additional prepayment of ₹ 200 million or 20% of the rights issue, whichever is higher, at the time of receipt of fund through subscription of issue (over and above the monthly repayment and prepayment from Nashik 113/2 sale) will be done.										
2.	State Bank of India	Working Capital Demand Loan (Inter changeable from the letter of credit limit to working capital demand loan facility limit to the extent of ₹ 150.00 million) Working Capital Consortium Agreement dated September 26, 2014 **Sanction Letters** dated May 3, 2014, February 7, 2013 and May 27, 2013	To meet working capital requirements	1,000.00	1,164.23## (Fund Based)	4.50% above the base rate (The current rate of interest is 14.50%)	Nil	On demand	270.00	High cost debt. Further the Company has been going through a liquidity crunch and there has been a delay in payment of interest in few instances and State Bank of India has requested the Company to repay certain portion of the loan from the Rights Issue proceeds. Consequent to this the Company has committed to repay a part of the loan.
3.	Leverage Finance & Securities Private Limited	Intercorporate Deposit (Unsecured)	General Corporate Purposes	25.00	25.67### (Fund based)	12.00%	Nil	Repayable on July 31, 2015. If Company fails to repay the loan on or before July 31, 2015, the interest rate will increase to 24% per annum at quarterly rests	25.00	Repayable on July 31, 2015. *If Company fails to repay the loan on or before 31st July, 2015, the interest rate will increase to 24% per annum at quarterly rests*

Sr. No.	Name of Lender	Nature of Loan and Date of the Loan Agreement	Purpose of Loan*	Amount Sanctioned (in ₹ million)	Total Amount Outstanding as on April 30, 2015 (in ₹ million)	Rate of interest (per annum)	Pre-payment Penalty	Repayment Schedule	Amount to be prepaid /repaid out of the Net Proceeds** (₹ in million)	Rationale for identification
4.	Yester Investment Private Limited	Intercorporate Deposit (Unsecured)	General Corporate Purposes	75.00	77.00#### (Fund Based)	12.00%	Nil	Repayable on July 31, 2015. If Company fails to repay the loan on or before July 31, 2015, the interest rate will increase to 24% per annum at quarterly rests	75.00	Repayable on July 31, 2015. *If Company fails to repay the loan on or before 31st July, 2015, the interest rate will increase to 24% per annum at quarterly rests*
Total Outstanding Amount as on April 30, 2015(in ₹million)					**1,881.90**				620.00	

**Certified by M/s. Vamu & Associates, Chartered Accountants, vide their certificate dated May 26, 2015, which certifies that our Company has utilized the above said loan amounts for the purposes for which the loans were raised.*

*** The amount of Net Proceeds proposed to be utilized for repayment / prepayment of each the aforementioned loans availed by our Company will be subject to (i) any conditions attached to the borrowings, (ii) terms and conditions of consents and waivers received from lenders for prepayment.*

****Refer to section titled "Risk Factors" and "General Information" for more details.*

 # Principal amount outstanding (excluding interest).
Including interest and other charges upto the month of April 30, 2015
Includes interest upto March 31, 2015 but excludes interest accrued but not due as on April 30, 2015.
Includes interest upto March 31, 2015 but excludes interest accrued but not due as on April 30, 2015.

Some of our loan agreements provide for the levy of prepayment penalties or premium. We will take such provisions into consideration while deciding the loans to be repaid and/ or pre-paid from the Net Proceeds. Payment of such pre-payment penalty or premium, if any, shall be made by our Company out of the Net Proceeds of the Issue. In the event the Net Proceeds of the Issue are not sufficient for the said payment of pre-payment penalty or premium, our Company shall make such payment from its internal accruals and cash receivables from customers. We may also be required to provide notice to some of our lenders prior to prepayment.

Given the nature of these borrowings and the terms of repayment/ pre-payment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are repaid/ pre-paid or further drawn-down prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment/ pre-payment of such additional indebtedness.

2. Finance the construction of our Ongoing Projects

We are currently constructing and developing various residential and commercial projects and intend to additionally deploy ₹ 280.00 million for the construction of the following Ongoing Projects:

Sr. No.	Name of project	Saleable Area (in sq. ft.)	Built-up Area (in sq. ft.)	Year of commencement of construction	Estimated Completion year	Total Estimated Construction Costs (₹ in million)	Amount deployed as of April 30, 2015 (₹ in million)*	Estimated balance construction cost (₹ in million)	Balance to be funded out of the Net Proceeds (₹ in million)	Nature of Contract / Documentation
1.	Ela - Residential, Pune	1,18,432#	1,30,985#	2010	2015	267.50#	223.31	44.19	44.19	Single Joint Venture Agreement dated June 1, 2007
2.	Wind Ermere- Residential, Pune	3,79,100^	5,15,593	2010^	2015	1,429.90^	874.20	555.70	235.81	Single Joint Venture Agreement dated February 6, 2003

**As per certificate from Deloitte Haskins & Sells LLP dated from May 26, 2015.*
 # The estimated construction cost has been certified by Architect Shirish B. Mohile vide their certificate dated May 26, 2015.
^ The estimated construction cost has been certified by Architect Sandeep Hardikar & Associates vide their certificate dated May 26, 2015.

Project Ela- Residential

Our Company has entered into a Single Joint Venture Agreement dated June 1, 2007 for the joint development / construction in connection with Project Ela located at Hadapsar, Pune.

Breakdown of the balance estimated construction costs is as follows:

Particulars	Amount (₹ in million)#
Civil Work	20.69
Services- Electrical, Plumbing, HVAC, Fire Fighting	11.20
Infrastructure	12.30
Total	44.19

 # The estimated balance construction cost has been certified by Architect Shirish B. Mohile vide their certificate dated May 26, 2015.

Project Windermere – Residential

Our Company has entered into a single joint venture agreement dated February 6, 2003 for the development and construction of flats and other premises located at Ghorpadi, Taluka Haveli, Pune. In furtherance of this single joint venture agreement, two supplementary agreements dated February 1, 2010 and November 1, 2012 were also entered into.

Breakdown of the balance estimated construction costs is as follows:

Particulars	Amount (₹ in million)#
Approvals	17.40
Civil Work	191.70
Services- Electrical, Plumbing, HVAC, Fire Fighting	88.30
Infrastructure	134.20
Podium	113.30
Other	10.80
Total	**555.70**

 # The estimated balance construction cost has been certified by Architect Shirish B. Mohile vide their certificate dated May 26, 2015.

Schedule of Deployment:

Sr. No.	Name of Project and Location	Estimated Schedule of Deployment
		FY 16
1.	Project Ela- Residential, Pune	44.19
2.	Project Windermere – Residential, Pune	235.81
TOTAL		280.00

3. General Corporate Purposes

Our Board, will have flexibility in applying the balance amount towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds of the Issue, including, strengthening marketing capabilities and brand building exercises, meeting our working capital requirements, routine capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, rent, administration expenses, insurance related expenses, repairs and maintenance, and the payment of taxes and duties; and meeting of exigencies which our Company may face in course of business.

The quantum of utilization of funds towards each of the above purposes will be determined by the Board of Directors based on the amount actually available under the head "*General Corporate Purposes*" and the business requirements of our Company, from time to time.

4. Issue Expenses

The estimated Issue related Expenses are as follows:

Sr. No.	Activity Expense	Amount (in ₹ million)	Percentage of Total estimated Issue expenditure	Percentage of Issue Size
1.	Fees of lead managers, bankers to the Issue, legal advisor, registrar to the Issue and out of pocket expenses	15.00	60.00%	1.50%
2.	Expenses relating to advertising, printing, distribution, marketing and stationery expenses	2.00	8.00%	0.20%
3.	Regulatory fees, filing fees, listing fees, depository fees, auditor fees and miscellaneous expenses	8.00	32.00%	0.80%
	Total estimated Issue expenses	25.00	100.00%	2.50%

Means of Finance

The stated Objects of the Issue are proposed to be entirely financed by the Net Proceeds of the Issue and our Company's internal accruals, receivables from customers in the form of advances, and thus, we are in compliance with the requirements of firm arrangements of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through the proposed Issue, as required under Regulation 4(2)(g) of the SEBI ICDR Regulations.

Interim Use of Funds

Our Board will have flexibility in deploying the Net Proceeds of the Issue. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including investment in liquid money market mutual funds, fixed deposits with banks and other interest bearing securities for the necessary / interim duration or we may temporarily park the proceeds in our cash credit account(s). Such investments will be approved by the Board or its committee from time to time, in accordance with its investment policies. The Company shall not utilize the proceeds of the Issue, pending utilization for the objects of the Issue for investment in equity and / or for the acquisition of immovable property / real estate or related products.

Bridge Loan

We have not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including any other short-term instrument like non convertible debentures, commercial papers etc., pending receipt of the Net Proceeds.

Monitoring Utilization of Funds from Issue

As this is an Issue for an amount less than ₹ 5,000 million, there is no requirement for the appointment of a monitoring agency. Our Board or its duly authorized committees will monitor the utilization of the Issue Proceeds. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will, on a quarterly basis, disclose to the Audit Committee and the Board the uses and applications of the Issue Proceeds in accordance with the provisions of the Equity Listing Agreement. We also will on an annual basis, prepare a statement of funds which have been utilized for purposes other than those stated in the Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until such time that all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Clause 43A of the Equity Listing Agreement we will furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee and the Board.

Our Company shall inform material deviations in the utilization of Issue Proceeds to the Stock Exchanges and shall also simultaneously make the material deviations/adverse comments, of the Audit committee and the Board, if any, public through advertisement in newspapers.

Other Confirmations

There are no existing or anticipated transactions in relation to the utilization of Net Proceeds with any of our Promoters, the Directors, our key managerial personnel or Group Companies and no part of the Net Proceeds is intended to be paid by our Company as consideration to any of our Promoters, the Directors, our key managerial personnel or Group Companies.

STATEMENT OF TAX BENEFITS

Statement of possible direct tax benefits available to the Company and its shareholders under the applicable laws in India

Statement of Direct Tax Benefits

To,
Board of Directors,
Vascon Engineers Limited
15/16, Hazari Baug, LBS Marg,
Vikhroli (West),
Mumbai - 400 083.

Dear Sirs,

Sub: Statement of possible direct tax benefits available to Vascon Engineers Limited ("the Company") and its shareholders

We refer to the proposed right issue of equity shares of **Vascon Engineers Limited** ("the Company") and enclose the statement showing the current position of tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961 ('IT Act') for inclusion in the letter of offer.

This statement is provided for general information purposes only and each investor is advised to consult its own tax consultant with respect to specific income tax implications arising out of participation in the issue.

Unless otherwise specified, sections referred below are sections of the IT Act. The benefits set out below are subject to conditions specified therein read with the Income-tax Rules, 1962 presently in force.

The Wealth-tax Act, 1957 has been abolished w.e.f. April 1, 2015 and as such we have not commented on the same.

The Direct Taxes Code Bill, 2010 has lapsed. Having considered the report of the Standing Committee on Finance and the views expressed by the stakeholders, a revised Direct Taxes Code has been placed in the public domain in March, 2014. Thus, it may undergo changes by the time it is actually introduced and hence, at the moment, it is unclear when will it come into effect and what effect the proposed Direct Taxes Code would have on the Company and the investors.

The benefits outlined in the enclosed statement based on the information and particulars provided by the Company are neither exhaustive nor conclusive.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits have been/would be met with; and
- the revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include the enclosed statement regarding tax benefits available to the Company and to its shareholders in the letter for the proposed rights issue of equity shares which the Company intends to submit to the Securities and Exchange Board of India, the Registrar of Companies and the Stock Exchange(s).

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of **Vascon Engineers Limited** and shall not, without our prior written consent, be disclosed to any other person.

Yours faithfully,

For
DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Hemant Joshi
Partner
(Membership No.038019)

Place : Pune
Date : May 26, 2015

STATEMENT OF DIRECT TAX BENEFITS AVAILABLE TO VASCON ENGINEERS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

The direct tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company under the provisions of the Income Tax Act, 1961 ("IT Act").

2. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

The following benefits are available to the Company after fulfilling conditions as per the respective provisions of the relevant tax laws.

i. Income arising from developing, or operating and maintaining or developing, operating and maintaining infrastructure facility

As per section 80-IA of the IT Act, a deduction of 100% is allowable for 10 years commencing from the initial assessment year in respect of profits and gains derived from carrying on the business of developing, or operating and maintaining or developing, operating and maintaining specified infrastructure facility, subject to fulfillment of prescribed conditions.

However, the aforesaid deduction is not available while computing tax liability of the Company under Minimum Alternative Tax ('MAT'). Nonetheless, such MAT paid/payable on the book profits of the Company computed in terms of the provisions of IT Act, read with the Companies Act, 2013 would be eligible for credit against tax liability arising under normal provisions of IT Act.

Further, such credit would not be allowed to be carried forward and set off beyond 10th assessment year immediately succeeding the assessment year in which such credit becomes allowable.

ii. Dividends

Exemption u/s 10(34) of the IT Act

As per section 10(34) of the IT Act, any income by way of dividends referred to in section 115-O from a domestic company is exempt from tax in the hands of the Company. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.
However, in view of the provisions of section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Exemption u/s 10(35) of the IT Act

As per section 10(35) of the IT Act, the following incomes will be exempt in the hands of the company –

a) Income received in respect of the units of a mutual fund specified under clause (23D) of section 10 of the IT Act; or

b) Income received in respect of units from the administrator of the specified undertaking; or

c) Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

However, in view of the provisions of section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

iii. Share in income of the partnership firm

As per section 10(2A) of the IT Act, share of profit from the partnership firm will be exempt from tax in the hands of the Company provided that such partnership firm is separately assessed to tax. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

iv. Share in income of the Association of Persons

As per section 86 of the IT Act, the Company shall not be required to pay tax on its share in the income of the Association of Persons (AOP) provided the AOP is chargeable to tax on its total income at the maximum marginal rate or any higher rate. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

v. Income from House Property

As per section 24(a) of the IT Act, the Company is eligible for deduction of 30% of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out).

vi. Income from buy back of shares

As per section 10(34A) of the IT Act, any income arising to the Company being a shareholder, on account of buy back of shares (not being listed on a recognized stock exchange) by a company as referred to in section 115QA of the IT Act will be exempt from tax. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

vii. Profits and Gains of Business or Profession

Under section 35(1)(i) and section 35(1)(iv) of the IT Act, in respect of any revenue or capital expenditure incurred respectively, other than expenditure on the acquisition of any land, on scientific research related to the business of the company are allowed as deduction against the income of Company.

Under section 35(1)(ii) of the IT Act, any sum paid to a research association which has as its object, the undertaking of scientific research or to a university, college or other institution to be used for scientific research is eligible for weighted deduction to the extent of one and three-fourth times (175%) of the sum so paid. This weighted deduction is available to amounts paid to approved research association, university, college or institution.

Under section 35(1)(iia) of the IT Act, any sum paid to a company registered in India which has as its main object the conduct of scientific research and development and is approved by the prescribed authority and fulfills such conditions as may be prescribed shall be liable to deduction at one and one fourth times (125%) of the amount so paid.

Under section 35(iii) of the IT Act, any sum paid to a research association which has as its object the undertaking of research in social science or statistical research or to a university, college or other institution to be used for research in social science or statistical research and is approved by the prescribed authority and fulfills such conditions as may be prescribed shall be liable to deduction at one and one fourth times (125%) of the amount so paid.

Where the Company pays any sum to a National Laboratory or a University or an Indian Institute of Technology or specified person referred to in section 35(2AA) of the IT Act with a specific direction that the said sum shall be used for scientific research undertaken under a programme approved in this behalf by prescribed authority, the deduction shall be allowed of a sum equal to two times (200%) of the sum so paid.

As per section 35AC of the IT Act, a deduction of the amount of expenditure incurred by way of payment of any sum to a public sector company or a local authority or to an association or institution approved by the National Committee for carrying out any eligible project or scheme, is allowable while computing income from profits and gains of business or profession.

In case the Company or any of its subsidiary companies is engaged in any of the specified businesses as prescribed in section 35AD of the IT Act, there shall be allowed a deduction of 100% or 150% of the capital expenditure incurred except cost of land, goodwill or any financial instruments depending on the type and nature of the business and the date on which such business commenced as prescribed in section 35AD.

As per section 35CCD of the IT Act, a weighted deduction to the extent of one and one-half times (150%) of the amount of expenditure incurred (other than cost of land and building) on any skill development project notified by the Board, is allowable while computing income from profits and gains of business or profession.

Subject to certain conditions, section 35D of the IT Act provides for deduction of specified preliminary expenditure incurred before the commencement of the business or after the commencement of business in connection with the extension of the undertaking or in connection with the setting up a new unit. The deduction allowable is equal to one-fifth of such expenditure incurred for each of the five successive previous years beginning with the previous year in which the business commences.

Under section 35DD of the IT Act, the Company will be entitled to a deduction equal to 1/5th of the expenditure incurred in connection with Amalgamation or Demerger of an undertaking by way of amortization over a period of 5 successive years, beginning with the previous year in which the amalgamation or demerger takes place.

viii. Capital gains

As per section 2(42A) of the IT Act, a security (other than a unit) listed in a recognised stock exchange in India or units of the Unit Trust of India or a unit of an equity oriented fund or zero coupon bonds will be considered as short term capital asset if the period of holding of such shares, units or security is twelve months or less. If the period of holding is more than twelve months, it will be considered as long term capital asset as per section 2(29A) of the IT Act. In respect of other assets, the determinative period of holding is thirty six months as against twelve months mentioned above. Further, gain/loss arising from the transfer of short term capital asset and long term capital asset is regarded as short term capital gains/loss and long term capital gains/loss respectively.

Section 48 of the IT Act, which prescribes the mode of computation of Capital Gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time. However, such indexation benefit would not be available on bonds and debentures.

As per section 10(38) of the IT Act, long term capital gains arising to the Company from transfer of long term capital asset being an equity share in a Company or a unit of an equity oriented fund listed in recognized stock exchange in India where such transaction is chargeable to Securities Transaction Tax (STT) will be exempt in the hands of the Company.

As per section 54EC of the IT Act, capital gains upto Rs. 50 Lakhs arising from the transfer of a long term capital asset (in cases not covered under section 10(38) of the IT Act) are exempt from capital gains tax provided such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by National Highways Authority of India (NHAI) or Rural Electrification Corporation Ltd (RECL).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30% (plus applicable surcharge, education cess and secondary higher education cess). However, as per section 111A of the IT Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge, education cess and higher education cess).

However, as per the proviso to section 112(1), if the tax on long term capital gains resulting on transfer of listed securities (other than unit) or zero coupon bond (other than through a recognized stock exchange), calculated at the rate of 20% with indexation benefit exceeds the tax on long term capital gains computed at the rate of 10% without indexation benefit, then such gains are chargeable to tax at concessional rate of 10% (plus applicable surcharge, education cess and secondary higher education cess).

ix. Tax on distributed profits of domestic companies

As per section 115-O of the IT Act, tax on distributed profits of domestic companies is chargeable at 15% (plus applicable surcharge, education cess and higher education cess). As per sub-section (1A) to section 115-O, the domestic Company will be allowed to set-off the dividend received from its subsidiary company during the financial year against the dividend distributed by it, while computing the Dividend Distribution Tax (DDT) if:

a) the dividend is received from its domestic subsidiary and the subsidiary has paid the DDT payable on such dividend; or

b) the dividend is received from a foreign subsidiary, the Company has paid tax payable under section 115BBD.

Further, the net distributed profits shall be increased to such amounts as would, after reduction of the tax on such increased amounts at the specified rate, be equal to the net distributed profits.

However, the same amount of dividend shall not be taken into account for reduction more than once.

x. Tax rebates / Tax credits

As per the provisions of section 90 of the IT Act, for taxes on income paid in foreign countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the

India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in foreign countries. Further, the company, as a tax resident of India, would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases, the provisions of the IT Act shall apply to the extent they are more beneficial to the company. Similar deduction is available in respect of taxes paid in foreign countries, with which India does not have Double Taxation Avoidance Agreements, as per the provisions of section 91 of the IT Act.

xi. Other Deductions

A deduction amounting to 100% or 50%, as the case may be, of the sums paid as donations to various entities is allowable as per section 80G of the IT Act.

A deduction amounting to 100% of any sum contributed to any political party or an electoral trust is allowable under section 80GGB of the IT Act while computing total income.

3. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to resident as well as Foreign Institutional Investors (“FIIs”) shareholders of the Company.

4. GENERAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

4.1 RESIDENT SHAREHOLDERS

i. Dividends exempt under section 10 (34)

Under section 10(34) of the IT Act, income earned by way of dividend from domestic company referred to in section 115-O of the IT Act is exempt from income-tax in the hands of the shareholders. Accordingly, dividend declared by the Company is exempt in the hands of shareholders.

Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

However, in view of the provisions of section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

ii. Taxability of capital gains

Under section 10(38) of the IT Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the Company (i.e. capital asset held for the period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

In terms of section 36(1)(xv) of the IT Act, STT paid in respect of the taxable securities transactions entered into in the course of the business by a shareholder is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head ‘Profit and gains of business or profession’.

As per section 2(42A) of the IT Act, shares held in the listed company will be considered as short term capital asset if the period of holding of such shares is twelve months or less. If the period of holding is more than twelve months, it will be considered as long term capital asset as per section 2(29A) of the IT Act. Further, gain/loss arising from the transfer of short term capital asset and long term capital asset is regarded as short term capital gains/loss and long term capital gains/loss respectively.

Section 48 of the IT Act, which prescribes the mode of computation of Capital Gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time.

Under section 111A of the IT Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the IT Act at 15% (plus applicable surcharge, education cess and higher education cess).

Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains [not covered under section 10(38) of the IT Act] arising on transfer of shares of a listed company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge, education cess and secondary higher education cess) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge, education cess and secondary higher education cess) (without indexation), at the option of the Shareholders.

Under section 54EC of the IT Act, capital gains upto Rs. 50 Lakhs arising from the transfer of a long term capital asset (in cases not covered under section 10(38) of the IT Act) are exempt from capital gains tax provided such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by National Highways Authority of India (NHAI) or Rural Electrification Corporation Ltd (RECL).

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

Under section 54F of the IT Act, where in the case of an individual or HUF long term capital gain arise from transfer of shares of the a company (other than exempt u/s 10(38) of the IT Act) then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

iii. Other deductions

Under section 80CCG of the IT Act, a resident individual being a new retail investor will be allowed deduction of 50% of amount invested in listed equity shares or listed units of equity oriented mutual fund in accordance with notified scheme subject to maximum deduction of INR 25,000 and fulfillment of other conditions as prescribed.

4.2 NON RESIDENT SHAREHOLDERS

i. Dividends exempt under section 10 (34) of the IT Act

Under section 10(34) of the IT Act, income earned by way of dividend from domestic company referred to in section 115-O of the IT Act is exempt from income-tax in the hands of the shareholders. Accordingly, dividend declared by the Company is exempt in the hands of shareholders.

Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

However, in view of the provisions of section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

ii. Taxability of capital gains

Under section 10(38) of the IT Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the Company (i.e. capital asset held for the period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

As per section 2(42A) of the IT Act, shares held in the listed company will be considered as short term capital asset if the period of holding of such shares is twelve months or less. If the period of holding is more than twelve months, it will be considered as long term capital asset as per section 2(29A) of the IT Act. Further, gain/loss arising from the transfer of short term capital asset and long term capital asset is regarded as short term capital gains/loss and long term capital gains/loss respectively.

Under section 111A of the IT Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the IT Act at 15% (plus applicable surcharge, education cess and higher education cess).

As per first proviso to section 48 of the IT Act, in case of a non-resident, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.

Under section 54EC of the IT Act, capital gains upto Rs. 50 Lakhs arising from the transfer of a long term capital asset (in cases not covered under section 10(38) of the IT Act) are exempt from capital gains tax provided such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by National Highways Authority of India (NHAI) or Rural Electrification Corporation Ltd (RECL).

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

Under section 54F of the IT Act, where in the case of an individual or HUF long term capital gain arise from transfer of shares of the a company (other than exempt u/s 10(38) of the IT Act) then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

In case of foreign companies, the income in the form of capital gains on sale of securities will not be considered for the purpose of determination of MAT liability provided the tax rate on such income under the specific provision is less than MAT rate.

iii. Specific benefits available to Non-Resident Indians

A Non-Resident Indian had the option to be governed by the provisions of Chapter XII-A of the Act, which *inter alia* provide as under:

- In accordance with section 115D read with section 115E, income by way of long term capital gains (other than which is exempt) in respect of shares in Indian company shall be chargeable at 10% (plus education cess and secondary and higher education cess).

- In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gains (other than which is exempt) arising from transfer of shares of the Company acquired out of convertible foreign exchange shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset or saving certificate as specified. If only a part of the net consideration is invested, the exemption shall be proportionately reduced.

- In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the Company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the Company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the IT Act.

- In accordance with section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year will be computed according to the other provisions of the Act.

4.3 FIIs

i. Dividends exempt under section 10 (34)

Under section 10(34) of the IT Act, income earned by way of dividend (interim or final) from domestic company referred to in section 115-O of the IT Act is exempt from income tax in the hands of the shareholders.

However, in view of the provisions of section 14A of IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

ii. Taxability of capital gains

Income earned by FII's from transfer of securities shall be taxable as capital gains.
As per section 2(42A) of the IT Act, shares held in a listed company will be considered as short term capital asset if the period of holding of such shares is twelve months or less. If the period of holding is more than twelve months, it will be considered as long term capital asset as per section 2(29A) of the IT Act. Further, gain/loss arising from the transfer of short term capital asset and long term capital asset is regarded as short term capital gains/loss and long term capital gains/loss respectively.

Under section 10(38) of the IT Act, long term capital gains arising out of sale of equity shares will be exempt from tax provided that the transaction of sale of such equity shares is chargeable to STT.

The income by way of short term capital gains or long term capital gains [long term capital gains not covered under section 10(38) of the IT Act] realized by FII's on sale of the shares of the Company would be taxed at the following rates as per section 115AD of the IT Act.

- Short term capital gains, other than those referred to under section 111A of the IT Act shall be taxed @ 30% (plus applicable surcharge, education cess and secondary higher education cess).

- Short term capital gains, referred to under section 111A of the IT Act shall be taxed @ 15% (plus applicable surcharge, education cess and secondary higher education cess).

- Long term capital gains @10% (plus applicable surcharge, education cess and secondary higher education cess) (without cost indexation).

It may be noted that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the IT Act are not applicable.

Further, the income in the form of capital gains on sale of securities will not be considered for the purpose of determination of MAT liability provided the tax rate on such income under the specific provision is less than MAT rate.

As per section 196D(2) of the IT Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

Under Section 54EC of the IT Act, capital gain arising from transfer of shares of a company (other than those exempt u/s 10(38) of the IT Act) shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by National Highways Authority of India ('NHAI') and/or Rural Electrification Corporation Limited ('RECL');

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempt earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

4.3 BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India, would be exempt from income tax subject to the conditions as the Central Government may notify. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115R of the IT Act.

4.4 BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS

As per the provisions of section 10(23FB) of the IT Act, any income of Venture Capital Companies/ Funds from investment in venture capital undertaking registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified therein. However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

Notes:

1. All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by the joint holders.

2. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

SECTION IV – ABOUT THE COMPANY

OUR MANAGEMENT

Board of Directors

As per the Articles of Association of our Company, we must have a minimum of three (3) and maximum of twelve (12) Directors. At present, our Company has 5 Directors, of which we have 1 Executive Director and 3 Non Executive and Independent Directors and 1 Non-Executive Non-Independent Director.

The Board of Directors of our Company comprises of the following members:

Sr. No.	Name, Designation, DIN, Address, Term and Occupation	Age (in years)	Other Directorships
1.	**Mr. R. Vasudevan** **Designation:** Managing Director **Term:** 5 years with effect from April 01, 2011 **DIN No:** 00013519 **Occupation:** Business **Address:** Flat No. C10, IvyGlen, Marigold Premises, Wadgaon Sheri, Pune 411 014, India.	62	**Company** 1. Novacare Drug Specialties Private Limited. **Partnership** 1. Venus Ventures; and 2. Vasumangal Constructions LLP.
2.	**Mr. V. Mohan** **Designation:** Chairman and Independent Director **Term:** Not liable to retire by rotation **DIN No:** 00071517 **Occupation:** Professional **Address:** Waman, 46/3, Garodia Nagar, Ghatkopar (E), Mumbai 400 077, India.	64	**Companies** 1. Lloyd Insulations (India) Limited; 2. Isolloyd Engineering Technologies Limited; 3. Punj Sons Private Limited; 4. Champion Industries Limited; 5. QH Talbros Limited; 6. Talbros Automotive Corporation Limited; 7. Cornelia Investments Private Limited; 8. Gauder Investments Private Limited; 9. Muller Investments Private Limited; 10. BEC Industrial Investment Company Private Limited; 11. Super Sara Auto Tradings (India) Private Limited; 12. GMP Technical Solutions Private Limited; and 13. Cosmo Capital and Investments Private Limited. **Partnership** 1. V. Sankar Aiyar and Company
3.	**Mr. K. G. Krishnamurthy**	59	**Companies**

Sr. No.	Name, Designation, DIN, Address, Term and Occupation	Age (in years)	Other Directorships
	Designation: Independent Director **Term:** Not liable to retire by rotation **DIN No:** 00012579 **Occupation:** Service **Address:** Flat 403, Meru Heights, 268, Telang Road, Matunga (C.R.), Mumbai 400019, India.		1. HDFC Venture Capital Limited; 2. Gruh Finance Limited; 3. New Consolidated Construction Company Limited; 4. HDFC Developers Limited; 5. Matoshree Sahil Infrastructure Private Limited; 6. HDFC Investments Limited; and 7. HDFC Sales Private Limited.
4.	**Mr. R. Kannan** **Designation:** Independent Director **Term:** Not liable to retire by rotation **DIN No:** 00017321 **Occupation:** Service **Address:** 1202, Ixora, Banyan Drive, Hiranandani Meadows, Gladys Alwares Road, Off. Pokhran Road, No. 2, Thane (West) 400 610, India.	56	**Companies** 1. Novacare Drug Specialties Private Limited; 2. Novamark Specialties Private Limited; 3. Medword Pharmaceuticals Private Limited; 4. Novateus Medical Technologies Private Limited; and 5. Novacare Medical Supplies Private Limited.
5.	**Ms. Sowmya Vasudevan Moorthy** **Designation:** Additional Director **Term:** Upto the ensuing AGM of the Company **DIN No:** 06470039 **Occupation:** Business **Address:** Koregaon Park, North Main Road, Vatsalya, Bungalow No.1.315, Woods, Pune Maharashtra - 411001	25	**Partnership:** 1. Seraphic Design LLP

Brief Biography of Directors

Mr. R. Vasudevan holds a bachelor's degree in civil engineering from the University of Pune. He has also completed an 'owner president management' program from the Harvard Business School. He has been a Director on the Board of our Company since January 1, 1986. He is responsible for the over-all management of our Company. He has over 32 years of experience in the construction industry.

Mr. K. G. Krishnamurthy, holds a bachelor's degree in architecture from the Indian Institute of Technology, Kharagpur. He has 31 years of experience in the areas of real estate, construction finance, property valuation and property search services. He is currently the Managing Director and Chief Executive Officer of HDFC Property Ventures Limited. He has also been appointed on the board of various companies. He has been appointed as a Director on the Board of our Company since June 21, 2006.

Mr. V. Mohan is also a fellow member of the Institute of Chartered Accountants of India. He is a practicing chartered accountant with more than 31 years of experience in the areas of audit and assurance services, company law, tax planning, tax representations and foreign exchange regulations with V Sankar

Aiyar and Company, Chartered Accountants, where he is a partner. He has been a director since March 6, 2007. He has been appointed as the Chairman of our Company by our Board since January 21, 2008.

Mr. R. Kannan holds a bachelor's degree in commerce from the Mumbai University. He has over 21 years of experience in the pharmaceutical industry. He is currently the Managing Director of Novacare Drug Specialties Private Limited in addition to being appointed on the board of various other companies. He has been appointed as a Director on the Board of our Company since September 19, 2007.

Ms. Sowmya Vasudevan Moorthy holds degree of bachelor's degree in business administration from Symbiosis International University, Pune and an advanced diploma in Interior Design from Raffles College of Higher Education. She has over 3 years of experience in the interior design industry. She has been appointed as an Additional Director on the Board of our Company since March 31, 2015.

Nature of relationship between Directors

Other than Sowmya Vasudevan Moorthy, who is the daughter of our Managing Director, Mr. R Vasudevan, none of our Directors on the Board are related to each other.

Directorships in companies suspended/delisted

None of our Directors hold or held directorships in listed companies whose shares have been/were delisted from the stock exchanges.

None of our Directors hold directorships in listed companies whose shares have been/were suspended from trading on the stock exchanges within a period of five years immediately preceding the date of the Letter of Offer.

Arrangements with major shareholders, customers, suppliers or others

There is no arrangement or understanding between our Company and major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed as a Director or member of senior management of our Company.

Service contracts entered into between our Company and our Directors:

There are no service contracts executed between our Company and any of our Directors providing for benefits upon termination of employment.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
VASCON ENGINEERS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **VASCON ENGINEERS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has adequate internal financial controls systems over financial reporting in place and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (i) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes forming part to the consolidated financial statements:

(i) Note 52 to the consolidated financial statements which indicates that the Holding Company has incurred cash losses during the year and previous year and there are delays in the payment of statutory dues and that 15% of the debenture amounts repayable during the year ending March 31, 2016 has not been maintained in one or more methods as prescribed under the Companies (Share Capital and Debentures) Rules 2014. However, the financial statements have been prepared on a going concern basis in view of the financial support of its shareholders and the future business / growth plans of the Company as further explained in the said note.

(ii) Note 54 to the consolidated financial statements regarding uncertainty related to outcome of the notice served on the third party for Rs. 500 lakhs receivable by one of subsidiary company. The subsidiary is in the course of realisation of advances given to third party, hence in the opinion of the management the said advance is fully recoverable

Our opinion is not modified in respect of these matters.

Other Matters

(i) We did not audit the financial statements of 9 subsidiaries and a jointly controlled entity, whose financial statements reflect total assets of Rs. 15,012 Lakhs as at March 31, 2015, total revenues of Rs. 4,438 Lakhs and net cash inflows of Rs. 632 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and a jointly controlled entity, is based solely on the report of the other auditors.

(ii) We did not audit the financial statements of 1 subsidiary and 2 joint controlled entities, whose financial statements reflect total assets of Rs. 6,614 Lakhs as at March 31, 2015, total revenue of Rs. 4,550 Lakhs and net cash inflows amounting to Rs 299 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also includes the Group's share of profit / (loss) after tax Rs. 14 Lakhs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statement have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary, joint controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, joint controlled entities and associates, is bases solely on the unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, based on the comments in the auditor's report of the Holding Company, subsidiary companies, associate companies and jointly controlled company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) The going concern matter described in sub-paragraph (i) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies, associate companies and jointly controlled company incorporated in India, none of the directors of the group companies, its associate companies and jointly controlled company incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statement disclose the impact of pending litigations on the consolidated financial position of the Group, is associates and jointly controlled entities – Refer note 29 to the consolidated financial statements.

ii. The Group, its associates and jointly controlled entity has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Mumbai, 12th May, 2015

ANNEXURE REFERRED TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIALS STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

"Our reporting on the Order includes 5 subsidiary companies, incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements."

"In respect of a jointly controlled company and associate company incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements of such entities provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of these entities, since these entities are unaudited, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered."

(i) In respect of its fixed assets of the Holding Company and subsidiary companies incorporated in India:

   a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.

(ii) In respect of its inventories of the Holding Company and subsidiary companies incorporated in India:

   a) As explained to us and the other auditors, the inventories were physically verified during the year by the management of the respective entities at reasonable intervals.

   b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.

   c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of inventories and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Holding Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. In respect of such loans:

a) In the absence of stipulations, the regularity of the receipts of the principal amounts and interest has not been commented upon.

b) There is no overdue amount in excess of Rs. 1 lakh remaining outstanding as at the year end.

According to the information and explanations given to us, the subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to companies firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and the opinion of the others auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company and subsidiary companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit, no continuing failure to correct major weaknesses in such internal control system has been observed.

(v) In our opinion and according to the information and explanations given to us, the Holding Company have complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) According to the information and explanations given to us and the other auditors, in our opinion and in the opinion of other auditors, the Holding Company and subsidiary companies incorporated in India have, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the other records with a view to determine to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us and the other auditors, in respect of statutory dues of the Holding Company and subsidiary companies incorporated in India:

a) There were delays in depositing undisputed statutory dues including Provident Fund, Employee’s State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.

b) There were no undisputed amounts payable in respect Provident Fund, Employee’s State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except for as given below:

Statute	Nature of dues	Amount (Rs.)	Period to which the Amount Relates	Due Date
Income Tax Act, 1961	Tax deducted at source (TDS)	44,376,963	April to August, 2014	7th of every following month
Finance Act, 1994	Service Tax	79,344,086	December, 2013 to August, 2014	6th of every following month
Profession Tax Act, 1975	Profession Tax	588,333	April to August, 2014	20th of every following month
Sales Tax Act, 2002	MVAT	555,691	F.Y 2006-08	21th of every following month
Employee Provident Fund Act, 1952	Provident Fund	7,908,153	April to August, 2014	20th of every following month

c) Details of dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Value Added Tax and Cess, which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Related	Amount Involved (Rs.)
Sales Tax Act	Sales Tax/ Value Added Tax/ Central Sales Tax	Deputy Commissioner of Sales Tax	Financial Year 2005-06	2,607,591
			Financial Year 2008-09	13,161,098
			Financial Year 2010-11	13,414,461
Income Tax Act, 1961	Income Tax	The Deputy Commissioner of Income Tax	Assessment Year 1998 - 99	6,768,009
			Assessment Year 2008 – 09	7,138,821
			Assessment Year 2009 - 10	46,407,820
		Commissioner of Income Tax (Appeals)	Assessment Year 2011 - 12	20,147,000
			Assessment Year 2012 – 13	11,193,480
			Assessment Year 2004 – 05	1,157,480

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Related	Amount Involved (Rs.)
			Assessment Year 2005 – 06	117,973
Central Excise Act, 1944	Excise Duty	Supreme Court	Assessment Year 2005 – 06	30,654,562
Finance Act, 1994	Service Tax	Commissioner Appeals Service Tax, Pune	April & May 2006	6,988,858
		Service Tax Tribunal, Delhi	January 2007 to December, 2007	530,008
		Service Tax Tribunal, Mumbai	January 2008 to September, 2008	317,044
		Service Tax Tribunal, Mumbai	October 2007 to December, 2008	4,793,967

d) There are no amounts that are due to be transferred by the Holding Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and Rules made thereunder.

(viii) The consolidated accumulated losses of the Group, its associates and joint controlled entities at the end of the financial year are less than fifty percent of its consolidated net worth and the group, its associates and joint controlled entities have incurred cash losses on a consolidated basis during the financial year covered by our audit and during the immediately preceding financial year.

(ix) In our opinion and the opinion of the others auditors and according to the information and explanation given to us and the auditors, there were delays in repayment of due to bank and debenture holders (including during the year) as given below:

Nature of Dues	Amount of Default (Including Interest)	Period of delay – In the range of no. of days
18.25% Non -Convertible Debentures	108,749,397	1 to 44 days
Term loans from banks	9,732,173	3 to 110 days

There were no delays in repayment of dues to financial institutions.

(x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the terms and conditions of the guarantees given by the Holding Company and the subsidiary companies incorporated in India for loans taken by others outside of the Group, its associates and joint controlled entities from banks or financial institutions are not, prima facie, prejudicial to the interests of the Group its associates and jointly controlled entities.

(xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loan have been applied by the Holding Company and subsidiary companies incorporated in India during the year for the purposes for which they were obtained.

(xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and the subsidiary companies incorporated in India and no material fraud on the Holding Company and the subsidiary companies incorporated in India has been noticed or reporting during the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. - 117366W / 100018)

Hemant M. Joshi
Partner
(Membership No. 038019)

Mumbai, May 12, 2015

Vascon Engineers Limited
Consolidated Balance Sheet As At March 31, 2015

Particulars	Note No	March 31, 2015	(Amount in Rupees) March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Fund :			
a)Share Capital	1	904,759,270	901,825,500
b) Reserves and Surplus	2	4,280,212,511	5,695,536,098
		5,184,971,781	6,597,361,598
Minority Interest		113,090,994	154,307,744
a) Long Term Borrowings	3	300,937,867	769,815,599
b) Deferred Tax Liabilities (net)	38	2,946,781	2,744,600
c) Other Long Term Liabilities	4	12,257,958	51,282,160
d) Long Term Provisions	5	54,154,599	17,007,393
		370,297,205	840,849,752
Current Liabilities			
a) Short Term Borrowings	6	2,306,108,422	2,374,744,887
b) Trade Payables	7	2,212,290,562	2,030,037,080
c) Other Current Liabilities	8	3,284,317,188	2,576,736,089
d) Short Term Provisions	9	81,768,566	174,223,026
		7,884,484,738	7,155,741,082
TOTAL		13,552,844,718	14,748,260,176
ASSETS			
Non Current Assets			
a) Fixed Assets			
- Tangible assets	10	1,155,099,271	1,146,304,176
- Intangible assets	10	4,140,471	1,852,642
		1,159,239,742	1,148,156,818
- Capital work in progress		21,250,578	253,901,819
		1,180,490,320	1,402,058,636
b) Goodwill on Consolidation		730,644,980	729,891,261
c) Non Current Investments	11	275,326,211	148,119,895
d) Deferred Tax Asset (Net)	38	35,139,367	20,012,404
e) Long term loans & Advances	12	2,690,943,294	3,331,006,916
f) Other Non Current Assets	13	18,838,386	12,664,786
		4,931,382,558	5,643,753,898
Current Assets			
a) Current Investments	14	336,232,316	535,937,552
b) Inventories	15	3,032,096,187	3,549,264,006
c) Trade Receivables	16	2,568,787,078	2,632,309,252
d) Cash and cash equivalents	17	583,942,460	497,647,252
e) Short Term Loans & Advances	18	913,044,101	539,874,180
f) Other Current Assets	19	1,187,360,018	1,349,474,035
		8,621,462,160	9,104,506,277
TOTAL		13,552,844,718	14,748,260,176

See accompanying notes forming part of the consolidated financial statements
In terms of our report attached.

For Deloitte Haskins & Sells LLP	**For and on behalf of the Board of Director**	
Chartered Accountants		
	R Vasudevan Managing Director	V Mohan Chairman
Hemant M. Joshi Partner	Dr Santosh Sundararajan Chief Executive Officer	
	M Krishnamurthy Company Secretary & Compliance Officer	D Santhanam Chief Financial Officer
Place:Pune Date: 12th May 2015	Place: Mumbai Date: 12th May 2015	

Vascon Engineers Limited
Consolidated Statement of Profit and Loss For The Year Ended March 31, 2015

(Amount in Rupees)

Particulars	Note No	March 31, 2015	March 31, 2014
Revenue from Operations :			
Revenue from operations	20	6,226,653,209	6,238,773,486
Other Income	21	143,938,167	193,619,751
Total revenue		6,370,591,376	6,432,393,237
Expenses :			
Construction expenses/ Cost of material consumed	22	5,102,963,818	4,765,096,039
Purchases of stock-in-trade	23	153,366,871	413,071
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	210,925,603	(123,222,160)
Employee benefit expense	25	769,660,948	802,067,299
Finance costs	26	296,422,893	419,727,776
Depreciation and amortization expense	10	223,654,335	187,700,225
Operating and Other Expenses	27	938,689,976	677,865,035
Total expenses		7,695,684,445	6,729,647,285
Loss before exceptional item and tax		(1,325,093,069)	(297,254,048)
Exceptional items	48	(39,035,153)	84,173
Loss before tax		(1,364,128,222)	(297,169,875)
Less: Tax Expense			
Current		64,957,313	138,636,793
Deferred Tax Expenses / (Gain)		(15,126,963)	(3,470,673)
Excess/ (short) provision for tax of earlier years		33,807,757	(429,707)
		83,638,107	134,736,413
Loss for the year after tax before Minority Interest		(1,447,766,329)	(431,906,288)
Minority share of profits / (losses)		7,305,229	(7,254,642)
Loss for the year		**(1,440,461,100)**	**(439,160,930)**
Earnings Per Share (Equity Shares, Par Value of Rs. 10/- Each)			
Basic Earnings Per Share		(15.97)	(4.87)
Diluted Earnings Per Share		(15.97)	(4.87)
Notes to Accounts	28		

See accompanying notes forming part of the consolidated financial statements

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place:Pune
Date: 12th May 2015

For and on behalf of the Board of Directors

R Vasudevan
Managing Director

V Mohan
Chairman

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthy
Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Place: Mumbai
Date: 12th May 2015

VASCON ENGINEERS LIMITED
Consolidaed Cash Flow Statement For The Year Ended March 31, 2015

PARTICULARS	March 31, 2015	March 31, 2014
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	(1,364,128,222)	(297,169,876)
Adjustments for :-		
- Depreciation / Amortisation	223,654,335	187,700,225
- Borrowing Cost	296,422,893	419,727,775
- Dividend Income	(3,474,310)	(4,776,428)
- Interest income	(34,413,066)	(129,953,472)
- Provision for Doubtful Debt	58,840,272	23,617,138
- Bad debts and other receivables, loans and advances written off	99,817,485	-
- Provision for dimunition in value of shares	20,305,307	-
- Provision no longer required wriitten back	(67,981,921)	-
- Employee Compensation Expenses (ESOP)	35,062,500	12,796,875
- Prior Period Adjustments	4,777,088	98,233
- (Profit) Loss on Sale of Assets	(21,611,982)	-
- (Exceptional Items)	-	(84,173)
- (Profit) Loss on Sale of Investments /Subsidiary	55,880,796	-
Operating Profit before working capital changes	(696,848,825)	211,956,297
Adjustments for (increase)/ decrease in operating assets		
Inventories before capitalisation of borrowing cost	710,473,475	193,099,368
Trade receivables	(262,332,202)	370,007,175
Unbilled revenues and unearned receivables	449,116,210	153,118,151
Long term loans and advances	327,193,882	(749,817,034)
Other non current assets	(6,173,599)	8,870,310
Short term loans and advances	2,964,886	(208,540,246)
Other current assets	142,161,790	(15,357,452)
Adjustments for (increase)/ decrease in operating liabilities		
Current trade payables	237,407,803	(389,562,433)
Provisions	(1,464,750)	13,943,336
Other Long term liabilites	(39,024,202)	(514,272)
Other current liabilities	153,511,024	(300,910,888)
Cash generated from operations	1,016,985,492	(713,707,688)
Direct Taxes Paid (Net)	(250,894,920)	(157,619,412)
Net Cash flow from operating activities	**766,090,572**	**(871,327,100)**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	(133,342,395)	(231,723,740)
Dividend received	3,474,309	4,776,428
Proceeds on Disposal of fixed assets	167,838,040	104,842,145
Proceeds from Non - Current Investments	24,254,130	2,872,839
Share application money paid / refund	(10,812,800)	41,439,070
Investments in fixed deposits with banks	33,750,905	(50,551,105)
Investments in liquid mutual funds	(104,147,394)	(4,887,092)
Net Cash genereated / (used) in investing activities	**(18,985,204)**	**(133,231,455)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of Equity shares	2,933,771	24,000
Share Application money received (ESOP)	-	(24,000)
Non Convertible Debentures	-	650,000,000
Proceed / repayment from/to long term borrowing	(39,645,458)	(576,772,103)
Proceed / repayment from/to Short term borrowing	(68,636,464)	512,961,160
Interest Income	34,413,066	129,953,472
Inter Corporate Deposit / advances to joint venture	24,546,880	936,823,885
Interest Paid Including Capitalised to Qualifying Assets	(579,602,055)	(649,641,427)
Net Cash genereated / (used) in financing activities	**(625,990,260)**	**1,003,324,987**

D NET CASH INFLOW / (OUTFLOW) (A+B+C)	**121,115,108**	**(1,233,568)**
Cash and cash equivalents at the beginning of the period	295,861,409	307,710,493
Cash and Cash equivalents pursuant to addition in Subsidiary		
Cash and Cash equivalents pursuant to change of Subsidiary status to joint Ventures, Associate to joint venture, Joint Venture to Associate, Joint Venture to Subsidiary & sale of Joint Venture / Subsidiary	1,068,995	10,615,516
Cash and cash equivalents at the end of the period	415,907,522	295,861,409
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**121,115,108**	**(1,233,568)**
Reconcliation of cash and bank balances		
Cash And Bank Balances	583,942,460	497,647,252
Less: Balances with scheduled bank in deposit accounts	(168,034,938)	(201,785,843)
Add: Mutual fund Investment		-
Cash and cash equivalents at the end of the period	415,907,522	295,861,409

See accompaning notes forming part of the financial statements

1. Figures in brackets represent outflows of cash and cash equivalents.
2. During the year, the Company has received building worth Rs. 2,150 lakhs from customer in lieu of trade receivable of Rs. 1,750 lakhs and balance is shown under advance from customer against other projects. This being a non-cash transaction, the same has been appropriately excluded from purchase of fixed assets, trade receivable and other current liabilities.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place:Pune

Date: 12th May 2015

-
For and on behalf of the Board of Directors

R Vasudevan
Managing Director

V Mohan
Chairman

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthi
Company Secretary &
Compliance Officer

D Santhanam
Chief Financial Officer

Place: Mumbai
Date: 12th May 2015

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2015

Particulars	March 31, 2015	(Amount in Rupees) March 31, 2014
Note No. 1		
Share Capital		
Authorised		
200,000,000 (150,000,000) Equity Shares Of Rs. 10/- Each	2,000,000,000	1,500,000,000
	2,000,000,000	1,500,000,000
Issued And Subscribed		
90475927 (90182550) equity shares of Rs. 10/- each	904,759,270	901,825,500
	904,759,270	901,825,500

The company has only one class of equity shares having a par value of Rs 10 each holder of equity share is entitled for one vote per share held in the event of liquidation of the company the holder of the equity share will be entitled to receive remaining asset after deducting all its liabilities in proportion to the number of equity shares held.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

	March 31, 2015		March 31, 2014	
Description	No of shares	(Amount in Rupees)	No of shares	(Amount in Rupees)
No of shares outstanding at the beginning of the Year	90,182,550	901,825,500	90,180,150	901,801,500
Fresh allotment	-		-	
Bonus shares	-		-	
Shares issued on exercise of employee stock options	293,377	2,933,770	2,400	24,000
Initial public offer	-			
Conversion of debentures	-			
No of shares outstanding at the end of the Year	90,475,927	904,759,270	90,182,550	901,825,500

Shareholders holding more than 5 percent shares in the Company

Name of the shareholder	No of shares	% of Equity Shares Held	No of shares	% of Equity Shares Held
HDFC Ventures Trustee Company Limited	11,612,407	12.83	11,612,407	12.88
Golden Temple Pharma Pvt Ltd	9,783,273	10.81	9,783,273	10.85
Dreamz Impex Pvt Ltd	9,783,273	10.81	9,783,273	10.85
R Vasudevan	9,415,529	10.41	9,415,529	10.44
Dna Pharma Pvt Ltd	8,968,000	9.91	8,968,000	9.94
Premratan Exports Pvt Ltd	6,667,637	7.37	6,667,637	7.39
Medicreams India Pvt Ltd	6,667,637	7.37	6,667,637	7.39
Orion Life Sciences Pvt Ltd	6,112,000	6.76	6,112,000	6.78
Vatsalya Enterprises Pvt.Ltd.	5,227,273	5.78	5,227,273	5.80

(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Note No. 2		
Reserves & Surplus		
Securities Premium Reserve		
Opening Balance	3,939,490,568	3,939,839,531
Add / Less: Consolidation Adjustment (Refer Note 1 below)	-	(438,747)
Add: Premium on Shares Issued during the year	2,860,426	89,784
	3,942,350,994	3,939,490,568
General Reserve		
Opening Balance	(1,100,000)	10,744,999
Add: Transferred from Surplus in Consolidated Statement of Profit and Loss	692,514	1,197,926
Add / Less: Transfer to General Reserve	1,100,000	-
	692,514	(1,100,000)
Foreign Currency Translation Reserve	(225,761)	-
	(225,761)	-
Capital Reserve		
Opening Balance	13,791,949	131,155,051
Add / Less: Consolidation Adjustment (Refer Note 1 below)	-	(117,363,102)
	13,791,949	13,791,949
Share Options Outstanding Account		
Opening Balance	12,796,873	173,955
Add: Amount recorded on grants during the year	35,062,500	12,796,875
Less: Transferred to securities premium account on exercise	(2,860,426)	-
Less: Forfeited during the year	-	(173,957)
	44,998,947	12,796,873
Debenture Redemption Reserved		
Opening Balance	-	-
Add: Created during the year	153,750,000	-
	153,750,000	-
Surplus/(Deficit) in statement of Profit & Loss		
(As per Annexed Profit & Loss Account)		
Opening Balance	1,730,556,708	2,201,382,730
Less: Transfer to Debenture Redemption Reserve	(153,750,000)	-
Less : - Depreciation on transition to schedule II of the companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deffered tax) (Refer note 51)	(6,554,207)	-
Less: Dividend Paid / Proposed	-	(5,188,939)
Less: Tax on Dividend	-	(135,908)
less: Transfer to Reserves	-	(1,197,926)
Less: Transfer from General Reserve	(1,100,000)	-
Add: Profit / (Loss) Transferred From Profit & Loss Account	(1,440,461,100)	(439,160,930)
Add / Less: Consolidation Adjustment (Refer Note 1 & 2 below)	(3,837,533)	(25,142,319)
	124,853,868	1,730,556,708
	4,280,212,511	**5,695,536,098**

Note
1. Consolidation adjustment represent impact of change in status from Joint Venture to Subsidiary
2. Consolidation adjustment represent impact of change in unaudited financials to audited financials of one of the Joint Venture

Particulars	March 31, 2015	March 31, 2014
Note No. 3		
Long Term Borrowings		
Secured		
Privately Placed Non Convertible & Non Transferable Debentures 18.25% Non - Convertible Debentures of Rs 1,00,000/- each	228,000,000	570,000,000
	228,000,000.00	570,000,000
Term Loans		
From Banks	65,018,775	163,826,414
	65,018,775	163,826,414
Long term maturities of finance lease obligations		
From Financial Institutions	3,866,488	-
	3,866,488	-
	68,885,263	163,826,414
Unsecured		
Public Deposits	2,050,000	1,500,000
Inter corporate deposits	2,002,604	22,313,389
Loans and advances from related parties	-	12,175,796
	4,052,604	35,989,185
	300,937,867	**769,815,599**

Vascon Engineers Limited

3.1 Disclosure regarding long term borrowings

Name of the lender	Outstanding amount	Current Maturities	Long Term					Rate of interest	Nature of security
I. Secured			2016-17	2017-18	2018-19	2019-20	Total		
a) Privately Placed 18.25% Non Convertible & Non Transferable Debentures of Rs 1,00,000/-	615,000,000	387,000,000	228,000,000	-	-	-	228,000,000	18.25%	Equitable mortgage of specific properties belonging to the Company and a wholly owned subsidiary, specific receivables of the Project. and exclusive charge on escrow account and Debt Service Reserve Account and related investments thereof. First charge of TDR certificate acquired for the project.
b) Term loans									
- from banks									
The Saraswat Co Operative Bank Ltd	11,898,292	5,383,341	4,620,000	1,894,951	-	-	6,514,951	14.50%	Equitable mortgage of office no.502 & 503 ("C" Wing),Neelkanth Business Park,Vidya Vihar , Mumbai
Volkswagen Finance Private Limited	5,200,000	1,333,512	1,333,512	1,333,512	1,199,464	-	3,866,488	10.25%	Hypothecation of Vehicle/Asset financed by them
BMW Financial Services	3,363,236	582,375	643,294	710,585	784,914	642,068	2,780,861	9.99%	Hypothecation of Vehicle/Asset financed by them
ICICI Bank	834,295	488,434	345,861	-	-	-	345,861	10.03%	Hypothecation of Vehicle/Asset financed by them
Tata Capital Financial Services Ltd	16,200,000	5,400,000	5,400,000	5,400,000	-	-	10,800,000	14%	hypothecation of Machineries
IDBI Bank	50,000,000	25,000,000	25,000,000	-	-	-	25,000,000	BBR+350 bps	Primary: Mortgage Charge over the project land admeasuring 5.61 acres, s.no 59 at Kharadi Pune (for Phase II) with present and future construction along with receivable from sale of units in Project Forest County. Collateral: Mortgage of land being develop at S. no 59 of Kharadi Pune(excluding Phase I and Phase II) belonging to Sector 1, (Phase III: 1.97 acres and balance 17.55 acres as NA land under development) admeasuring 19.52 acres.

Name of the lender	Outstanding amount	Current Maturities	Long Term					Rate of interest	Nature of security
Central Bank of India	28,316,102	10,000,000	10,000,000	8,316,102	-	-	18,316,102	3.50%+0.25%+base rate	For proposed Term Loans (Xotech Project) (Construction of residential flats in the remaining portion of land): The security for the proposed term loan will be landed property admeasuring 21,410 sq. mtrs
State Bank of Hyderabad	1,261,001	-	1,261,001	-	-	-	1,261,001	At State Bank of Hyderabad prime lending rate, currently at 14.00%, with a minimum of 14.00% (floating)	Primary: i. Equitable mortgage of land and hotel building situated in Utorda village bearing survey no. 33 (1), 33 (7-11), 47 (1), 49 (1), 50 (1-26) and 51 (1 to 31), admeasuring 22,725 sq. mts; and ii. Exclusive charge on the other assets of the Cosmos Premises Private Limited, including assets to be carried out of our bank finance and existing assets including plant and machinery, furniture and fixtures. Corporate Guarantee: Corporate Guarantee of M/s Royal Orchid Hotels Limited (TNW as on March 31, 2007 is ` 167.83 crores) and M/s Vascon Engineers Limited (TNW as on March 31, 2008 is ` 312.47).
II. Unsecured									
a) Public deposits (accepted for a period of 400									
- Due within next 12 months	196,642,000	194,592,000	2,050,000	-	-	-	2,050,000	12.50%	
b) Inter corporate loans									
IBM India Pvt Ltd	8,670,613	8,213,213	457,400	-	-	-	457,400	13% to 13.54%	
Leverage Finance & Securities P.Ltd	25,000,000	25,000,000	-	-	-	-	-	12.00%	
Yester Investment Pvt Ltd	75,000,000	75,000,000	-	-	-	-	-	12.00%	
Conamore Reosrts Pvt Ltd	1,545,203	-	1,545,203	-	-	-	1,545,203	11.00%	
	1,038,930,742	737,992,875	280,656,271	17,655,150	1,984,378	642,068	300,937,867		

Particulars	March 31, 2015	(Amount in Rupees) March 31, 2014
Note No. 4		
Other long term liabilities		
Project Advances	12,257,958	51,282,160
	12,257,958	**51,282,160**
Note No. 5		
Long Term Provisions		
Provision for employee benefits		
For Gratuity (Refer note 40)	214,470	241,828
For Compensated Absences (Refer note 40)	53,940,129	16,765,565
	54,154,599	**17,007,393**
Note No. 6		
Short Term Borrowings		
Secured		
Loans repayable on demand from banks	8,100,000	8,100,000
Cash Credit From Banks	1,580,286,274	1,484,380,498
Packing Credit	18,335,795	-
	1,606,722,069	1,492,480,498
Unsecured		
a) Loans and advances from other parties	665,070,883	878,245,272
b) Loans and advances from related parties	34,315,470	4,019,117
	2,306,108,422	**2,374,744,887**
Cash Credit from State Bank of India @ 14.50% 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 entities including a wholly owned subsidiary, corporate guarantee of other Companies including a wholly owned subsidiary and personal guarantee of the Managing Director of the Company.	1,243,061,913	1,166,956,053
Cash Credit from Central Bank of India @ 16.5% is secured by way of hypothecation of stock, raw materials, work in progress, finished goods and receivables on pari passu basis with State Bank of India and equitable mortgage of specified properties of two wholly owned subsidiaries, corporate guarantee of two wholly owned subsidiaries and personal guarantee of the Managing Director of the Company.	101,230,356	101,158,364
Cash credit from Axis Bank @ 12.90%, Secured by hypothecation of present and future current assets of the Subsidiary (GMP Technical Solutions Pvt Ltd) and equitable mortgage of Subsidiary's (GMP Technical Solutions Pvt Ltd) factory land and building (Unit I & Unit II) situated at Baddi and Corporate Guarantee of Holding Compnay.	85,497,889	216,266,081
Cash credit from Bank of Baroda @ 13.50%, Secured by hypothecation of present and future current assets of the Subsidiary (GMP Technical Solutions Pvt Ltd) and equitable mortgage of Subsidiary's (GMP Technical Solutions Pvt Ltd) office at Ghatkopar and Corporate Guarantee of Holding Compnay.	150,496,116	

(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Packing credit from Bank of Baroda @ 11.50%, Secured by hypothecation of present and future current assets of the Subsidiary (GMP Technical Solutions Pvt Ltd) and equitable mortgage of Subsidiary's (GMP Technical Solutions Pvt Ltd) office at Ghatkopar and Corporate Guarantee of Holding Compnay.	18,335,795	
Aggregate amount of secured short term borrowing	1,598,622,069	1,484,380,498
The Demand loan from bank is secured against Fixed deposits placed with the bank	8,100,000	8,100,000
	8,100,000	8,100,000

(Unsecured loan have been availed at interest rate ranging from 12% - 16.5%)

Note No. 7

Trade payables

Trade payables	2,212,290,562	2,030,037,080
	2,212,290,562	**2,030,037,080**

Note No. 8

Other Current Liabilities

Current maturities of long term debt	736,659,363	458,104,181
Current maturities of finance lease obligations	1,333,512	-
Interest accrued but not due on borrowings	52,945,091	8,520,263
Interest accrued and due on borrowings	176,894,119	178,628,018
Unearned receivables	900,406,481	885,525,476
(Less) : Related Debtors	(476,593,076)	(411,816,328)
	423,813,405	473,709,148
Unapaid dividends *	15,702	15,702
Other Payables		
i) Statutory remittances (Contribution to PF,ESIC,with holding taxes,VAT,Service Tax etc	338,296,405	256,501,246
ii) Payable on purchase of fixed assets	7,246,224	-
iii) Commitment and other deposits	213,212,994	573,641,091
Less: long term trade receivables	-	(362,845,636)
	213,212,994	210,795,455
iv) Advance from customers	1,126,604,385	1,229,290,221
(Less) : Related Unbilled Contract Revenue	(266,304,593)	(535,352,422)
	860,299,792	693,937,799
v) Advances / loans from firms / aop in which Company or subsidiary is partner / member	35,709,209	2,720,828
vi) Overdrawn Bank Balance	69,912,081	24,472,232
vii) Others (Corpus fund , Share of JV partner etc)	367,979,291	269,331,217
	3,284,317,188	**2,576,736,089**

*Unpaid dividend does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

Note No. 9

Short Term Provisions

a) Provision for employee benefits		
Gratuity	44,116,379	35,086,600
Compensated absences	12,405,186	45,914,529
	56,521,565	81,001,129
b) Others		
For Taxation (Net of Advance Tax)	24,047,837	84,219,383
For Warranty (Refer Note 41 (c))	1,199,164	9,002,514
	25,247,001	93,221,897
	81,768,566	**174,223,026**

NoteNo. 10

Amount In Rupees

	I Tangible assets									II. Intangible assets
	LEASEHOLD LAND	LEASEHOLD IMPROVEMENTS	LAND	PREMISES**	PLANT & MACHINERY	FURNITURE & FIXTURES	MOTOR VEHICLE	OFFICE EQUIPMENTS	Total	SOFTWARES
Gross Carrying Value										
As at April 1, 2014	13,602,332	24,153,862	148,959,319	593,781,202	979,707,239	100,254,609	24,677,142	53,519,681	1,938,655,386	48,536,589
Adj / Reclassifcation	-	(18,798,901)	-	18,798,901	-	-	-	-	-	-
ADDITION	-	1,396,652	-	226,341,256	76,941,542	5,271,023	12,150,033	1,570,397	323,670,903	4,096,685
DEDUCTION	-	1,347,216	98,158,001	12,338,172	1,948,675	1,665,048	1,350,050	-	116,807,162	-
As at March 31, 2015	13,602,332	5,404,397	50,801,318	826,583,187	1,054,700,106	103,860,584	35,477,125	55,090,078	2,145,519,127	52,633,274
Accumulated depreciation										
As at April 1, 2014	1,347,169	8,396,249	-	185,999,878	485,752,301	52,821,429	14,527,904	43,506,280	792,351,209	46,683,947
Transition adjustment recorded against surplus balance in Statement of Profit & Loss (Refer Note 51)	-	-	-	-	3,238,620	11,839	-	3,291,997	6,542,456	11,752
Adj / Reclassifcation (Refer Note- 1 below)	-	(6,174,436)	-	5,876,590	(5,326)	857,858	81,553	13,436	649,676	26,096
Additions #	157,464	2,344,084	-	40,371,727	131,309,013	13,698,680	5,111,496	5,283,663	198,276,127	1,771,008
DEDUCTION	-	-	-	3,843,299	1,282,781	1,066,013	1,207,519	-	7,399,612	-
As at March 31, 2015	1,504,633	4,565,897	-	228,404,896	619,011,827	66,323,793	18,513,434	52,095,376	990,419,856	48,492,803
Net carrying value as at March 31, 2015									1,155,099,271	4,140,471
Gross Carrying Value										
As at April 1, 2013	18,708,620	-	163,073,551	690,211,812	932,589,243	96,416,477	22,152,533	53,918,328	1,977,070,564	44,071,713
Adj (Refer Note-1 & 2 below)	(5,106,288)	11,439,957	-	(9,058,757)	(2,129,233)	1,181,146	141,435	(616,457)	(4,148,197)	
ADDITION	-	12,713,905	-	11,785,522	62,028,834	5,830,839	6,242,891	1,007,418	99,609,409	4,464,876
DEDUCTION	-	-	14,114,232	99,157,376	12,781,606	3,173,853	3,859,717	789,608	133,876,392	
As at March 31, 2014	13,602,332	24,153,862	148,959,319	593,781,201	979,707,238	100,254,609	24,677,142	53,519,681	1,938,655,384	48,536,589
Accumulated depreciation										
As at April 1, 2013	3,995,528	-	-	170,724,726	408,851,997	39,737,484	15,067,736	40,717,284	679,094,756	42,265,588
Adj (Refer Note-1 & 2 below)	(2,874,202)	3,621,548	-	(2,690,493)	(1,796,872)	5,080,040	226,918	(183,619)	1,383,320	16,323
ADDITION	225,842	4,774,701	-	34,476,491	85,330,703	10,226,123	2,335,722	3,537,796	140,907,378	4,402,036
DEDUCTION	-	-	-	16,510,845	6,633,527	2,222,218	3,102,474	565,181	29,034,246	
As at March 31, 2014	1,347,168	8,396,249	-	185,999,879	485,752,301	52,821,429	14,527,902	43,506,280	792,351,208	46,683,947
Net carrying value as at March 31, 2014									1,146,304,176	1,852,642

Note
1. Consolidation adjustment represent impact of change in unaudited financials to audited financials of one of the Joint Venture.
2. Consolidation adjustment represent impact of change in status from Joint Venture to Subsidiary.

** Cost of building includes amount paid for shares in Co- Operative Societies/ Companies.

The amount of depreciation and amortization expense includes the amortization of goodwill on purchase of additional stake in Ajanta Enterprises of Rs 23,607,200/- (Previous year Rs 42,531,330) (Refer note -12)

(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Note No. 11		
Non Current Investments		
Investment in equity instruments		
Associates		
Angelica Properties Private Limited 605131 (4710000) Equity Shares of Rs. 10/- Each Fully Paid	6,048,531	13,994,902
	6,048,531	13,994,902
Investment in preference shares		
Associates		
Angelica Properties Private Limited Nil (462625) 0.10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- Each Fully Paid	-	29,532,111
Angelica Properties Private Limited Nil (307800) Compulsory Convertible Preference Shares of Rs. 10/- Each Fully Paid	-	12,312,000
	-	41,844,111
Investment in Government or trust securities		
7 Years National Savings Certificate	20,000	20,000
	20,000	20,000
Investment in partnership firms, LLP, AOP & Joint Venture		
Capital Investment In Partnership Concerns, LLP, AOP & Joint Ventures	-	89,704,882
	-	89,704,882
Other investments		
Quoted		
Corporation Bank Limited 200 (200) Equity Shares of Rs.10/- Each fully paid.	16,000	16,000
	16,000	16,000
Unquoted		
The Saraswat Co-Op Bank Limited 2500 (2500) Equity Shares Of Rs.10/- Each Fully Paid	25,000	25,000
Sahyadri Hospital Limited 250000 (250000) Equity Shares Of Rs.10/- Each Fully Paid	2,500,000	2,500,000
Core Fitness Private Limited 150 (150) Equity Shares of Rs. 100/- Each Fully Paid	15,000	15,000
Ascent Hotels Private Limited 6669492 (Nil)Equity Shares of Rs. 10 /- Each Fully Paid	266,701,680	-
Subtotal	269,241,680	2,540,000
	275,326,211	**148,119,895**
Quoted investments		
- Book value	16,000	16,000
- Market value	52,200	55,340
Unquoted investments		
- Book value	275,310,211	148,103,895
Note No. 12		
Long term loans and advances		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Capital advances	1,691,334	1,215,613
Duties Paid under protest	-	6,300,000
Security deposits		
Considered good	83,828,830	93,855,747
Considered doubtful	3,500,000	3,500,000
Add / (less) : provision for doubtful loans and advances	(3,500,000)	(3,500,000)
	83,828,830	93,855,747
Advance Income Tax (Net of Provision)	480,741,112	388,782,808
MAT credit entitlement	2,421,520	14,805,667

(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Balances with Central Excise, VAT, Service Tax & Other Authorities	122,655,876	99,246,700
Other Loans and advances		
i) Project Advances	1,732,643,401	2,114,804,045
ii) Intercorporate deposits	266,961,221	611,056,182
iii) Advance against development / work / purchases	-	940,154
	2,690,943,294	**3,331,006,916**

Note No. 13

Other non current assets

Interest accrued on deposits	4,377,863	2,771,330
Balance held has margin money or security against borrowings,guarantees and other commitments	14,460,523	9,893,456
	18,838,386	12,664,786

Note No. 14

Current Investments

Unquoted

Viorica Properties Private Limited	240,948,780	240,948,780
16619939 (16619939) Equity Shares of Rs. 10/- Each Fully Paid		
Less : Provision for diminution in value of investment	(37,150,950)	
	203,797,830	240,948,780
Ascent Hotels Private Limited #	-	266,701,680
Nil (6669492)Equity Shares of Rs. 10 /- Each Fully Paid		
Sita Lakshmi Mills Limited	23,400,000	23,400,000
Nil (806000) Equity Shares of Rs 50/- Each Fully Paid		
	227,197,830	531,050,460
Investment in Mutual Funds	109,034,486	4,887,092
	109,034,486	4,887,092
	336,232,316	**535,937,552**
Aggregate amount of unquoted investments	336,232,316	535,937,552

Investment classified to non current investment during the year.

Note No. 15

Inventories

Building materials / Tools / Stock for Resale	474,514,041	780,534,432
Projects under Development	2,485,668,342	2,700,744,410
W.I.P/ Finished Goods	71,018,810	66,868,346
House Keeping and Kitchen Material	894,994	1,116,818
	3,032,096,187	**3,549,264,006**

Note No. 16
Trade receivables
a) Debtors
(Unsecured Considered Good, Unless Otherwise Stated)

Outstanding for period exceeding six months		
Considered Good#	1,197,324,014	1,365,270,421
Considered Doubtful	263,565,495	191,218,622
	1,460,889,509	1,556,489,043
Add / (Less) : Provision For Doubtful Debts	(212,507,911)	(193,147,591)
(Refer Note 41 (a))	1,248,381,598	1,363,341,452

(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Outstanding for period less than six months		
Others considered good	1,042,427,700	1,104,908,516
(Less) : provision for unapproved sales	(2,123,970)	(4,335,443)
(Refer Note 41 (b))	1,040,303,730	1,100,573,073
b) Retention (Accrued but not due)	792,846,415	580,211,055
(Less) : provision for Doubtful Debts	(36,151,589)	-
	756,694,826	580,211,055
Total debtors	3,045,380,154	3,044,125,580
(Less) : Related Unearned Receivables	(476,593,076)	(411,816,328)
	(476,593,076)	(411,816,328)
	2,568,787,078	**2,632,309,252**

Note No. 17

Cash And Bank Balances

Particulars	March 31, 2015	March 31, 2014
a) Cash and cash equivalents		
Cash On Hand	19,343,353	18,309,555
Cheques, drafts on hand	65,000,000	10,000,000
Balances With Scheduled Banks In Current Accounts	290,405,868	227,033,353
Balances with banks in deposit accounts with original maturity of less than 3 months	41,142,599	40,518,502
Balances with banks in deposit accounts under banks lien for margin money	-	-
	415,891,820	295,861,410
b) Other bank balances		
Balances with banks in deposit accounts with more than 3 months	29,815,028	76,287,100
Balances with banks in deposit accounts under banks lien for margin money	137,375,170	110,850,624
Balances with banks in short term deposit accounts	844,740	14,632,416
Balances with banks in unpaid dividend account	15,702	15,702
	168,050,640	201,785,842
	583,942,460	**497,647,252**

Note No. 18

Short Term Loans and Advances
(Unsecured Considered Good Unless Otherwise Stated)

Particulars	March 31, 2015	March 31, 2014
Security deposits	481,735,288	116,733,768
Prepaid Expenses	19,848,250	18,182,328
Balances with Central Excise, VAT, Service Tax & Other Authorities	23,337,338	-
Loans and advances to Other Parties	634,256	280,506,343
Intercorporate Deposits	4,786,564	-
Others (Trade Advances and Share & Bond application money paid)	382,702,405	124,451,741
	913,044,101	**539,874,180**

Note No. 19

Other Current Asset

Particulars	March 31, 2015	March 31, 2014
Unbilled revenues	665,509,933	1,433,569,715
(Less) : related advance payment received	(266,304,593)	(535,352,422)
	399,205,340	898,217,293
Interest accrued on deposits	2,188,879	-
Other Recoverables and Receivables	785,965,799	451,256,742
Share application money paid	-	-
	1,187,360,018	**1,349,474,035**

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2015

(Amount in Rupees)

PARTICULARS	March 31, 2015	March 31, 2014
Note No. 20		
Income From Operations		
Contract Revenue / Sales Revenue (Gross)		
(Refer Note III (1.7) of Note 28)		
- Sale of Unit/Land	1,513,419,397	1,600,923,621
- Contract Revenue	2,091,936,328	2,333,481,971
- Trading Sales & Other Sales	188,078,889	36,514,271
- Manufacturing Sales	2,359,153,386	2,161,938,727
- Hotel Revenue	60,202,731	54,601,324
Other Operating Income		
- Rent / Compensation / Maintenance	6,042,012	16,743,890
- Share Of Profit / (Loss) From AOP / Firms/ LLP	6,462,488	(8,124,310)
- Profit on sale of long term investment	-	88,475,171
- Share of Profit / (Loss) from Associates	1,357,978	(45,781,179)
	6,226,653,209	**6,238,773,486**
Note No. 21		
Other Income		
Interest income	34,413,066	129,953,472
Dividend income	3,474,310	4,776,428
Foreign exchange gain	1,109,193	34,605
Net gain / loss on sale of fixed assets	24,562,416	
Other non operating income (net of expenses directly attributable to such income)	80,379,182	58,855,246
	143,938,167	**193,619,751**
Note No. 22		
Construction expenses / Cost of material consumed		
Contract	2,737,965,687	2,168,607,490
Cost of Material Consumed	1,590,517,103	1,410,197,946
Development	491,301,866	956,376,951
Incidental borrowing cost incurred attributable to qualifying assets	283,179,162	229,913,652
	5,102,963,818	**4,765,096,039**
Note No. 23		
Purchases of stock-in-trade		
Purchases of stock-in-trade	153,366,871	413,071
	153,366,871	**413,071**
Note No. 24		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:	71,018,810	66,868,346
Finished goods	2,485,668,342	2,700,744,409
Work-in-progress	2,556,687,152	2,767,612,755
Inventories at the beginning of the year:	66,868,346	83,917,283
Finished goods	2,700,744,409	2,560,473,312
Work-in-progress	2,767,612,755	2,644,390,595
	210,925,603	(123,222,160)

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2015

(Amount in Rupees)

PARTICULARS	March 31, 2015	March 31, 2014
Note No. 25		
Employee benefit expense		
Salaries and wages	659,966,606	707,197,324
Contribution to provident and other funds	33,220,434	36,522,231
Staff Welfare & Other Expenses	41,411,408	45,550,869
Expense on Employee Stock Option Scheme	35,062,500	12,796,875
	769,660,948	**802,067,299**
Note No. 26		
Finance costs		
Interest On: -		
Fixed Loans		
Interest expense	563,841,169	627,289,702
Other borrowing costs	15,760,886	42,811,890
	579,602,055	670,101,592
Less : Borrowing Cost Transferred To Qualifying Assets	283,179,162	250,373,816
	296,422,893	**419,727,776**
Note No. 27		
Operating and Other Expenses		
Power and Fuel	10,514,538	10,928,028
Rent/Compensation	86,832,892	68,502,025
Repairs,Renovation And Maintenance		
Building	11,891,008	4,293,051
Plant and Machinery	4,082,641	3,338,920
Others	12,086,573	13,023,269
Insurance	13,116,414	18,202,508
Rates & Taxes	4,136,448	14,670,265
Postage and telephone	19,231,432	18,988,951
Travelling Expenses	75,135,233	62,697,576
Printing And Stationery	10,929,095	13,537,190
Brokerage / Commission	28,542,279	61,330,889
Sales Promotion Expenses	58,718,108	6,029,538
Advertisement	20,781,381	17,959,930
Donations	3,077,203	3,784,935
Legal ,Professional and retainer ship fees	156,124,635	94,809,035
Bad debts and other receivables, loans and advances written off	99,817,485	26,551,755
Provision for diminution in value in investment	37,150,950	-
Provision For Doubtful Debt And Advances	58,840,272	23,617,138
Bank Charges	3,767,658	20,703,619
Bank Gurantee Commission to Managing Director	55,400,000	55,400,000
Conveyance	5,231,200	5,527,585
Foreign exchange gain / loss (net)	4,048,932	27,606,483
Loss on Sale of FA	2,950,434	71,266
Hire Charges Paid	18,511,932	-
Stamp duty expenses for increase in authorised share capital (Prior Period Items - Rs 47,50,000)	9,500,000	-
Misellaneous Expenses (Prior period Rs 27,088 & previous year Rs 98,233)	128,271,233	98,004,619
	938,689,976	**677,865,035**

Note NO. 28

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015 AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE.

(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 optimise its resources/returns and minimise 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 unrealised 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 and has significant influance 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

(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 recognised 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 and Joint Ventures considered in Consolidated Financial Statement are as

Name of the company	Relationship	Country of Incorporation	Shareholding As at 31 st March, 2015
Marvel Housing Private Limited	Subsidiary	India	100.00%
Vascon Dwelling Private Limited	Subsidiary	India	100.00%
IT-CitI Infopark Private Limited	Subsidiary	India	100.00%
Greystone Premises Private Limited	Subsidiary	India	65.00%
Vascon Pricol Infrastructure Limited	Subsidiary	India	100.00%
Floriana Properties Private Limited	Subsidiary	India	100.00%
Windflower Properties Private Ltd	Subsidiary	India	100.00%
GMP Technical Solutions Private Limited	Subsidiary	India	85.00%
GMP Technical Solutions Middle East (FZE),	Step Subsidiary	UAE (Sharjah)	85.00%
Almet Corporation Limited	Subsidiary	India	100.00%
Marathawada Realtors Private Limited	Subsidiary	India	100.00%
Just Homes (India) Pvt. Ltd	Subsidiary	India	100.00%
Vascon Renaissance LLP	Subsidiary (LLP)	India	65.00%
Phoenix Ventures	Joint Venture	India	50.00%
Zenith Ventures	Joint Venture	India	Refer Note 37
Zircon Ventures	Joint Venture	India	Refer Note 37
Cosmos Premises Private Limited	Joint Venture	India	43.83%
Ajanta Enterprises	Joint Venture	India	50.00%
Angelica Properties Private Limited	Associates	India	26.00%
Mumbai Estate Private Limited	Associates	India	44.44%

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 31 st March, 2015
Sita Lakshami Mills Limited	India	26.00%
Viorica Properties Private Limited	India	29.76%

(III) NOTES TO ACCOUNT

1 Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of Estimates

The preparation of the financial statements, in conformity with the Indian GAAP, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liability) at the date of the financial statements and the reported amounts of revenues and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

1.3 Tangible Asset, Intangible asset and capital work in progress

a) Fixed assets are carried at cost less accumulated depreciation/amortisation. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

b) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and disclosed separately.

c) Capital Work in Progress **-** Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Revenues earned if any, before capitalization from such capital project are adjusted against capital work in progress.

d) Borrowing cost relating to acquisition / construction /development of tangible asset and capital work in progress which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such asset are ready to be put to use.

1.4 Impairment of fixed assets

At the end of each year, the management reviews the carrying values of assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of individual asset, the management estimates the recoverable amount of the cash generating unit to which the asset belongs. Intangible assets are tested for impairment every financial year even if there is no indication that the asset is impaired.

If the recoverable amount of an asset of cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or the cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset of cash generating unit is increased to the revised estimate of a recoverable amount, not exceeding the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit and Loss.

1.5 Depreciation / Amortisation / Diminution

a) Depreciation on tangible fixed assets is provided for on written down value method based on estimated useful life of fixed assets.

Assets	**Useful Life**
Leasehold Land	Over the period of the lease
Building*	60 years
Plant and machinery	15 years
Furniture and	10 years
Vehicles*	8 years
Office	3 to 6 years

* Estimated useful life of assets consistent with the useful life specified in Schedule II of the Companies Act, 2013.

The economic useful life of assets has been assessed based on technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history etc.

b) Intangible assets are amortised on the written down value method over their estimated useful life.

c) Fixed assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

d) Depreciation on assets acquired/purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/discard.

e) Cost of acquisition of share in partnership firm is amortised on systematic manner. Adjustments are made for any permanent impairment in value, if any.

1.6 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

1.7 Recognition of Revenue / Cost

a) Construction contracts

Revenue from fixed price construction contracts is recognised on the Percentage Of Completion Method (POCM). 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 total estimated contract cost, as the case may be. The estimate of total contract cost has been made at the time of commencement of contract work and reviewed and revised, by the technical experts, from time to time during period in which the contract work is executed. Future expected loss, if any, is recognised immediately 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 as unbilled revenue under the head “Other Current Assets” " and billing in excess of contract revenue has been reflected as Unearned Revenue under the head "Other Current Liabilities" in the Balance Sheet.

The Company provides for cost to be incurred during warranty period for servicing warranties on the completed projects. Such amount, net of the obligations on account of sub-contractors, is determined on the basis of technical evaluation and past experience of meeting such costs.

Escalation claims raised by the Company are recognised when negotiations have reached an advanced stage such that customers will accept the claim and amount that is probable will be accepted by the customer can be measured reliably.

b) Real estate development

(i) Completed Units

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

(ii) Units Under Development

Revenue from sales of such units is recognized as and when all the following conditions are satisfied:

(a) The underlying significant risk and rewards of ownership are transferred to the purchaser.

(b) All critical approvals necessary for commencement of the project are obtained .

(c) Reasonable level of development is reached when project cost incurred excluding land cost and borrowing cost exceeds 25% of the project cost excluding land cost and borrowing cost.

(d) Atleast 25% of the estimated project area are secured by contracts or agreement with the buyers.

(e) Atleast 10% of the total revenue as per agreements of sale are realised at the reporting date in respect of each of the contracts and there are no outstanding defaults of the payment terms in such contracts.

(f) Certainty of recoverability of the balance 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 for the purpose of recognition of revenue 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, construction and development costs of such properties borrowing costs and overheads, 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 recognised as income during the relevant period on the basis of accounts made-up audited or unaudited as the case may be 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 when the right to receive the rent is established.

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

h) 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.

1.8 Inventories

a) Stock of Materials, etc.
Stock of materials, etc. has been valued at lower of cost or net realisable value. The cost is determined on Weighted Average method.

b) Development Work
(i) Development - Completed Units
Finished goods comprising of constructed units ready for sale are valued at lower of cost and net realisable value.
(ii) Development - Units under construction
The unit under construction to the extent not recognised as sales under the revenue recognition policy adopted by the Company is carried at lower of cost or net realisable value on the basis of technical estimate certified by the Managing Direcor / Technical Experts.

c) Stock of Trading Goods
Stock of trading goods has been stated at cost or net realisable whichever is lower. The cost is determined on Weighted Average Method.

1.9 Retirement benefits

a) **Short-term Employee Benefits** -
The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by the employees is recognised during the year when the employees render the service.

b) **Post Employment Benefits**

i) Defined Contribution Plan -
Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

ii) Defined Benefit Plan -
The Company's liability towards gratuity is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service costs is recognised on a straight line basis over the average period until the benefits become vested. To the extent the benefits are vested, the past service cost is recognised immediately in the Statement of Profit and Loss.

The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation adjusted for unrecognised past service cost and as reduced by the fair value of the scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

c) **Other Long-term Employee Benefits -**
The Company's liability towards compensated absence which are not expected to accrue within twelve months after the end of the period in which employee renders the related service is determined by using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

1.10 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Advances/deposits given to the vendors under the contractual arrangement for acquisition/construction of qualifying assets is considered as cost for the purpose of capitalization of borrowing cost.

1.11 Leases

a) Assets acquired on leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to statement of profit and loss on accrual basis.

b) Assets leased out under operating leases are capitalized. Rental income recognized on accrual basis over the lease term.

1.12 Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimates required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed in the financial statements unless the probability of outflow of resources is remote. A contingent asset is neither recognised nor disclosed in the financial statements.

1.13 Taxes on Income

a) Tax expense comprises of current tax and deferred tax.

b) Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates and tax laws.

c) Deferred tax is recognised on timing differences between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future income will be available against which these can be realised. Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognised only if there is virtual certainty that sufficient future taxable income will be available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

d) Minimum Alternate Tax (MAT) credit entitlement available under the provisions of Section 115JAA of the Income Tax Act, 1961 is recognised if there is convincing evidence that the Company will pay normal tax during the specified future period. The Company reviews the carrying amount of MAT credit entitlement at each balance sheet date and writes-down the carrying amount to the extent there is no longer convincing evidence that the Company will pay normal tax during the specified future period.

1.14 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.
Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

1.15 Employee Stock Option Scheme

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

1.16 Foreign currency transaction

a) Initial Recognition
Transactions in foreign currency are initially recorded at the exchange rate prevailing on the date of the transaction.

b) Conversion
Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary foreign currency items are carried at their historical costs and not retranslated. Gains and losses arising on translation and settlement of foreign currency monetary assets and liabilities are recognised in the Statement of Profit and Loss.

c) Exchange Difference
Exchange differences on forward exchange contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognised in the Statement of Profit and Loss.

1.17 Earning Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholder by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to equity shareholders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

1.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents presented in cash flow statement consists of cash in hand and unencumbered, highly liquid bank and other balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

29 Contingent Liabilities

Particulars	**March 31, 2015** Rs.	**March 31, 2014** Rs.
a) Disputed demands for Income Tax	109,157,306	171,276,122
b) Disputed demands for Service Tax / Excise Duty	46,082,818	46,993,593
c) Disputed demands for Value Added Tax	31,103,150	10,334,349
d) Performance and financial guarantees given by the Banks on behalf of the Company	1,745,230,169	1,793,149,505

e) Corporate guarantees given for other companies / entities and mobilization	750,000,000	750,000,000
f) Claims against the Company not acknowledged as debts	3,620,533,994	3,619,295,750

i) In respect of claim against the Company amounting to Rs.360,00,00,000/- (Previous year Rs.360,00,00,000/-) 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.
ii) One of our creditor has filed a civil suit claiming of Rs 88,28,380/- (Previous year Rs. 88,28,380/-) as amount due to him, which claim the company is disputing.
iii) Short Levy of Stamp Duty due to misclassification of conveyance deed as development agreement amounting to Rs 8,67,370/- (Previous Year Rs 8,67,370/-)with Joint District Registrar & Collector of Stamps , Pune.
iv) One of the creditors of the Company has filed a winding up petition for non payment of Rs. Nil (Previous year Rs. 350,134/-) (including interest) in respect of material supplied by the said party, which claim the Company is disputing. In the current year winding up petition was disposed of.

g) In respect of a development project, as per the terms of land purchase 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.

h) The levy of Maharashtra Value Added Tax (MVAT) in respect of Real Estate Development sales has been subject to considerable legislative amendments, litigation and administrative action. During the pendency of special leave petition before the Hon’ble Supreme Court against the earlier Hon’ble Mumbai High Court decision, a decision has been pronounced by the Hon’ble Mumbai High Court and the matter has not reached finality.
The Industry, accounting and legal fraternity is examining the implications of the decisions and the way the liability will be worked out under various options provided. In view of such uncertainties, the management has been advised that in the present scenario it is difficult to correctly determine MVAT liability payable in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010. The Company is currently in process of ascertaining the exact applicability of these pronouncements, contractual ability to collect MVAT from past customers and the mechanism of collection of MVAT in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010.

i) Others	1,514,716,681	-

Maharashtra State Electricity Distribution Company Limited has raised demand dated September 17, 2014 of Rs. 1,41,81,748/- on account of unauthorised use of Electricity based on provisional assessment made. The Company has not accepted the same and legal process in respect to the above is carried on.

In respect of Land admesuring 13,563 sq.mtr Situated at Vadgan Sheri, Pune consent term have been entered between the land owner Rock Enterprises and the Ultimate Owner Sansara Developers India Pvt. Ltd. For about 150 Crores Payable to the Land Owner. However Due to chain of agreement the compay is also party to the case filed by the Land Owner.

30 Commitments

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	40,916,371	297,038,496
b) 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 period ended is	-	18,102,920
	40,916,371	315,141,416

31 Particulars of Construction Contract

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
Contract Revenue Recognised	2,080,511,904	2,324,716,270
Contract Expenses Recognised	2,541,630,838	2,112,733,721
Advances from Customers	440,591,329	461,558,897
Retention	394,406,466	426,319,873
Gross amount due from customer for contract work (assets)	381,126,670	976,336,428
Gross amount due to customer for contract work (liabilty)	434,750,440	436,435,409

32 Earning per share

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
Net (Loss) available for equity share holder	(1,440,461,101)	(439,160,931)
Weighted average number of shares outstanding for Basic	90,256,497	90,180,183
Face Value per share	10	10
Earning Per Share - Basic	(15.96)	(4.87)
Weighted average number of equity shares for Diluted EPS	92,141,031	90,922,303
Earning Per Share - Diluted	(15.96)	(4.87)

* As required by Accounting Standard (AS) 20 - Earning per share, the effect of anti-dilutive potentioal equity shares are ignored in calculating diluted earnings per share

33 The particulars of Related Party transaction as required by AS - 18 issued by the ICAI is given in the Annexed Statement.

34 Loans and advances includes an amount of Rs.135,78,09,487/- (Rs. 96,03,00,285/-) 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.

35 Sales turnover for the period ended includes revenues from construction contracts, sale of developed units, sale of materials, consultancy services and room revenue.

36 The loss for the year ended includes net expense of Rs. 47,77,088/- Previous year Rs. 98,233/- in respect of prior years.

37 The Consolidated Financial Statements includes share of assets and liabilities of Zircon Ventures 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.

During the current year, the Company had terminated one of the joint venture, accordingly all the assets and liabilities of the joint venture are merged with the Company.

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

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of Fixed Assets	11,346,984	971,549
Tax effect of items constituting deferred tax liability	11,346,984	971,549
Tax effect of items constituting deferred tax asset		
Provision for compensated absences and gratuity	23,348,095	7,732,619
Disallowance u/s 40a / Provision for Doubtful debts & Advances	11,317,751	2,440,806
Unabsorbed depreciation carried forward and brought forward business losses	8,873,724	8,065,928
Tax effect of items constituting deferred tax asset	43,539,570	18,239,353
Net Deferred Tax Asset / (Liability)	32,192,586	17,267,804
Deferred Tax Liability	2,946,781	2,744,600
Deferred Tax Assets	35,139,367	20,012,404

Note : The deferred tax asset on tax loss carried forward has been recognized to the extent of deferred tax liability in the books.

39 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.

The Company leases / sub-leases office spaces under Non cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee.

i) Operating Lease

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

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
Gross Carrying Amount of Premises *	-	65,991,203
Accumulated Depreciation	-	20,533,639
Depreciation for the period ended	-	2,392,503

Future minimum lease income under non-cancellable operating leases:-

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
Not later than 1 year	-	899,990
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Income recognised during the period	22,790	1,919,833

*During the current year the Company has sold the leased asset.

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 expenses under non-cancellable operating leases

Not later than 1 year	50,793,134	926,925
Later than 1 year and not later than 5 years	93,276,113	-
Later than 5 years	7,242,168	-
Expenses recognised during the period	93,873,042	7,863,500

ii) Finance Lease

The Company has entered into a finance lease with the financial institutions for purchase of vehicle from the vendor.

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
Assets acquired under finance lease	12,484,231	
Net carrying amount at the balance sheet date	12,478,927	
Minimum lease payment as on 31.03.2015	11,814,484	
Present value of the above	9,397,534	

Particular	Present Value	Interest	Minimum Lease
Not later than 1 year	1,910,010	865,722	2,775,732
Later than 1 year and not later than 5 years	7,487,524	1,551,228	9,038,752
Later than 5 years	-	-	-

40 **Employee benefit plans**

Defined Benefit Plan

The Company makes annual contribution towards gratuity to fund for qualifying employees. The funded gratuity plan provides for a lump sum payment to employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of continuous service.

a) Gratuity

Particulars	**Gratuity (Funded)**	
	March 31, 2015 Rs.	**March 31, 2014** Rs.
Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :		
Present Value of Defined Benefit Obligation as on April 1,	48,338,736	49,188,894
Current Service cost	11,907,876	12,843,594
Interest Cost	4,272,092	3,687,739
Losses (gains) on Curtailment	-	-
Liabilities extinguished on settlements	-	-
Plan amendments	-	-
Actuarial (gains) / losses	(1,690,188)	(10,786,597)
Benefits paid	(5,462,213)	(6,594,895)
Present value of Defined Benefit Obligation as on Balance Sheet date.	57,366,303	48,338,735

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :		
Fair value of Plan assets as on April 1,	17,030,341	18,182,291
Expected return on plan assets	1,351,466	1,345,804
Actuarial gains/(losses)	(327,468)	(11,626)
Actual contributions by employers	421,205	4,000,000
Benefits paid	(5,440,088)	(6,486,128)
Plan assets as on March 31,	13,035,456	17,030,341
Acturial (Gain) / Loss Recognised		
Acturial (Gain) / Loss for the period - obligation	(1,690,188)	(10,786,597)
Acturial (Gain) / Loss for the period - Plan Assets	327,468	11,626
Total Acturial (Gain) / Loss for the period	(1,362,720)	(10,774,971)
Acturial (Gain) / Loss Recognised	(1,362,720)	(10,774,971)
Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :		
Present value of Defined Benefit Obligation	57,366,303	48,285,793
Fair value of plan assets	13,035,456	17,030,341
Funded status [Surplus/(Deficit)]	(44,330,847)	(31,255,452)
Unrecognized Past Service Costs	-	-
Net asset/(Liability) recognized in Balance Sheet	(44,330,847)	(31,255,452)
Components of employer expenses recognized in the statement of profit and loss for the year ended March 31.		
Current Service cost	11,907,876	12,843,594
Interest cost	3,274,794	3,687,739
Expected return on plan assets	(354,168)	(1,345,804)
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past Service cost	-	-
Actuarial Losses/(Gains)	(1,362,720)	(10,774,971)
Total expense recognized in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	13,465,782	4,410,558

b) Compensated absenses

Compensated absenses charged to Statement of Profit and Loss Rs. 11.81 million (Previous Year Rs. 21.01 million) and liability as at 31st March, 2015 was Rs. 66.28 million (Previous Year Rs. 62.68).

41 Disclosure Relating to Provisions

a Provision for Doubtful Debts

Particulars	**March 31, 2015** Rs.	**March 31, 2014** Rs.
Balance at the beginning of the Year	193,949,690	170,283,798
Add: Provision during the period ended	133,873,017	45,441,038
	327,822,707	215,724,836
Less: Utilisation / Transferred to Bad Debts	79,163,207	21,775,145
Balance at the end of the Year	248,659,500	193,949,691

b Provision for Unapproved Sales

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
Balance at the beginning of the Year	4,335,443	10,191,133
Add: Provision during the period ended	1,970,045	377,612
	6,305,488	10,568,745
Less: Utilisation / Transfers	4,181,518	6,233,302
Balance at the end of the Year	2,123,970	4,335,443

c Provision for Warranty

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
Balance at the beginning of the Year	9,002,514	9,002,514
Add: Provision during the period ended	-	-
	9,002,514	9,002,514
Less :- Amount used during the year	4,612,672	-
Less :- Unused amount reversed during the year	3,190,678	
Balance at the end of the Year	1,199,164	9,002,514

Warranty cost are accured on completion of project, based on past experience. The provision is discharged over the warranty period from the date of project completion till the defect liability period of particular project.

42 1. Employee stock option scheme (ESOS) - 2007

The ESOS was approved by Board of Directors of the Company on 19th Sept, 2007 and therafter by the share holders on 23rd Oct, 2007. A compensation committee comprising of independent directors of the company admisnisters the ESOS plan.Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 10/- per share.The maxium exercise period is 6 years from the date of vesting.

Number of option granted, exercised and cancelled/lapsed during the financial year are as follows :

Particulars	March 31, 2015	March 31, 2014
Outstanding at the beginning of the year	-	4,650
Granted during the period	-	-
Exercised during the year	-	(2,250)
Cancelled/lapsed during the year	-	(2,400)
Options granted, end of the year	-	-
Weighted Average remaining life	-	-

2. Employee stock option scheme (ESOS) - 2013

The ESOS was approved by Board of Directors of the Company on 20th May, 2013 and therafter by the share holders on 12th Sept, 2013. A compensation committee comprising of independent directors of the company admisnisters the ESOS plan.Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 10/- per share.The maxium exercise period is 1 year from the date of vesting.

Number of option granted, exercised and cancelled/lapsed during the financial year are as follows :

Particulars	March 31, 2015	March 31, 2014
Outstanding at the beginning of the year	2,250,000	-
Granted during the period	-	2,250,000
Exercised during the year	(293,377)	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	1,956,623	2,250,000
Weighted Average remaining life	0.42	1.42

3. Employee stock option scheme (ESOS) - 2014

The ESOS was approved by Board of Directors of the Company on 12th August, 2014 and therafter by the share holders on 15th Sept, 2014. A compensation committee comprising of independent directors of the company admisnisters the ESOS plan.Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 10/- per share.The maxium exercise period is 1 year from the date of vesting.

Number of options granted , exercised , cancelled / lapsed during the financial year are as follows :

Particulars	March 31, 2015	March 31, 2014
Outstanding at the beginning of the year		-
Granted during the period	2,250,000	-
Exercised during the year	-	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	2,250,000	-
Weighted Average remaining life	1.42	-

The Compensation cost of stock optins granted to employees has been accounted by the company using the intrintic value method.

The guidance note on accounting of employee share based payments issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted these options under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported (Loss) for the year ended March 31, 2015 would have been lower by Rs. 14.96 lakhs (Previous year: lower loss of Rs. 9.48 lakhs) and Basic and diluted EPS would have been revised to Loss of Rs. 16.01 per share (Previous year 4.97 per share) and Loss Rs. 16.01 per share (Previous year 4.97 per share) respectively as compared to Loss of Rs. 16.03 per share (Previous year 4.98 per share) and Loss Rs. 16.03 per share (Previous year 4.98 per share) without such impact.

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Binomial lattice option pricing model, considering the expected weighted average term of the options to be 1 year from the date of vesting, an expected dividend rate of 2% on the underlying equity shares, a risk free rate in the range of 8.40% - 9.20% and weighted average volatility in the share price in the range of 55.60% - 61.10%. The Company’s calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price after eliminating the abnormal price fluctuations.

43 Share of Joint Venture in Consolidated Financial statement are as under.

Profit and Loss Account Items For The period Ended March 31, 2015

Particulars	**March 31, 2015** Rs.	**March 31, 2014** Rs.
INCOME		
Revenue From Operation	388,750,529	677,640,699
Other Income	(2,050,080)	23,612,287
EXPENSES		
Cost of Sales	211,487,832	504,131,962
Personnel Expenses	11,860,946	9,831,681
Financial Expenses	(6,923,030)	7,893,551
Depreciation / Amortisation	9,479,064	8,912,369
Operating & Other Expenses	93,317,769	39,871,154
Provision For Taxation		
Current	51,678,801	108,394,983
Deferred tax expenses / (gain)	-	43,447
Excess/(Short) Provision W/Back / (Off)	413,543	(215,800)
Appropriation		
Dividend on Preference Shares	-	5,188,939
Dividend Tax	-	135,908
Transfer to General Reserve	-	1,333,834

Balance sheet Items As At March 31, 2015

Particulars	**March 31, 2015** Rs.	**March 31, 2014** Rs.
Long Term Borrlowing	44,577,103	22,666,110
Deferred Tax Liability	2,946,781	2,744,600
Other Long Term Liabilities	-	-
Long Term Provisions	283,005	287,934
Short Term Borrowings	29,153,253	91,133,156
Trade Payables	62,455,022	100,251,902
Other Current Liabilities	345,733,498	381,831,488
Short Term Provisions	13,687,780	77,627,959
Fixed Assets	68,642,204	525,777,584
Non Current Investment	(484,084,194)	(507,691,394)
Deferred Tax Asset	772,500	772,500
Long Term Loans & Advances	(18,812,991)	(98,360,578)
Other Non Current Assets	-	5,522,054
Current Investment	44,684,489	-
Inventories	334,896,035	425,680,696
Trade Receivables	64,310,011	168,670,763
Cash and Cash Equivalents	69,694,507	43,370,331
Short Term Loans & Advances	(50,353,367)	1,287,107
Other Current Assets	111,213,187	167,469,857

44 During the previous year ended March 31, 2014 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 by decrease in reserve.

45 The financial statements of subsidiaries, joint ventures and associates used in the consolidation are drawn upto the same reporting dates as off the company i.e for the year ended March 31, 2015.

The accounts of GMP Technical Solutions Middle East -FZE (Step Subsidiary), Cosmos Premises Private Limited & Ajanta Enterprise (Joint Ventures) and Angelica Premises Private Limited & Mumbai Estate Private Limited (associates) have not been audited for the year ended March 31, 2015 as of balance sheet date by other auditors, same have been consolidated on the basis of the accounts as certified by the management.

46 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.

47 Note on litigation in Vista Annexs Project

The company has purchased the property bearing S. no. 84/1b/2 (part) admeasuring about 7942 sq mt , Nashik at Rs 2,14,36,400/- from the owners namely Shri. Khanderao Khode & other through their POA holder M/s. Sanklecha Construction Nashik by executing Development agreement along with irrevocable Power of Attorney.one of the co-owner has filed a regular civil suit court of civil judge Nashik requesting for effecting partition of the suit property and to declare various documents executed by the owner with M/s. Sanklecha Construction vis-à-vis M/s. Vascon Dwelling Pvt. Ltd. as illegal null & void.The Company has taken the possession of the said suit property .The Matter is pending in the Court of Civil judge Nashik.

48 Exceptional items

	March 31, 2015	**March 31, 2014**
	Rs.	Rs.
Net gain / loss on sale of long term investments - other than trade	(55,880,796)	-
Reversals of employee stock option compensation	-	84,173
Recersal of diminution in value of shares	16,845,643	-
	(39,035,153)	84,173

a) Net gain / loss on sale of long term investments - other than trade

During the year ended 31st March, 2015, the subsidiaries of the Company has sold its equity stake in Caspia Hotels Private Limited (step down subsidiaries) for a consideration of Rs. 11.08 Crs, resulting into loss amounting to Rs 5.59 Crs. Consequently, Caspia Hotels Premises Private Limtied has ceased to be a subsidiary of the company.

b) Reversal for diminution in value of shares

During the year, the Company has reduced it's stake in one of the associate Company in the scheme of capital reduction. In the standalone financial statement, Company has debited the loss to the Statement of Profit and Loss as an exceptional item. In consolidated financial statement investment was already impaired through equity method in previous years, accordingly the same was reversed in consolidated accounts.

49 The company enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 ('regulation'). The pricing of such domestic transactions will need to comply with Arm's length principle under the regulations. These regulations, inter alia, also required the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income tax authorities.

The Company has undertaken necessary steps to comply with the regulations. The management is of the opinion that the domestic transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

50 Auditors' Remuneration

	March 31, 2015	**March 31, 2014**
	Rs.	Rs.
Payment to the auditors (Net of Service Tax)		
Audit Fees	3,500,000	3,000,000
Tax Audit	-	600,000
Audit Fees/Limited Review fees in respect of Interim Financial Statement	2,000,000	-
other services	2,250,000	240,000
Total	7,750,000	3,840,000

51 Effective 1st April, 2014, the Company has revised the useful life of fixed assets based on schedule II of the Companies Act, 2013 ("the Act") except Plant & Machinery for the purpose of provision of depreciation. Useful life of Plant & Machinery has been revised to 15 years based on the Chartered Engineer's evaluation. Accordingly, the carrying amount of the fixed assets as on 1st April, 2014 has been depreciated over the remaining revised useful life. Consequently, the depreciation charge for the year ended 31st March, 2015 is higher by Rs.501.14 lakhs and loss is higher to that effect.

Further, an amount of Rs.65.42 lakhs representing the carying amount for assets with useful life as nil has been adjusted against the opening balance for retained earnings i.e balance in the statement of profit & loss as per permited under note 7 (B) to part C of schedule II of Companies Act, 2013.

52 The Company has incurred losses of approximately Rs. 14,404 lakhs during the year ended March 31, 2015 and has continued incurring losses since March, 2013. Further, the Company has incurred cash losses during the year and previous year and there are delays in payment of statutory dues. Also considering deficit in the Statement of Profit and Loss as at the year end, 15% of the debenture amounts repayable during the year ending March 31, 2016 has not been maintained in one or more methods as prescribed under the Companies (Share Capital and Debenture) Rules, 2014.

However, the financial statements have been prepared on a going concern basis in view of the financial support from some of its shareholders and the future business / growth plans of the Company. The Company has plans to augment its resources by going for rights issue of about Rs. 10,000 lakhs and has got the requisite approval from SEBI and to sale certain non core assets. The main object of the issue is to reduce debt and complete certain projects. These efforts would result in improving cash flow, strengthen the operations of the Company and reduce the interest burden.

53 The Company has accrued managerial remuneration to managing director amounting to Rs. 620.53 lakhs for the year ended March 31, 2015 in terms of shareholders resolution, which is in excess of limits prescribed in Schedule V of the Companies Act, 2013. The Company has made necessary application to the Central Government for it's approval, which is pending.

54 The Company has given loans amounting to Rs. 674.28 lakhs to wholly owned subsidiary company. This subsidiary has accumulated losses and its net worth has been fully eroded and incurred a net loss during the current year and previous year. The repayment of this advances from subsidiary is dependent upon receipt of advance paid to third party for which claim is made by the subsidiary. In the opinion of the management the said advance is fully recoverable, and hence no provision is made as on March 31, 2015.

55 These financial statements are prepared by following the same accounting policies as those followed in the annual financial statements for the year ended March 31, 2014.

56 The previous year's figures were audited by a firm of chartered Accountants other tha Deloitte Haskins & Sells LLP. Previous year"s figures have been regrouped/ reclassified wherever necessary to correspond with the current year"s classification/disclosure

For and on behalf of the Board of Directors

R Vasudevan Managing Director	V Mohan Chairman
Dr Santosh Sundararajan Chief Executive Officer	
M Krishnamurthy Company Secretary & Compliance Officer	D Santhanam Chief Financial Officer

Place: Mumbai
Date: 12th May 2015

VASCON ENGINEERS LIMITED

Annexure referred to in Note 33 of the notes forming part of accounts for the year ended on March 31, 2015
SCHEDULE : LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS

Nature of Relationship

1 Joint Venture
-Weikfield IT CITI Infopark (Upto October 1,2014)
-Phoenix Ventures
-Zenith Ventures
-Zircon Ventures
-Cosmos Premises Pvt Ltd
- Marigold Premises Private Limited (Up to March 31,2014)
-Ajanta Enterprises
- Vascon Qatar WLL

2 Associates
- Angelica Properties Private Limited
- Mumbai Estate Private Limited

3 Key Management Personnel
- Mr. R. Vasudevan
- Dr Santosh Sundararajan
- Mr. D.Santhanam (Wef 01/04/2014)
- Mr.M.Krishnamurthi (Wef 01/04/2014)

4 Relatives of Key Management Personnel
- Mrs. Lalitha Vasudevan
- Ms. Soumya Vasudevan
- Mrs. Thangam Moorthy
- Mrs. Lalitha Sundararajan
- Mr. Siddarth Vasudevan
- Ms Shilpa Shivram
- Mrs. Sailaxmi Santhanam Mudaliar
- Ms Mathangi Krishnamuthy

5 Establishments where in which individuals in serial number (3) and (4) exercise significant Influence
- Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)
- Vastech Consultants Private Limited
- Vastech consultants and engineers LLP
- Vatsalya Enterprises Private Limited
- Bellflower Premises Private Limited
- Cherry Construction Private Limited
- Stresstech Engineers Pvt Ltd.
- Sunflower Health Services Private Limited
- Syringa Engineers Private Limited (Formerly known as Syringa Properties Private Limited)
- Vascon Infrastructure Limited
- Venus Ventures

Note - Related party relationships are as identified by the Company on the basis of information available with them and accepted by the auditors.

Note :- No provision have been made in respect of receivable from related party as at March 31, 2015

VASCON ENGINEERS LIMITED

SCHEDULE : DETAILS OF TRANSACTIONS WITH RELATED PARTIES AND DETAILS OF OUTSTANDING BALANCES

Particulars	March 31, 2015	March 31, 2014
Sales		
Joint Venture	59,905,027	28,634,711
Associates	260,000	16,936,435
Key Management Personel	4,229,701	12,423,039
Relatives of KMP	-	-
Establisment where KMP and their relatives exercise significant influence	63,183,374	80,373,145
Purchases / Labour Charges		
Joint Venture	-	21,250,000
Key Management Personel	-	-
Relatives of KMP	-	30,000
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	45,062,471	69,437,314
Receiving of Services		
Joint Venture	-	-
Key Management Personel	163,116,702	145,237,000
Relatives of KMP	9,615,420	5,015,000
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	-	-
Rendering of Services		
Joint Venture	-	-
Key Management Personel	-	-
Relatives of KMP	-	-
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	13,738,436	21,608,496
Rent/Dividend Income		
Joint Venture	-	2,362,759
Key Management Personel	-	-
Relatives of KMP	-	-
Associates	-	7,704
Establisment where KMP and their relatives exercise significant influence	-	-
Interest Paid		
Joint Venture	17,625,458	13,296,452
Key Management Personel	9,049,152	3,151,696
Relatives of KMP	589,723	355,481
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	1,431,010	1,443,245

Interest Income		
Joint Venture	-	322,145
Key Management Personel	-	-
Relatives of KMP	-	-
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	-	-
Reimbursement of expenses		
Key Management Personnel	197,636	52,828
Relatives of KMP	-	-
Finance Provided (including loans and equity contributions in cash or in kind)		
Joint Venture	84,435,106	115,878,004
Key Management Personel	16,646,206	8,067,000
Relatives of KMP	1,808,290	236,174
Associates	20,895,242	13,704,758
Establisment where KMP and their relatives exercise significant influence	376,756,180	141,655,445
Finance Availed (including loans and equity contributions in cash or in kind)		
Joint Venture	250,000	21,957,812
Key Management Personel	116,800,000	-
Relatives of KMP	600,000	3,000,000
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	177,500,614	37,754,047
Balances as on		
Amount Due To Company		
Joint Venture	44,998,172	72,604,318
Key Management Personel	4,917,456	556,121
Relatives of KMP	-	-
Associates	256,603,346	256,766,500
Establisment where KMP and their relatives exercise significant influence	394,982,245	181,218,713
Amount Due From Company		
Joint Venture	24,963,359	89,712,261
Key Management Personel	231,314,064	133,388,363
Relatives of KMP	4,000,000	3,000,000
Associates	-	19,895,242
Establisment where KMP and their relatives exercise significant influence	52,930,269	21,913,466

SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES AND DETAILS OF OUTSTANDING BALANCES

Amount in Rupees

Sr. No	Nature of Transactions/Relationships/ Major Parties	March 31, 2015	March 31, 2014
1	**Sales and Work**		
i)	**Joint Ventures**		
	Phoenix Ventures	304,962	6,322,200
	Ajanta Enterprises	59,600,065	22,312,511
		59,905,027	**28,634,711**
ii)	**Associates**		
	Angelica PropertiersPrivate. Limited.	260,000	16,936,435
		260,000	**16,936,435**
iii)	**Key management Personnel**		
	Mr. R Vasudevan	-	8,753,595
	Dr Santosh Sunderrajan	4,229,701	3,669,444
		4,229,701	**12,423,039**
iv)	**Establisment where KMP and their relatives exercise significant influence**		
	Flora Facililites Private Limited (Formerly known as Flora Premises Private Limited)	13,615,530	35,075,775
	Cherry Constructions Private Limited.	49,567,844	45,297,370
	Vascon Infrastructure Limited	-	-
		63,183,374	**80,373,145**
2	**Interest Income**		
i)	**Joint Ventures**		
	Phoenix Ventures	-	322,145
		-	**322,145**
3	**Dividend Income**		
i)	**Joint Venture**		
	Marigold Premises Private Limited	-	418,888
	Cosmos Premises Private Limited	-	1,943,871
		-	**2,362,759**
ii)	**Associates**		
	Angelica Properties Private Limited	-	7,704
		-	**7,704**
4	**Interest Expense**		
i)	**Joint Ventures**		
	Ajanta Enterprises	17,625,458	13,296,452
		17,625,458	**13,296,452**
ii)	**Key management Personnel**		
	Mr. R. Vasudevan	6,138,186	-
	Dr Santosh Sunderrajan	2,363,764	3,151,696
	D.Santhanam	547,202	-
		9,049,152	**3,151,696**
iii)	**Relatives of Key Management Personnel**		
	Ms. Mathangi Krishnamurthi	111,544	-
	Mrs. Sailaxmi Santhanam Muduliar	72,481	-
	Mrs. Thangam Moorthy	365,753	355,481
	Mr. Siddarth Vasudevan	39,945	-
		589,723	**355,481**

Amount in Rupees

Sr. No	Nature of Transactions/Relationships/ Major Parties	March 31, 2015	March 31, 2014
iv)	**Establisment where KMP and their relatives exercise significant influence**		
	Vastech Consultants Private. Limited.	1,173,770	1,443,245
		1,431,010	**1,443,245**
5	**Purchase of Goods / Work**		
i)	**Joint Ventures**		
	Marigold Premises Private Limited	-	21,250,000
		-	**21,250,000**
ii)	**Relatives of Key Management Personnel**		
	Mrs. Lalitha Sundarrajan	-	30,000
		-	**30,000**
iii)	**Establisment where KMP and their relatives exercise significant influence**		
	Bellflower Premises Private Limited	3,600,000	3,600,000
	Vatsalya Enterprises Private Limited	3,600,000	3,600,000
	Syringa Engineers Private Limited	-	352,927
	Flora Facililites Private Limited (Formerly known as Flora Premises Private Limited)	12,623,530	2,033,876
	Stresstech Engineers Private Limited	24,512,389	33,882,203
	Vastech Consultants & Engineers LLP	726,552	
	Vascon Infrastructure Limited	-	25,968,308
		45,062,471	**69,437,314**
6	**Receiving of Services**		
i)	**Key Management Personnel**		
	Mr. R Vasudevan	117,452,862	121,822,000
	Dr Santosh Sunderrajan	32,518,000	23,415,000
	Mr. D Santhanam	7,318,840	-
	Mr. M. Krishnamurthi	5,827,000	-
		163,116,702	**145,237,000**
ii)	**Relatives of Key Management Personnel**		
	Siddharth Vasudevan	9,320,000	5,015,000
	Mrs. Sailaxmi Santhanam Mudaliar	18,000	-
	Mrs.Shilpa Sivram	277,420	-
		9,615,420	**5,015,000**
iii)	**Establisment where KMP and their relatives exercise significant influence**		
	Flora Facililites Private Limited (Formerly known as Flora Premises Private Limited)	399,431	2,631,801
	Vastech Consultants Private Limited	13,339,005	18,976,695
		13,738,436	**21,608,496**
7	**Reimbursement of expenses**		
i)	**Key Management Personnel**		
	Mr. R Vasudevan	-	3,398
	Dr Santosh Sunderrajan	57,800	49,430
	Mr. D Santhanam	69,561	-
	Mr. M. Krishnamurthi	70,275	-
		197,636	**52,828**

Amount in Rupees

Sr. No	Nature of Transactions/Relationships/ Major Parties	March 31, 2015	March 31, 2014
8	**Outstanding corporate / bank guarantees given**		
i)	**Joint Ventures**		
	Phoenix Ventures	50,000,000	50,000,000
	Cosmos Premises Private Limited	43,830,000	43,830,000
		93,830,000	**93,830,000**
9	**Finance Provided (including equity contributions in cash or in kind) / repayment of**		
i)	**Joint Ventures**		
	Marigold Premises Private Limited	-	3,967,242
	Phoenix Ventures	2,060,745	1,818,856
	Ajanta Enterprises	82,374,361	110,091,906
		84,435,106	**115,878,004**
ii)	**Associates**		
	Mumbai Estate Private Limited	1,000,000	-
	Angelica Properties Private Limited	19,895,242	13,704,758
		20,895,242	**13,704,758**
iii)	**Key Management Personnel**		
	Mr. R Vasudevan	6,138,186	-
	Dr Santosh Sunderrajan	9,880,433	8,067,000
	Mr. D Santhanam	627,587	-
		16,646,206	**8,067,000**
iv)	**Relatives of Key Management Personnel**		
	Ms. Mathangi Krishnamurthi	1,319,138	-
	Mrs. Sailaxmi Santhanam Muduliar	83,454	-
	Mrs. Thangam Moorthy	365,753	236,174
	Mr. Siddarth Vasudevan	39,945	-
		1,808,290	**236,174**
v)	**Establisment where KMP and their relatives exercise significant influence**		
	Vascon Infrastructure Limited	-	20,200,000
	Vastech Consultants Private Limited	13,317,377	6,144,325
	Stresstech Engineers Private Limited	6,025,724	-
	Venus Ventures	5,000,000	87,028,984
	Sunflower Health Services Pvt. Ltd	352,413,079	28,282,136
		376,756,180	**141,655,445**
10	**Finance Availed / Received Back (including equity contributions in cash or in kind)**		
i)	**Joint Ventures**		
	Phoenix Venture	250,000	85,856
	Marigold Premises Private Limited	-	21,871,956
		250,000	**21,957,812**
ii)	**Key Management Personnel**		
	Mr. R Vasudevan	115,000,000	-
	Dr Santosh Sunderrajan	-	34,307,000
	Mr. D Santhanam	1,800,000	-
		116,800,000	**34,307,000**
iii)	**Relatives of Key Management Personnel (Through fixed deposit)**		
	Mrs. Thangam Moorthy	-	3,000,000
	Mr. Siddarth Vasudevan	600,000	-
		600,000	**3,000,000**

Amount in Rupees

Sr. No	Nature of Transactions/Relationships/ Major Parties	March 31, 2015	March 31, 2014
iv)	**Establisment where KMP and their relatives exercise significant influence**		
	Vascon Infrastructure Limited	-	200,000
	Vastech Consultants Private Limited	14,000,000	12,854,047
	Stresstech Engineers Private Limited	7,500,000	-
	Venus Ventures	27,430,000	24,700,000
	Sunflower Health Services Pvt. Ltd	128,570,614	-
		177,500,614	**37,754,047**
11	**Outstanding as on Mar 31, 2015**		
	A) Receivable to Vascon Engineers Limited		
i)	**Joint Ventures**		
	a) Sundry Debtors		
	Ajanta Enterprises	7,332,049	14,998,073
	Marigold Premises Private Limited	-	22,093,499
	Phoenix Ventures	31,365,836	31,023,204
		38,697,885	**68,114,776**
	b) Loans & Advances		
	Phoenix Ventures	6,300,287	4,489,542
		6,300,287	**4,489,542**
ii)	**Associates**		
	a) Sundry Debtors		
	Angelica Properties Pvt Ltd	266,136	1,429,290
		266,136	**1,429,290**
	b) Loans & Advances		
	Mumbai Estate Private Limited	256,300,010	255,300,010
		256,300,010	**255,300,010**
	c) Share Application Money		
	Angelica Properties Private Limited	37,200	37,200
		37,200	**37,200**
iii)	**Key Management Personnel**		
	a) Sundry Debtors		
	Dr Santosh Sunderrajan	4,917,456	556,121
		4,917,456	**556,121**
iv)	**Establisment where KMP and their relatives exercise significant influence**		
	a) Sundry Debtors		
	Flora Facililites Private Limited (Formerly known as Flora Premises Private Limited)	14,608,267	13,664,525
	Cherry Constructions Private Limited.	28,254,969	15,164,731
	Vastech Consultants Private Limited	-	1,677,154
		42,863,236	**30,506,410**
	a) Loans & Advances		
	Vatsalya Enterprises Private Limited	14,900,000	14,900,000
	Bellflower Premises Private Limited	5,000,000	5,000,000
	Vastech Consultants Private Limited	40,000,000	40,000,000
	Vascon Infrastructure Limited	-	5,759
	Sunflower Health Services Pvt. Ltd	252,124,601	28,282,136
	Venus Ventures	39,898,984	62,328,984
	Syringa Engineers Private Limited	195,424	195,424
		352,119,009	**150,712,303**

Amount in Rupees

Sr. No	Nature of Transactions/Relationships/ Major Parties	March 31, 2015	March 31, 2014
	B) Receivable from Vascon Engineers Limited		
i)	**Joint Ventures**		
	Unsecured Loan		
	Ajanta Enterprise	24,963,359	89,712,261
		24,963,359	**89,712,261**
ii)	**Associates**		
	Security Deposit / Other Payables		
	Vascon Infrastructure Limited	-	-
	Angelica Properties Private Limited	-	19,895,242
		-	**19,895,242**
iii)	**Key Management Personnel**		
	a) For Services Received		
	Mr. R Vasudevan	76,292,024	95,127,803
	Dr Santosh Sunderrajan	4,981,107	3,001,891
	D Santhanam	1,270,330	-
	M. Krishnamurthi	1,028,603	-
		83,572,064	**98,129,694**
	b) Deposits Recd.		
	R Vasudaven	115,000,000	
	Dr Santosh Sunderrajan	27,742,000	35,258,669
	D Santhanam	5,000,000	
		147,742,000	**35,258,669**
	c) Expenses reimbursement	-	
	M. Krishnamurthi	39,565	
	D Santhanam	16,809	
	Mr.Santosh Sundararajan	145,750	108,520
		202,124	**108,520**
iv)	**Relatives of Key Management Personnel**		
	a) Deposits Recd.		
	Mrs. Thangam Moorthy	3,000,000	3,000,000
	Mr. Siddarth Vasudevan	600,000	-
	Mrs. Sailaxmi Santhanam Mudaliar	400,000	-
		4,000,000	**3,000,000**
	b)For Services Received		
	Siddharth Vasudevan	1,567,553	684,378
		1,567,553	**684,378**
v)	**Establisment where KMP and their relatives exercise significant influence**		
	a) Sundry Creditors		
	Vastech Consultants Private Limited	9,194,978	-
	Vastech Consultants & Engineers LLP	653,897	-
	Vatsalya Enterprises Private Limited	2,904,942	1,046,942
	Syringa Engineers Private Limited	-	-
	Stresstech Engineers Private Limited	15,633,179	10,494,213
	Bellflower Premises Private Limited	3,024,719	1,134,719
	Flora Facililites Private Limited (Formerly known as Flora Premises Private Limited)	9,777,678	1,084,625
		41,189,393	**13,760,499**
	b) Advance from Customers		
	Vastech Consultants Private Limited	10,009,360	8,152,967
	Stresstech Engineers Private Limited	1,731,516	-
		11,740,876	**8,152,967**

Vascon Engineers Limited

Annexure referred to in Note 46 of the notes forming part of accounts for the year ended on March 31, 2015
Disclosure of particulars of segment reporting as required by Accounting Standard 17
Information about primary business segments

Particulars	**EPC**		**Real Estate Development**		**Hotel**		**Manufacturing & BMS**		**Unallocable**		**Total**	
	31/03/2015	**31/03/2014**	**31/03/2015**	**31/03/2014**	**31/03/2015**	**31/03/2014**	**31/03/2015**	**31/03/2014**	**31/03/2015**	**31/03/2014**	**31/03/2015**	**31/03/2014**
Revenue												
Total Sales including eliminations	2,454,855,008	2,521,009,493	1,520,235,635	1,625,529,225	60,202,731	54,601,324	2,396,286,334	2,277,624,415	-	-	6,431,579,709	6,478,764,457
External sales	2,273,755,064	2,367,188,001	1,520,235,635	1,528,126,448	60,202,731	54,601,324	2,359,153,386	2,161,938,727	-	-	6,213,346,816	6,111,854,499
Less: Eliminations	(181,099,945)	(153,821,492)	-	(97,402,777)	-	-	(37,132,948)	(115,685,688)		-	(218,232,893)	(366,909,957)
Other operating income	-	-	13,306,393	127,466,348	-	-	-	-	-	-	13,306,393	127,466,348
Total Revenue	2,454,855,008	2,521,009,493	1,533,542,028	1,752,995,573	60,202,731	54,601,324	2,396,286,334	2,277,624,415	-	-	6,444,886,102	6,606,230,805
Result												
Segment result	(748,860,583)	(50,213,303)	139,481,664	382,689,800	11,241,326	12,521,230	15,377,415	121,523,549			(582,760,177)	466,521,277
Unallocated expenditure net of unallocated income									(522,868,631)	(484,914,866)	(522,868,633)	(484,914,866)
Operating profit									(522,868,631)	(484,914,866)	(1,105,628,810)	(18,393,590)
Interest expenses									(296,386,789)	(413,506,185)	(296,386,789)	(413,506,185)
Interest and dividend income									37,887,376	134,729,900	37,887,376	134,729,900
Income taxes									(83,638,106)	(134,736,413)	(83,638,106)	(134,736,413)
Profit after tax									(865,006,149)	(898,427,564)	(1,447,766,328)	(431,906,287)
Other information												
Segment assets	1,731,933,351	2,871,558,361	7,883,674,828	6,469,685,964	125,742,009	451,129,115	1,881,260,111	1,776,587,693	1,930,234,409	2,816,020,306	13,552,844,709	14,384,981,439
Segment liabilities	1,396,646,526	2,463,121,747	3,102,360,511	2,403,928,039	11,994,164	41,196,977	915,325,508	773,885,171	2,941,546,217	2,105,487,908	8,367,872,926	7,787,619,841
Capital expenditure	8,035,296	8,035,296	468,360	472,737	2,651,542	159,679	60,193,033	84,090,415	800,208	800,208	72,148,439	93,558,335
Depreciation and amortization	56,203,832	49,527,012	5,347,074	7,539,255	9,451,491	6,632,040	102,049,505	68,393,425	50,602,432	55,608,492	223,654,335	187,700,225

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	Hoteliering
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. Invetsments, Tax related assets and other assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as "Unallocable"

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 Limited, Windflower Properties Private Limited, Floriana Properties Private Limited, Vascon Pricol Infrastructure Limited, Greystone Premises Private Limited, Ajanta Enterprises, Zircon Ventures, Zenith Ventures, Phoenix Ventures, Just Homes (I) Private Limited, Weikfield IT Citi Infopark, Almet Corporation Limited, Marathwada Realtors Private Limited Angelica Properties Private Limited, Mumbai Estate Private Limited,
Hotel	Cosmos Premises Private Limted,Caspia Hotels Private Limited,
Manufacturing & BMS	GMP Technical Solutions Private limited Including its Subsidiary

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
VASCON ENGINEERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **VASCON ENGINEERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes forming part to the financial statements:

(i) Note 46 to the financial statements which indicates that the Company has incurred cash losses during the year and previous year and there are delays in the payment of statutory dues and that 15% of the debenture amounts repayable during the year ending March 31, 2016 has not been maintained in one or more methods as prescribed under the Companies (Share Capital and Debentures) Rules 2014. However, the financial statements have been prepared on a going concern basis in view of the financial support from some of its shareholders and the future business / growth plans of the Company as further explained in the said note.

(ii) Note 48 to the financial statements regarding loan and advances amounting to Rs. 674 lakhs given to a subsidiary, which is continuously incurring losses. The realisation of this advances is dependent upon recovery of further advances given by the subsidiary to the third party for which a claim is made by the subsidiary. The subsidiary is in the course of realisation of above advances, hence in the opinion of the management the said advance from the subsidiary is fully recoverable.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) The going concern matter described in sub-paragraph (i) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

   (f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 35 to the financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Mumbai, May 12, 2015

ANNEXURE REFERRED TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(ii) In respect of its inventories comprising of building material, components and spares, project under construction / development (work in progress) and stock of units in completed projects.

a) As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. In respect of such loans:

a) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon.

b) There is no overdue amount in excess of Rs. 1 lakh remaining outstanding as at the year end.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) There were delays by the Company in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except for as given below:

Statute	Nature of dues	Amount (Rs.)	Period to which the Amount Relates	Due Date
Income Tax Act, 1961	Tax deducted at source (TDS)	44,376,963	April – August, 2014	7th of every following month
Finance Act, 1994	Service Tax	79,344,086	Dec 13 to August 2014	6th of every following month
Profession Tax Act, 1975	Profession Tax	494,324	April – August, 2014	20th of every following month
Employee Provident Fund Act, 1952	Provident Fund	7,908,153	April – August, 2014	20th of every following month

c) Details of dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Value Added Tax and Cess, which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Related	Amount Involved (Rs.)
Sales Tax Act	Sales Tax/ Value Added Tax/ Central Sales Tax	Deputy Commissioner of Sales Tax	Financial Year 2005-06	2,607,591
			Financial Year 2008-09	13,161,098
			Financial Year 2010-11	13,414,461
Income Tax Act, 1961	Income Tax	The Deputy Commissioner of Income Tax	Assessment Year 1998 - 99	6,768,009
			Assessment Year 2008 – 09	7,138,821
			Assessment Year 2009 - 10	46,407,820
Finance Act, 1994	Service Tax	Commissioner Appeals Service Tax, Pune	April & May 2006	6,988,858
		Service Tax Tribunal, Delhi	January 2007 to December, 2007	530,008
		Service Tax Tribunal, Mumbai	January 2008 to September, 2008	317,044
		Service Tax Tribunal, Mumbai	October 2007 to December, 2008	4,793,967

d) There were no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and Rules made thereunder.

(viii) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.

(ix) According to the information and explanation given to us, there were delays in repayment of due to bank and debenture holders (including during the year) as given below:

Nature of Dues	Amount of Default (Including Interest)	Period of delay – In the range of no. of days
18.25% Non -Convertible Debentures	108,749,397	1 to 44 days
Term loans from banks	9,732,173	3 to 110 days

There were no delays in repayment of dues to financial institutions.

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interests of the Company.

(xi) In our opinion and according to the information and explanations given to us, the term loan have been applied by the Company during the year for the purposes for which they were obtained during the year.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. - 117366W / 100018)

Hemant M. Joshi
Partner
(Membership No. 038019)

Mumbai, May 12, 2015

Vascon Engineers Limited
Balance Sheet as at 31st March 2015

Particulars	Note	(Amount in Rupees) As at March 31, 2015	(Amount in Rupees) As at March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	90,47,59,270	90,18,25,500
Reserves and surplus	4	3,92,89,36,643	5,34,40,77,568
		4,83,36,95,913	6,24,59,03,068
Non current liabilities			
Long term borrowings	5	25,14,95,188	59,39,63,786
Long term provisions	6	3,17,18,072	-
		28,32,13,260	59,39,63,786
Current liabilities			
Short term borrowings	7	2,02,01,25,368	2,04,92,01,293
Trade payables	8	1,59,87,05,072	1,57,63,73,287
Other current liabilities	9	2,35,16,83,717	1,89,65,45,302
Short term provisions	10	4,87,64,137	8,32,70,459
		6,01,92,78,294	5,60,53,90,341
Total equity and liabilities		11,13,61,87,467	12,44,52,57,195
Assets			
Non current assets			
Fixed assets			
- Tangible assets	11	62,31,84,676	45,60,31,368
- Intangible assets	11	-	-
- Capital work in progress		2,12,50,578	74,07,406
Non current investments	12	1,81,73,42,235	1,48,47,52,177
Deferred tax assets (net)	13	-	-
Long term loans and advances	14	2,82,30,15,186	3,02,24,63,954
Other non current assets	15	1,88,215	88,008
		5,28,49,80,890	4,97,07,42,913
Current assets			
Current investments	16	27,65,31,478	53,59,37,553
Inventories	17	2,25,32,61,444	2,35,53,60,227
Trade receivables	18	1,46,65,29,756	2,00,65,58,695
Cash and bank balances	19	27,24,01,741	29,71,52,013
Short term loans and advances	20	51,26,20,474	1,14,66,60,430
Other current assets	21	1,06,98,61,684	1,13,28,45,364
		5,85,12,06,577	7,47,45,14,282
Total assets		11,13,61,87,467	12,44,52,57,195

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

R Vasudevan
Managing Director

V Mohan
Chairman

Hemant M. Joshi
Partner

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthi
Company Secretary & Compliance

D Santhanam
Chief Financial Officer

Place : Pune
Date : 12th May 2015

Place : Mumbai
Date : 12th May 2015

Vascon Engineers Limited
Statement of Profit and Loss for the year ended 31st March 31, 2015

Particulars	Note No	(Amount in Rupees) For the year ended March 31, 2015	(Amount in Rupees) For the year ended March 31,2014
Revenue from operations	22	2,95,08,62,935	3,30,79,84,462
Other income	23	15,23,26,481	14,22,34,004
Total revenue		3,10,31,89,416	3,45,02,18,466
Construction expenses	24	3,22,64,36,381	3,02,56,98,393
Purchases of stock-in-trade	25	15,33,66,871	4,13,071
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(9,99,15,286)	(31,73,82,713)
Employee benefit expense	27	40,78,51,853	45,30,45,439
Finance costs	28	26,74,51,625	36,29,83,572
Depreciation and amortization expense	11	10,97,64,361	10,77,42,189
Other expenses	29	43,19,61,445	26,65,57,778
Total expenses		4,49,69,17,250	3,89,90,57,729
Loss before exceptional Items and tax		(1,39,37,27,834)	(44,88,39,263)
Exceptional items	30	(2,23,24,586)	84,173
Loss before tax		(1,41,60,52,420)	(44,87,55,090)
Tax expense:			
Current tax		-	-
MAT credit entitlement		-	-
Deferred tax		-	-
(Excess) / Short provision for tax of earlier years	31	3,08,63,929	-
		3,08,63,929	-
Loss after tax for the year		**(1,44,69,16,349)**	**(44,87,55,090)**
Earnings / (Loss) per equity share (of Rs. 10/- each fully paid up) :			
Basic		(16.03)	(4.98)
Diluted		(16.03)	(4.98)

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

R Vasudevan
Managing Director

V Mohan
Chairman

Hemant M. Joshi
Partner

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthi
Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Place : Pune
Date : 12th May 2015

Place : Mumbai
Date : 12th May 2015

Vascon Engineers Limited
Cash Flow Statement for the year ended March 31,2015

Particulars	(Amount in Rupees) For The Year Ended March 31, 2015	(Amount in Rupees) For The Year Ended March 31,2014
Profit/(loss) before taxation	(1,41,60,52,420)	(44,87,55,089)
Adjustments for:-		
- Depreciation and amortisation expense	10,97,64,361	10,78,78,626
- Finance costs	26,74,51,625	36,29,83,572
- Dividend income	(5,67,246)	(53,22,296)
- Expense employee stock option scheme	3,50,62,500	1,27,96,875
- Reversals of employee stock option compensation	-	(84,173)
- Provision for Dimunition in value of investment	3,71,50,950	-
- Interest income	(8,16,71,538)	(13,24,44,402)
- Provision for doubtful debt and advances	5,44,78,125	74,99,275
- Bad debts and other receivables, loans and advances written off	8,52,02,377	-
- Decline in value of Investment (exceptional items)	2,23,24,586	-
- Provision no longer required wriitten back	(4,26,66,062)	-
- Provision for unapproved sales	22,11,480	(58,55,690)
- (Profit) loss on sale of assets	(2,45,56,497)	-
- (Profit) loss on sale of investments	-	(16,46,27,948)
Operating Profit/(loss) before working capital changes	(95,18,67,759)	(26,59,31,250)
Adjustments for (increase)/ decrease in operating assets		
Inventories before capitalisation of borrowing cost	32,11,26,884	(2,47,03,511)
Trade receivables (Refer note 2 below)	23,64,91,489	66,63,19,273
Unbilled revenues and unearned receivables	37,17,48,527	26,18,40,137
Long term loans and advances	32,17,27,866	(82,03,87,328)
Other non current assets	(1,00,207)	90,42,487
Short term loans and advances (Refer note 3 below)	6,41,97,522	(14,29,00,491)
Other current assets	14,04,64,927	(11,15,55,908)
Adjustments for (increase)/ decrease in operating liabilities		
Current trade payables	6,46,47,090	(47,58,67,384)
Provisions	(15,69,767)	1,03,49,846
Other current liabilities (Refer note 2 below)	9,91,59,079	6,22,07,169
Cash generated from operations	66,60,25,652	(83,15,86,960)
Net Income tax (paid)/refund	(9,34,71,245)	(5,96,21,668)
Net Cash flow from/(used in) operating activities	57,25,54,407	(89,12,08,627)
Cash flow from investing activities		
Purchase of fixed assets including capital work in progress (Refer note 2 below)	(6,56,80,817)	(2,25,15,045)
Dividend received	5,67,246	53,22,296
Proceeds on disposal of fixed assets	3,28,36,518	64,01,947
Proceeds on disposal of securities/investments (Refer note 3 below)	4,81,63,894	90,47,620
Purchase of Long Term investments	(3,70,00,000)	(9,68,32,098)
Share application money (given)/ refund	(1,08,12,800)	4,14,39,070
Investments in fixed deposits with banks	(1,99,46,370)	2,27,36,765
Investments in liquid mutual funds	(4,44,46,555)	(48,87,093)
Net Cash generated / (used) in investing activities	(9,63,18,884)	(3,92,86,538)
Cash flow from financing activities		
Proceed from issue of Equity shares	29,33,771	24,000
Share application money received	-	(24,000)
Proceed / repayment from/to long term borrowing	(5,35,79,523)	(45,67,89,908)
Increase / (decrease) in Non Convertible Debentures	-	65,00,00,000
Proceed / repayment from/to Short term borrowing	(2,90,75,926)	34,97,02,126
Decrease / (increase) in intercorporate deposits	-	81,75,09,447
(Increase) / decrease in advances to joint venture, subsidiaries	(3,56,09,694)	4,62,22,734
Interest income	7,94,82,659	13,24,44,402
Finance cost including capitalised to qualifying assets	(48,51,98,166)	(54,73,09,471)

Net Cash generated / (used) in financing activities	(52,10,46,878)	99,17,79,330
Net cash inflow / (outflow)	(4,48,11,355)	6,12,84,164
Cash and cash equivalents at the beginning of the year (Refer note - 19)	17,88,62,771	11,75,78,606
Cash and Cash equivalent taken over on merger of AOP	1,14,713	-
Cash and cash equivalents at the end of the year (Refer note - 19)	13,41,66,129	17,88,62,770
Net (decrease) / increase in cash and cash equivalents	(4,48,11,355)	6,12,84,164

See accompaning notes forming part of the financial statements

Notes :-

1. Figures in brackets represent outflows of cash and cash equivalents.

2. During the year, the Company has received building worth Rs. 2,150 lakhs from customer in lieu of trade receivable of Rs. 1,750 lakhs and balance is shown under advance from customer against other projects. This being a non-cash transaction, the same has been appropriately excluded from purchase of fixed assets, trade receivable and other current liabilities.

3. Purchase of investment and short term loans & advances excludes Rs. 1,428.79 lakhs being conversion of loan to preference shares capital.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R Vasudevan
Managing Director

V Mohan
Chairman

Dr Santosh Sundararajan
Chief Executive Officer

Hemant M. Joshi
Partner
Place : Pune
Date : 12th May 2015

M Krishnamurthi
Company Secretary &
Compliance Officer

D Santhanam
Chief Financial Officer

Place : Mumbai
Date : 12th May 2015

Vascon Engineers Limtied
Notes forming part of the financial statements

1 Corporate Information

Vascon Engineers Limited (the 'Company') was incorporated on January 1, 1986 and is engaged in the business of Engineering, Procurement and Construction services (EPC) and Real Estate Development. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

2 Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of Estimates

The preparation of the financial statements, in conformity with the Indian GAAP, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liability) at the date of the financial statements and the reported amounts of revenues and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

2.3 Tangible Asset, Intangible asset and capital work in progress

a) Fixed assets are carried at cost less accumulated depreciation/amortisation. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

b) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and disclosed separately.

c) Capital Work in Progress - Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Revenues earned if any, before capitalization from such capital project are adjusted against capital work in progress.

d) Borrowing cost relating to acquisition / construction /development of tangible asset and capital work in progress which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such asset are ready to be put to use.

2.4 Impairment of fixed assets

At the end of each year, the management reviews the carrying values of assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of individual asset, the management estimates the recoverable amount of the cash generating unit to which the asset belongs. Intangible assets are tested for impairment every financial year even if there is no indication that the asset is impaired.

If the recoverable amount of an asset of cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or the cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset of cash generating unit is increased to the revised estimate of a recoverable amount, not exceeding the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is

2.5 Depreciation / Amortisation / Diminution

a) Depreciation on tangible fixed assets is provided for on written down value method based on estimated useful life of fixed assets.

Assets	Useful Life
Leasehold Land	Over the period of the lease
Building*	60 years
Plant and machinery	15 years
Furniture and fixtures*	10 years
Vehicles*	8 years
Office equipments*	3 to 6 years

* Estimated useful life of assets consistent with the useful life specified in Schedule II of the Companies Act, 2013.

The economic useful life of assets has been assessed based on technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history etc.

b) Intangible assets are amortised on the written down value method over their estimated useful life.

c) Fixed assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

d) Depreciation on assets acquired/purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/discard.

e) Cost of acquisition of share in partnership firm is amortised on systematic manner. Adjustments are made for any permanent impairment in value, if any.

2.6 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.7 Recognition of Revenue / Cost

a) **Construction contracts**

Revenue from fixed price construction contracts is recognised on the Percentage Of Completion Method (POCM). 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 total estimated contract cost, as the case may be. The estimate of total contract cost has been made at the time of commencement of contract work and reviewed and revised, by the technical experts, from time to time during period in which the contract work is executed. Future expected loss, if any, is recognised immediately 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 as unbilled revenue under the head “Other Current Assets” " and billing in excess of contract revenue has been reflected as Unearned Revenue under the head "Other Current Liabilities" in the Balance Sheet.

The Company provides for cost to be incurred during warranty period for servicing warranties on the completed projects. Such amount, net of the obligations on account of sub-contractors, is determined on the basis of technical evaluation and past experience of meeting such costs.

Escalation claims raised by the Company are recognised when negotiations have reached an advanced stage such that customers will accept the claim and amount that is probable will be accepted by the customer can be measured reliably.

b) **Real estate development**

(i) Completed Units

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

(ii) Units Under Development

Revenue from sales of such units is recognized as and when all the following conditions are satisfied:

(a) The underlying significant risk and rewards of ownership are transferred to the purchaser.

(b) All critical approvals necessary for commencement of the project are obtained .

(c) Reasonable level of development is reached when project cost incurred excluding land cost and borrowing cost exceeds 25% of the project cost.

(d) Atleast 25% of the estimated project area are secured by contracts or agreement with the buyers.

(e) Atleast 10% of the total revenue as per agreements of sale are realised at the reporting date in respect of each of the contracts and there are no outstanding defaults of the payment terms in such contracts.

(f) Certainty of recoverability of the balance consideration.

Project revenue and project costs associated with the real estate project are recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date in accordance with "Guidance Note on Accounting for real estate transactions".

The percentage completion for the purpose of recognition of revenue 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, construction and development costs of such properties borrowing costs and overheads, 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 recognised as income during the relevant period on the basis of accounts made-up audited or unaudited as the case may be 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 when the right to receive the rent is established.

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

h) 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.

2.8 Inventories

a) Stock of Materials, etc.

Stock of materials, etc. has been valued at lower of cost or net realisable value. The cost is determined on Weighted Average method.

b) Development Work

(i) Development - Completed Units

Finished goods comprising of constructed units ready for sale are valued at lower of cost and net realisable value.

(ii) Development - Units under construction

The unit under construction to the extent not recognised as sales under the revenue recognition policy adopted by the Company is carried at lower of cost or net realisable value on the basis of technical estimate certified by the Managing Direcor / Technical Experts.

c) Stock of Trading Goods

Stock of trading goods has been stated at cost or net realisable whichever is lower. The cost is determined on Weighted Average Method.

2.9 Retirement benefits

a) **<u>Short-term Employee Benefits</u>** -

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by the employees is recognised during the year when the employees render the service.

b) **<u>Post Employment Benefits</u>**

i) <u>Defined Contribution Plan</u> -

Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

ii) <u>Defined Benefit Plan</u> -

The Company's liability towards gratuity is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service costs is recognised on a straight line basis over the average period until the benefits become vested. To the extent the benefits are vested, the past service cost is recognised immediately in the Statement of Profit and Loss.

The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation adjusted for unrecognised past service cost and as reduced by the fair value of the scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

c) **<u>Other Long-term Employee Benefits</u> -**

The Company's liability towards compensated absence which are not expected to accrue within twelve months after the end of the period in which employee renders the related service is determined by using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

2.10 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Advances/deposits given to the vendors under the contractual arrangement for acquisition/construction of qualifying assets is considered as cost for the purpose of capitalization of borrowing cost.

2.11 Leases

a) Assets acquired on leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to statement of profit and loss on accrual basis.

b) Assets leased out under operating leases are capitalized. Rental income recognized on accrual basis over the lease term.

2.12 Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimates required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed in the financial statements unless the probability of outflow of resources is remote. A contingent asset is neither recognised nor disclosed in the financial statements.

2.13 Taxes on Income

a) Tax expense comprises of current tax and deferred tax.

b) Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates and tax laws.

c) Deferred tax is recognised on timing differences between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future income will be available against which these can be realised. Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognised only if there is virtual certainty that sufficient future taxable income will be available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

d) Minimum Alternate Tax (MAT) credit entitlement available under the provisions of Section 115JAA of the Income Tax Act, 1961 is recognised if there is convincing evidence that the Company will pay normal tax during the specified future period. The Company reviews the carrying amount of MAT credit entitlement at each balance sheet date and writes-down the carrying amount to the extent there is no longer convincing evidence that the Company will pay normal tax during the specified future period.

2.14 Joint Venture Projects

a) **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, as may be belonging to the Company, under respective heads in the financial statements.

b) **Jointly Controlled Entities -**

i) Integrated Joint Ventures -
Company's share in profits or losses of Integrated Joint Ventures is accounted on determination of the profits or losses by the joint venture.
Investments in Integrated Joint Ventures are carried at cost net of company's share in recognised profits or losses.

ii) Incorporated Jointly Controlled Entities -
• Income on investments in incorporated Jointly Controlled Entities is recognised when the right to receive the same is established.
• Investment in such Joint Ventures are carried at cost after providing for diminution in value considered other than temporary in nature in the opinion of the management, if any.

2.15 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.
Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.16 Employee Stock Option Scheme

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The Company accounts the employee stock based compensation under intrinsic value method. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

2.17 Foreign currency transaction

a) Initial Recognition
Transactions in foreign currency are initially recorded at the exchange rate prevailing on the date of the transaction.

b) Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary foreign currency items are carried at their historical costs and not retranslated. Gains and losses arising on translation and settlement of foreign currency monetary assets and liabilities are recognised in the Statement of Profit and Loss.

c) Exchange Difference
Exchange differences on forward exchange contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognised in the Statement of Profit and Loss.

2.18 Earning Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholder by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to equity shareholders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents presented in cash flow statement consists of cash in hand and unencumbered, highly liquid bank and other balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

	(Amount in Rupees)	(Amount in Rupees)
	As at March 31, 2015	**As at March 31, 2014**
3 Share capital		
Authorised capital		
200000000 (150000000) equity shares of Rs. 10/- each	2,00,00,00,000	1,50,00,00,000
	2,00,00,00,000	1,50,00,00,000
Issued, subscribed and paid up		
90475927 (90182550) equity shares of Rs. 10/- each fully paid up	90,47,59,270	90,18,25,500
	90,47,59,270	90,18,25,500

The company has only one class of equity shares having a par value of Rs 10 each holder of equity share is entitled for one vote per share held in the event of liquidation of the company the holder of the equity share will be entitled to receive remaining asset after deducting all its liabilities in proportion to the number of equity shares held.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Description	No of shares	(Amount in Rupees)	No of shares	(Amount in Rupees)
No of shares outstanding at the beginning of the Year	9,01,82,550	90,18,25,500	9,01,80,150	90,18,01,500
Fresh allotment			-	
Bonus shares			-	
Shares issued on exercise of employee stock options	2,93,377	29,33,770	2,400	24,000
Initial public offer			-	
Conversion of debentures			-	
No of shares outstanding at the end of the Year	9,04,75,927	90,47,59,270	9,01,82,550	90,18,25,500

Shareholders holding more than 5 percent shares in the Company

Name of the shareholder	No of shares	% of Equity Shares Held	No of shares	% of Equity Shares Held
HDFC Ventures Trustee Company Limited	1,16,12,407	12.83	1,16,12,407	12.88
Golden Temple Pharma Pvt Ltd	97,83,273	10.81	97,83,273	10.85
Dreamz Impex Pvt Ltd	97,83,273	10.81	97,83,273	10.85
R Vasudevan	94,15,529	10.41	94,15,529	10.44
Dna Pharma Pvt Ltd	89,68,000	9.91	89,68,000	9.94
Premratan Exports Pvt Ltd	66,67,637	7.37	66,67,637	7.39
Medicreams India Pvt Ltd	66,67,637	7.37	66,67,637	7.39
Orion Life Sciences Pvt Ltd	61,12,000	6.76	61,12,000	6.78
Vatsalya Enterprises Pvt.Ltd.	52,27,273	5.78	52,27,273	5.80

	(Amount in Rupees)	(Amount in Rupees)
	As at March 31, 2015	**As at March 31, 2014**
4 Reserves and surplus		
Securities premium		
Opening Balance	3,88,28,89,855	3,88,28,00,071
Add: Premium on shares issued during the year	28,60,426	89,784
	3,88,57,50,281	3,88,28,89,855
Share options outstanding account		
Opening Balance	1,27,96,873	1,73,955
Add: Amount recorded on grants	3,50,62,500	1,27,96,875
Less: Transferred to securities premium account on exercise	28,60,426	-
Less: Forfeited during the year	-	(1,73,957)
	4,49,98,947	1,27,96,873
Surplus/(Deficit) in statement of Profit & Loss		
Opening Balance	1,44,83,90,841	1,89,71,45,930
Less : - Transfer to debenture redemption reserved	15,37,50,000	-
Less : - Depreciation on transition to schedule II of the companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)(Refer note	32,87,077	-
Add: Profit/(loss) for the year	(1,44,69,16,349)	(44,87,55,090)
	(15,55,62,585)	1,44,83,90,840
Debenture Redemption Reserved		
Opening Balance	-	
Add : Transferred from surplus/(Deficit) in statement of profit and loss	15,37,50,000	-
	15,37,50,000	-
	3,92,89,36,643	5,34,40,77,568
5 Long term borrowings		
Secured		
Privately Placed Non Convertible & Non Transferable Debentures		
18.25% Non - Convertible Debentures of Rs 1,00,000/- each	22,80,00,000	57,00,00,000
	22,80,00,000	57,00,00,000
Term loans		
- from banks	65,14,951	1,11,34,947
	65,14,951	1,11,34,947
Long term maturities of finance lease obligations		
- from financial institution	38,66,488	-
	38,66,488	-
Unsecured		
Public deposits	20,50,000	15,00,000
Inter corporate deposits	20,02,603	13,31,790
Loans and advances from related parties (subsidiaries) (Refer Note 38)	90,61,146	99,97,048
	1,31,13,749	1,28,28,838
	25,14,95,188	59,39,63,786

5.1 Disclosure regarding long term borrowings

Name of the lender	Outstanding amount	Current Maturities	Long Term				Rate of interest	Nature of security
			2016-17	2017-18	2018-19	Total Long Term Borrowings		
I. Secured								
a) Privately Placed 18.25% Non Convertible & Non Transferable Debentures of Rs 1,00,000/- each	61,50,00,000	38,70,00,000	22,80,00,000	-	-	22,80,00,000	18.25%	Equitable mortgage of specific properties belonging to the Company and a wholly owned subsidiary, specific receivables of the Project. and exclusive charge on escrow account and Debt Service Reserve Account and related investments thereof. First charge of TDR certificate acquired for the project. Irrevocable and unconditional personel gurantee by Managing Director.
b) Term loans								
- from banks								
The Saraswat Co Operative Bank Ltd	1,18,98,292	53,83,341	4620000	18,94,951	-	65,14,951	14.50%	Equitable mortgage of office no.502 & 503 ("C" Wing),Neelkanth Business Park,Vidya Vihar , Mumbai
Volkswagen Finance Private Limited	52,00,000	13,33,512	13,33,512	13,33,512	11,99,464	38,66,488	10.25%	Hypothecation of Vehicle/Asset financed by them
II. Unsecured								
a) Public deposits (accepted for a period of 400 days)								
- Due within next 12 months	19,66,42,000	19,45,92,000	20,50,000	-	-	20,50,000	12.50%	Not Applicable
b) Inter corporate loans								
IBM India Pvt Ltd	86,70,613	82,13,213	4,57,400	-	-	4,57,400	13% to 13.54%	Not Applicable
Leverage Finance & Securities P.Ltd	2,50,00,000	2,50,00,000	-	-	-	-	12.00%	
Yester Investment Pvt Ltd	7,50,00,000	7,50,00,000	-	-	-	-	12.00%	
Conamore Reosrts Pvt Ltd	15,45,203	-	15,45,203	-	-	15,45,203	11.00%	
c) Loans and advances from related parties								
- Subsidiaries								
Almet Corporation Limited	75,13,030	-	75,13,030	-	-	75,13,030	9.00%	Not Applicable
Marathawada Realtors Private Limited	15,48,116	-	15,48,116	-	-	15,48,116	9.00%	
Total	**94,80,17,254**	**69,65,22,066**	**24,70,67,261**	**32,28,463**	**11,99,464**	**25,14,95,188**		

* Interest accrued and due on borrowings as on 31st March, 2015 disclosed under current liabilities (Refer note No.9)

		(Amount in Rupees)	(Amount in Rupees)
		As at March 31, 2015	**As at March 31, 2014**
6	**Long term provisions**		
	Provision for employee benefits		
	Compensated Absences (Refer Note 10.2)	3,17,18,072	-
		3,17,18,072	-
7	**Short term borrowings**		
	Secured		
	Loans repayable on demand from banks	81,00,000	81,00,000
	Cash credit from banks	1,34,42,92,269	1,26,81,14,417
		1,35,23,92,269	1,27,62,14,417
	Unsecured		-
	a) Loans and advances from other parties	66,00,79,053	76,61,32,829
		66,00,79,053	76,61,32,829
	b) Loans and advances from related parties	76,54,046	68,54,047
		76,54,046	68,54,047
		2,02,01,25,368	2,04,92,01,293
	Cash Credit from State Bank of India @ 14.50% 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 entities including a wholly owned subsidiary, corporate guarantee of other Companies including a wholly owned subsidiary and personal guarantee of the Managing Director of the Company.	1,24,30,61,913	1,16,69,56,053
	Cash Credit from Central Bank of India @ 16.5% is secured by way of hypothecation of stock, raw materials, work in progress, finished goods and receivables on pari passu basis with State Bank of India and equitable mortgage of specified properties of two wholly owned subsidiaries, corporate guarantee of two wholly owned subsidiaries and personal guarantee of the Managing Director of the Company.	10,12,30,356	10,11,58,364
	Aggregate amount of short term borrowing guaranteed by director	1,34,42,92,269	1,26,81,14,417
	The Demand Loan from bank is secured by Fixed deposit placed with the bank	81,00,000	81,00,000
		81,00,000	81,00,000
	(Unsecured loan have been availed at interest rate ranging from 12% - 16.5%)		
8	**Trade Payables**		
	Trade payables (Refer Note - 39)	1,59,87,05,072	1,57,63,73,287
		1,59,87,05,072	1,57,63,73,287

	(Amount in Rupees)	(Amount in Rupees)
	As at March 31, 2015	**As at March 31, 2014**
9 Other current liabilities		
Current maturities of long term debt (Refer note 5.1)	69,51,88,554	40,76,32,991
Current maturities of finance lease obligations	13,33,512	-
Interest accrued but not due on borrowings	5,28,55,666	79,55,340
Interest accrued and due on borrowings	17,48,81,415	16,08,04,966
Income received in advance (Unearned revenue)	55,53,15,077	52,16,85,156
Less: related debtors	(35,92,56,243)	(29,36,50,854)
	19,60,58,834	22,80,34,302
Unpaid dividends*	15,702	15,702
Other Payables		
i) Statutory remittances (Contribution to PF,ESIC,with holding taxes,VAT,Service	29,37,95,742	21,24,12,946
ii) Payable on purchase of fixed assets	22,03,720	36,88,078
iii) Commitment and other deposits	21,32,12,994	18,76,38,895
iv) Advance from customers	83,66,34,511	79,14,89,298
Less: related unbilled revenue	(26,07,65,699)	(40,38,27,611)
	57,58,68,812	38,76,61,687
v) Advances / loans from firms / AOP in which Company or subsidiary is partner / member	7,18,62,484	20,01,81,409
vi) Overdrawn Bank Balance	6,68,27,015	2,20,60,129
vii) Others	75,79,267	7,84,58,857
	2,35,16,83,717	1,89,65,45,302

*Unpaid dividend does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

Interest accrued and due on borrowings from banks paid subsequently	4,84,590	91,923
Interest accrued and due on borrowings from banks not paid	1,51,344	69,90,040
Interest accrued and due on borrowings from other parties paid Subsequently		-
Interest accrued and due on borrowings from other parties not paid	17,42,45,481	15,37,23,003

10 Short term provisions		
a) Provision for employee benefits		
(i) Compensated absences	1,07,32,602	4,43,01,939
(ii) Gratuity	3,31,09,506	2,50,24,657
	4,38,42,108	6,93,26,596
b) Others		
(i) Taxation	37,22,866	49,41,349
(ii) Warranty	11,99,163	90,02,514
	49,22,029	1,39,43,863
	4,87,64,137	8,32,70,459

10.1 Movement in Warranty Provision

Details of provisions and movement in each class of provision as required by the Accounting Standard on provision, contingent liabilities and contingent assets (Accounting Standard 29)

Carrying amount at the beginning of the year	90,02,514	90,02,514
Add :- Additional provision made during the year	-	-
Less :- Amount used during the year	46,12,672	-
Less :- Unused amount reversed during the year	31,90,679	-
Carrying amount at the end of the year	**11,99,163**	**90,02,514**

Warranty cost are accured on completion of project, based on past experience. The provision is discharged over the warranty period from the date of project completion till the defect liability period of particular project.

10.2 Employee benefit plans

(A) Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized Rs.152.42 lakhs for Provident Fund contributions (March 31, 2014:Rs.185.72 lakhs) in the Statement of Profit and Loss. The provident fund contributions payable by the Company are in accordance with rules framed by the Government from time to time.

(B) Defined Benefit Plan

The Company makes annual contribution towards gratuity to fund for qualifying employees. The funded gratuity plan provides for a lump sum payment to employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of continuous service.

Particulars	**Amount in Rupees.**	
	Gratuity (Funded)	
Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows	**Current year**	**Previous Year**
Present Value of Defined Benefit Obligation as on April 1,	3,05,91,804	3,16,12,292
Current Service cost	74,15,505	73,23,627
Interest Cost	26,39,820	22,78,968
Losses (gains) on Curtailment	-	-
Liabilities extinguished on settlements	-	-
Plan amendments	-	-
Actuarial (gains) / losses	(12,57,521)	(43,72,700)
Benefits paid	(37,96,219)	(62,50,383)
Present value of Defined Benefit Obligation as on Balance Sheet date.	3,55,93,389	3,05,91,804

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :	**Current year**	**Previous Year**
Fair value of Plan assets as on April 1,	55,67,147	1,10,88,855
Expected return on plan assets	3,54,168	7,28,675
Actuarial gains/(losses)	(44,513)	-
Actual contributions by employers	4,03,300	-
Benefits paid	(37,96,219)	(62,50,383)
Plan assets as on March 31,	24,83,883	55,67,147

Acturial (Gain) / Loss Recognised	**Current year**	**Previous Year**
Acturial (Gain) / Loss for the period - obligation	(12,57,521)	(43,72,700)
Acturial (Gain) / Loss for the period - Plan Assets	(44,513)	
Total Acturial (Gain) / Loss for the period	(13,02,034)	(43,72,700)
Acturial (Gain) / Loss Recognised	(13,02,034)	(43,72,700)

Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance	**Current year**	**Previous Year**
Present value of Defined Benefit Obligation	3,55,93,389	3,05,91,804
Fair value of plan assets	24,83,883	55,67,147
Funded status [Surplus/(Deficit)]	(3,31,09,506)	(2,50,24,657)
Unrecognized Past Service Costs	-	-
Net asset/(Liability) recognized in Balance Sheet	**(3,31,09,506)**	**(2,50,24,657)**

Components of employer expenses recognized in the statement of profit and loss for the year ended March 31,	**Current year**	**Previous Year**
Current Service cost	74,15,505	73,23,627
Interest cost	26,39,820	22,78,968
Expected return on plan assets	(3,54,168)	(7,28,675)
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past Service cost	-	-
Actuarial Losses/(Gains)	(12,13,008)	(43,72,700)
Total expense recognized in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	**84,88,149**	**45,01,220**

In respect of Funded Benefits with respect to gratuity the fair value of Plan assets represents the amounts invested through "Insurer Managed Funds"

Principal Actuarial Assumptions :	Gratuity March 31,2015	Gratuity March 31,2014
Discount Rate (%)	7.80%	9.20%
Expected Return on plan assets (%)	9.15%	9.15%
Salary Escalation (%)	5%-10%	5%-10%
Expected average remaining working lives of employees	8.55%	8.54%

The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations

Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority,

Experience History	Gratuity as at March 31,2015				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined Benefit Obligation at the end of the period	3,55,93,389	3,05,91,804	3,16,12,292	3,18,40,729	2,99,16,136
Plan Assets at the end of the period	24,83,883	55,67,147	1,10,88,855	2,41,50,585	1,98,74,879
Funded Status	(3,31,09,506)	(2,50,24,657)	(2,05,23,437)	(76,90,144)	(1,00,41,257)
Experience adjustments on plan liabilities	(41,90,816)	(20,35,983)	45,41,423	(33,50,624)	39,44,319
Experience adjustments on plan assets	44,513	-	2,05,883	31,598	(24,69,713)
Actuarial Gain / Loss due to change on assumption	-	-	-	-	-

Actual Return on Plan Assets	March 31, 2015	March 31, 2014
Expected return on Plan Assets	3,54,168	7,28,675
Actuarial gains and (losses)	(44,513)	-
Actual Return on Plan Assets	3,09,655	7,28,675

Contributions expected to be paid to the plan during the next financial year Rs. 331.10 lakhs (Previous Year Rs. 250.25

(C) Compensated Absences

Compensated absenses charged to Statement of Profit and Loss Rs. 62.43 lakhs (Previous Year Rs. 122.26 lakhs) and liability as at 31st March, 2015 was Rs. 424.51 lakhs (Previous Year Rs. 443.02 lakhs).

(Amount in Rupees)

11 Fixed assets

	I. Tangible assets							II. Intangible assets
	Leasehold land	Buildings *	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total	Softwares
Gross carrying value								
As at April 1, 2014	16,78,245	17,16,06,724	55,19,37,057	3,87,83,462	1,57,76,451	5,20,74,089	83,18,56,028	4,27,57,553
Additions	-	22,57,96,336	2,82,66,673	16,96,593	76,27,136	14,47,555	26,48,34,293	43,273
Disposals	-	(1,07,38,399)	(19,45,230)	(16,65,048)	(13,30,969)		(1,56,79,646)	
As at March 31, 2015 (A)	16,78,245	38,66,64,661	57,82,58,500	3,88,15,007	2,20,72,618	5,35,21,644	1,08,10,10,675	4,28,00,826
Accumulated depreciation								
As at April 1, 2014	3,21,430	3,92,21,449	25,93,59,734	2,34,22,161	1,10,99,654	4,24,00,232	37,58,24,660	4,27,57,553
Additions #	40,434	1,51,10,599	5,91,61,929	50,65,601	16,34,339	51,00,986	8,61,13,888	43,273
Transition adjustment recorded against surplus balance in Statement of Profit & Loss (Refer Note 45)		-	-	-	-	32,87,077	32,87,077	-
Disposals		(38,43,299)	(12,82,795)	(10,66,013)	(12,07,519)	-	(73,99,626)	
As at March 31, 2015 (B)	3,61,864	5,04,88,749	31,72,38,868	2,74,21,749	1,15,26,474	5,07,88,295	45,78,25,999	4,28,00,826
Net carrying value as at March 31, 2015 (A) - (B)							62,31,84,676	-
Gross carrying value								
As at April 1, 2013	16,78,245	17,16,06,724	55,11,43,205	3,86,66,306	1,55,68,504	5,11,37,510	82,98,00,494	3,92,85,147
Additions			1,33,66,082	1,17,156	18,72,440	9,46,279	1,63,01,957	34,72,406
Disposals			(1,25,72,230)		(16,64,493)	(9,700)	(1,42,46,423)	
As at March 31, 2014 (A)	16,78,245	17,16,06,724	55,19,37,057	3,87,83,462	1,57,76,451	5,20,74,089	83,18,56,028	4,27,57,553
Accumulated depreciation								
As at April 1, 2013	2,93,740	3,22,53,803	21,88,06,267	1,99,70,696	1,13,72,400	3,90,97,339	32,17,94,245	3,92,85,147
Additions	27,690	69,67,646	4,70,50,662	34,51,465	10,71,023	33,06,405	6,18,74,891	34,72,406
Disposals			(64,97,195)		(13,43,769)	(3,512)	(78,44,476)	
As at March 31, 2014 (B)	3,21,430	3,92,21,449	25,93,59,734	2,34,22,161	1,10,99,654	4,24,00,232	37,58,24,660	4,27,57,553
Net carrying value as at March 31, 2013 (A) - (B)							45,60,31,368	

* Cost of building includes amount paid for shares in Co- Operative Societies/ Companies.

The amount of depreciation and amortization expense includes the amortization of goodwill on purchase of additional stake in Ajanta Enterprises of Rs 23,607,200/- (Previous year Rs 42,531,330) (Refer note -1:

		(Amount in Rupees)	(Amount in Rupees)
		As at March 31, 2015	**As at March 31, 2014**
12	**Non current investments - Carried at cost**		
	Trade:-		
	Investment in equity instruments		
	a) Subsidiaries		
	Greystone Premises Private Limited 6500 (6500) Equity Shares of Rs. 10/- Each Fully Paid	65,000	65,000
	Almet Corporation Limited 58824 (58824) Equity Shares of Rs 100/- Each Fully Paid	14,75,66,080	14,75,66,080
	Marathawada Realtors Private Limited 39216 (39216) Equity Shares of Rs 100/- each Fully Paid	22,51,06,171	22,51,06,171
	IT Citi Infopark Private Limited 10000 (10000)Equity Shares of Rs. 10/- Each Fully Paid	1,00,000	1,00,000
	Wind Flower Properties Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	1,00,000	1,00,000
	Floriana Properties Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	1,00,000	1,00,000
	Marvel Housing Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	1,00,000	1,00,000
	Vascon Dwelling Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	1,00,000	1,00,000
	Vascon Pricol Infrastructures Limited 7100000 (4970000) Equity Shares of Rs. 10/- Each Fully Paid	8,67,00,000	4,97,00,000
	GMP Technical Solutions Private Limited 12689 (12689) Equity Shares of Rs. 10/- Each Fully Paid	39,40,62,542	39,40,62,542
	Just Homes India Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	6,00,50,000	6,00,50,000
		91,40,49,793	87,70,49,793
	b) Joint ventures		
	Cosmos Premises Private Limited 177401 (177401) Equity Shares of Rs. 10/- Each Fully Paid	3,67,90,610	3,67,90,610
	Phoenix Venture	2,00,00,000	2,00,00,000
		5,67,90,610	5,67,90,610
	c) Associates		
	Mumbai Estates Private Limited 99999 (99999) Equity Shares of Rs. 10 /- Each Fully Paid	9,99,990	9,99,990
	Angelica Properties Private Limited 605131 (4710000) Equity Shares of Rs. 10/- Each Fully Paid	60,51,310	5,44,50,000
		70,51,300	5,54,49,990
	Investment in preference shares		
	Associates		
	Angelica Properties Private Limited NIL (462625) 0.10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- Each Fully Paid	-	2,96,08,000
	Angelica Properties Private Limited NIL (307800) Compulsory Convertible Preference Shares of Rs. 10/- Each Fully Paid	-	1,23,12,000
	GMP Technical Solutions Private Limited (Pending Allotment (Refer note 49) 7% Redeemable Non-Cumulative Preference Shares	14,28,79,300	-
		14,28,79,300	4,19,20,000

	(Amount in Rupees) As at March 31, 2015	(Amount in Rupees) As at March 31, 2014
Investment in partnership firms (Refer Note 37)		
Ajanta Enterprises		
Capital investment	3,19,70,000	3,19,70,000
Cost of investment	41,89,30,784	46,14,62,114
Less: amortization of cost of investment	(2,36,07,232)	(4,25,31,330)
	42,72,93,552	45,09,00,784
Investment in limited liability partnership		
Vascon Renaissance EPC LLP	-	65,000
	-	65,000
Investment in Government or trust securities		
7 Years National Savings Certificate	20,000	20,000
	20,000	20,000
Other investments - Equity instruments		
Quoted		
Corporation Bank Limited 1000 (1000) Equity Shares of Rs.10/- Each fully paid	16,000	16,000
	16,000	16,000
Unquoted		
The Saraswat Co Operative Bank Ltd 2500 (2500) Equity Shares Of Rs.10/- Each Fully Paid	25,000	25,000
Sahyadri Hospitals Limited 250000 (250000) Equity Shares Of Rs.10/- Each Fully Paid	25,00,000	25,00,000
Core Fitness Private Limited 150 (150) Equity Shares of Rs. 100/- Each Fully Paid	15,000	15,000
Ascent Hotels Private Limited 6669492 (Nil) Equity Shares of Rs. 10 /- Each Fully Paid	26,67,01,680	-
	26,92,41,680	25,40,000
	1,81,73,42,235	1,48,47,52,177
Quoted investments		
- Book value	16,000	16,000
- Market value	52,200	55,340
Unquoted investments		
- Book value	1,81,73,26,235	1,48,47,36,177

13 Deferred tax assets (net)

Deferred tax asset	-	-
		-
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of Fixed Assets	3,22,21,817	1,57,98,547
Tax effect of items constituting deferred tax liability	3,22,21,817	1,57,98,547
Tax effect of items constituting deferred tax asset		
Provision for compensated absences and gratuity	2,33,48,095	77,32,619
Unabsorbed depreciation carried forward and brought forward business losses	88,73,722	80,65,928
Tax effect of items constituting deferred tax asset	3,22,21,817	1,57,98,547

Note:- The deferred tax asset on tax loss carried forward has been recognised to the extent of deferred tax liability in the books.

	(Amount in Rupees) As at March 31, 2015	(Amount in Rupees) As at March 31, 2014
14 Long term loans and advances		
(Unsecured considered good, unless otherwise stated)		
Capital advances	16,91,334	12,15,613
Security deposits		
Considered good	3,99,661	2,54,000
Considered doubtful	10,00,000	10,00,000
	13,99,661	12,54,000
Add / (less) : provision for doubtful loans and advances	(10,00,000)	-10,00,000
	3,99,661	2,54,000
Loans and advances to Subsidiaries (Refer note 38)	44,57,49,131	23,65,95,223
Advances / loans to firms / AOP in which Company or subsidiary is partner / member	6,35,95,289	4,85,43,330
Advance income tax*	38,06,62,900	31,46,80,446
MAT credit entitlement	20,50,379	66,44,000
Statutory dues recoverable	11,44,39,385	9,05,44,633
Other Loans and advances		
i) Project advances (Refer note below)	1,64,24,62,107	2,15,20,21,709
ii) Intercorporate deposits	17,19,65,000	17,19,65,000
	2,82,30,15,186	3,02,24,63,954

**Advance Income Tax are after netting of provisions for taxation of Rs. 592,590,997/- (Rs.590,686,608/-)*

As per the Agreements, the vendor is entitled to an agreed percentage of sale proceeds of the project as a consideration. No amount is payable if there is no sale. Hence there is no loss to the Company. Since the cost of acquisition of development rights is not ascertainable, the same is not accounted

	As at March 31, 2015	As at March 31, 2014
15 Other non current assets		
(Unsecured Considered Good, Unless Otherwise Stated)		
Balance held has margin money or security against borrowings,guarantees and other commitments	1,88,215	88,008
	1,88,215	88,008

	As at March 31, 2015	As at March 31, 2014
16 Current investments		
- Carried at lower of cost or fair value		
Viorica Properties Private Limited	24,09,48,780	24,09,48,780
16619939 (16619939) Equity Shares of Rs. 10/- Each Fully Paid		
Less : Provision for diminution in value of investment	(3,71,50,950)	-
	20,37,97,830	24,09,48,780
Ascent Hotels Private Limited #	-	26,67,01,680
Nil (6669492) Equity Shares of Rs. 10 /- Each Fully Paid		
Sita Lakshmi Mills Limited	2,34,00,000	2,34,00,000
806000 (806000) Equity Shares of Rs 50/- Each Fully Paid		
	22,71,97,830	53,10,50,460
Investment in Mutual Funds		
IDFC CASH FUND	4,93,33,648	48,87,093
	4,93,33,648	48,87,093
	27,65,31,478	53,59,37,553
Aggregate amount of unquoted investments	27,65,31,478	53,59,37,553

Investment classified to non current investment during the year.

		(Amount in Rupees)	(Amount in Rupees)
		As at March 31, 2015	**As at March 31, 2014**
17	**Inventories**		
	(At lower of cost or net realizable value)		
	Building materials / tools	39,98,35,610	60,18,49,679
	Projects under Development	1,85,34,25,834	1,75,35,10,548
		2,25,32,61,444	2,35,53,60,227
18	**Trade receivables**		
	a) Debtors		
	(Unsecured considered good, unless otherwise stated)		
	Outstanding for period exceeding six months		
	Considered good	1,20,34,25,994	1,42,73,86,029
	Considered doubtful	15,48,52,411	13,65,25,875
		1,35,82,78,405	1,56,39,11,904
	Add / (less) : provision for doubtful debts	(15,48,52,411)	(13,65,25,875)
		1,20,34,25,994	1,42,73,86,029
	Outstanding for period less than six months		
	Others considered good	26,54,42,753	45,08,39,090
	(Less) : provision for doubtful debts	(21,23,970)	(43,35,443)
		26,33,18,783	44,65,03,647
	b) Retention (accrued but not due)	39,51,92,811	42,63,19,873
	(Less) : provision for doubtful debts	(3,61,51,589)	-
		35,90,41,222	42,63,19,873
	Total debtors	**1,82,57,85,999**	**2,30,02,09,549**
	(Less) : related unearned receivables	(35,92,56,243)	(29,36,50,854)
		(35,92,56,243)	(29,36,50,854)
		1,46,65,29,756	2,00,65,58,695
	The activity in the provision for unapproved sales is given below:		
	Balance at the beginning of the Year	43,35,443	1,01,91,133
	Additions during the Year	19,70,045	3,77,612
	Utilization / transfers	(41,81,518)	(62,33,302)
	Balance at the end of the Year	21,23,970	43,35,443
	The activity in the provision for doubtful debts is given below:		
	Balance at the beginning of the Year	13,65,25,875	12,90,26,600
	Additions during the Year	12,40,35,873	2,93,23,175
	Utilization / reversals	(6,95,57,748)	(2,18,23,900)
		19,10,04,000	13,65,25,875
19	**Cash and bank balances**		
	a) Cash and cash equivalents		
	Cash on hand	1,61,87,881	1,42,53,677
	Cheques, drafts on hand	6,50,00,000	1,00,00,000
	Balances with banks in current accounts	2,92,45,089	13,56,43,974
	Balances with banks in deposit accounts with original maturity of less than 3 months	2,37,33,159	1,89,65,120
		13,41,66,129	17,88,62,771
	b) Other bank balances		
	Balances with banks in deposit accounts under banks lien for margin money	13,73,75,170	11,08,50,624
	Balances with banks in short term deposit accounts	8,44,740	74,22,916
	Balances with banks in unpaid dividend account	15,702	15,702
		13,82,35,612	11,82,89,242
		27,24,01,741	29,71,52,013

		(Amount in Rupees)	(Amount in Rupees)
		As at March 31, 2015	**As at March 31, 2014**
20	**Short term loans and advances**		
	(Unsecured considered good, unless otherwise stated)		
	Advances / loans to subsidiaries	-	14,67,50,537
	Advances / loans to firms / AOP in which Company or subsidiary is partner / member	12,85,90,429	56,74,95,125
	Security deposits	11,84,67,707	11,65,83,768
	Prepaid expenses	1,77,71,456	1,71,59,223
	Loans and advances to Other Parties	-	7,07,11,353
	Others (Trade Advances and Share & Bond application money paid)	24,77,90,882	22,79,60,424
		51,26,20,474	1,14,66,60,430
21	**Other current assets**		
	(Unsecured considered good, unless otherwise stated)		
	Unbilled revenues	64,62,99,191	1,19,30,85,098
	(Less) : related advance payment received	(26,07,65,699)	(40,38,27,611)
		38,55,33,492	78,92,57,487
	Interest accrued on deposits	21,88,879	-
	Other recoverables and receivables	68,21,39,313	34,35,87,877
		1,06,98,61,684	1,13,28,45,364

		(Amount in Rupees) For the year ended March 31,2015	(Amount in Rupees) For the year ended March 31,2014
22	**Revenue from operations**		
	Contract revenue recognized / sales (gross)		
	- Contract revenue	2,27,30,36,273	2,51,67,36,583
	- Sale of unit	39,03,66,464	48,22,63,941
	- Trading sales	15,46,98,637	42,91,768
	- Other sales (Includes maintenance charges of soceity,Hire chagres,Scrap Sales)	3,33,80,252	3,24,08,353
	Other operating income		
	- Rent earned	4,25,334	27,12,677
	- Share of profit / (loss) from AOP / Partnership firms (net)	9,89,55,975	10,49,43,192
	- Profit on sale of long term investment	-	16,46,27,948
		2,95,08,62,935	3,30,79,84,462
23	**Other income**		
	Interest income	8,16,71,538	13,24,44,402
	Dividend income from long term investments - other than trade	5,67,246	53,22,296
	Other non operating income (net of expenses directly attributable to such income)	5,04,938	39,19,945
	Net gain / loss on sale of fixed assets	2,45,56,497	-
	Provision no longer required written back	4,26,66,062	-
	Misc Income	23,60,200	5,47,361
		15,23,26,481	14,22,34,004
24	**Construction expenses**		
	Contract	2,70,43,84,437	2,28,97,49,723
	Development	24,53,28,629	51,52,91,174
	Incidental borrowing cost incurred attributable to qualifying assets	27,67,23,315	22,06,57,496
		3,22,64,36,381	3,02,56,98,393
25	**Purchases of stock-in-trade**		
	Purchases of stock-in-trade	15,33,66,871	4,13,071
		15,33,66,871	4,13,071
26	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories at the end of the year:		
	Finished goods	9,75,86,336	4,25,00,000
	Work-in-progress	1,75,58,39,498	1,71,10,10,548
		1,85,34,25,834	1,75,35,10,548
	Inventories at the beginning of the year:		
	Finished goods	4,25,00,000	-
	Work-in-progress	1,71,10,10,548	1,43,61,27,835
		1,75,35,10,548	1,43,61,27,835
		(9,99,15,286)	(31,73,82,713)
27	**Employee benefit expense**		
	Salaries and wages (Refer note 47)	33,39,08,806	39,30,14,749
	Contribution to provident and other funds	1,64,97,781	2,00,72,079
	Expense on Employee Stock Option Scheme	3,50,62,500	1,27,96,875
	Staff welfare expenses	2,23,82,766	2,71,61,736
		40,78,51,853	45,30,45,439

		(Amount in Rupees)	(Amount in Rupees)
		For the year ended March 31,2015	**For the year ended March 31,2014**
28	**Finance costs**		
	Interest expense	54,09,26,343	55,90,44,559
	Other borrowing costs	32,48,597	2,45,96,509
	Less : borrowing cost transferred to qualifying assets	(27,67,23,315)	(22,06,57,496)
		26,74,51,625	36,29,83,572
29	**Other expenses**		
	Power and Fuel	63,95,183	69,23,257
	Rent/compensation	3,30,56,533	3,46,01,642
	Repairs, renovation and maintenance		
	Building	69,85,120	13,85,428
	Plant and machinery	40,554	42,718
	Others	28,86,348	75,65,949
	Insurance	95,62,536	1,19,00,307
	Rates & taxes	23,54,421	13,19,645
	Postage and telephone	59,80,596	70,71,907
	Travelling expenses	50,03,087	46,88,280
	Printing and stationery	29,23,890	41,31,922
	Brokerage / commission	72,12,349	33,13,945
	Sales promotion expenses	12,85,374	15,92,093
	Advertisement	62,11,504	57,46,363
	Donations	24,99,102	37,42,684
	Legal ,Professional and retainer ship fees (Refer note-41)	5,49,27,850	4,75,63,130
	Bad debts and other receivables, loans and advances written off	8,52,02,377	-
	Provision for diminution in value in investment	3,71,50,950	-
	Provision for doubtful debt and advances	5,44,78,125	74,99,275
	Bank charges	36,90,631	2,06,30,920
	Bank Guarantee Commission to Managing Director	5,54,00,000	5,54,00,000
	Conveyance	50,77,432	51,79,580
	Foreign exchange gain / loss (net)	23,921	75,66,936
	Hire Charges Paid	1,85,11,932	90,984
	Misellaneous Expenses	1,56,01,630	2,86,00,813
	Stamp duty expenses for increase in authorised share capital (Prior Period Items - Rs 47,!	95,00,000	-
		43,19,61,445	26,65,57,778
30	**Exceptional items**		
	Net gain / loss on sale of long term investments - other than trade		
	Reversals of employee stock option compensation	-	84,173
	Decline in value of Investment (Refer Note no - 50)	(2,23,24,586)	-
		(2,23,24,586)	84,173
31	**Tax expense:**		
	(Excess) / short provision for tax of ealier years	3,08,63,929	-
		3,08,63,929	-

The Income tax department had carried out action under section 132 of the Income tax Act 1961 in June 2012, pursuant to the same companies assessment for assessment years 2007-2008 to 2014-2015 are now pending before the assessing officer under section 153B, additional provision of Rs 277.64 lakhs is made in the accounts towards the same.

32 Employee stock option plans (ESOP)

1. Employee stock option scheme (ESOS) - 2007

The ESOS was approved by Board of Directors of the Company on 19th Sept, 2007 and therafter by the share holders on 23rd Oct, 2007. A compensation committee comprising of independent directors of the company admisnisters the ESOS plan.Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 10/- per share.The maxium exercise period is 6 years from the date of vesting.

Number of option granted, exercised and cancelled/lapsed during the financial year are as follows :

Particulars	FY 2014-15	FY 2013-14
Options granted, beginning of the year	-	4,650
Granted during the year	-	-
Exercised during the year	-	(2,250)
Cancelled/lapsed during the year	-	(2,400)
Options granted, end of the year	-	-
Weighted Average remaining life	-	-

2. Employee stock option scheme (ESOS) - 2013

The ESOS was approved by Board of Directors of the Company on 20th May, 2013 and therafter by the share holders on 12th Sept, 2013. A compensation committee comprising of independent directors of the company admisnisters the ESOS plan.Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 10/- per share.The maxium exercise period is 1 year from the date of vesting.

Number of option granted, exercised and cancelled/lapsed during the financial year are as follows :

Particulars	FY 2014-15	FY 2013-14
Options granted, beginning of the year	22,50,000	-
Granted during the year	-	22,50,000
Exercised during the year	(2,93,377)	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	19,56,623	22,50,000
Weighted Average remaining life	0.42	1.42

3. Employee stock option scheme (ESOS) - 2014

The ESOS was approved by Board of Directors of the Company on 12th August, 2014 and therafter by the share holders on 15th Sept, 2014. A compensation committee comprising of independent directors of the company admisnisters the ESOS plan.Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 10/- per share.The maxium exercise period is 1 year from the date of vesting.

Number of options granted , exercised , cancelled / lapsed during the financial year are as follows :

Particulars	FY 2014-15	FY 2013-14
Options granted, beginning of the year	-	-
Granted during the year	22,50,000	-
Exercised during the year	-	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	22,50,000	-
Weighted Average remaining life	1.42	-

The Compensation cost of stock optins granted to employees has been accounted by the company using the intrintic value method

The guidance note on accounting of employee share based payments issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted these options under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported (Loss) for the year ended March 31, 2015 would have been lower by Rs. 14.96 lakhs (Previous year: lower loss of Rs. 9.48 lakhs) and Basic and diluted EPS would have been revised to Loss of Rs. 16.01 per share (Previous year 4.97 per share) and Loss Rs. 16.01 per share (Previous year 4.97 per share) respectively as compared to Loss of Rs. 16.03 per share (Previous year 4.98 per share) and Loss Rs. 16.03 per share (Previous year 4.98 per share) without such impact.

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Binomial lattice option pricing model, considering the expected weighted average term of the options to be 1 year from the date of vesting, an expected dividend rate of 2% on the underlying equity shares, a risk free rate in the range of 8.40% - 9.20% and weighted average volatility in the share price in the range of 55.60% - 61.10%. The Company’s calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price after eliminating the abnormal price fluctuations.

33 Earning per share (EPS) **(Amount in Rupees)**

Particulars	As at March 31, 2015	As at March 31, 2014
Net (Loss) available for equity share holder	(1,44,69,16,349)	(44,87,55,090)
Weighted average number of equity shares for Basic EPS	9,02,56,497	9,01,80,183
Face value per share	10	10
Basic EPS	(16.03)	(4.98)
Weighted average number of equity shares for Diluted EPS	9,21,41,031	9,09,22,303
Diluted EPS*	(16.03)	(4.98)

* As required by Accounting Standard (AS) 20 - Earning per share, the effect of anti-dilutive potentioal equity shares are ignored in calculating diluted earnings per share

34 Commitments **(Amount in Rupees)**

Particulars	As at March 31, 2015	As at March 31, 2014
a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	4,09,16,371	47,66,042
b) 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	-	1,81,02,920
	4,09,16,371	2,28,68,962

35 Contingent liabilities **(Amount in Rupees)**

	As at March 31, 2015	As at March 31, 2014
a) Disputed demands for Income Tax	7,64,11,216	6,44,60,304
b) Disputed demands for Service Tax	1,54,28,256	1,63,39,031
c) Disputed demands for Value Added Tax	3,11,03,150	30,57,591
d) Performance and financial guarantees given by the Banks on behalf of the Company	1,33,50,69,633	1,46,68,35,949
e) Corporate guarantees given for other companies / entities and mobilization	2,01,50,00,000	2,06,12,00,000
f) Claims against the Company not acknowledged as debts	3,61,09,33,994	3,61,00,45,884

i) In respect of claim against the Company amounting to Rs.360,00,00,000/- (Previous year Rs 360,00,00,000/-) 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.

ii) Two creditors of the Company has filed a civil suit claiming of Rs 88,28,380/- (Previous year Rs. 88,28,380/-) and 12,38,244/-(Previous year- nil) respectively, as amount due to them,which claims the Company is disputing.

iii) Short Levy of Stamp Duty due to misclassification of conveyance deed as development agreement amounting to Rs 8,67,370/- (Previous year Rs. 8,67,370/-) with Joint District Registrar & Collector of Stamps , Pune.

iv) One of the creditors of the Company has filed a winding up petition for non payment of Rs. Nil (Previous year Rs. 350,134/-) (including interest) in respect of material supplied by the said party, which claim the Company is disputing. In the current year windding up petition was disposed off.

g) In respect of a development project, as per the terms of land purchase 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.

h) The levy of Maharashtra Value Added Tax (MVAT) in respect of Real Estate Development sales has been subject to considerable legislative amendments, litigation and administrative action. During the pendency of special leave petition before the Hon’ble Supreme Court against the earlier Hon’ble Mumbai High Court decision, a decision has been pronounced by the Hon’ble Mumbai High Court and the matter has not reached finality.
The Industry, accounting and legal fraternity is examining the implications of the decisions and the way the liability will be worked out under various options provided. In view of such uncertainties, the management has been advised that in the present scenario it is difficult to correctly determine MVAT liability payable in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010. The Company is currently in process of ascertaining the exact applicability of these pronouncements, contractual ability to collect MVAT from past customers and the mechanism of collection of MVAT in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010.

36 Disclosure of particulars of significant leases as required by Accounting Standard 19

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

The Company leases / sub-leases office spaces under Non cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee.

i) Operating Lease

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

(Amount in Rupees)

Particulars	As at March 31, 2015	As at March 31, 2014
Gross Carrying Amount of Premises *	-	6,59,91,203
Accumulated Depreciation	-	2,05,33,639
Depreciation for the Year	-	23,92,503
Future minimum lease income under non-cancellable operating leases		
Not later than 1 year	-	8,99,990
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Income recognised during the Year	22,790	19,19,833

*During the current year the Company has sold the leased asset.

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

The particulars of significant leases under operating leases are as under : **(Amount in Rupees)**

Future minimum lease expenses under non-cancellable operating leases :	As at March 31, 2015	As at March 31, 2014
Not later than 1 year	4,35,32,438	9,26,925
Later than 1 year and not later than 5 years	7,05,94,695	-
Later than 5 years	-	-
Expenses recognised during the Year	8,19,00,904	78,63,500

ii) Finance Lease

The Company has entered into a finance lease with the financial institutions for purchase of vehicle from the vendor.

(Amount in Rupees)

Particulars	2014 - 15	2013 - 14
Assets acquired under finance lease	61,98,300	-
Net carrying amount at the balance sheet date	61,92,996	-
Minimum lease payment as on 31.03.2015	66,67,531	-
Present value of the above	52,00,000	-

(Amount in Rupees)

Particulars	Present Value	Interest	Minimum Lease
Not later than one year	8,39,197	4,94,303	13,33,500
Later than one year & not later than five years	43,60,803	9,73,228	53,34,031
Later than five years	-	-	-
Total	**52,00,000**	**14,67,531**	**66,67,531**

37 The particulars of the partnership firms where the Company is a partner are as follows : **(Amount in Rupees)**

Particulars

Name of the firm - Ajanta Enterprises	As at March 31, 2015	As at March 31, 2014
Total capital of the firm	11,20,41,630	37,12,08,682
Share of profit / (loss) from partnership firm recognized during the Period/Year	9,32,78,911	14,85,88,793
Names of the partners		
a) Shree Madhur Realtors Private Limited.	20.00%	20.00%
b) Dhiren Popatlal Nandu	10.00%	10.00%
c) Raj Bhansali	20.00%	20.00%
d) Vascon Engineers Limited	50.00%	50.00%

38 Disclosure of related party transactions as required by Accounting Standard 18

I Names of related parties

1. Subsidiaries
- Marvel Housing Private Limited
- Grey Stone Premises Private Limited
- Vascon Dwellings Private Limited
- IT CITI Info Park Private Limited
- Caspia Hotels Private Limited (Upto May 28,2014)
- Windflower Properties Private Limited
- GMP Technical Solution Private Limited
- Floriana Properties Private Limited
- Vascon Pricol Infrastructure Limited
- Vascon Renaissance EPC Limited Liability Partnership
- Almet Corporation Limited
- Marathawada Realtors Private Limited
- Just Homes (India) Private Limited
- GMP Technical Solutions Middle East (FZE)

2. Joint Ventures
- Weikfield IT CITI Infopark (Upto October 1,2014)
- Phoenix Ventures
- Zenith Ventures
- Zircon Ventures
- Just Homes (AOP)
- Cosmos Premises Private Limited
- Marigold Premises Private Limited (Up to March 31,2014)
- Ajanta Enterprises
- Vascon Qatar WLL

3. Associates
- Angelica Properties Private Limited
- Mumbai Estate Private Limited

4. Key Management Personnel
- Mr. R. Vasudevan
- Dr Santosh Sundararajan
- Mr. D.Santhanam (Wef 01/04/2014)
- Mr.M.Krishnamurthi (Wef 01/04/2014)

5. Relatives of Key Management Personnel
- Mrs. Lalitha Vasudevan
- Ms. Soumya Vasudevan
- Mrs. Thangam Moorthy
- Mrs. Lalitha Sundararajan
- Mr. Siddarth Vasudevan
- Ms Shilpa Shivram
- Ms. Sailaxmi Santhanam Mudaliar
- Mrs Mathangi Krishnamuthy

6. Establishments where in which individuals in serial number (4), (5) and (6) exercise significant Influence
- Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)
- Vastech Consultants Private Limited
- Vastech consultants and engineers LLP
- Vatsalya Enterprises Private Limited
- Bellflower Premises Private Limited
- Cherry Construction Private Limited
- Stresstech Engineers Pvt Ltd.
- Sunflower Health Services Private Limited
- Syringa Engineers Private Limited (Formerly known as Syringa Properties Private Limited)
- Vascon Infrastructure Limited
- Venus Ventures

Vascon Engineers Limited
Notes forming part of the Financial Statements

(Amount in Rupees)

	II Related party transactions	As at March 31, 2015	As at March 31, 2014
(a)	**Sales and work**	**32,05,94,495**	**29,52,17,020**
	Subsidiaries		
	Caspia Hotels Private Limited	-	39,45,255
	GMP Technical Solution Private Limited	-	19,71,604
	Vascon Renaissance EPC Limited Liability Partnership	-	-7,77,426
	Vascon Dwellings Private. Limited	-	5,60,251
	Windflower Premises Private Limited	4,33,500	12,00,000
	Vascon Pricol Infrastructure Limited	13,26,15,866	9,46,15,403
	Total	13,30,49,366	10,15,15,087
	Joint Ventures		
	Ajanta Enterprises	11,92,00,129	4,46,25,022
	Phoenix Ventures	6,09,924	1,26,44,399
	Zenith Ventures	-	2,66,99,893
	Zircon Ventures	62,001	-
	Total	11,98,72,054	8,39,69,314
	Associates		
	Angelica Properties Private. Limited.	2,60,000	1,69,36,435
	Total	2,60,000	1,69,36,435
	Key management Personnel		
	Mr. R. Vasudevan	-	87,53,595
	Dr Santosh Sundararajan	42,29,701	36,69,444
	Total	42,29,701	1,24,23,039
	Enterprise where KMP & Relatives of KMP significant influence		
	Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	1,36,15,530	3,50,75,775
	Cherry Constructions Private Limited.	4,95,67,844	4,52,97,370
	Total	6,31,83,374	8,03,73,145
(b)	**Interest Income**	**5,19,79,907**	**2,30,93,119**
	Subsidiaries		
	Vascon Dwellings Private Limited	3,54,34,082	1,12,77,718
	IT CITi Info Park Private Limited	-	15,99,777
	Vascon Pricol Infrastructures	74,56,990	-
	GMP Technical Solutions Private Limited	90,88,835	95,71,334
	Total	5,19,79,907	2,24,48,829
	Joint Ventures		
	Phoenix Ventures	-	6,44,290
	Total	-	6,44,290
(c)	**Dividend Income**	**-**	**52,80,504**
	Joint Venture		
	Cosmos Premises Private Limited	-	44,35,025
	Marigold Premises Private Limited	-	8,37,775
	Total	-	52,72,800
	Associates		
	Angelica Properties Private Limited	-	7,704
	Total	-	7,704
(d)	**Interest Expense**	**4,72,06,454**	**3,24,12,317**
	Subsidiaries		
	Almet Corporation Limited	7,03,612	6,46,567
	Marathawada Realtors Private Limited	1,82,041	2,22,425
	Total	8,85,653	8,68,992
	Joint Venture		
	Ajanta Enterprises	3,52,50,916	2,65,92,903
	Total	3,52,50,916	2,65,92,903
	Enterprise where KMP & Relatives of KMP significant influence		
	Stresstech Engineers Private Limited	2,57,240	-
	Vastech Consultants Private Limited	11,73,770	14,43,245
	Total	14,31,010	14,43,245

	Relatives of Key Management Personnel		
	Mr. Siddarth Vasudevan	39,945	-
	Mrs. Mathangi Krishnamurthi	1,11,544	
	Ms. Sailaxmi Santhanam Mudaliar	72,481	
	Mrs. Thangam Moorthy	3,65,753	3,55,481
	Total	5,89,723	3,55,481
	Key Management Personnel		
	Mr. R. Vasudevan	61,38,186	-
	Mr. Santosh Sundararajan	23,63,764	31,51,696
	D Santhanam	5,47,202	-
	Total	90,49,152	31,51,696
(e)	**Purchase of Goods / Work**	**12,79,48,342**	**22,80,06,502**
	Subsidiaries		
	GMP Technical Solution Pvt Ltd	8,28,85,871	11,60,37,410
	Total	8,28,85,871	11,60,37,410
	Joint Ventures		
	Marigold Premises Private Limited	-	4,25,00,000
	Zenith Ventures	-	1,777
	Total	-	4,25,01,777
	Enterprise where KMP & Relatives of KMP significant influence		
	Bellflower Premises Private Limited	36,00,000	36,00,000
	Vatsalya Enterprises Private Limited	36,00,000	36,00,000
	Syringa Engineers Private Limited	-	3,52,927
	Flora Facilities Private Limited	1,26,23,530	20,33,876
	Stresstech Engineers Private Limited	2,45,12,389	3,38,82,203
	Vastech Consultants & Engineers LLP	7,26,552	-
	Vascon Infrastructure Limited	-	2,59,68,309
	Total	4,50,62,471	6,94,37,315
	Relatives of Key Management Personnel		
	Mrs. Lalitha Sundararajan	-	30,000
	Total	-	30,000
(f)	**Receiving of Services**	**18,64,70,558**	**17,18,60,496**
	Key Management Personnel		
	Mr R Vasudevan	11,74,52,862	12,18,22,000
	Dr Santosh Sundararajan	3,25,18,000	2,34,15,000
	Mr. D.Santhanam	73,18,840	-
	Mr.M.Krishnamurthi	58,27,000	-
	Total	16,31,16,702	14,52,37,000
	Relatives of Key Management Personnel		
	Mr. Siddarth Vasudevan	93,20,000	50,15,000
	Mrs. Sailaxmi Santhanam Mudaliar	18,000	-
	Mrs.Shilpa Sivram	2,77,420	-
	Total	96,15,420	50,15,000
	Enterprise where KMP & Relatives of KMP significant influence		
	Flora Facilities Private Limited	3,99,431	26,31,801
	Vastech Consultants Private Limited	1,33,39,005	1,89,76,695
	Total	1,37,38,436	2,16,08,496
(g)	**Share of Profit from AOP/Firm**	**10,38,78,404**	**15,29,92,548**
	Subsidiary		
	Joint Ventures		
	Phoenix Ventures	-	44,03,755
	Zircon Ventures	30,37,162	-
	Ajanta Enterprises	10,08,41,242	14,85,88,793
	Total	10,38,78,404	15,29,92,548
(h)	**Share of Loss from AOP/Firm**	**49,22,430**	**4,80,49,356**
	Joint Ventures		
	Phoenix Ventures	19,77,980	-
	Weikfield ITCITI Info Park (AOP)	10,99,844	42,13,176
	Zenith Ventures	18,44,606	4,38,36,180
	Total	49,22,429	4,80,49,356

(i)	**Reimbursement of expenses**	**59,60,161**	**20,18,829**
	Subsidiary		
	Vascon Pricol Infrastructures Limited	57,04,854	2,81,430
	Windflower Properties private Limited	57,671	13,79,978
	Caspia Hotels Private Limited	-	3,04,593
	Total	57,62,525	19,66,001
	Key Management Personnel		
	Mr R Vasudevan	-	3,398
	Dr Santosh Sundararajan	57,800	49,430
	M. Krishnamurthi	70,275	-
	D Santhanam	69,561	-
	Total	1,97,636	52,828
(j)	**Outstanding corporate / bank guarantees given**	**1,26,50,00,000**	**1,31,12,00,000**
	Subsidiaries		
	Caspia Hotels Private Limited	-	34,62,00,000
	GMP Technical Solution Private Limited	1,06,50,00,000	76,50,00,000
	Total	1,06,50,00,000	1,11,12,00,000
	Joint Ventures		
	Phoenix Ventures	10,00,00,000	10,00,00,000
	Cosmos Premises Private Limited	10,00,00,000	10,00,00,000
	Total	20,00,00,000	20,00,00,000
(k)	**Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit**	**67,85,40,475**	**54,80,77,812**
	Subsidiaries		
	Floriana Properties Private Limited	1,03,781	63,211
	Marvel Housing Private Limited	-	5,000
	IT Citi Infopark Private Limited	1,77,123	14,12,287
	Marathawada Realtors Private Limited	6,24,958	10,22,892
	Almet Corporation Limited	3,10,944	1,60,022
	Vascon Dwellings Private Limited	6,61,51,687	10,27,57,749
	Vascon Pricol Infrastructure Limited	55,18,756	-
	Just Homes (India) Private Limited	25,590	2,98,69,190
	Windflower Properties Private Limited	-	57,37,588
	Total	7,29,12,839	14,10,27,939
	Joint Ventures		
	Phoenix Ventures	1,45,94,418	36,37,712
	Zenith Ventures	9,84,160	48,48,445
	Just Homes (AOP)	4,45,051	67,82,044
	Marigold Premises Private Limited	-	79,34,483
	Ajanta Enterprises	16,49,65,134	22,01,83,812
	Zircon Ventures	85,32,955	-
	Total	18,95,21,718	24,33,86,496
	Associates		
	Mumbai Estate Private Limited	10,00,000	-
	Angelica PropertiersPrivate. Limited.	1,98,95,242	1,37,04,758
	Total	2,08,95,242	1,37,04,758
	Enterprise where KMP & Relatives of KMP significant influence		
	Vascon Infrastructure Limited	-	2,02,00,000
	Stresstech Engineers Private Limited	60,25,724	-
	Vastech Consultants Private Limited	1,33,17,377	61,44,325
	Venus Ventures	50,00,000	8,70,28,984
	Sunflower Health Services Pvt Ltd	35,24,13,079	2,82,82,136
	Total	37,67,56,180	14,16,55,445
	Relatives of Key Management Personnel		
	Mr. Siddarth Vasudevan	39,945	-
	Ms. Mathangi Krishnamurthi	13,19,138	-
	Ms. Sailaxmi Santhanam Mudaliar	83,454	-
	Mrs. Thangam Moorthy	3,65,753	2,36,174
	Total	18,08,290	2,36,174
	Key Management Personnel		
	Mr. R. Vasudevan	61,38,186	-
	Mr. Santosh Sundararajan	98,80,433	80,67,000
	D Santhanam	6,27,587	-
	Total	1,66,46,206	80,67,000

(l)	**Finance availed /Received back(including equity contributions in cash or in kind)**	**39,57,06,806**	**48,24,93,900**
	Subsidiary		
	Almet Corporation Limited	-	2,00,000
	Floriana properties Private Limited	10,000	1,82,015
	IT Citi Info Park Private Limited	20,40,324	4,02,63,593
	Windflower Premises Private Limited	-	57,37,588
	Just Homes (India) Private Limited	6,00,00,000	-
	Marvel Housing Private Limited	-	5,000
	GMP Technical Solution Private Limited	1,29,60,104	9,57,135
	Vascon Dwellings Private Limited	2,52,95,764	10,80,49,708
	Total	10,03,06,192	15,53,95,039
	Joint Ventures		
	Phoenix Venture	5,00,000	1,71,712
	Just Homes AOP	-	64,10,099
	Marigold Premises Private Limited	-	4,37,43,911
	Zenith Ventures	-	20,17,12,092
	Total	5,00,000	25,20,37,814
	Enterprise where KMP & Relatives of KMP significant influence		
	Vastech Consultants Private Limited	1,40,00,000	1,28,54,047
	Stresstech Engineers Private Limited	75,00,000	-
	Venus Ventures	2,74,30,000	2,47,00,000
	Sunflower Health Services Pvt. Ltd	12,85,70,614	-
	Vascon Infrastructure Limited	-	2,00,000
	Total	17,75,00,614	3,77,54,047
	Relatives of Key Management Personnel (Through Fixed Deposit)		
	Mrs. Thangam Moorthy	-	30,00,000
	Mr. Santosh Sundararajan	-	-
	Mr. Siddarth Vasudevan	6,00,000	-
	Total	6,00,000	30,00,000
	Key Management Personnel		
	Mr. R. Vasudevan	11,50,00,000	-
	Mr. Santosh Sundararajan	-	3,43,07,000
	D Santhanam	18,00,000	-
	Total	11,68,00,000	3,43,07,000
(m)	**Outstanding as on**		
	A) Receivable to Vascon Engineers Limited	**1,88,98,32,450**	**2,05,56,95,460**
	Subsidiaries	**96,09,83,130**	**1,00,71,83,554**
	a) Sundry Debtors		
	GMP Technical Solution Private Limited	51,11,657	61,39,043
	Caspia Hotels Private Limited	-	2,86,628
	Vascon Dwellings Private Limited	25,11,10,400	26,12,18,318
	Vascon Pricol Infrastructure Limited	8,44,49,908	13,49,42,077
	Vascon Renaissance EPC Limited Liability Partnership	-	78,03,381
	Windflower Properties Private Limited	2,30,084	12,00,000
	Total	34,09,02,049	41,15,89,447
	b) Loans & Advances / Project Advances		
	Floriana Properties Private Limited	6,74,27,505	6,73,33,724
	GMP Technical Solution Private Limited	14,28,79,268	14,67,50,537
	Just Homes (India) Private Limited	2,98,94,780	8,98,69,190
	IT Citi Info Park Private Limited	1,77,124	20,40,325
	Vascon Dwellings Private Limited	24,55,51,504	16,92,61,499
	Vascon Pricol Infrastructure Limited.	13,27,70,122	11,97,94,376
	Total	61,87,00,303	59,50,49,651
	c) Balance in capital and current accounts		
	Vascon Renaissance EPC Limited Liability Partnership	-	65,000
	Total	-	65,000
	d) Expenses reimbursement		
	Vascon pricol Infrastructure Limited	13,80,778	-
	Windflower Premises Private Limited	-	90,000
	Caspia Hotels Private Limited	-	3,89,456
	Total	13,80,778	4,79,456

Vascon Engineers Limited
Notes forming part of the Financial Statements

Joint Ventures	**27,23,46,274**	**60,99,70,571**
a) Sundry Debtors		
Marigold Premises Private Limited	-	4,41,86,997
Just Homes (AOP)	-	1,45,00,000
Phoenix Ventures	6,27,31,671	6,20,46,408
Ajanta Enterprises		-
Zircon Ventures	7,21,504	6,53,233
Total	6,34,53,175	12,13,86,638
b) Loans & Advances		
Phoenix Ventures	1,26,00,574	89,79,084
Total	1,26,00,574	89,79,084
c) Balance in capital and current accounts		
Phoenix Ventures	6,85,18,798	6,00,23,850
Weikfield IT Citi Infopark	-	36,45,61,493
Ajanta Enterprises	7,67,79,012	1,54,55,260
Zircon Ventures	5,09,94,715	3,95,64,246
Total	19,62,92,525	47,96,04,849
Associates	**25,66,03,346**	**25,67,66,500**
a) Sundry Debtors		
Angelica Properties Pvt Ltd	2,66,136	14,29,290
Total	2,66,136	14,29,290
b) Loans & Advances		
Mumbai Estate Private Limited	25,63,00,010	25,53,00,010
Total	25,63,00,010	25,53,00,010
c) Share Application Money		
Angelica Properties Private Limited	37,200	37,200
Total	37,200	37,200
Enterprise where KMP & Relatives of KMP significant influence	**39,49,82,245**	**18,12,18,713**
a) Sundry Debtors		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	1,46,08,267	1,36,64,525
Cherry Constructions Private Limited.	2,82,54,969	1,51,64,731
Vastech Consultants Private Limited	-	16,77,154
Total	4,28,63,236	3,05,06,410
b) Loans & Advances		
Vastech Consultants Private Limited	4,00,00,000	4,00,00,000
Bellflower Premises Private Limited	50,00,000	50,00,000
Vascon Infrastructure Limited	-	5,759
Vatsalya Enterprises Private Limited	1,49,00,000	1,49,00,000
Sunflower Health Services Pvt Ltd	25,21,24,601	2,82,82,136
Venus Ventures	3,98,98,984	6,23,28,984
Syringa Engineers Private Limited	1,95,424	1,95,424
Total	35,21,19,009	15,07,12,303
Key Management Personnel	**49,17,456**	**5,56,121**
a) Sundry Debtors		
Mr.Santosh Sundararajan	49,17,456	5,56,121
Total	49,17,456	5,56,121
B) Receivable from Vascon Engineers Limited	**80,70,55,906**	**65,91,17,393**
Subsidiaries	**13,27,05,545**	**9,65,24,901**
a) Security Deposit / other payables		
Almet Corporation Limited	82,16,642	78,23,974
Marathawada Realtors Private Limited	17,30,157	21,73,074
Total	99,46,799	99,97,048
b) Expenses Reimbursement		
Vascon Pricol Infrastructure Limited	-	8,24,076
Total	-	8,24,076
c) Sundry Creditors		
GMP Technical Solution Pvt Ltd	12,27,58,746	8,57,03,777
Total	12,27,58,746	8,57,03,777

Joint Ventures	**38,43,36,352**	**38,36,02,523**
a) Loans & Advances		
Just Homes (AOP)	36,24,00,585	36,28,45,636
Total	36,24,00,585	36,28,45,636
b) Balance in current account		
Zenith Ventures	2,19,35,767	2,07,56,887
Total	2,19,35,767	2,07,56,887
Associates	**-**	**1,98,95,242**
a) Security Deposit / Other Payables		
Angelica Properties Private Limited	-	1,98,95,242
Total	-	1,98,95,242
Key Management Personnel	**23,15,16,188**	**13,34,96,883**
a) For Services Received		
Mr. R Vasudevan	7,62,92,024	9,51,27,803
Santosh Sundararajan	49,81,107	30,01,891
M. Krishnamurthi	10,28,603	-
D Santhanam	12,70,330	-
Total	8,35,72,064	9,81,29,694
b) For Deposit Received		
Mr. R Vasudevan	11,50,00,000	-
Dr.Santosh Sundararajan	2,77,42,000	3,52,58,669
D Santhanam	50,00,000	-
Total	14,77,42,000	3,52,58,669
c) Expenses reimbursement		
M. Krishnamurthi	39,565	-
D Santhanam	16,809	-
Mr.Santosh Sundararajan	1,45,750	1,08,520
Total	2,02,124	1,08,520
Enterprise where KMP & Relatives of KMP significant influence	**5,29,30,269**	**2,19,13,467**
a) Sundry Creditors		
Vatsalya Enterprises Private Limited	29,04,942	10,46,942
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	97,77,678	10,84,625
Stresstech Engineers Private Limited	1,56,33,179	1,04,94,214
Bellflower Premises Private Limited	30,24,719	11,34,719
Vastech Consultants & Engineers LLP	6,53,897	-
Vastech Consultants Private Limited	91,94,978	-
Total	4,11,89,393	1,37,60,500
b) Loans/(Advances)		
Stresstech Engineers Private Limited	17,31,516	-
Vastech Consultants Private Limited	1,00,09,360	81,52,967
Total	1,17,40,876	81,52,967
Relatives of Key Management Personnel	**55,67,553**	**36,84,378**
a) Deposits Recd.		
Mr. Siddarth Vasudevan	6,00,000	-
Mrs. Sailaxmi Santhanam Mudaliar	4,00,000	-
Mrs. Thangam Moorthy	30,00,000	30,00,000
Total	40,00,000	30,00,000
b) For services received		
Siddharth Vasudevan	15,67,553	6,84,378
	15,67,553	6,84,378

Note :- Related party relationships are as identified by the Company on the basis of information available and accepted by the auditors.
Note :- No provision have been made in respect of receivable from related party as at March 31, 2015

39 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	**As at 31 March, 2015**	**As at 31 March, 2014**
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	6,27,374	6,50,590
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	7,84,041	6,28,045
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	1,55,996	1,55,996
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	7,84,041	6,28,045
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

40 The company enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 ('regulation'). The pricing of such domestic transactions will need to comply with Arm's length principle under the regulations. These regulations, inter alia, also required the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income tax authorities.

The Company has undertaken necessary steps to comply with the regulations. The management is of the opinion that the domestic transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that

41 Auditors' Remuneration

Payment to the auditors (Net of Service Tax)

Audit Fees	35,00,000	30,00,000
Tax Audit	-	6,00,000
Audit Fees/Limited Review fees in respect of Interim Financial Statement	20,00,000	-
other services	22,50,000	2,40,000
Total	77,50,000	38,40,000

42 Details of Earnings & Expenditure In Foreign Currency

Earnings on account of		
Sales/Work	-	-
Total	-	-
Expenditure on account of		
Purchase of Spares/ materials	26,58,334	7,66,72,875
Purchase of services	13,53,865	1,30,580
Travelling & other expenditure	3,30,333	-
Purchase of Fixed Assets	-	38,22,552
Total	43,42,532	8,06,26,007

43 Disclosure of particulars of contract revenue as required by Accounting Standard 7 **(Amount in Rupees)**

Particulars	As at March 31, 2015	As at March 31, 2014
Contract Revenue Recognized during the year	2,27,30,36,273	2,47,49,11,091
Contract costs incured during the year	2,70,43,84,437	2,24,79,24,231
Advances received for contracts in progress	44,05,91,329	46,15,58,897
Retention money for contracts in progress	39,51,92,811	42,63,19,873
Gross amount due from customer for contract work (assets)	38,11,26,670	91,66,95,540
Gross amount due to customer for contract work (liabilty)	50,62,49,251	43,64,35,409

44 Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS) -17 on Segment Reporting as notified under the Companies (Accounting Standard) Rules, 2006.

45 Effective 1st April, 2014, the Company has revised the useful life of fixed assets based on schedule II of the Companies Act, 2013 (“the Act”) except Plant & Machinery for the purpose of provision of depreciation. Useful life of Plant & Machinery has been revised to 15 years based on the Chartered Engineer's evaluation. Accordingly, the carrying amount of the fixed assets as on 1st April, 2014 has been depreciated over the remaining revised useful life. Consequently, the depreciation charge for the year ended 31st March, 2015 is higher by Rs.210.73 lakhs and loss is higher to that effect.
Further, an amount of Rs.32.87 lakhs representing the carying amount for assets with useful life as nil has been adjusted against the opening balance for retained earnings i.e balance in the statement of profit & loss as per permited under note 7 (B) to part C of schedule II of Companies Act, 2013.

46 The Company has incurred losses of approximately Rs. 14,469 lakhs during the year ended March 31, 2015 and has continued incurring losses since March, 2013. Further, the Company has incurred cash losses during the year and previous year and there are delays in payment of statutory dues. Also considering deficit in the Statement of Profit and Loss as at the year end, 15% of the debenture amounts repayable during the year ending March 31, 2016 has not been maintained in one or more methods as prescribed under the Companies (Share Capital and Debenture) Rules, 2014.
However, the financial statements have been prepared on a going concern basis in view of the financial support from some of its shareholders and the future business / growth plans of the Company. The Company has plans to augment its resources by going for rights issue of about Rs. 10,000 lakhs and has got the requisite approval from SEBI and to sale certain non core assets. The main object of the issue is to reduce debt and complete certain projects. These efforts would result in improving cash flow, strengthen the operations of the Company and reduce the interest burden.

47 The Company has accrued managerial remuneration to managing director amounting to Rs. 620.53 lakhs for the year ended March 31, 2015 in terms of shareholders resolution, which is in excess of limits prescribed in Schedule V of the Companies Act, 2013. The Company has made necessary application to the Central Government for it’s approval, which is pending.

48 The Company has given loans amounting to Rs. 674.28 lakhs to wholly owned subsidiary company. This subsidiary has accumulated losses and its net worth has been fully eroded and incurred a net loss during the current year and previous year. The repayment of this advances from subsidiary is dependent upon receipt of advance paid to third party for which claim is made by the subsidiary. In the opinion of the management the said advance is fully recoverable, and hence no provision is made as on March 31, 2015.

49 During the year, the Company has converted loan given to one of the subsidiary GMP Technical Solutions Private Limited into Preference Share. The subsidiary is in the process of allotment of preference shares and is pending allotment as on March 31, 2015.

50 During the year, the Company has reduced it's stake in one of the associate Company in the scheme of capital reduction. The Company has debited the loss of Rs 223.25 lakhs to the Statement of Profit and Loss as an exceptional item.

51 During the current year, the Company had terminated one of the joint ventures, accordingly all the assets and liabilities of the joint venture are merged with the Company.

52 The previous year's figures were audited by a firm of chartered Accountants other than Deloitte Haskins & Sells LLP on which the existing auditors have relied upon. Previous year’s figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

R Vasudevan
Managing Director

V Mohan
Chairman

D Santhanam
Chief Financial Officer

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthi
Company Secretary &
Compliance Officer

Place : Mumbai
Date : 12th May 2015

Vascon Engineers Limited

Particulars of the Joint Ventures undertaken by the Company as required in Accounting Standard 27 "Financial Reporting of Interest in Joint Venture"

Name of the Joint Venture	Interest of Company in JV	Amount of interest based on accounts for the year ended 31 March, 2015					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Zircon Ventures	Refer note below	10,61,09,820	5,51,15,104	1,99,65,156	1,55,69,843	-	-
		-4,60,60,410	-64,96,164	-2,97,36,970	-2,97,36,970	-	-
Phoenix Ventures	50% Share of Profits	13,52,92,317	5,41,72,945	68,73,743	81,79,390	-	-
		-15,75,16,568	-8,85,13,635	-1,55,57,975	-89,92,647	-	-
Zenith Ventures	Refer note below	2,16,404	2,21,52,171	-	18,44,606	-	-
		-6,33,592	-2,13,90,479	-20,00,00,000	-23,24,51,621	-	-
Weikfield IT City Infor Park (AOP)	Refer note below	-	-	2,54,194	13,54,038	-	-
		-43,32,25,378	-6,86,63,885	-18,42,561	-56,91,038	-	-
Cosmos Premises Private Limited	43.83% Share of Profits	9,82,23,880	1,62,01,946	6,12,81,535	5,04,16,350	-	-
		-10,08,81,960	-2,44,76,331	-5,57,09,773	-4,41,04,654	-	-
Ajanta Enterprises	50% Share of Profits	46,02,08,318	39,80,93,404	46,86,07,462	32,73,70,532	-	-
		-60,92,69,720	-65,38,06,752	-63,17,38,562	-39,54,17,176	-	-

Note: Share of assets and liabilities of Zircon Ventures, Weikfield ITCITI 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 based on the specific allocation of such assets and liabilities which relate to the Company as per the arrangement with the Joint Venture
During the year, Weikfield IT City Info Park (AOP) has been dissolved.
(The above information is provided on the basis of latest available financial statements of the Joint Venture Entities)

Vascon Engineers Limited

Information pursuant to clause 32 of the listing agreements with stock exchanges

Loans and advances in the nature of loans to subsidiaries / associates / joint ventures

No	Name of the entity	Balance as on		Maximum Balance during	
		As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
A	Loans and advances in the nature of loan to subsidiaries				
1	Floriana Properties Private Limited	6,74,27,505	6,73,33,724	6,74,27,505	6,73,33,724
2	Marvel Housing Private Limited	-	-	-	5,000
3	Vascon Dwellings Private Limited	24,55,51,504	16,92,61,499	24,55,51,504	16,81,33,727
4	Windflower Properties Private Limited	-	-	-	46,87,588
5	It City Infopark Private Limited	1	15,99,777	15,99,777	3,92,91,854
6	Vascon Pricol Infrastructures Ltd.	13,27,70,122	11,97,94,376	13,27,70,122	11,97,94,376
B	Loans & Advances in the nature of loan to Assocaites (Associates are considered as defined in AS -23 issued by ICAI)				
	There are no transactions of loans and advances to associates.				
C	Loans & Advances in the nature of loan where there is no repayment schedule or repayment beyond seven years				
1	Almet Corpotation Limited	75,13,030	71,77,407	83,34,333	71,77,407
2	Marathawada Realtors Private Limited	15,48,116	19,50,649	21,32,592	19,50,649

• There are no transactions of loans and advances to subsidiaries, associate firms/ companies in which Directors are interested other than as disclosed above.
• There are no loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below Section 372A of Companies Act, 1956 other than those as disclosed above.
• There are no Investment by loanee in share of parent or subsidiary where Company made loan or advances in the nature of loan.

MATERIAL DEVELOPMENTS

Other than as disclosed below, there have been no developments since March 31, 2015, which significantly affect the operations, performance, prospects or financial condition of our Company.

- Angelica Properties Private Limited ("**Angelica**") has become our Subsidiary with effect from April 14, 2015 by virtue of acquisition of 74% of the paid-up share capital of Angelica by IT-Citi Infopark Private Limited, a Subsidiary of our Company.

WORKING RESULTS

In accordance with circular no.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977, the information relating to the working results for the period between the last date of the financial statements sent to the shareholders and up to the end of the last but one month preceding the date of the Letter of Offer will be updated in the Letter of Offer to be filed with the Stock Exchanges.

(₹ in million)

Particulars	**For the thirteen month period starting April 1, 2014 to April 30, 2015**	
	On a standalone basis	**On a consolidated basis**
Sales	3,195.32	6,639.77
Other Income	153.69	148.34
Estimated Gross Profit excluding Depreciation and taxes	(388.00)	854.77
Provision for Depreciation	116.94	239.32
Provision for Taxation	30.86	88.27
Share of Loss transferred to Minority Interest	-	(8.47)
Estimated Net Profit / (Loss)	(1,476.47)	(1,467.22)

MATERIAL CHANGES AND COMMITMMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF OUR COMPANY

Except as disclosed in the section titled "*Material Developments*" on page 194 of the LOF, there are no material changes and commitments, if any, affecting the financial position of our Company.

ACCOUNTING AND OTHER RATIOS

(₹ in million)

	Standalone			Consolidated		
	As of March 31,			As of March 31,		
	2015	2014	2013	2015	2014	2013
Net Profit / (Loss) after Tax	(1,446.92)	(448.76)	(308.94)	(1,447.77)	(431.91)	(170.47)
Less: Preference Dividend & Dividend tax	Nil	Nil	Nil	Nil	Nil	Nil
Less: Minority Interest (Profit)/loss	Nil	Nil	Nil	7.31	(7.25)	3.30
Net Profit / (Loss) after Tax (After Minority Interest) **(A)**	(1,446.92)	(448.76)	(308.94)	(1,440.46)	(439.16)	(167.17)
Net Worth **(B)**	4,833.70	6,245.90	6,681.92	5,184.97	6,597.36	7,134.62
Return on Net Worth (%) (A/B) **(C)**	(29.93)	(7.18)	(4.62)	(27.78)	(6.66)	(2.34)
No. of Shares at the end of Year /Period **(D)**	90,475,927	90,182,550	90,180,150	90,475,927	90,182,550	90,180,150
Weighted Average No. of Shares at the end of Year /Period **(E)**	90,256,497	90,180,183	90,160,274	90,256,497	90,180,183	90,160,274
Weighted Average Diluted No. of Equity Shares **(F)**	92,141,031	90,922,303	90,162,113	92,141,031	90,922,303	90,162,113
Basic Earnings Per Share (₹) (A/E)	(16.03)	(4.98)	(3.43)	(15.97)	(4.87)	(1.85)
Diluted Earnings Per Share (₹) (A/F)*	(16.03)	(4.98)	(3.43)	(15.97)	(4.87)	(1.85)
Net Asset Value/Book Value per Equity Share of ₹ 10 each (B/D)	53.43	69.26	74.10	57.31	73.16	79.12

**As required by Accounting Standard (AS)-20: Earnings Per Share, the effect of anti-dilutive potential equity shares are ignored in calculating dilutive earnings per share.*

Notes: Definition of Ratios:

Basic Earnings Per Share	(Net Profit / (Loss) after tax)/(Total number of equity shares outstanding during the year/period)
Diluted Earnings Per Share	Net profit / (loss) after tax attributable to equity shareholders (including dilutive earnings, if any) / Weighted number of diluted equity shares outstanding during period/year
Return on Net Worth (%)	(Net Profit / (Loss) after tax)/(Networth at the end of the year/period)
Net Asset Value Per Share	(Net Worth at the end of the year/period)/ (Total number of equity shares outstanding during the year/period)
Net Worth	Equity share capital + Preference Capital + Reserves (excluding Revaluation Reserves)

CAPITALISATION STATEMENT

The capitalisation statement of the Company as at March 31, 2015 as adjusted post the Issue is as follows:

(₹ in million)

Particulars	Pre-Issue		As adjusted for the Issue	
	As at March 31, 2015			
	Standalone	Consolidated	Standalone	Consolidated
Debt:				
Short Term Debt [A]	2,239.06	2,527.60	1,969.06	2,257.60
Long Term Debt (Including current maturities of long term Debts)	956.82	1,047.28	606.82	697.28
Total Debt: (C) [A+B]	**3,195.88**	**3,574.88**	**2,575.88**	**2,954.88**
Shareholders Fund:				
Share Capital	904.76	904.76	1,571.43	1,571.43
Share Capital Issued through the Rights Issue				
Reserve and Surplus (excluding Revaluation Reserve)				
--Capital Reserve	-	13.79	-	13.79
--Securities Premium	3,885.75	3,942.35	4,194.08*	4,250.68*
--DRR	153.75	153.75	153.75	153.75
--Share option Outstanding	45.00	45.00	45.00	45.00
--General Reserve	-	0.69	-	0.69
--Foreign Currency Reserve		(0.23)		(0.23)
--Surplus	(155.56)	124.85	(155.56)	124.85
Total Shareholders Fund (D)	**4,833.70**	**5,184.97**	**5,808.70**	**6,159.97**
Debt / Equity Ratio: (Long Term Debt/Shareholders Fund	0.20:1	0.20:1	**0.10:1**	**0.11:1**
Debt / Equity Ratio: (Total Debt/Shareholders Fund (C/D))	0.66:1	0.69:1	**0.44:1**	**0.48:1**

**After deducting Estimated Issue Expenses*

MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the NSE and the BSE. We have received in-principle approval for listing of the Rights Equity Shares to be issued pursuant to this Issue from the NSE and the BSE vide their letters dated January 20, 2015 and January 28, 2015, respectively. We will make applications to the NSE and the BSE for permission to deal in and for an official quotation in respect of the Rights Equity Shares being offered in terms of the Letter of Offer.

The high and low closing market prices of the Equity Shares of our Company during the preceding three years were recorded, as stated below:

NSE						
Fiscal Year	**High (₹)**	**Date of High**	**Volume on date of high (No. of equity shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of equity shares)**
2013	62.8	December 31, 2012	31050	30.20	March 28, 2013	7482
2014	32.90	April 3, 2013	2010	14.25	February 19, 2014	19349
2015	33.70	July 7, 2014	42311	18.60	March 26, 2015	1175

(Source: NSE*)*

BSE						
Fiscal Year	**High (₹)**	**Date of High**	**Volume on date of high (No. of equity shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of equity shares)**
2013	63.50	December 31, 2012	49276	30.40	March 28, 2013	3255
2014	33.10	April 3, 2013	1029	14.40	February 19, 2014	4651
2015	33.65	July 7, 2014	13827	18.50	March 26, 2015	4165

(Source: BSE*)*

Monthly high and low closing prices on the NSE for the six months preceding the date of filing of the Letter of Offer is as stated below:

NSE						
Month	**High (₹)**	**Date of High**	**Volume on date of high (No. of equity shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of equity shares)**
May 2015	21.70	May 22, 2015	302	19.40	May 29, 2015	1950
April 2015	25.65	April 13, 2015	34515	19.45	April 1, 2015	153
March 2015	23.20	March 3, 2015	8259	18.60	March 25, 2015	4523
February 2015	26.05	February 4, 2015	9030	21.90	February 26, 2015	3601
January 2015	24.95	January 16, 2015	2264	22.30	January 30, 2015	543
December 2014	24.30	December 1, 2014	2045	20.00	December 17, 2014	2681

(Source: NSE*)*

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

Monthly high and low closing prices on the BSE for the six months preceding the date of filing of the Letter of Offer is as stated below:

BSE						
Month	**High (₹)**	**Date of High**	**Volume on date of high (No. of equity shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of equity shares)**
May 2015	22.35	May 4, 2015	545	19.40	May 28, 2015	700
April 2015	25.55	April 13, 2015	10117	19.75	April 6, 2015	1402
March 2015	23.30	March 2, 2015	5905	18.50	March 26, 2015	4165
February 2015	26.25	February 5, 2015	1575	22.10	February 24, 2015	9719
January 2015	24.65	January 14, 2015	3665	23.00	January 1, 2015	200
December 2014	24.90	December 2, 2014	3741	19.80	December 17, 2014	3225

(Source: BSE*)*

The closing price of our Equity Shares as on October 21, 2014 (the trading day immediately following the day on which the Board resolution was passed approving the Issue) was 28.60 on the NSE and 28.40 on the BSE.

Week end prices of Equity Shares of our Company for the last five weeks on the NSE along with the highest and lowest closing prices for the weeks are as below:

NSE						
For the week ended on	**High (₹)**	**Date of High**	**Volume on date of high (No. of equity shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of equity shares)**
June 22-26, 2015#	17.15	June 26, 2015	49,846	15.15	June 24, 2015	19,494
June 23-26, 2015**	17.15	June 26, 2015	49,846	15.15	June 24, 2015	19,494
June 22, 2015*	15.20	June 22, 2015	35,380	15.20	June 22, 2015	35,380
June 19, 2015	17.25	June 15, 2015	39,815	15.95	June 19, 2015	29,034
June 12, 2015	19.00	June 8, 2015	851	17.00	June 12, 2015	36,398
June 5, 2015	19.80	June 2, 2015	1,082	18.90	June 3, 2015	1,211
May 29, 2015	21.20	May 25, 2015	230	19.40	May 28, 2015	1,451

(Source: NSE*)*

The ex-rights date is June 23, 2015.

** Data is of only one day i.e. June 22, 2015, i.e. pre-ex-rights price.*

*** Data is of four days from June 23, 2015 to June 26, 2015, wherein all are ex-rights prices.*

 # Data considered if for the entire week based on actual closing prices, without adjusting for any ex-rights prices.

Week end prices of Equity Shares of our Company for the last five weeks on the BSE along with the highest and lowest closing prices for the weeks are as below:

BSE						
For the week ended on	**High (₹)**	**Date of High**	**Volume on date of high (No. of equity shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of equity shares)**
June 22-26, 2015#	17.00	June 26, 2015	16,038	15.10	June 22, 2015	21,841
June 23-26, 2015**	17.00	June 26, 2015	16,038	15.15	June 24, 2015	3,478
June 22, 2015*	15.10	June 22, 2015	21,841	15.10	June 22, 2015	21,841
June 19, 2015	17.90	June 15, 2015	13,422	15.75	June 19, 2015	18,282
June 12, 2015	18.75	June 8, 2015	155	16.65	June 12, 2015	6,437
June 5, 2015	19.90	June 1, 2015	906	18.00	June 3, 2015	390
May 29, 2015	20.90	May 25, 2015	76	19.40	May 28, 2015	700

(Source: BSE*)*

The ex-rights date is June 23, 2015.

** Data is of only one day i.e. June 22, 2015, i.e. pre-ex-rights price.*

*** Data is of four days from June 23, 2015 to June 26, 2015, wherein all are ex-rights prices.*

 # Data considered if for the entire week based on actual closing prices, without adjusting for any ex-rights prices.

The market capitalization of our Equity Shares as on June 29, 2015 was ₹ 1,628.57 million on the NSE and ₹ 1,605.95 million on the BSE based on a closing market price of ₹ 18.00 and ₹ 17.75, respectively.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our consolidated outstanding financing arrangements as on March 31, 2015:

A. Indebtedness of the Company:

1. Secured Borrowings:

<table>
<tr><th>#</th><th>Name of the Lender</th><th>Nature of Facility</th><th>Amount Sanctioned (in ₹ millions)</th><th>Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹ millions)</th><th>Rate of Interest (per annum)</th><th>Repayment terms</th></tr>
<tr><td>1.</td><td>Central Bank of India</td><td>Cash Credit</td><td>100.00</td><td>101.23
(Fund Based)</td><td>3.50% above the base rate</td><td>No fixed repayment term</td></tr>
<tr><td colspan="7">Security:
<u>Primary Security:</u>
Hypothecation of stock, raw materials, finished goods, work in process and receivables on pari passu with SBI & ICICI Bank
<u>Collateral Security:</u> Exclusive registered mortgage on:
1. Plot No. F-1/1, 1, MIDC Chikalthana, Village Birojwadi, Zilla Aurangabad; held in the name of M/s Almet Corporation Limited.

2. Plot No. F-1/2, 2, MIDC Chikalthana, Village Birojwadi, Zilla Aurangabad; held in the name of M/s Marathwada Realtors Private Limited.</td></tr>
<tr><td>2.</td><td>The Saraswat Co-operative Bank Limited</td><td>Term Loan</td><td>30.00</td><td>12.05
(Fund Based)</td><td>13.00%, i.e. at par with prime lending rate</td><td>In 77 monthly installments of ₹ 0.39 million each and 1 installment of ₹ 0.36 million</td></tr>
<tr><td colspan="7">Security: First charge on Office No. 502 admeasuring 1,423.42 sq. ft. (carpet area) and Office No. 503 admeasuring 1,511.74 sq. ft. (carpet area) on the 5th floor of the building to be known as Neelkanth Business Park constructed or to be constructed on all that piece or parcel of land bearing Plot No. 29 Suburban Scheme No. 1 Kurla - Kirol.</td></tr>
<tr><td rowspan="2">3.</td><td rowspan="2">State Bank of India</td><td>Working Capital Demand Loan (Interchangeable from the letter of credit limit to working capital demand loan facility limit to the extent of ₹ 150.00 million)</td><td>1,000.00</td><td>1,243.06
(Fund Based)</td><td>4.50% above the base rate</td><td>On demand</td></tr>
<tr><td>Bank Guarantee (One way interchangeability from the</td><td>800.00</td><td>636.99
(Non-Fund Based)</td><td>N.A.</td><td>On demand</td></tr>
</table>

<table>
<tr><th>#</th><th>Name of the Lender</th><th>Nature of Facility</th><th>Amount Sanctioned (in ₹ millions)</th><th>Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹ millions)</th><th>Rate of Interest (per annum)</th><th>Repayment terms</th></tr>
<tr><td></td><td></td><td>letter of credit limit to the bank guarantee limit)</td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td>Letter of Credit (One way interchangeability from the letter of credit limit to the bank guarantee limit)</td><td>400.00</td><td>156.77 (Non-Fund Based)</td><td>N.A.</td><td>On demand</td></tr>
<tr><td colspan="7">Security:
<u>Primary Security:</u> First charge on paripassu basis along with ICICI Bank (for BG limit of ₹ 500 million) and Central Bank of India (for CC limit of ₹ 100 million) on the entire current assets of the Company, i.e. stock of raw materials, work-in-progress and receivables.

<u>Collateral Security:</u>
1. TDR kept as security for the interim period till such time substitution of Flat No. 703, 7thFloor, Ascot Building No. C-27, Shastrinagar, Off. JP Road, Andheri (West), Mumbai – 400058, admeasuring 860 sq. ft.;
2. Flat No. 302, 3rd Floor, Lisban, Building No. A-21, Shastrinagar, Off. JP Road, Andheri (West), Mumbai – 400058, admeasuring 860 sq. ft.;
3. 3rd, 4th and 6th floor, ‘A’ building of V Tech Park, Wadala, Nashik, admeasuring 7,765.34 sq. mts.
4. Flat no. 202, 204B, 302, 304, 305, 402, 502, 503, 504, 602, 603, 702, 703, 704, 801 and 1002 at Golden Nest Co-operative Housing Society at S. No 15 Wadgoan, Sheri, Pune admeasuring 1,192.88 sq.mtr
5. Temmamanda’, Plot at S. No. 254/2, Village Raia, Salcete, Goa, admeasuring 1,106 sq. mts. (11,904.98 sq. ft.)
6. Office at ‘Nucleus Mall’ No. T-9, 3rd Floor, S. No. 157A, Church Road, Ghorpadi Pune – 411001, admeasuring 823.11 sq. mts
7. Office No. 501, 502, 511, 512, 513 and 514, 5th Floor, Shiv Towers, Patto Plaza, Panaji, Goa, admeasuring 3,283 sq. ft.;
8. Plot at S. No. 92/2/3/4A/4B/5, admeasuring 9,000 sq. mts. (96,876 sq. ft.) situated at Village Mundhwa Pune;
9. ‘Arlem’, Plot at S. No. 253/1, Village Raia, Salcete, Goa, admeasuring 29,559.75 sq. mts. (3,18,181.14 sq. ft.).
<u>Guarantee:</u>
1. Personal Guarantee of Mr. R Vasudevan

2. Corporate Guarantee of i) Just Homes (I) Private Limited; ii) Windflower Properties Private Limited; iii) Vascon Dwellings Private Limited; and iv) Hamcon Engineers Private Limited.</td></tr>
<tr><td>4.</td><td>Kotak Mahindra Bank Limited</td><td>Letter of Credit Backed Purchase Bill Discounting</td><td>200.00</td><td>119.13 (Non-Fund Based)</td><td>N.A.</td><td>Maximum tenure- 180 days.</td></tr>
<tr><td colspan="7">Security: First and exclusive charge on all immovable properties belonging to the Company situated at Hadapsar identified for ELA project.</td></tr>
<tr><td>5.</td><td>IDFC Real Estate Yield Fund</td><td>Unlisted Secured non-convertible debenture</td><td>730.00</td><td>619.78 (Fund Based)</td><td>18.25%</td><td>1. Monthly principal repayment of ₹ 5 million per month from September 15, 2014 to March 15, 2015
2. Monthly principal</td></tr>
</table>

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹ millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹ millions)	Rate of Interest (per annum)	Repayment terms
						repayment from April 15, 2015: • 40% is outstanding as on April 15, 2015 and will be paid in twelve equal monthly installments from April 15, 2015.. • Balance of 60% will be paid in eleven equal monthly installments from April 15, 2016. 3. Proceeds from Nashik 113/2 sale: • ₹ 25.00 million upon receipt of the second tranche of payment and an additional amount of ₹ 25.00 million upon receipt of the third and final payment to be received in the Escrow. • From the first tranche of ₹ 25.00 million, ₹ 15.00 million is to be utilised for the DSRA creation. • A balance of ₹ 35.00 million will be utilised towards an additional principal prepayment. 4. Additional Prepayment from Rights Issue: In case the Company does a right issue, additional prepayment of ₹ 200 million or 20% of the rights issue, whichever is higher, at the time of receipt of fund through subscription of issue (over and above the monthly repayment and prepayment from Nashik 113/2 sale) will be done.

Security:

1. First mortgage and charge over approximately 12,850 sq. mts. of land situated at Wadala Shivar, Nasik (Survey no. 113/2B) and office premises having a built up area of 15,903 sq. ft. at Phoenix Building, Office Bund Garden Road, Pune; *
2. First mortgage and charge over approximately 8,227 sq. mts. of land situated at Wadala Shivar, Nasik; *
3. First charge on the Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising pertaining to the project, present and future;

<table>
<tr><th>#</th><th>Name of the Lender</th><th>Nature of Facility</th><th>Amount Sanctioned (in ₹ millions)</th><th>Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹ millions)</th><th>Rate of Interest (per annum)</th><th>Repayment terms</th></tr>
<tr><td colspan="7">4. First charge by way of assignment or creation of security interest of (a)all the rights, title, interest, benefits, claims and demands whatsoever of the Company in Project Windermere documents, duly acknowledged and consented by the relevant counter-parties to the project Windermere documents, (b) Subject to applicable law, all the rights, title, interest, benefits, claims and demands whatsoever of the issuer in the clearances; and c) all the rights title and interest benefits claims demands whatsoever of the Company in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Windermere documents.
5. First charge by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of the Company in an agreement between Rajesh Builders and our Company, and the no objection letter;
6. First charge on the escrow agreement, debt service reserve and any other reserves and other bank accounts of the Company wherever maintained;
7. Irrevocable and unconditional personal guarantee of Mr. R. Vasudevan; and
8. First charge by way of hypothecation/ mortgage/ assignment of transfer development rights for the project.

*Note: As per revised terms dated January 9, 2015, in replacement of existing security of Nashik land 113/2 and Phoenix Building, security for Kaledonia and Marigold apartments to be created in favour of fund by January 31, 2015 subject to satisfactory due diligence and valuation. However, the same is pending till date.</td></tr>
<tr><td rowspan="3">6.</td><td rowspan="3">ICICI Bank Limited</td><td>Performance Bank Guarantee</td><td>500.00</td><td>382.04 (Non-Fund Based)</td><td rowspan="3">N.A.</td><td rowspan="3">No fixed repayment term</td></tr>
<tr><td>Purchase Bill Discounting (Sub-limit of the performance bank guarantee of ₹ 500.00 million availed from ICICI Bank Limited)</td><td>100.00</td><td>40.15 (Non-Fund Based)</td></tr>
<tr><td>Letter of Credit (Sub-limit of the performance bank guarantee of ₹ 500.00 million availed from ICICI Bank Limited)</td><td>100.00</td><td>-</td></tr>
<tr><td colspan="7">Security:
1. First charge by way of hypothecation on the Company’s entire stock of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating banks except receivables of Tamil Nadu State Government project charged to HDFC Bank; and
2. Second pari passu charge on movable fixed assets of the Company.</td></tr>
<tr><td>7.</td><td>Volkswagen Finance Private</td><td>Vehicle Loan</td><td>5.20</td><td>5.20 (Fund Based)</td><td>10.25%</td><td>In 60 monthly installments of ₹ 0.11 million each</td></tr>
</table>

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹ millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹ millions)	Rate of Interest (per annum)	Repayment terms
	Limited					
Security: Hypothecation of vehicle						
8.	Union Bank of India	Over draft	8.10	8.58 (Fund Based)	10.25%	No fixed repayment term
Security: Secured Against Fixed Deposits.						
Total Outstanding as on March 31, 2015 (Fund Based limits)				1,989.91		
Total Outstanding as on March 31, 2015 (Non-Fund Based limits)				1,335.07		

Unsecured Borrowings:

1. Fixed Deposits accepted by our Company:

Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
196.64	196.64	12.50%	Repayment in 400 days

**The total outstanding amount as on reporting period is considered as sanctioned amount, as there are no sanction limits for the same.*

2. Inter Corporate Deposits:

#	Name of the Lender	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
1.	HSR Associates	340.95*	340.95	12.00%	Repayable on demand
2.	AMR Associates	318.84*	318.84	12.00%	Repayable on demand
3.	S.P.R. Associates	135.70*	135.70	12.00%	Repayable on demand
4.	Golden Temple Pharma LLP	13.76*	13.76	14.50%	Repayable on demand
5.	Vastech Consultants Private Limited	13.00	10.01	13.5%	Repayable on demand subject to minimum period of 12 months

#	Name of the Lender	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
6.	Conamore Resorts Private Limited	800.00	1.6	11.00%	No fixed maturity term
7.	IBM India Private Limited	8.98*	8.98	13.00% to 13.54%	The loan has been divided in 9 supplements and each supplement has different installments
8.	Leverage Finance and Securities Private Limited	25.67*	25.67	12.00%##	Repayable on July 31, 2015
9.	Meditab Specialities Private Limited	-	1.99**	13.00%	Repayable on demand
10.	Yester Investment Private Limited	77.00*	77.00	12.00%##	Repayable on July 31, 2015
11.	A2Z Online Service Private Limited	54.08*	54.08	16.50%	Repayable on March 1, 2016
12.	Premratan Exports LLP	9.13*	9.13	14.50%	Repayable on demand
13.	Stresstech Engineers Pvt Ltd	1.73*	1.73	13.50%	Repayable on demand
Total Outstanding as on March 31, 2015			999.44		

**The total outstanding amount as on reporting period is considered as sanctioned amount, as there is no sanction limits for the same has been approved.*

***Principal repaid only interest outstanding*

If the Company fails to repay the loan (interest and principal) on or before July 31, 2015, the interest on the outstanding amount will increase to 24% per annum.

3. Inter Corporate Deposits from Subsidiaries:

#	Name of the Lender	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
1.	Almet Corporation Limited	41.40	8.22	9.00%	Repayable on call subject to minimum period of 24 months along with interest
2.	Marathwada Realtors Private Limited	60.75	1.73	9.00%	Repayable on call subject to minimum period of 24 months along with interest

#	Name of the Lender	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
Total Outstanding as on March 31, 2015			**9.95**		

4. Indebtedness of the Subsidiaries, Associate and Joint Ventures:

1. **GMP Technical Solutions Private Limited:**

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
Secured Borrowings						
1.	Axis Bank Limited	Cash Credit	100.00	85.50(Fund Based)	2.75% above the base rate	On Demand.
		EPC/FBP/FBD (Sub limit within CC)	100.00	Nil	1.% - 1.50% above the base rate	270 days from date of shipment.
		LCBD (sublimit with CC)	80.00	Nil	0.50% - 1.00% above the base rate	Maximum 180 days from the date of shipment
		LER (sublimit with CC)	50.00	Nil	N.A.	Upto 180 days
		Bank Guarantee (Inland/ Foreign)	300.00	246.43 (Non-Fund Based)	N.A.	Maximum upto 60 months inclusive of claim period.
		Letter of Credit (Inland/import) (One way inter changeability upto ₹50.00 million from	100.00	77.31 (Non-Fund Based)	N.A.	No fixed repayment term

<table>
<tr><th>#</th><th>Name of the Lender</th><th>Nature of Facility</th><th>Amount Sanctioned (in ₹millions)</th><th>Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)</th><th>Rate of Interest (per annum)</th><th>Repayment Terms</th></tr>
<tr><td></td><td></td><td>CC to letter of credit is permitted)</td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7">Security:
Primary Security: First pari passu charge with other banks charge over entire current assets of the company (present and future)

Collateral Security: Equitable mortgage on the Company’s Factory land and building (unit I and Unit II) situated at village Kuhuharwala, PO Barotiwala, Tehsil Kasaulibaddi admeasuring 46 bigha 02 biswa (unit 1-27 bigha 3 biswa and unit 2-18 bigha 19 biswa);
First pari passu hypothecation charge over movable fixed assets (excluding vehicles and excluding MFA financed by other banks / Financial Institutions) of the Company (existing and future).
Guarantees: Corporate Guarantee of M/s Vascon Engineers Limited.</td></tr>
<tr><td>2.</td><td>Tata Capital Financial Services Limited</td><td>Term Loan</td><td>21.60</td><td>16.20 (Fund Based)</td><td>Long term lending rate less 4.25% i.e. 14% floating interest rate, subject to minimum of 13.50% LTLR as on date of disbursement of loan was 18.25% pa.</td><td>Interest to be paid on monthly basis on every month from the date of 1st disbursement till maturity.

Principal to be paid in 48 monthly equated installment of Rs 0.45 million till maturity</td></tr>
<tr><td colspan="7">Security:
Primary: First and exclusive hypothecation charge of machineries/equipments purchased/to be purchased out of TCFSL fund.

Collateral: Security deposit of ₹ 10 million to be kept with Tata Capital Financial Services Limited/empanelled banker till the tenure of TCFSL loan.</td></tr>
<tr><td>3.</td><td>Bank of Maharashtra</td><td>Bank Guarantee</td><td>50.00</td><td>23.56(Non-Fund Based)</td><td>NA</td><td>12 months subject to annual review</td></tr>
<tr><td colspan="7">Security: Bank Guarantee and Counter Guarantee of the Company.</td></tr>
<tr><td rowspan="2">4.</td><td rowspan="2">Bank of Baroda</td><td>Fund Based Facility</td><td>150.00</td><td colspan="3"></td></tr>
<tr><td>PC/PCFC cum FBD /FBP</td><td></td><td>18.34 (Fund Based)</td><td>1.25 above Base rate i.e 11.50%</td><td>12 months subject to annual review.</td></tr>
</table>

<table>
<tr><th>#</th><th>Name of the Lender</th><th>Nature of Facility</th><th>Amount Sanctioned (in ₹millions)</th><th>Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)</th><th>Rate of Interest (per annum)</th><th>Repayment Terms</th></tr>
<tr><td rowspan="4"></td><td rowspan="4"></td><td>/FCBD/FCBP limit (Sub limit 150 million)</td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="5">Security
Security for PC / PCFC
1. D.P.note duly executed by the Company;
2. Letter of continuing security;
3. Composite hypothecation agreement on pari passu basis with Axis Bank;
4. Packing Credit undertaking for liquidation of PC by negotiation of bills;
5. Export Trust receipts; and
6. Lodgement of export orders /e-mail confirmation and/or prime banks irrecoverable LC.

Security for FBP/ FBD/FCBP/FCBD

1. FBP agreement signed by the company
2. Bills drawn under confirm order or prime Bank’s irrevocable L/C not exceeding 180 days usance period to be purchased / discounted
3. Comprehensive Buyer wise ECGC policy to be obtained for exports against confirmed orders.
4. Buyers’ report to be obtained as per Banks’s norms.
5. All other extant guideline for pre/ post shipment finance to be adhered to.</td></tr>
<tr><td>Cash Credit (Hypn. Of stock and book debts) (Sub limit with PC/ PCFC of 150 million)</td><td></td><td>150.50(Fund Based)</td><td>3.25% above base rate 13.50%</td><td>12 months subject to annual review</td></tr>
<tr><td colspan="5">Security:
1. D.P.note signed by the company;
2. Composite hypothecation agreement (first pari passu charge along with all multiple banks on current assets i.e stock and book debts of the company);
3. Letter of continuing security;
4. Power of Attorney for book debts;
5. Declaration/undertaking/authority;
6. Letter of General Undertaking; and
7. Undertaking of book debts.</td></tr>
</table>

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
		Non Fund Based Facility	150			
		Bank Guarantee (inland/foreign) of ₹ 150 million)		44.59(Non-Fund Based)	NA	12 months subject to annual review
		Buyers's Credit (Sublimit with Inland / Foreign Letter of credit of DP/DA- usance- 90 days)/Buyer's Credit under FBP/FBD/UFBP/ UFBD cum PC/PCFC limit)		Nil	3.25% above base rate 13.50%	12 months subject to annual review
		Security: 1. Stamped Country Indemnity letter executed by the Company; 2. Letter of undertaking; 3. Other securities available for FBWC facilities; and 4. Stamped LC application signed by the Company.				
5.	BMW Financial Services	Vehicle Loan	3.50	3.36 (Fund Based)	9.99%	Payable in 60 monthly installments.
Security: Hypothecation of Vehicle						
6.	ICICI Bank Limited	Term Loan (Vehicle Loan)	1.42	0.83(Fund Based)	10.03%	In 36 monthly installments of ₹ 0.45 million each commencing from December 2013 and the last installment of ₹ 0.38 million falling due in

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
						November 2016
Security: Hypothecation of Vehicle						
7.	HSBC Bank Limited	Bank Guarantee	23.80	15.24(Non-Fund Based)	N.A.	12 months subject to annual review
Security: *1.* Corporate Guarantee (CGT) from Osaka Private Limited; and 1. 100% Deposits Under Lien.						
Total Outstanding as on March 31, 2015 (Fund Based limits)				274.73		
Total Outstanding as on March 31, 2015 (Non-Fund Based limits)				407.13		

2. **Cosmos Premises Private Limited**:

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
Secured Borrowings						
1.	State Bank of Hyderabad	Term Loan	100.00	2.88	At State Bank of Hyderabad prime lending rate, currently at 14.00%, with a minimum of 14.00% (floating)	In 23 quarterly installments of ₹ 4.2 million each commencing from September 2009 and the last installment of ₹ 3.4 million falling due in June 2015
Security: Primary:						

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
1. Equitable mortgage of land and hotel building situated in Utorda village bearing survey no. 33 (1), 33 (7-11), 47 (1), 49 (1), 50 (1-26) and 51 (1 to 31), admeasuring 22,725 sq. mts; and 2. Exclusive charge on the other assets of the Cosmos Premises Private Limited, including assets to be carried out of our bank finance and existing assets including plant and machinery, furniture and fixtures. <u>Corporate Guarantee:</u> Corporate Guarantee of M/s Royal Orchid Hotels Limited (TNW as on March 31, 2007 is ₹ 167.83 crores) and M/s Vascon Engineers Limited (TNW as on March 31, 2008 is ₹ 312.47).						
Unsecured Borrowings						
2.	Okasa Ltd	Unsecured Loan	5.00*	5.00	N.A.	Repayable on demand
3.	Conamore Resorts Private Limited	Unsecured Loan	0.63*	0.63	N.A.	Repayable on demand
Total Outstanding as on March 31, 2015 (FundBased)				**8.51**		

**The total outstanding amount as on reporting period is considered as sanctioned amount, as there is are sanction limits for the same.*

3. **Ajanta Enterprises:**

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
Secured Borrowings						
1.	IDBI Bank	Term loan	245.00	100.00	BBR+350 bps	Repayable in 36 equal monthly installments including moratorium of 12 months from the date of the first disbursement. Repayment to commence from April 30, 2015 and will complete by March

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
						31, 2017
Security: Primary: Mortgage Charge over the project land admeasuring 5.61 acres, s.no 59 at Kharadi Pune (for Phase II) with present and future construction along with receivable from sale of units in Project Forest County. Collateral: Mortgage of land being develop at S. no 59 of Kharadi Pune(excluding Phase I and Phase II) belonging to Sector 1, (Phase III: 1.97 acres and balance 17.55 acres as NA land under development) admeasuring 19.52 acres.						
Unsecured Borrowings						
2.	Dhiren Nandu HUF	Unsecured Loan	17.80*	17.80	15.00%	Repayable on demand
3.	Dhiren Nandu	Unsecured Loan	9.31*	9.31	15.00%	Repayable on demand
4.	Sandra Bhansali	Unsecured Loan	26.21*	26.21	15.00%	Repayable on demand
Total Outstanding as on March 31, 2015 (Fund Based)				153.32		

**The total outstanding amount as on reporting period is considered as sanctioned amount, as there are no sanction limits approved for the same*

4. Vascon Dwellings Private Limited:

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹ millions)	Rate of Interest (per annum)	Repayment Terms
1.	ATR Projects Private Limited	Unsecured Loan	2.50*	2.50	15.00%	Interest is payable on monthly basis from May 2014 to September 2014 and principal in September 2014 (Post-

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹ millions)	Rate of Interest (per annum)	Repayment Terms
						dated cheques where issued at the time of disbursement)
Total Outstanding as on March 31, 2015 (Fund Based)				**2.50**		

**The total outstanding amount as on reporting period is considered as sanctioned amount, as there are no sanction limits approved for the same*

5. Phoenix Ventures:

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
Secured Borrowings						
1.	Central Bank of India	Term Loan	100.00	56.63	3.50% + 0.25% above base rate	In 20 quarterly installments of ₹ 5 million each - commencing from September 2012
Security: Primary: Exclusive Charges: 1. For proposed Term Loans (Xotech Project) (Construction of residential flats in the remaining portion of land): The security for the proposed term loan will be landed property admeasuring 21,410 sq. mtrs. 2. Value of the property as per valuation report dated October 31, 2009 is ₹ 291.10 million. 3. Cost of the project is ₹ 327.20 million. 4. Total value of the security will be ₹ 618.30 million for the Proposed Term Loan of ₹ 100 million of the Xotech Project.						

#	Name of the Lender	Nature of Facility	Amount Sanctioned (in ₹millions)	Amount Outstanding (Including Interest due and Interest accrued but not due) as on March 31, 2015 (in ₹millions)	Rate of Interest (per annum)	Repayment Terms
Secured Borrowings						
Collateral Security: Nil						
Unsecured Borrowings						
2.	Conamore Resorts Private limited	Unsecured Loans	0.93*	0.93	N.A.	Repayable on demand
Total Outstanding as on March 31, 2015 (Fund Based)				57.56		

**The total outstanding amount as on reporting period is considered as sanctioned amount, as there are no sanction limits approved for the same*

Notes: -

1. The following loan given to Subsidiaries has been excluded from the above as the same gets eliminated in Consolidated Balance Sheet:

Par	Amount
(₹ in Millions)	
a) Vascon Dwellings Private Limited	245.55
b) Floriana Properties Private Limited	67.43
c) Vascon Pricol Infrastructure Limited	132.77

2. The following loan taken from Subsidiaries has been included above even if the same gets eliminated in Consolidated Balance Sheet:

Par	Amount
(₹ in Millions)	
a) Marathwada Realtors Private Limited	1.73
b) Almet Corporation Limited	8.22

Corporate Actions

Many of our financing arrangements entail various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities.

For instance, we are required to intimate the lenders if we, inter alia, (i) effect any changes in the shareholding pattern, management control, or make any investments in any fixed assets, in associates/group companies except to the extent projected in the data submitted to the bank; (ii) effect change in the capital structure; (iii) formulate any scheme of amalgamation or reconstruction; (iv) implement any major scheme of expansion; (v) invest by way of share capital in or lend advance funds to or place deposits with any other concern enter into additional borrowing arrangements (including securitization of receivables or provide escrow facilities), either secured or unsecured, with any bank, financial institutions, company/firm or otherwise other than the limits disclosed; (vi) undertake guarantee obligations on behalf of any other company/firm etc.; (vii) allow the promoters/directors to alienate, transfer, dispose or dilute their shareholding; (viii) create any further charge, lien or encumbrance over the assets or properties of the Company already charged to the lender in favour of any other lenders, companies firm or person; (ix) declare or pay dividend for any year except out of profits for the year and after meeting the bank's obligations; and (x) changes in the Memorandum and Articles of association of the Company.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under Part 1 of Schedule V of the Companies Act, 2013) against our Company and our Subsidiaries that would have a material adverse effect on our business. Further there are no defaults, non-payment or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures, bonds and arrears of cumulative preference shares that would have a material adverse effect on our business, as on date of the Letter of Offer, except as described below.

Further there are no litigation involving issues of moral turpitude or criminal liability on the part of our Company or our Subsidiaries, material violations of statutory regulations by our Company and our Subsidiaries or economic offences where proceedings have been initiated against our Company or our Subsidiaries, in the immediately preceding ten years of the date of the Letter of Offer, except as described below.

A summary of litigation and disputes involving potential financial liability of ₹ 50 million or more and certain other litigation which we consider material, is as follows:

Litigation initiated against our Company:

1. Sanjay Bakht Ajwani and others have filed a Special Civil Suit (No. 1202 of 2005) before the Court of the Civil Judge Senior Division, Pune, against Downtown Estate Developers Private Limited and others (including the Company who has been specified as defendant No. 42). The original owners of the lands located at Mauje Lohagaon, Taluka Haveli, entered into a development agreement with the defendant No. 1 which was subsequently cancelled by both the parties. The plaintiff No. 1 claims to be the director of the defendant company and the other plaintiffs claim to be the shareholders. The original owners have subsequently entered into development agreement with defendant No. 4 which eventually entered into an agreement with our Company. The plaintiffs have challenged the deed of cancellation, the development agreement with defendant No. 40 and the joint venture agreement entered into between defendant No. 40 and our Company. The plaintiffs have inter alia claimed the possession of the property and an amount of ₹ 64.01 million along with interest at the rate of 18% p.a. till realization. The plaintiffs filed a temporary injunction application before the Court of the Civil Judge Senior Division at Pune, praying that, inter alia, the defendants Nos. 2 to 42 be restrained/prohibited by a decree of permanent injunction from doing/causing any construction/development on the suit property either personally or through their agents, employees, assigns or from creating third party interest and/or entering into any transaction or agreement with any third person. The Court of the Civil Judge Senior Division at Pune dismissed the aforementioned temporary injection application vide order dated May 27, 2008 and the same has been confirmed by the High Court of Bombay vide its judgment and order dated December 15, 2008. The plaintiff and others filed a Special Leave Petition (Civil) No. 9264 of 2009 praying for an ex-parte stay on the operation of the judgment and order of the High Court of Bombay dated December 15, 2008, which was dismissed by the Supreme Court vide its order dated September 14, 2009. The matter is pending hearing and final disposal.

2. Rock Enterprises has filed a Special Civil Suit (No. 1046 of 2010) before the Court of Civil Judge, Senior Division, Pune (the "**Court**"), against Just Homes (India) Private Limited, Marigold Premises Private Limited, Sansara Hotels India Private Limited, Just Home Associates and our Company, (the "**Defendants**"), (the "**Suit**"). Rock Enterprises vide the Suit has prayed for inter alia, (i) a declaration that the Development Agreement dated July 31, 2006 between Rock Enterprises, Marigold Premises Private Limited, Just Home Associates and our Company, and the Development Agreement dated March 21, 2007 between Rock Enterprises, Marigold Premises Private Limited, Sansara Hotels India Private Limited, Just Home Associates and our Company invalid and fraudulent, (ii) temporary injunction from dealing with the Suit property, and (iii) payment of an amount of ₹ 3,500.00 million on the grounds of loss of business for Rock Enterprises. The Defendants vide their respective replies have rejected the claims of the Rock Enterprises and prayed that no relief be granted to Rock Enterprises

and that the Suit be dismissed with costs. Further, pursuant to the consent terms dated May 19, 2012, as agreed upon between all the parties to the Arbitraion Proceeding No. 16136/CYK, which was intiatied by Sansara Hotels (India) Private Limited against Rock Enterprises, Just Homes India Private Limited, Just Homes Associates, Marigold Premises Private Limited and our Company, Rock Enterprises has undertaken to, inter alia, withdraw the Suit. The matter is pending hearing and final disposal.

3. Mr. Balakrishna Khushalchand Mantri and Ms. Ambika Balakrishna Mantri, (the "**Plaintiffs**"), have filed a Special Civil Suit (No. 54 of 2011) before the Court of Civil Judge, Senior Division, Pune (the "**Court**"), against Mr. R. Vasudevan, Marigold Premises Private Limited and our Company, (the "**Defendants**"), (the "**Suit**"). The Plaintiffs valuing the Suit at ₹ 3,600 million, have prayed that inter alia: i) the Defendants be directed to deliver possession of 23,000 sq. ft. of plot surrounding a residential bungalow; ii) five flats in the scheme of Marigold Premises Private Limited of 1,500 sq. ft. each, along with a payment for the utilisation of excessive FSI; iii) or in the alternative, to hold that the additional FSI available for a scheme is approximately 2,500,000 sq. ft; and iv) that the Defendants be directed to pay an amount of ₹ 1,000 per sq. ft. as compensation to the Plaintiffs. Subsequently, the Plaintiffs also filed a temporary injunction application before the Court, praying for inter alia, an order of temporary injunction restraining the Defendants from selling five flats of 1,500 sq. ft. each of carpet area or 7,500 sq. ft. of carpet area in the scheme of Marigold Premises Private Limited along with the costs of the application to be passed. The Defendants in reply to the Plaintiffs' temporary interim injunction application, filed their written statement before the Court, praying that the Suit and the application should be dismissed with an exemplary compensatory cost of ₹ 1 million. Further, the Plaintiffs have also filed an ad-interim injunction application for restraining the Defendants from entering the open space near the residential bungalow and from causing any nuisance and annoyance to the Plaintiffs or inter alia their relatives within an area of 14,000 sq. ft. The Court vide its interim order dated February 27, 2012 has: i) rejected the Plaintiffs' temporary interim injunction application for restraining the Defendants from selling the five flats of 1,500 sq. ft. each of carpet area; and ii) temporarily restrained the Defendants until the decision of the Suit, from entereing the open space near the residential bungalow and from causing any nuisance and annoyance to the Plaintiffs or their relatives within an area of 14,000 sq. ft, which is in the possession of the Plaintiffs. Subsequently, the Defendants filed an amended written statement before the Court, praying that the Suit and the application should be dismissed with an exemplary compensatory cost of ₹ 1 million. Thereafter, Rock Enterprises filed a third party application before the Court praying that it should be added as a defendant to the Suit, which was challenged by the Plaintiffs praying that the same should be rejected with costs. The Court vide its order dated December 17, 2012, rejected the aforementioned third party application for adding Rock Enterprises as a defendant to the Suit. The matter is pending hearing and final disposal.

4. B.N. Choudhary ("**Complainant**") has filed a criminal complaint against our Company and our Managing Director Mr. R. Vasudevan pursuant to the provisions of Section 406, 506(1) of the Indian Penal Code, 1860 Additional Magistrate's Court, Dadar, Mumbai alleging that our Company failed to make a payment of ₹ 3,94,840 for the building work undertaken by the Complainant. The matter is pending hearing and final disposal.

Litigation initiated by our Company:

1. Our Company has filed a Special Civil Suit (No. 335 of 2007) before the Court of the Civil Judge, Senior Division, Pune, (the "**Court**"), against Eagle Flask Industries Limited, Salemohamed Padamse and Company and Eagle Home Appliances Private Limited, (the "**Suit**"). Our Company vide the Suit has prayed for inter alia, declaration, specific performance and permanent injunction and an amount of ₹ 370.00 million along with interest at the rate of 18% p.a. from the date of the Suit till actual realization. Our Company has alleged that they had entered into an oral agreement with the defendants pursuant to which the defendant was required to transfer a total of 45 acres of land (located at Talegaon, Taluka Maval, District Pune), subject to various terms as agreed between the parties which includes the mode of payment and the steps to be taken by the defendants to transfer the lands to the plaintiff. The plaintiffs filed a temporary injunction application before the Court, praying that, inter alia, the defendant No. 2, his servants and his agents be restrained by an order of temporary injunction from alienating, transferring, developing, constructing upon and/or changing the nature of and creating any third party interest in respect of the land located at Vadgaon, Taluka and District Pune. The defendant No. 1 vide its reply filed with the Court, rejected the claims of the plaintiff and has prayed

for the aforementioned application for temporary injunction be rejected. Thereafter, an application filed by defendant Nos. 1 and 2 before the Court under Order 7 Rule 11 of the Code of Civil Procedure, 1908 for dismissing the Suit on the grounds of the same being time barred, was rejected by the Court. The matter is pending hearing and final disposal.

2. Our Company has filed a civil petition (Misc. Application No. 598/2014) before the District Judge at Pune ("the **Court")** against Mr. Subhash Tippanna Nelge and Mr. Shivkumar Tippanna Nelge, ("the **Defendants**"**)** in connection with the MOU entered into with the Defendants on July 23, 2005, pursuant to which an amount of ₹. 2, 00, 00,000/**-** (and further paid ₹.1, 00, 00,000) was paid by our Company to the defendant for acquiring possession of contiguous pieces of land at Mahalunge on which our Company had planned to launch a township project. However, the Defendants failed to execute the sale deed and transfer possession of the said property to our Company within the stipulated time. The aforesaid MOU was terminated by our Company and a legal notice was sent to the Defendants to initiate arbitration proceedings. Our Company has filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before the District Court *inter alia* praying for an order of repayment of the consideration and liquidated damages included interest calculated at 18% per annum aggregating to a total of ₹ 85,80,08,031 and a temporary injunction from obstructing the possession of the Applicant over the said land or any part thereof.

Potential legal proceedings initiated by our Company:

Our Company has issued a notice dated April 28, 2015 in the form of a statutory winding up notice under the provisions of Section 434(1) of the Companies Act, 1956 to Continental Hospitals Limited in connection with the recovery of an amount of ₹ 135.15 million along with interest at the rate of 24% per annum.

Litigation initiated against our Subsidiaries:

1. Rock Enterprises has filed a Special Civil Suit (No. 1046 of 2010) before the Court of Civil Judge, Senior Division, Pune (the "**Court**"), against Just Homes (India) Private Limited, Marigold Premises Private Limited, Sansara Hotels India Private Limited, Just Home Associates and our Company, (the "**Defendants**"), (the "**Suit**"). Rock Enterprises vide the Suit has prayed for inter alia, (i) a declaration that the Development Agreement dated July 31, 2006 between Rock Enterprises, Marigold Premises Private Limited, Just Home Associates and our Company, and the Development Agreement dated March 21, 2007 between Rock Enterprises, Marigold Premises Private Limited, Sansara Hotels India Private Limited, Just Home Associates and our Company invalid and fraudulent, (ii) temporary injunction from dealing with the Suit property, and (iii) payment of an amount of ₹ 3,500.00 million on the grounds of loss of business for Rock Enterprises. The Defendants vide their respective replies have rejected the claims of the Rock Enterprises and prayed that no relief be granted to Rock Enterprises and that the Suit be dismissed with costs. Further, pursuant to the consent terms dated May 19, 2012, as agreed upon between all the parties to the Arbitraion Proceeding No. 16136/CYK, which was intiatied by Sansara Hotels (India) Private Limited against Rock Enterprises, Just Homes India Private Limited, Just Homes Associates, Marigold Premises Private Limited and our Company, Rock Enterprises has undertaken to, inter alia, withdraw the Suit. The matter is pending hearing and final disposal.

2. Mr. Sagar Maruti Suryawanshi, (the "**Plaintiff**"), has filed a Special Recovery Suit (No. 49 of 2013) before the Court of the Civil Judge, Senior Division, Pune, (the "**Court**"), against Rock Enterprises, Just Homes Associates, and Marigold Premises Private Limited, (the "**Defendants**"), (the "**Suit**"). The Plaintiff valuing the Suit at ₹ 302.14 million, has prayed that the Defendants be: i) ordered to pay the Plaintiff a sum of ₹ 302.14 million along with interest at the rate of 24% p.a. from the date of filing of the Suit till realization; and ii) restrained from disposing of or creating any third party interest in or creating construction of, the Suit property till the final decision of the Suit. Thereafter, the Superintendent of the Court issued a summons on November 21, 2013 to the Defendants, to appear before the Court on December 6, 2013. The matter is pending hearing and final disposal.

Potential legal proceedings initiated by our Subsidiaries:

Our Subsidiary, Floriana Properties Private Limited has issued a notice dated April 22, 2015 in the form of a statutory winding up notice under the provisions of Section 434(1) of the Companies Act, 1956 to

Paradigm Corporation Private Limited in connection with the recovery of an amount of ₹ 171.10 million along with interest at the rate of 15% per annum.

Criminal Legal Proceedings Involving our Subsidiaries:

NIL

Criminal Legal Proceedings Involving our Directors:

B.N. Choudhary ("**Complainant**") has filed a criminal complaint against our Company and our Managing Director Mr. R. Vasudevan pursuant to the provisions of Section 406, 506(1) of the Indian Penal Code, 1860 Additional Magistrate's Court, Dadar, Mumbai alleging that our Company failed to make a payment of ₹ 3,94,840 for the building work undertaken by the Complainant. The matter is pending hearing and final disposal.

Criminal Legal Proceedings Involving our Promoters:

B.N. Choudhary ("**Complainant**") has filed a criminal complaint against our Company and our Managing Director and Promoter, Mr. R. Vasudevan pursuant to the provisions of Section 406, 506(1) of the Indian Penal Code, 1860 Additional Magistrate's Court, Dadar, Mumbai alleging that our Company failed to make a payment of ₹ 3,94,840 for the building work undertaken by the Complainant. The matter is pending hearing and final disposal.

GOVERNMENT AND OTHER APPROVALS

We are required to obtain approvals at various stages of each of our projects, including upon completion of the respective projects or phases thereof. Such approvals typically include, inter alia, layout plan approval from the municipal corporation, intimation of disapproval from the municipal corporation, commencement certificate from the municipal corporation, no objection certificate from the chief fire officer, environmental clearances from the state pollution control boards and Ministry of Environment and Forests or state environment impact assessment authorities, as may be applicable, occupancy certificate from the municipal corporation and other applicable project specific approvals. The requirement for such approvals for a particular project may vary depending on factors including the type of project, i.e., residential or commercial and the state where the project is located. Further, our obligation to obtain such approvals arises as we progress through different stages of construction and we will make applications for such approvals at the appropriate stage.

We have obtained necessary consents, licenses, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business, except as stated below. Some of the approvals and licenses that we require for our present business operations may expire in the ordinary course of business, and we will apply for their renewal from time to time.

Stated below are the details of the pending approvals and pending renewals of licenses in relation to our projects:

1. Phoenix, Pune:

   ii. We have made an application for environmental clearance under the Environmental Impact Assessment notification 2006 - category 8A on May 15, 2011; and

   iii. We have made an application for consent to establish on June 29, 2011.

2. Forest County, Pune:

   i. We have made an application for environmental clearance to the State Level Expert Appraisal Committee, Mumbai, Maharashtra for our proposed project situated at Village Kharadi, Taluka Haveli. District Pune on June 20, 2013.

3. Tulips, Coimbatore:

   ii. We have made an application for environmental clearance to the State Environment Impact Assessment Authority, Panagal Maligai, Chennai for our proposed project situated at Sowripalayam Village, Coimbatore South Taluk, Coimbatore District, Tamil Nadu.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue is being made pursuant to a resolution passed by the Board of our Company at its meeting held on October 20, 2014. Pursuant to a resolution passed by the Board of our Company at its meeting held on June 13, 2015, has determined a Rights Entitlement of 14 Rights Equity Shares for every 19 fully paid-up Equity Shares held on the Record Date and a price of ₹ June 24, 2015 per Rights Equity Share as the Issue Price.

RBI Approval for Renunciation

The RBI has, pursuant to a letter dated June 17, 2015 (Ref No. FED.CO.FID.No. 19236/ 10.21.338/ 2014-15), conveyed its no-objection to renunciation of Rights Entitlement of the Rights Equity Shares of our Company by the following:

i. resident shareholders to FIIs and NRIs applying under the portfolio investment scheme ("**PIS Route**") or RFPIs applying under the foreign portfolio investment scheme ("**FPI Scheme**") subject to the aggregate shareholding by FIIs and FPIs not exceeding 24% of the paid up capital. The offer price for Rights Issue to Non Residents ("**NR**") should not be less than at which the offer is made to a resident shareholder in terms of Regulation 6 of Notification No. FEMA.20/2000-RB dated May 3, 2000, as amended from time to time. Further the renunciation of the Rights Entitlement should be on the floor of the Stock Exchange;
ii. an existing FII, NRI or RFPI shareholder of our Company to a resident on the floor of the Stock Exchange;
iii. an FII, NRI or RFPI shareholder of our Company to any other FIIs or NRIs applying under the PIS Route or RFPIs applying under the FPI Scheme subject to the aggregate shareholding by FIIs and FPIs not exceeding 24% of the paid up capital. However the offer price for Rights Issue to NR should not be less than at which the offer is made to a resident shareholder. Further the renunciation of Rights Entitlement should be on the floor of the Stock Exchanges.
iv. If any transaction involves an erstwhile overseas corporate body, RBI will need to be approached with full details for prior approval.

The transaction may be reported only by the renouncee FIIs/NRIs/RFPIs in the applicable form LEC through their custodian bank. Our Company may not file FC-GPR for the Issue.

Additionally, in terms of Regulation 6 of Notification No. FEMA.20/2000-RB dated May 3, 2000, as amended from time to time, only the existing NR shareholder may apply for issue of additional Rights Equity Shares over and above the Rights Equity Shares offered on rights basis by our Company.

The Rights Entitlement can be traded only on BSE Limited and in physical mode.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. The Equity Shares of our Company are listed on the NSE and the BSE. Our Company is eligible to offer the Rights Equity Shares pursuant to the Issue in terms of Chapter IV of the SEBI ICDR Regulations.

Compliance with Part E of Schedule VIII of the SEBI ICDR Regulations

Our Company has complied with the requirements of Part E of Schedule VIII of the SEBI ICDR Regulations, to the applicable extent, in terms of the disclosures made in the Letter of Offer.

Further, our Company confirms that it is in compliance with the following:

(a) our Company has been filing periodic reports, statements and information in compliance with the listing agreement for the last three years immediately preceding the date of filing the Draft Letter of Offer with SEBI;

(b) the reports, statements and information referred to in sub-clause (a) above are available on the website of any recognized stock exchange with nationwide trading terminals or on a common e-filing platform specified by SEBI; and

(c) our Company has investor grievance-handling mechanism which includes meeting of the Shareholders' Grievance Committee at frequent intervals, appropriate delegation of power by the Board of Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Prohibition by SEBI or RBI

1. Our Company, our Directors, our Promoters and Promoter Group, and person(s) in control of our corporate Promoters have not been prohibited or debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any regulatory or statutory authority;

2. None of our Promoters and Promoter Group, Directors or persons in control of our Company was or also is a promoter, director or person in control of any other company which has been restrained, prohibited or debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI;

3. Our Company, our Promoters, our Group Entities and the relatives (as per the Companies Act, 2013) of our Promoters and our Group Entities, have not been declared as wilful defaulters by RBI or any other governmental authority; and

4. Details of the entities that our Director(s) are associated with, which are engaged in securities market related business, and are registered with SEBI for the same, have been provided to SEBI.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGERS, IDFC SECURITIES LIMITED AND IDBI CAPITAL MARKET SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGERS, IDFC SECURITIES LIMITED AND IDBI CAPITAL MARKET SERVICES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE, WHICH READS AS FOLLOWS:

(1) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**

(2) **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

(a) THE DRAFT LETTER OF OFFER FILED WITH SECURITIES EXCHANGE BOARD OF INDIA (THE "SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2009, AS AMENDED ("ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

(4) **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE**

(5) **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE**

(6) **WE CERTIFY THAT REGULATION 33 OF THE ICDR REGULATIONS WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE**

(7) **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE – NOT APPLICABLE**

(8) **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE.**

(9) **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.**

(10) **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – COMPLIED WITH.**

(11) **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

(12) **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

(13) **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE ICDR REGULATIONS WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE.**

(14) **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC. (REFER TO ANNEXURE A)**

(15) **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE ICDR REGULATIONS CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. (REFER TO ANNEXURE VII).**

(16) **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR. - NOT APPLICABLE**

(17) **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD (AS) 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT LETTER OF OFFER.**

The filing of the Letter of Offer does not, however, absolve our Company from any liabilities under Section 34 or Section 38 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearance as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the Lead Managers any irregularities or lapses in the Letter of Offer.

Caution

Disclaimer Statement from our Company and the Lead Managers:

OUR COMPANY AND THE LEAD MANAGERS, NAMELY IDFC SECURITIES LIMITED AND IDBI CAPITAL MARKET SERVICES LIMITED ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE LETTER OF OFFER OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF OUR COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS OWN RISK.

INVESTORS WHO INVEST IN THE ISSUE WILL BE DEEMED TO HAVE BEEN REPRESENTED BY OUR COMPANY AND THE LEAD MANAGERS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, AFFILIATES AND REPRESENTATIVES THAT THEY ARE ELIGIBLE UNDER ALL APPLICABLE LAWS, RULES, REGULATIONS, GUIDELINES AND APPROVALS TO ACQUIRE EQUITY SHARES OF OUR COMPANY, AND ARE RELYING ON INDEPENDENT ADVICE / EVALUATION AS TO THEIR ABILITY AND QUANTUM OF INVESTMENT IN THIS ISSUE.

WE AND THE LEAD MANAGERS SHALL MAKE ALL INFORMATION AVAILABLE TO THE ELIGIBLE EQUITY SHAREHOLDERS AND NO SELECTIVE OR ADDITIONAL INFORMATION WOULD BE AVAILABLE FOR A SECTION OF THE ELIGIBLE EQUITY SHAREHOLDERS IN ANY MANNER WHATSOEVER INCLUDING AT PRESENTATIONS, IN RESEARCH OR SALES REPORTS ETC. AFTER FILING OF THE DRAFT LETTER OF OFFER WITH SEBI.

NO DEALER, SALESPERSON OR OTHER PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO REPRESENT ANYTHING NOT CONTAINED IN THE LETTER OF OFFER. YOU MUST NOT RELY ON ANY UNAUTHORIZED INFORMATION OR REPRESENTATIONS. THE LETTER OF OFFER IS AN OFFER TO SELL ONLY THE EQUITY SHARES AND RIGHTS TO PURCHASE THE EQUITY SHARES OFFERED HEREBY, BUT ONLY UNDER CIRCUMSTANCES AND IN JURISDICTIONS WHERE IT IS LAWFUL TO DO SO. THE INFORMATION CONTAINED IN THE LETTER OF OFFER IS CURRENT ONLY AS OF ITS DATE.

Investors will be required to confirm and will be deemed to have represented to our Company and the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and that they shall not issue, sell, pledge or transfer their Rights Entitlement or Rights Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares. Our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Investor on whether such Investor is eligible to acquire any Rights Equity Shares.

The Lead Managers and its affiliates may engage in transactions with, and perform services for, our Company and our group entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our group entities or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

The Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Pune, India only.

Selling Restrictions

The distribution of the Letter of Offer and the issue of our Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of Rights Equity Shares to its Eligible Equity Shareholders and will dispatch the Letter of Offer, the Letter of Offer and the Composite Application Form ("**CAF**") to the shareholders who have an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with SEBI for observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the same in or into the US or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Letter of Offer.

Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company‘s affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be the NSE.

Disclaimer Clause of the NSE

As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/11463 dated January 20, 2015 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given vide its letter dated January 28, 2015, permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

i. warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or

ii. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, Investigation and analysis shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

The Draft Letter of Offer was filed with the Corporation Finance Department of SEBI, located at SEBI Bhavan, C-4-A, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 for its observations. Pursuant to receipt of SEBI's observations, this Letter of Offer is being filed with the Designated Stock Exchange as per the provisions of the Companies Act, 2013 and the SEBI ICDR Regulations.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years*"

Expert

Except as stated below, our Company has not obtained any expert opinions:

i. Our Company has received written consent from the Statutory Auditor namely, M/s. Deloitte Haskins a Sells LLP, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in the Letter of Offer in relation to the: i) reports of the Statutory Auditor dated May 12, 2015 for the audited consolidated financial statements and the audited standalone financial statements, respectively, of our Company for the Financial Year ended March 31, 2015; and ii) statement of tax benefits dated May 26, 2015 included in the Letter of Offer and such consent has not been withdrawn as of the date of the Letter of Offer.

ii. Certificate from Architect Shirish B. Mohile dated May 26, 2015 in connection with total estimated construction cost for the Project Ela- Residential.

iii. Certificate from Architect Sandeep Hardikar dated May 26, 2015 in connection with total estimated construction cost for the Project Windermere- Residential.

Expenses of the Issue

The expenses of the Issue including fees and reimbursement to the Lead Managers, Statutory Auditor, Domestic Legal Advisor to the Issue, Registrar to the Issue, printing and distribution expenses, publicity, listing fees, stamp duty and other expenses are estimated at ₹ 25.00 million (around 2.50% of the total Issue size).

Sr. No.	Activity Expense	Amount (in ₹ million)	Percentage of Total estimated Issue expenditure	Percentage of Issue Size
1.	Fees of lead managers, bankers to the Issue, legal advisor, registrar to the Issue and out of pocket expenses	15.00	60.00%	1.50%
2.	Expenses relating to advertising, printing, distribution, marketing and stationery expenses	2.00	8.00%	0.20%
3.	Regulatory fees, filing fees, listing fees, depository fees, auditor fees and miscellaneous expenses	8.00	32.00%	0.80%
	Total estimated Issue expenses	25.00	100.00%	2.50%

Listing on the Stock Exchanges

The Equity Shares of our Company are listed on the NSE and the BSE. We have received in-principle approvals for listing of the Rights Equity Shares from the NSE and the BSE by letters dated January 20, 2015 and January 28, 2015, respectively. We will make applications to the Stock Exchanges for final listing and trading approvals in respect of the Rights Equity Shares being offered in terms of the Letter of Offer.

Important

- This Issue is made to only Eligible Equity Shareholders as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form and as appearing in the register of members of our Company in respect of equity shares held in the physical form, at the close of business hours on the Record Date i.e. June 24, 2015, after giving effect to the valid share transfers lodged with our Company up to the Record Date.
- Your attention is drawn to the section titled ***"Risk Factors"*** on page 10 of the LOF.
- Please ensure that you have received the CAF with the Abridged Letter of Offer.
- Please read the Letter of Offer, the Abridged Letter of Offer, the CAF, and the instructions contained therein carefully before filling in the CAF. The instructions contained in the CAF are each an integral part of the Letter of Offer and must be carefully followed. An application is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer, the Abridged Letter of Offer or the CAF.
- All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer or the CAF should be addressed to the Registrar to the Issue, quoting the registered folio number/ DP and Client ID number and the CAF numbers as mentioned in the CAF.
- All information shall be made available to the Investors by the Lead Managers and the Issuer, and no selective or additional information would be available by them for any section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports.

- The Lead Managers and our Company shall update the Letter of Offer and keep the public informed of any material changes until the listing and trading commences.

Issue Schedule

Issue Opening Date:	**July 10, 2015**
Last date for receiving requests for SAFs:	**July 17, 2015**
Issue Closing Date:	**July 24, 2015**

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Allotment Advices / Refund Orders

Our Company will issue and dispatch allotment advice / share certificates/ demat credit and/or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 15 days from the date of closure of the Issue.

Investors residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where Investor is otherwise eligible to get refunds through direct credit and RTGS. In case of any failure in processing of refunds through NECS, the refund bank shall make refunds by the issue of refund warrants/demand drafts in connection with the relevant amount liable to be refunded.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, an advice regarding their credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of closure of the Issue.

In case of those Investors who have opted to receive their Rights Entitlement in physical form, our Company will issue the corresponding share certificates under Section 56 of the Companies Act, 2013 or other applicable provisions.

Refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked ‘Account Payee only’ and would be drawn in favour of the sole / first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Investor Grievances and Redressal System

Our Company has adequate arrangements for redressal of Investor complaints. Well-arranged correspondence system has been developed for letters of routine nature. Our share transfer agent handles the share transfer and dematerialization for our Company. Letters are filed category wise after having attended to. Redressal norm for response time for all correspondence including shareholders complaints is within 15 days. Additionally, we have been registered with the SEBI Complaints Redress System, (“**SCORES**”), as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011.

Our Company has constituted a Shareholders’ Grievance Committee which looks into the redressal of the Investor complaints and complaints received from the stock exchanges. The said committee deals with redressal of matters relating to transfer/transmission of shares, non receipt of balance sheet, non receipt of dividend declared etc.

Investor Grievances arising out of this Issue

Our Company’s Investor grievances arising out of the Issue will be handled by Mr. M. Krishnamurthi, Company Secretary and Compliance Officer and Karvy Computershare Private Limited, who is the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

All grievances relating to the Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact telephone / cell numbers, e-mail id of the first Investor, number and type of shares applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

All Investor complaints pertaining to the Issue would be redressed in accordance with SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, through the SEBI Complaints Redress System (SCORES) mechanism.

The average time taken by the Registrar for attending to routine grievances will be 15 days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer, and/or the Registrar to the Issue, in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice/share certificates/ demat credit/refund orders, the following address:

Mr. M. Krishnamurthi
Phoenix, Bund Garden Road,
Camp, Pune - 411 001, India
Telephone: +91 20 3056 2200
Fax: +91 20 2613 1071
Website: www.vascon.com
Email: compliance.officer@vascon.com

The contact details of the Registrar to the Issue are as follows:

Karvy Computershare Private Limited
Plot 31-32, Gachibowli,
Financial District,
Nanakramguda, Hyderabad – 500 032
Telephone: +91 40 6716 2222
Facsimile: +91 40 2343 1551
E-mail: vascon.rights@karvy.com
Website: www.karvy.com
Contact Person: Mr. M. Muralikrishna
SEBI Registration No.: INR000000221

Changes in Statutory Auditor during the last three years

Pursuant to a resolution passed by the shareholders of our Company at their AGM held on September 15, 2014, Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as the statutory auditor of our Company prior to which Anand Mehta & Associates, Chartered Accountants were the statutory auditors of the Company.

Capitalisation of Reserves or Profits

Our Company has not capitalized any of its reserves or profits for the last five years.

Revaluation of Fixed Assets

There has been no revaluation of our Company‘s fixed assets for the last five years.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date.

Further, as per the Companies Act, 2013, if the aforementioned "stated minimum amount" has not been subscribed and the sum payable on application is not received within the period as stipulated under the Companies Act, 2013 or as may be specified by the SEBI, the application money shall be returned within such period as may be prescribed under applicable laws. In the event of any failure to refund the application money within the specified period, penalties as prescribed under applicable laws shall be paid by our Company.

SECTION VII – OFFERING INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer and the CAF, before submitting an Application Form. The Company and the Lead Managers are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer.

OVERVIEW

The Rights Equity Shares proposed to be issued on rights basis, are subject to the terms and conditions contained in the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the CAF, the provisions of the Memorandum and Articles of Association of our Company, the provisions of the Companies Act, 2013, SEBI ICDR Regulations, guidelines, notifications and regulations for issue of capital and for listing of securities issued by the Government of India and/or any other statutory and/or regulatory authorities from time to time, the terms of listing agreements entered into by the Company with the Stock Exchanges, and, the terms and conditions as stipulated in the allotment advice or the security certificate.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute under and including any court proceedings and / or currently under transmission or are held in a demat suspense account pursuant to the clause 5A of the Equity Listing Agreements and for which our Company has withheld the dividend, shall be held in abeyance and the CAFs in relation to these Rights Entitlement shall not be dispatched pending resolution of the dispute / completion of the transmission or pending the release of Equity Shares from demat suspense account. On submission of such documents / records confirming the legal and beneficial ownership of the Equity Shares with regard to these cases, to the satisfaction of the Issuer, the Issuer shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares with respect to these Rights Entitlement at the Issue Price of ₹ 15 per Rights Equity Share as adjusted for any bonus shares, consolidation or spilt of shares (as may be applicable) in accordance with the provisions of the Companies Act, 2013 and all other applicable laws.

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to Renouncee(s) as well.

The ASBA Facility

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000. Accordingly, an eligible ASBA Investor is an Investor who:

- holds the Equity Shares in dematerialized form as on the Record Date and has applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialized form;
- has not renounced his/her Rights Entitlements in full or in part;
- is not a Renouncee; and
- applies through a bank account maintained with one of the SCSBs.

Notwithstanding anything contained hereinabove, all Renouncees (including Renouncees who are Individuals) shall apply in the Issue only through the non-ASBA process.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA Investors. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, please see "*Procedure for Application through the Applications Supported by Blocked Amount ("ASBA") Process*" on page 261 of the LOF.

Authority for the Issue

This Issue is being made pursuant to a resolution passed by the Board of our Company at its meeting held on October 20, 2014. Pursuant to a resolution passed by the Board of our Company at its meeting held on June 13, 2015, has determined a Rights Entitlement of 14 Rights Equity Shares for every 19 fully paid-up Equity Shares held on the Record Date and a price of ₹ 15 per Rights Equity Share as the Issue Price.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders, whose names appear, (i) as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form, and, (ii) on the register of members of our Company in respect of the Equity Shares held in physical form, at the close of business hours on the Record Date, i.e. June 24, 2015. The basis of allotment for the Rights Equity Shares shall be fixed in consultation with the Designated Stock Exchange.

Rights Entitlement Ratio

The Eligible Equity Shareholders shall be entitled to apply for 14 Rights Equity Share(s) for every 19 Equity Share(s) held on the Record Date.

The distribution of the Letter of Offer and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Our Company is making the issue of the Rights Equity Shares on a rights basis to the Eligible Equity Shareholders and the Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the CAFs will be dispatched only to those Eligible Equity Shareholders who have a registered address in India. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the US and/or in other restricted jurisdictions which have any restrictions in connection with offering, issuing and allotting any shares within its jurisdiction, and/or to its citizens.

Persons who may acquire Rights Entitlements or come into possession of the Letter of Offer or CAF are advised to consult their own legal advisors as to restrictions applicable to them and to observe such restrictions. The Letter of Offer may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized. No action has been or will be taken that would permit the offering of the Equity Shares or Rights Entitlements pursuant to the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Letter of Offer or CAF in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer or CAF may not be distributed or published in or from any jurisdiction except under circumstances that will result in compliance with applicable law and procedures of and in any such jurisdiction. Recipients of the Letter of Offer, the Abridged Letter of Offer or the CAF, including Eligible Equity Shareholders and Renouncees, are advised to consult their legal counsel prior to applying for the Rights Entitlement and additional Equity Shares or accepting any provisional

allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

For Eligible Equity Shareholders wishing to apply through the ASBA process for the Issue, kindly refer section titled "*Procedure for Application through the Applications Supported by Blocked Amount ("ASBA") Process*" on page 261 of the LOF.

PRINCIPAL TERMS AND CONDITIONS OF THE RIGHTS EQUITY SHARES

Face Value

Each Rights Equity Share will have the face value of ₹ 10 each.

Issue Price

Each Rights Equity Share shall be offered at an Issue Price of ₹ 15 for cash, including a premium of ₹ 5 per Rights Equity Share. The Issue Price has been arrived at after consultation between our Company and the Lead Managers.

Terms of Payment

Investors shall have to make full payment of ₹ 15 per Rights Equity Share at the time of making an application.

The payment towards the Rights Equity Shares offered will be applied as under:

₹ 10 per Rights Equity Share towards Equity Share capital of our Company; and

₹ 5 per Rights Equity Share towards securities premium account of our Company.

A separate cheque/demand draft/pay order must accompany each application form.

All payments should be made by cheque/bank demand draft/pay order drawn on any bank, (including a co-operative bank), which is situated at and is a member or a sub-member of the bankers clearing house located at the center where the CAF is accepted. Outstation cheques /money orders/postal orders will not be accepted and CAFs accompanied by such cheque/money orders/postal orders are liable to be rejected. The Registrar to the Issue will not accept any payments against applications, if such payments are made in cash.

Pursuant to the RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stock invest scheme has been withdrawn and accordingly, payment through Stock invest will not be accepted in the Issue.

Where an Investor has applied for additional Rights Equity Shares and is allotted lesser number of Rights Equity Shares than applied for, the excess application money shall be refunded. The excess application monies would be refunded within 15 days from the closure of the Issue. If there is a delay beyond 8 days from the stipulated period (15 days from the closure of the Issue) our Company shall be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of our Company in default shall be punishable with imprisonment for a term of one year or with fine which shall not be less than fifty thousand rupees but may extend to three lakh rupees or with both in accordance with Section 40 (5) of the Companies Act, 2013.

Rights Entitlement Ratio

The Rights Equity Shares are being offered to the existing Eligible Equity Shareholders in the ratio of 14 Rights Equity Share(s) for 19 Equity Share(s) held on the Record Date i.e. June 24, 2015.

Fractional Entitlements

For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity

Shareholders is less than 19 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. For example, if an Eligible Equity Shareholder holds 20 Equity Shares, he will be entitled to 14 Rights Equity Shares. He will also be given a preference for allotment of one additional Rights Equity Share if he has applied for the same.

It is clarified that the additional Rights Equity Shares, required in connection with the aforementioned allotments would be adjusted from the unsubscribed portion of the Issue, if any.

Ranking

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari passu, in all respects including dividend, with our existing Equity Shares.

Mode of Payment of Dividend

We shall pay dividend to our Equity Shareholders as per applicable statutory and regulatory requirements, including inter alia the provisions of the Companies Act, 2013 and our Company's Articles of Association.

Listing and trading of Rights Equity Shares proposed to be issued

Our Company's existing Equity Shares are currently traded on the Stock Exchanges under the ISIN Code INE893I01013. The fully paid up Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges under the existing ISIN for fully paid Equity Shares of our Company. All steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within 7 Working Days from finalization of the basis of allotment. The Company has made applications to the Stock Exchanges seeking "in-principle" approval for the listing of the Rights Equity Shares pursuant to the Issue in accordance of the Equity Listing Agreements and has received such approval from the NSE pursuant to letter Ref. No. NSE/LIST/11463 dated January 20, 2015 and from the BSE pursuant to letter no. DCS/PREF/CS-RT/669/2014-15 dated January 28, 2015. Our Company will apply to the Stock Exchanges for final approval for the listing and trading of the Rights Equity Shares. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Rights of the Eligible Equity Shareholder

The Rights Equity Shares allotted in this Issue shall rank *pari passu* with the existing Equity Shares in all respects including dividend. Subject to applicable laws, the Eligible Equity Shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote/ poll in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of Rights Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Equity Listing Agreements and Memorandum and Articles of Association.

GENERAL TERMS OF THE ISSUE

Market lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one. In case an Eligible Equity Shareholder holds Equity Shares in physical form, our Company would issue to the Allottees one certificate for the Rights Equity Shares allotted to each folio, ("**Consolidated Certificate**"). However, our Company would issue split certificates on receipt of written requests along with such Consolidated Certificate from Eligible Equity Shareholders. Our Company shall not charge a fee for splitting any of the share certificates.

Nomination

In terms of Section 72 of the Companies Act, 2013 nomination facility is available for Rights Equity Shares. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Rights Equity Shares. A person, being a nominee, becoming entitled to the Rights Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Rights Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Rights Equity Shares, in the event of death of the said holder(s), during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Rights Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Rights Equity Shares are held by two or more persons, the nominee shall become entitled to receive the Rights Equity Shares only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. An Eligible Equity Shareholder can make the nomination by filling in the relevant portion of the CAF.

In terms of Section 72 of the Companies Act, 2013 any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for Rights Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Rights Equity Shares is in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant ("DP") of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective DP.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association of our Company. In case of joint holders, the CAF would be required to be signed by all the joint holders to be considered as valid for allotment of Rights Equity Shares.

In case such Eligible Equity Shareholders who are joint holders wish to renounce their Rights Entitlement, all such Eligible Equity Shareholders who are joint holders would be required to sign Part B of the CAF. In absence of signatures of all joint holders, the CAF would be liable for rejection.

Subscription by our Promoters and Promoter Group

- The following Promoters and the members of the Promoter Group of our Company have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue including, by subscribing for the Rights Equity Shares pursuant to renunciation, if any, obtained in their favour:

(i) R. Vasudevan
(ii) Lalitha Vasudevan
(iii) Sowmya Vasudevan Moorthy
(iv) Siddharth Vasudevan Moorthy
(v) Thangam Moorthy
(vi) Bellflower Premises Private Limited
(vii) Vatsalya Enterprises Private Limited
(viii) Vasumangal Constructions LLP

Premratan Exports LLP and Golden Temple Pharma LLP may subscribe to full or part of their Rights Entitlement in the Issue. Further, Geeta Lulla intends subscribe for the Rights Equity Shares pursuant to renunciation, if any, obtained in her favour.

- The following Promoters and the members of the Promoter Group of our Company have confirmed that they intend to subscribe to additional Rights Equity Shares to the extent of any unsubscribed portion in the Issue, to ensure achieving minimum subscription (i.e. 90 %) of the Issue:

(i) R. Vasudevan
(ii) Lalitha Vasudevan
(iii) Sowmya Vasudevan Moorthy
(iv) Siddharth Vasudevan Moorthy
(v) Thangam Moorthy
(vi) Bellflower Premises Private Limited
(vii) Vatsalya Enterprises Private Limited
(viii) Geeta Lulla
(ix) Vasumangal Constructions LLP

Such subscription for the Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares shall not result in a change of control of the management of the Company in accordance with provisions of the Takeover Regulations and shall be exempt in terms of Regulation 10 (4) (a) and (b) of the Takeover Regulations.

The subscription by our Promoters and Promoter Group of the Rights Equity Shares in the Issue and the consequent allotment of the Rights Equity Shares would be subject to the aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post-Issue equity share capital of the Company on the date of Allotment, in compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and Clause 40A of the Equity Listing Agreements.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date.

Further, as per the Companies Act, 2013, if the aforementioned "stated minimum amount" has not been subscribed and the sum payable on application is not received within the period as stipulated under the Companies Act, 2013 or as may be specified by the SEBI, the application money shall be returned within such period as may be prescribed under applicable laws. In the event of any failure to refund the application money within the specified period, penalties as prescribed under applicable laws shall be paid by our Company.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation in Mumbai and/or, will be sent by post to the registered address of the Equity Shareholders in India or the Indian address provided by the Eligible Equity Shareholders from time to time.

Offer to Non-Resident Equity Shareholders/ Investors / Foreign Institutional Investors

As per Regulation 6 of Notification No. FEMA 20/200-RB dated May 3, 2000, the RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident shareholders including additional securities. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of application moneys, allotment of Rights Equity Shares and issue of letter of allotment. **The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.** If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form. The Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original shares against which Rights Equity Shares are issued on rights basis.

CAFs will be made available for eligible NRIs at our Registered Office and with the Registrar to the Issue.

In case of change of status of holders i.e. from Resident to Non-Resident, a new demat account must be opened.

DETAILS OF SEPARATE COLLECTING CENTRES FOR NON-RESIDENT APPLICATIONS SHALL BE PRINTED ON THE CAF.

No Offer in the United States

The Rights Entitlements and the Rights Equity Shares of our Company have not been and will not be registered under the United States Securities Act of 1933, ("**Securities Act**"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof, ("**United States**" or "**U.S.**"), or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act, ("**Regulation S**"), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or rights. Accordingly, the Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a "U.S. person" (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to its Eligible Equity Shareholders and the Abridged Letter of Offer and CAF will be dispatched to Eligible Equity Shareholders who have an Indian address.

Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the

Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a "U.S. person" (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a "U.S. person' (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the US and is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the US; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Our Company is informed that there is no objection to a US shareholder selling its rights in India. Rights Entitlement may not be transferred or sold to any U.S. person.

Arrangements for disposal of odd lots

The market lot for our Company's Equity Shares is one.

PROCEDURE FOR APPLICATION

How to Apply

The CAF will be printed in black ink for all Eligible Equity Shareholders. The CAF along with the Abridged Letter of Offer shall be dispatched through registered post or speed post at least three days before the Issue Opening Date. In case the original CAFs are not received by the Investor or is misplaced by the Investor, the Investor may request the Registrars to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Equity Shareholder(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000. Accordingly, an eligible ASBA Investor is an Investor who:

- holds the Equity Shares in dematerialized form as on the Record Date and has applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialized form;
- has not renounced his/her Rights Entitlements in full or in part;
- is not a Renouncee; and
- applies through a bank account maintained with one of the SCSBs.

Notwithstanding anything contained hereinabove, all Renouncees shall apply in the Issue only through the non-ASBA process.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

The CAF consists of four parts:

Part A: Form for accepting the Rights Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Rights Equity Shares;
Part B: Form for renunciation of Rights Equity Shares;
Part C: Form for application of Rights Equity Shares by Renouncees; and
Part D: Form for request for Split Application Forms.

Please note that neither the Company nor the Registrar to the Issue, shall be responsible for any delay in the receipt of the CAF/duplicate CAF which is attributable to postal delays or if the CAF/duplicate CAF are misplaced in transit.

Options available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies for an investment in the Issue, then he can:

A. Apply for his Rights Entitlement in full;
B. Apply for his Rights Entitlement in part (without renouncing the other part);
C. Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
D. Renounce his entire Rights Entitlement; or
E. Apply for his Rights Entitlement in part and renounce the other part.

Options A and B: Acceptance of the Rights Entitlement

The Eligible Equity Shareholders may accept their Rights Entitlement and apply for the Rights Equity Shares offered, either (i) in full or (ii) in part, without renouncing the other part, by completing Part A of the CAF. For details in relation to submission of the CAF and mode of payment please refer to the section titled "*Terms of the Issue* **-** *Submission of Application and Modes of Payment for the Issue*" on page 250 of the LOF.

Option C: Acceptance of the Rights Entitlement and Application for Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you have applied for all the Rights Equity Shares offered to you without renouncing them in whole or in part in favor of any other person(s). Applications for additional Rights Equity Shares shall be considered, and the allotment shall be made at the sole discretion of the Board/ Committee of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue* **-** *Basis of Allotment*" on page 255 of the LOF.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Any Renouncee applying for all the Rights Equity Shares renounced in their favor may also apply for additional Rights Equity Shares.

Where the number of additional Rights Equity Shares applied for exceeds the number available for allotment, the allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Options D and E: Renunciation of the Rights Entitlement

This Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not allot and/or register Rights Equity Shares in favour of persons and/or entities which are incompetent to contract in their own capacity:

- More than three persons, including joint holders;
- Partnership firms or their nominees, (partners of the partnership firm are eligible for allotment of Rights Equity Shares if they have applied for the same in their individual capacity as partners of such firm);
- Minors other than who have a valid beneficiary account, as per demographic details provided by Depositaries;
- Hindu Undivided Families (HUFs) (kartas of a HUF are eligible for allotment of Rights Equity Shares if they have applied for the same on behalf of or for the benefit of the HUF); or

- Any trusts or societies (unless registered under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 or any other law applicable to trusts and societies and subject further to the trusts or society being authorized under its constitution or bye-laws to hold equity shares of a company, as the case may be).

'Part A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation ('Part B' of the CAF) duly filled in shall be conclusive evidence for our Company of the Renouncees applying for Rights Equity Shares in 'Part C' of the CAF to receive allotment of such Rights Equity Shares. The Renouncees applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares. 'Part A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Renouncee(s), applying for Equity Shares renounced in their favor, can also apply for additional Rights Equity Shares in the Issue. Subject to the foregoing, resident Eligible Shareholders and resident Renouncees may subscribe to additional Rights Equity Shares.

In terms of Regulation 6 of Notification No. FEMA.20/2000-RB dated May 3, 2000, as amended from time to time and the RBI approval dated June 17, 2015, only NR Eligible Shareholders can apply for issue of additional Rights Equity Shares over and above the Rights Equity Shares offered on rights basis by our Company.

NR Renouncees cannot apply for additional Rights Equity Shares over and above the Rights Equity Shares renounced in their favour and such applications for additional Rights Equity Shares will be rejected.

Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board and subject to the aggregate shareholding of FIIs and FPIs not exceeding 24% of the paid-up capital of our Company, in consultation with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue – Basis of Allotment*" on page 255 of the LOF.

Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue – Basis of Allotment*" on page 255 of the LOF.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 19 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. For further details please refer to the section titled "*Terms of the Issue – Basis of Allotment*" on page 255 of the LOF.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("**OCBs**"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003. Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the

Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Further RBI in relation to the renunciation of the Rights Entitlement vide its letter dated June 17, 2015 (Ref No. FED.CO.FID.No. 19236/ 10.21.338/ 2014-15) has stated, if any transaction involves an erstwhile overseas corporate body, RBI will need to be approached with full details for prior approval

Renunciation by and/or in favor of Non Residents

Any renunciation (i) from a resident Indian Equity Shareholder to a Non Resident, or (ii) from a Non Resident Equity Shareholder to a resident Indian, or (iii) from a Non Resident Equity Shareholder to a Non Resident, in light of the RBI Master circular on Foreign Investment in India dated July 02, 2012, the RBI Notification No. FEMA 20/2000-RB dated May 03, 2000, would not require approval from RBI, if such renunciation is made on the floor of the exchange, provided that in case of any renunciation from a resident Indian Equity Shareholder to a Non Resident, the offer price for the Rights Equity Shares should not be less than the price at which an offer is made to the resident Eligible Equity Shareholder. Any renunciation through a private arrangement would be subject to applicable pricing requirements prescribed by the RBI and/or seeking appropriate approvals from the RBI in this regard.

However, the right of renunciation is subject to the express condition that the Board shall be entitled, in its absolute discretion, to reject the request from the renouncees for the allotment of Equity Shares without assigning any reason thereof.

RBI Approval for Renunciation

The RBI has, pursuant to a letter dated June 17, 2015 (Ref No. FED.CO.FID.No. 19236/ 10.21.338/ 2014-15), conveyed its no-objection to renunciation of Rights Entitlement of the Rights Equity Shares of our Company by the following:

i. resident shareholders to FIIs and NRIs applying under the portfolio investment scheme ("**PIS Route**") or RFPIs applying under the foreign portfolio investment scheme ("**FPI Scheme**") subject to the aggregate shareholding by FIIs and FPIs not exceeding 24% of the paid up capital. The offer price for Rights Issue to Non Residents ("**NR**") should not be less than at which the offer is made to a resident shareholder in terms of Regulation 6 of Notification No. FEMA.20/2000-RB dated May 3, 2000, as amended from time to time. Further the renunciation of the Rights Entitlement should be on the floor of the Stock Exchange;
ii. an existing FII, NRI or RFPI shareholder of our Company to a resident on the floor of the Stock Exchange;
iii. an FII, NRI or RFPI shareholder of our Company to any other FIIs or NRIs applying under the PIS Route or RFPIs applying under the FPI Scheme subject to the aggregate shareholding by FIIs and FPIs not exceeding 24% of the paid up capital. However the offer price for Rights Issue to NR should not be less than at which the offer is made to a resident shareholder. Further the renunciation of Rights Entitlement should be on the floor of the Stock Exchanges.
iv. If any transaction involves an erstwhile overseas corporate body, RBI will need to be approached with full details for prior approval.

The transaction may be reported only by the renouncee FIIs/NRIs/RFPIs in the applicable form LEC through their custodian bank. Our Company may not file FC-GPR for the Issue.

Additionally, in terms of Regulation 6 of Notification No. FEMA.20/2000-RB dated May 3, 2000, as amended from time to time, only the existing NR shareholder may apply for issue of additional Rights Equity Shares over and above the Rights Equity Shares offered on rights basis by our Company.

The Rights Entitlement can be traded only on BSE Limited and in physical mode.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity shareholder in favour of one Renouncee

For all renunciations by non-residents and to non-residents; residents to non-residents and non-residents to residents, please refer to the paragraph on "**RBI Approval for Renunciation"** on page 242 of the LOF.

If you wish to renounce the offer indicated in 'Part A', in whole, please complete 'Part B' of the CAF. In case of joint holding, all joint holders must sign 'Part B' of the CAF. The person in whose favour renunciation has been made should complete and sign 'Part C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign part C of the CAF.

Renouncees shall not be entitled to further renounce their entitlement in favor of any other person.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of Split Application Forms, ("**SAFs**"), in the space provided for this purpose in 'Part D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs, i.e. July 17, 2015. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed. In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign 'Part C' of the CAF and submit the entire CAF to the Banker to the Issue on or before the Issue Closing Date along with the application money in full. **A Renouncee cannot further renounce.**

Change and/or introduction of additional holders

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above, shall have to be followed. However, this right of renunciation is subject to the express condition that the Board shall be entitled in its absolute discretion to reject the request for allotment from the Renouncee(s) without assigning any reason thereof. All such applications will be treated as applications from Renouncees and shall have to be made through the non-ASBA process only to be considered valid for allotment. Please also see section titled "*Terms of the Issue – Basis of Allotment*" on page 255 of the LOF.

Instructions for Filling the CAF

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, by using the CAF as detailed herein:

Option Available	Action Required
1. Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A *(All joint holders must sign)*

Option Available	Action Required
2. Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares *(All joint holders must sign)*
3. Renounce your Rights Entitlement in full to one person (Joint *Renouncees are considered as one).*	Fill in and sign Part B *(all joint holders must sign)* indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C *(All joint Renouncees must sign)*
4. Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR **Renounce your Rights Entitlement of all Rights Equity Shares offered to you to more than one Renouncee**	Fill in and sign Part D *(all joint holders must sign)* requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. **On receipt of the SAF take action as indicated below.** For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A. For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee should fill in and sign Part C for the Rights Equity Shares accepted by them.
5. Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Investors must provide information in the CAF as to their savings bank/current account number and the name of the bank with whom such account is held, to enable the Registrar to print the said details in the refund orders after the names of the payee(s) in case of Equity Shares held in the physical form. Failure to comply with this may lead to rejection of the application. Bank account details furnished by the Depositories will be printed on the refund warrant in case of Equity Shares held in electronic form.

Please note that:

- Options 3 – 5 will not be available for Equity Shareholders applying through the ASBA process
- 'Part A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholders to whom the Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for Split Application Forms / SAF should be made for a minimum of one Rights Equity Share or, in either case, in multiples thereof and one SAF for the balance Rights Equity Shares, if any.
- A request by the Investor for the SAF should reach the Registrar to the Issue on or before July 17, 2015.
- Only the Eligible Equity Shareholders to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Investor(s) by post at the Investor's risk.
- While applying for or renouncing their Rights Entitlement, joint holders must sign in the same order and as per the specimen signatures registered with our Company or the Depositories.
- In the case of a renunciation, the submission of the CAF to the Banker to the Issue at the collecting branches specified on the reverse of the CAF together with Part B of the CAF duly completed

shall be conclusive evidence of the right of the person applying for the Rights Equity Shares to receive allotment of such Rights Equity Shares.

- Eligible Equity Shareholders may not renounce in favour of persons or entities in the United States, who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

- Non-resident Equity Shareholders: Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares allotted as a part of this Issue shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.

Investors must write their CAF Number at the back of the cheque/demand draft.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Investor, the Registrar to the Issue will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within 8 days from the Issue Opening Date. Please note that those who are making the application in the duplicate CAF should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates any of these requirements, he / she shall face the risk of rejection of both the CAFs.

Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft / cheque / pay order payable at Hyderabad which should be drawn in favor of the "Vascon Engineers Limited - Rights Issue - R" in case of resident shareholders/Investors and shareholders/Investors applying on non repatriable basis or "Vascon Engineers Limited - Rights Issue - NR" in case of non resident shareholders applying on repatriable basis and the Eligible Equity Shareholders should send the same by registered post / speed post directly to the Registrar to the Issue. The envelope should be superscribed *"*Vascon Engineers Limited – Rights Issue - R*"* in case of resident shareholders/Investors or shareholders/Investors applying on non repatriable basis or "Vascon Engineers Limited - Rights Issue - NR" in case of non resident shareholders/Investors applying on repatriable basis and should be postmarked in India.

The application on plain paper, duly signed by the Investors including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of the Company, being Vascon Engineers Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Certificate numbers and distinctive numbers, if the Equity Shares on the Record Date are held in physical form;

- Number of additional Rights Equity Shares applied for, if any;
- Allotment option preferred for the Rights Equity Shares **-** Physical or Demat (Rights Equity Shares will be allotted in physical form only if the Equity Shares held on the Record Date i.e. June 24, 2015 are in the physical form)
- Total number of Rights Equity Shares applied for;
- The total amount paid at the rate of ₹ 15 per Rights Equity Share;
- Particulars of demand draft/cheque/pay order;
- In case of Equity Shares allotted in physical form, Savings/Current Account Number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order (In case of equity shares allotted in demat mode, the bank account details will be obtained from the information available with the depositories);
- Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Investor and for each Investor in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue; subject to submitting sufficient documentary evidence in support of their claim for exemption, provided that such transactions are undertaken on behalf of the Central and State Government and not in their personal capacity;
- Signature of Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company or the Depositories;
- Additionally, all such Eligible Shareholders applying through ASBA are deemed to have accepted the following: "I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence."
- In case of Non Resident Shareholders, NRE/ FCNR/ NRO A/c No. Name and Address of the Bank and Branch;
- If payment is made by a draft purchased from NRE/ FCNR/ NRO A/c No., as the case may be, an Account debit certificate from the bank issuing the draft, confirming that the draft has been issued by debiting NRE/ FCNR/ NRO Account;
- A representation that the Eligible Equity Shareholder is not a "U.S. Person" (as defined in Regulation S under the Securities Act);
- Additionally, Non Resident Investors shall include the representation in writing that:

    1. "I/We understand that the Rights Entitlement have not been, and will not be, registered under the United States Securities Act of 1933, ("**US Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof or to, or for the account or benefit of, "**U.S. Persons**" (as defined in Regulation S under the US Securities Act), except in a transaction exempt from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Equity Shares referred to in this application are being offered in India but not in the United States of America. None of our Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company has reason to believe is, a resident of the United States and to whom an offer, if made, would result in requiring registration of this application with the United States Securities and Exchange Commission.

2. I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

3. I/We understand and agree that the Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act."

Please note that Eligible Equity Shareholders who are making an application otherwise than on a CAF, (i.e., on plain paper as stated above on page 245 of the LOF), shall not be entitled to renounce their rights and should not utilize the CAF for any purpose, including renunciation, even if it is received subsequently. If the Eligible Equity Shareholder does not comply with any of these requirements, he/she shall face the risk of rejection of both the applications and the application money received shall be refunded. However, our Company and/or any Director of our Company will, notwithstanding anything to the contrary contained herein, not be liable to pay any interest whatsoever on the Application Money so refunded.

The Eligible Equity Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in the application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to such Eligible Equity Shareholders.

General instructions for Investors

(a) Please read the instructions printed on the CAF carefully.

(b) Application should be made on the printed CAF, provided by our Company except as mentioned under the head application on plain paper and should be completed in all respects. For further details see section titled *"Terms of the Issue - Application on Plain Paper"* on page 245 of the LOF. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of the Letter of Offer and/or the Abridged Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters.

(c) The CAF together with cheque/demand draft should be submitted to the Banker to the Issue/ collecting branch of the Escrow Collection Bank(s) or dispatched to the Registrar to the Issue and not to our Company or Lead Managers to the Issue. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorized by our Company for collecting applications will have to make payment by Demand Draft payable at Hyderabad and send their CAFs to the Registrar to the Issue by REGISTERED POST. If any portion of the CAF is/are detached or separated, such application is liable to be rejected. All CAFs along with the Demand Drafts will need to reach the Registrar on or before the Issue Closing Date to be considered valid for allotment.

(d) Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Investor and for each Investor in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue, must be submitted along with the CAF. CAF without a PAN will be considered incomplete and is liable to be rejected, subject to submitting sufficient documentary evidence in support of their claim for exemption, provided that such transactions are undertaken on behalf of the Central and State Government and not in their personal capacity. However, in case of an Investor who is exempt from holding a PAN and has made an application(s) for Rights Equity Share(s) in physical form, it is the liability of the Investor(s) to submit sufficient supporting documents, on or before the Issue

Closing Date with the Registrar for evidencing such exemption. In the absence of such supporting documents, the application is liable to be rejected.

(e) Investors are advised that it is mandatory to provide information as to their savings/current account number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees for Equity Shares held in the physical form. Application not containing such details is liable to be rejected. For Eligible Equity Shareholders holding Equity Shares in dematerialized form, such bank details will be drawn from the demographic details of the Eligible Equity Shareholder in the records of the Depository.

(f) All payments should be made by cheque/demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company.

(g) In case of an application under power of attorney and / or by a body corporate or by a society, a certified true copy of the relevant power of attorney and / or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and/or bye laws of such body corporate or **society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF.** In case the above referred documents are already registered with our Company, the same need not be furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are received by the Registrar to the Issue after the Issue Closing Date, then the application is liable to be rejected. **In no case should these papers be attached to the application submitted to the Banker to the Issue.**

(h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

Application(s) received from Non-Resident / NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest and export of share certificates. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, Applications will not be accepted from NRs/NRIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws. **The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.**

(i) All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Eligible Equity Shareholders, after the date of allotment, should be sent to the Registrar and Transfer Agents of our Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.

(j) Payment by cash: The Registrar will not accept any payments against any applications, if made in cash. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(k) SAFs cannot be re-split.

(l) Only the person or persons to whom Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

(m) Investors must write their CAF number at the back of the cheque /demand draft.

(n) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the center indicated on the reverse of the CAF where the application is to be submitted.

(o) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.

(p) No receipt will be issued for application money received. The Banker to the Issue / collecting branch of the Escrow Collection Bank(s) / Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

(q) An Investor which is a mutual fund can make a separate application in respect of each scheme of the mutual fund registered with SEBI and such applications in respect of more than one scheme of the mutual fund shall not be treated as multiple applications provided that the application clearly indicate the scheme concerned for which the application has been made. The application made by the asset management company or custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which the application is made.

(r) The distribution of the Letter of Offer and issue of Rights Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in the United States and such other jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Rights Equity Shares.

Do's for non-ASBA Investors:

(a) Check if you are eligible to apply i.e. you are an Equity Shareholder on the Record Date;

(b) Read all the instructions carefully and ensure that the cheque/ draft option is selected in part A of the CAF and necessary details are filled in;

(c) In the event you hold Equity Shares in dematerialized form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only;

(d) Ensure that your Indian address is available to our Company and the Registrar, in case you hold Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialized form;

(e) Ensure that the value of the cheque / draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF;

(f) Ensure that you receive an acknowledgement from the collection centers of the collection bank for your submission of the CAF in physical form;

(g) Ensure that you mention your PAN allotted under the I.T. Act with the CAF, except for

Applications on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts. Please ensure that the PAN for all joint holders have been mentioned on the CAF, in the absence of which the application is liable to be rejected;

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF;

(i) Ensure that the demographic details with your Depository Participant(s) are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

(a) Do not apply if you are in the United States of America or are not eligible to participate in the Issue in accordance with the securities laws applicable to your jurisdiction;

(b) Do not apply on duplicate CAF after you have submitted a CAF to a collection center of the collection bank;

(c) Do not pay the amount payable on application in cash, by money order or by postal order;

(d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;

(e) Do not submit Applications accompanied with Stock invest.

SUBMISSION OF APPLICATION AND MODES OF PAYMENT FOR THE ISSUE (OTHER THAN ASBA INVESTORS)

Investors who are Resident Equity Shareholders

1. Investors who are applying through CAF and residing at places where the bank collection centres have been opened for collecting applications, are requested to submit their applications at the corresponding collection centre together with cheque/bank demand draft drawn on any bank (including a co-operative bank), for the full application amount favouring "Vascon Engineers Limited - Rights Issue - R" and marked 'A/c Payee only' on or before issue closing date.

2. Investors who are applying through CAF and residing at places other than places where the bank collection centres have been opened for collecting applications, are requested to send their applications together with a demand draft of full amount favouring "Vascon Engineers Limited - Rights Issue - R" and marked 'A/c Payee only' payable at Hyderabad directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

3. Investors who are applying on plain paper, are requested to send their applications on plain paper together with a demand draft of full amount for the Rights Equity Shares favouring "Vascon Engineers Limited - Rights Issue - R" and marked 'A/c Payee only' payable at Hyderabad directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Investors who are Non-Resident Equity Shareholders

Application with repatriation benefits

Investors who are Non-Resident Equity Shareholders and are applying on a repatriation basis, are required to submit the completed CAF or application on plain paper, as the case may be, along with the payment made through any of the following ways:

1. By Indian Rupee drafts purchased from abroad and payable at Hyderabad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate).

2. By Local cheque / bank drafts remitted through normal banking channels or out of funds held in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorized to deal in foreign currency in India, along with documentary evidence in support of remittance.

3. FPIs must remit funds from special non-resident rupee deposit account.

4. For Eligible Equity Shareholders / Investors, applying through CAF, the CAF is to be sent at the bank collection centre specified in the CAF along with cheques/drafts in favour of "Vascon Engineers Limited - Rights Issue - NR" and crossed 'A/c Payee only' for the amount payable.

5. For Eligible Equity Shareholders / Investors, applying on a plain paper, the applications are to be directly sent to the Registrar to the Issue by registered post along with drafts in favour of "Vascon Engineers Limited - Rights Issue - NR" payable at Hyderabad and crossed 'A/c Payee only' for the amount payable so as to reach them on or before the Issue Closing Date.

6. For Eligible Equity Shareholders/ Investors applying through CAF but not residing at places where the collection centre is located, shall send the CAF to the Registrar to the Issue by registered post along with drafts of the full amount in favour of "Vascon Engineers Limited - Rights Issue - NR" payable at Hyderabad and crossed 'A/c Payee only' for the amount payable so as to reach them on or before the Issue Closing Date.

A separate cheque or bank draft must accompany each application form. Investors may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. In the absence of the above the application shall be considered incomplete and is liable to be rejected.

In the case of NRIs who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRIs who remit their application money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in U.S Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Investor's bankers.

Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of application in transit, if any.

Payments through Non Resident Ordinary Account (NRO account) will not be permitted.

Application without repatriation benefits

For non-residents Eligible Equity Shareholders/ Investors applying on a non-repatriation basis, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained and can be deposited at the designated collection centres opened by our Company or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Hyderabad. **In such cases, the allotment of Rights Equity Shares will be on non-repatriation basis.**

For Non Resident Equity Shareholders/ Investors, applying through CAF, the CAF is to be sent at the bank collection centre specified in the CAF along with cheques/demand drafts drawn for the full amount after deducting bank and postal charges in favor of "Vascon Engineers Limited - Rights Issue - R" and crossed 'A/c Payee only' for the amount payable.

For Non Resident Eligible Equity Shareholders/ Investors, applying on a plain paper, the applications are to be directly sent to the Registrar to the Issue by registered post along with demand drafts drawn in favor of

"Vascon Engineers Limited - Rights Issue - R" payable at Hyderabad to be confirmed for so as to reach them on or before the Issue Closing Date.

For Non Resident Eligible Equity Shareholders/ Investors applying through CAF but not residing at places where the collection centre is located, shall send the CAF to the Registrar to the Issue by registered post along with drafts of an amount in favour of "Vascon Engineers Limited - Rights Issue - R" payable at Hyderabad for the amount payable so as to reach them on or before the Issue Closing Date.

If the payment is made by a draft purchased from an NRO account, an Account Debit Certificate from the bank issuing the draft, confirming that the draft has been issued by debiting the NRO account, should be enclosed with the CAF. In the absence of the above, the application shall be considered incomplete and is liable to be rejected.

New dematerialised accounts must be opened for Eligible Equity Shareholders who have had that change in status from resident Indian to NRI.

Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of application in transit, if any, on this account and applications received through mail after closure of the Issue are liable to be rejected. Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Managers or the Registrar. Investors are requested to strictly adhere to these instructions.

Renouncees who are NRIs/FPIs/Non-Resident should submit their respective applications either by hand delivery or by registered post / speed post with acknowledgement due to the Registrar to the Issue only along with the cheque/demand draft payable at Hyderabad so that the same are received on or before the closure of the Issue.

Procedure for Application by Mutual Funds

In case of a Mutual Fund, a separate application can be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the application clearly indicate the scheme concerned for which the application has been made.

Applications made by asset management companies or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which application is being made.

As per the current norms prescribed by SEBI, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Rights Equity Shares of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000.

Notwithstanding anything contained hereinabove, all Renouncees shall apply in the Issue through the non-ASBA process only.

Procedure for Application by FPIs

In accordance with the SEBI (FPI) Regulations, the issue of Rights Equity Shares under this Issue to a single FPI should not exceed 10% of the post-issue paid up capital of our Company. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the shareholders of our Company. **Applications will not be accepted from FPIs located in jurisdictions which have any restrictions in connection with offering, issuing and allotting any securities within its jurisdiction, and/or to its citizens.**

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000.

Notwithstanding anything contained hereinabove, all Renouncees shall apply in the Issue through the non-ASBA process only.

FPI Investors cannot apply for additional Rights Equity Shares or apply for Rights Equity Shares obtained through renounciation in their favour unless accompanied by applicable regulatory approvals from FIPB and/or RBI.

In accordance with foreign investment limits applicable to our Company, the total FII investment cannot exceed 24% of the total paid-up capital of our Company. With the approval of our Board and our shareholders, (by way of a special resolution), the aggregate FII holding can go up to the permitted sectoral cap applicable to our Company. Similar provisions may also be applicable in case of FPIs subject to further direction from the GoI.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Procedure for Application by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3) (i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. NRI Investors should note that applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and where a registered address in India has not been provided, are liable to be rejected.

NRs who are permitted to subscribe for Equity Shares under applicable law may obtain Application Forms from the Registrar to the Issue. NR Investors are requested to send their Application Forms either to the collection centres of the Banker to the Issue mentioned on the CAF or, if applying from places other than places where collection centres have been opened by the Banker to the Issue, directly to the Registrar to the Issue by speed/registered post, so as to reach on or before the Issue Closing Date. The Company, the Lead Managers, the Registrar to the Issue and the Banker to the Issue will not be responsible for any postal delays or loss of Applications in transit.

NRs Applying on repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to the NRE or FCNR accounts maintained with an authorised dealer registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000 ("**Authorised Dealer**"). NRIs Bidding on repatriation basis are required to submit a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be, along with the Application Form. NRIs Applying on non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as the NRO/Non-Resident (Special) Rupee Account ("**NRSR**")/Non-Resident Non-Repatriable Term Deposit Account ("**NRNR**") accounts. NRIs Bidding on non-repatriation basis are required to submit a bank certificate confirming that the payment has been made by debiting to the NRE/FCNR/NRO/NRSR/NRNR account, as the case may be, along with the Application Form. For more information, see "*Terms of the Issue - Submission of Application and Modes of Payment for the Issue*" on page 250 of the LOF.

If Equity Shares are Allotted on non-repatriation basis, dividend and sale proceeds of the Equity Shares cannot be remitted outside India. If Equity Shares are Allotted on repatriation basis, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000.

Notwithstanding anything contained hereinabove, all Renouncees shall apply in the Issue through the non-ASBA process only.

Acceptance of the terms of the Issue

By applying for the Rights Equity Shares offered, you will be deemed to have accepted the terms of the Issue. Investors may apply for the Rights Equity Shares offered, either in full or in part by filling Block III of Part A of the enclosed CAF and submit the same along with the application money payable to the Banker to the Issue or any of the branches as mentioned on the reverse of the CAF before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board thereof in this regard. Investors at centers not covered by the branches of Banker to the Issue can send their CAF together with demand draft payable at Hyderabad to the Registrar to the Issue by registered post. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected.

Note:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to Income Tax Act, 1961.

2. In case Rights Equity Shares are allotted on non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. The CAFs duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of business hours on or before the Issue Closing Date. Separate cheque or bank draft must accompany each CAF.

4. In case of a CAF received from non-residents, allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such allotment, remittance and subject to necessary approvals.

Last date of Application

The last date for submission of the duly filled in CAF is July 24, 2015. The Issue will be kept open for a minimum of 15 days and our Board or any committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/Committee of Directors, the offer contained in the Letter of Offer shall be deemed to have been declined and the Board/Committee of Directors shall be at liberty to dispose off the Rights Equity Shares hereby offered, as provided under the section titled "*Terms of the Issue – Basis of Allotment*" on page 255 of the LOF.

APLLICANTS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 19 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If the number of Rights Equity Shares required for allotment under this head are more than the number of Rights Equity Shares available after allotment under (a) above, the allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue and have also applied for additional Rights Equity Shares. The allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making full allotment in (a) and (b) above. The allotment of such Rights Equity Shares will be at the sole discretion of the Board/Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full allotment under (a), (b) and (c) above. The allotment of such Rights Equity Shares will be at the sole discretion of the Board/Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential allotment.

After taking into account allotment to be made under (a), (b), (c) and (d) above, if there is any undersubscribed portion, the same shall be deemed to be 'unsubscribed' and allotment of the unsubscribed Rights Equity Shares will be made to any other person including (our Promoters and Promoter Group) as the Board may in its absolute discretion deem fit.

- The following Promoters and the members of the Promoter Group of our Company have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue including, by subscribing for the Rights Equity Shares pursuant to renunciation, if any, obtained in their favour:

    (i) R. Vasudevan
    (ii) Lalitha Vasudevan
    (iii) Sowmya Vasudevan Moorthy
    (iv) Siddharth Vasudevan Moorthy
    (v) Thangam Moorthy

(vi) Bellflower Premises Private Limited
(vii) Vatsalya Enterprises Private Limited
(viii) Vasumangal Constructions LLP

Premratan Exports LLP and Golden Temple Pharma LLP may subscribe to full or part of their Rights Entitlement in the Issue. Further, Geeta Lulla intends subscribe for the Rights Equity Shares pursuant to renunciation, if any, obtained in her favour.

- The following Promoters and the members of the Promoter Group of our Company have confirmed that they intend to subscribe to additional Rights Equity Shares to the extent of any unsubscribed portion in the Issue, to ensure achieving minimum subscription (i.e. 90 %) of the Issue:

(i) R. Vasudevan
(ii) Lalitha Vasudevan
(iii) Sowmya Vasudevan Moorthy
(iv) Siddharth Vasudevan Moorthy
(v) Thangam Moorthy
(vi) Bellflower Premises Private Limited
(vii) Vatsalya Enterprises Private Limited
(viii) Geeta Lulla
(ix) Vasumangal Constructions LLP

Such subscription for the Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares shall not result in a change of control of the management of the Company in accordance with provisions of the Takeover Regulations and shall be exempt in terms of Regulation 10 (4) (a) and (b) of the Takeover Regulations.

The subscription by our Promoters and Promoter Group of the Rights Equity Shares in the Issue and the consequent allotment of the Rights Equity Shares would be subject to the aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post-Issue equity share capital of the Company on the date of Allotment, in compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and Clause 40A of the Equity Listing Agreements.

In case the permission to deal in and for an official quotation of the Rights Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay without interest, all monies received from the Investors in pursuance of the Letter of Offer.

Basis of allotment to Non-Resident Renouncees shall be subject to the permissible foreign investment limits application to our Company under FEMA.

Underwriting

This Issue shall not be underwritten.

Allotments and Refunds

Our Company will issue and dispatch allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within 15 days from the Issue Closing Date. If there is a delay beyond the stipulated period our Company shall be punishable with fines / penalties as may be prescribed by applicable laws.

Investors residing at the centers where clearing houses are managed by the RBI will get refund through NECS only if the Investors are otherwise applicable/eligible to get refunds through NEFT, direct credit and RTGS, provided however that the relevant MICR details are recorded with the Depositories or our Company.

In case of those Investors who have opted to receive their Right Entitlement in dematerialized form by using electronic credit under the depository system, an advice regarding the credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of the Issue Closing Date. In case of those Investors who have opted to receive their Rights Entitlement in physical form, our Company will issue the corresponding share certificates under Section 56 of the Companies Act, 2013 or other applicable provisions if any. All refund orders will be dispatched by registered post/ speed post to the sole/ first Investor's registered address. Such cheques or pay orders will be payable at par at all places where the applications were originally accepted and will be marked "Account Payee only" and would be drawn in the name of the sole/ first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. **NECS** – Payment of refund would be done through NECS for Investors having an account at one of the centres specified by the RBI, where such facility has been made available.

   This would be subject to availability of complete Bank Account Details including MICR code wherever applicable from the depository. The payment of refund through NECS is mandatory for Investors having a bank account at any of the centres where NECS facility has been made available by the RBI (subject to availability of all information for crediting the refund through NECS including the MICR code as appearing on a cheque leaf, from the depositories), except where Investor is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

2. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Investor's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. **Wherever the Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.**

3. **Direct Credit** – Investors having bank accounts with the refund bankers shall be eligible to receive refunds through direct credit. Charges, if any, levied by the refund banker(s) for the same would be borne by our Company.

4. **RTGS** – Investors having a bank account at any of the abovementioned centres specified by RBI and whose refund amount exceeds ₹ 200,000, have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5. For all other Investors, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched by Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

6. Credit of refunds to Investors in any other electronic manner permissible under applicable banking laws which are in force and as permitted by SEBI from time to time.

For shareholders opting for allotment in physical mode, bank account details as mentioned in the CAF shall be considered for electronic credit or printing of refund orders, as the case may be. Refund orders will be made by cheques, pay orders or demand drafts drawn on the refund bank(s)

and payable at par at places where the applications were received and will be marked account payee and will be drawn in the name of Sole/First Investor. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Investors.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Refund payment to Non-Resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Investor and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF. Export of letters of allotment (if any)/ share certificates/ demat credit to non-resident Allottees will be subject to RBI approval.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ share certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days from the Issue Closing Date. In case our Company issues allotment advice, the share certificates will be dispatched within one month from the date of allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Rights Equity Shares in Dematerialized Form

Investors to the Rights Equity Shares of our Company, and holding Equity Shares in the physical form as on the Record Date, shall be allotted the Rights Equity Shares in dematerialized (electronic) form at the option of the Investor. Our Company signed a tripartite agreement dated December 26, 2007, with NSDL and the Registrar to the Issue, which enables the Investors to hold and trade in securities in a dematerialized form, instead of holding the securities in the form of physical certificates. Our Company has also signed a tripartite agreement dated December 4, 2007, with CDSL and the Registrar to the Issue, which enables the Investors to hold and trade in securities in a dematerialized form, instead of holding the securities in the form of physical certificates.

In this Issue, the Allottees, currently holding the Equity Shares in physical form and who have opted for Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order, (if any), would be sent directly to the Investor by the Registrar to the Issue but the Investor‘s depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Investor‘s depository account. Applications, which do not accurately contain this information, will be given the Rights Equity Shares in physical form. No separate applications for Rights Equity Shares in physical and/or dematerialized form should be made. If such applications are made, the application for physical Rights Equity Shares will be treated as multiple applications and is liable to be rejected.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

Procedure for availing the facility for allotment of Rights Equity Shares in this Issue in the electronic form is as under:

(i) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is exhibited in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as with our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Eligible Equity Shareholders who have already opened such beneficiary account (s) need not adhere to this step.*

(ii) For Eligible Equity Shareholders already holding Equity Shares of our Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in the records of our Company/depositories.

(iii) Responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor.

(iv) For Investors holding Equity Shares in physical form as on the Record Date and who have opted to receive Rights Equity Shares in dematerialized form, if incomplete / incorrect beneficiary account details are given in the CAF the Investor will get Rights Equity Shares in physical form.

(v) Renouncees will also have to provide the necessary details about their beneficiary account for allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

(vi) Rights Equity Share allotted to an Investor in the electronic account form will be credited directly to the Investor's respective beneficiary account(s) with depository participant.

(vii) Investors should ensure that the names of the Investors and the order in which they appear in the CAF should be the same as registered with the Investor's depository participant.

(viii) Non-transferable allotment advice/refund orders will be directly sent to the Investor by the Registrar to this Issue.

(ix) The Rights Equity Shares pursuant to this Issue allotted to Investors opting for dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Investor's depository account. No intimation of allotment of Rights Equity Shares will be provided by the Registrar and / or the Company to the individual Allottees.

(x) It may be noted that Rights Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL.

(xi) Dividend or other benefits with respect to the Rights Equity Shares held in dematerialized form would be paid to those Eligible Equity Shareholders whose names appear in the list of beneficial owners to be given by the Depository Participant to our Company as on the date of book closure / record date.

GROUNDS FOR TECHNICAL REJECTIONS FOR ASBA AND NON-ASBA APPLICANTS

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

(a) Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Securities for an amount exceeding ₹ 200,000, not through ASBA process.

(b) Amount paid does not tally with the amount payable for;

(c) Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar (in the case of physical holdings);

(d) Submission of CAFs to the SCSBs;

(e) Submission of plain paper Applications to any person other than the Registrar to the Issue (in case of Renouncees);

(f) Age of first Investor not given while completing Part C of the CAFs;

(g) Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value;

(h) GIR number provided instead of the PAN;

(i) In case of application under power of attorney relevant documents are not submitted;

(j) In case of application by limited companies, corporate, trust, relevant documents are not submitted;

(k) If the signature of the existing Eligible Equity Shareholder does not match with the one given on the CAF and for renouncee(s) if the signature does not match with the records available with their depositories;

(l) If the Investor holding Equity Shares in physical form as on Record Date desires to have Rights Equity Shares in electronic form, but the CAF does not have the Investor's depository account details;

(m) Application Forms are not submitted by the Investors within the time prescribed as per the CAF and the Letter of Offer;

(n) Applications not duly signed by the sole/joint Investors. All Applications need to be signed by all joint Investors. Absence of signatures of any of the joint Investors or mismatch in signatures of any of the joint Investors may result in the CAF being rejected;

(o) Applications by OCBs unless accompanied by specific approval from RBI permitting the OCBs to participate in the Issue;

(p) Applications accompanied by Stock invest outstation cheques/ post-dated cheques/ money order/ postal order outstation demand drafts;

(q) In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's identity (Client ID);

(r) For applications by Investors that are located outside of the United States and that are not U.S. persons, such applications that do not include the certification set out in the CAF to the effect that the subscriber is not a "U.S. person" (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations;

(s) Applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and applications on Plain Paper where a registered address in India has not been provided;

(t) Applications by Eligible Equity Shareholders who are joint holders, where Part A of the CAF is not signed by all such joint holders;

(u) Applications by Renouncees of Eligible Equity Shareholders who are joint holders, where Part B of the CAF is not signed by all such joint holders;

(v) Applications where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;

(w) Multiple Applications including cases where an Investor submits CAFs along with an application on plain paper;

(x) Applications which are not made through the ASBA process by Non Retail Investors who are eligible ASBA Investors (i.e. complying with the eligibility conditions of SEBI circular dated December 30, 2009);

(y) Applications by Investors who are not eligible ASBA Investors made through the ASBA process;

(z) Applications by renounces who are persons not competent to contract under the Indian Contract Act, 1872, including minors (other than minors who have a valid beneficiary account, as per demographic details provided by Depositaries); and

(aa) Please read the Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are each an integral part of the Letter of Offer and must be carefully followed. An application is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.

(bb) CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorised to acquire the Rights Entitlements and Securities in compliance with all applicable laws and regulations.

(cc) CAFs which have evidence of being executed in/dispatched from restricted jurisdictions.

(dd) Application by an Eligible Shareholder whose cumulative value of Securities applied for is more than ₹ 200,000 but has applied separately through SAFs of less than ₹ 200,000 and has not been undertaken through the ASBA process.

PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (“ASBA”) PROCESS

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Eligible Equity Shareholders who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up and also ensure that the number of Rights Equity Shares applied for by such Eligible Equity Shareholders do not exceed the applicable limits under laws or regulations.

The Lead Managers, our Company, its directors, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000.

Notwithstanding anything contained hereinabove, all Renouncees shall apply in the Issue through the non-ASBA process only.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Equity Shares in the Issue through the ASBA Process is only available to Eligible Equity Shareholders of our Company on the Record Date and who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her/their Rights Entitlements or additional Rights Equity Shares in the Issue, in a dematerialised form;
- have not renounced his/her/their Rights Entitlements in full or in part;
- are not Renouncee/s; and
- apply through a bank account maintained with one of the SCSBs

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000.

Notwithstanding anything contained hereinabove, all Renouncees shall apply in the Issue through the non-ASBA process only.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Eligible Equity Shareholders who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF, provide necessary details, and submit the same to the SCSB with whom such Investor's bank account is maintained. The SCSB in turn would block the application amount in the Investor's account as per the authority contained in the CAF and undertake other tasks as per the specified procedures signifying blocking of the relevant application monies on the CAF.

Submission of the CAF / Plain Paper Application

Eligible Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only or in plain paper application and indicate that they wish to apply through the ASBA payment mechanism. On submission of the CAF after selecting the ASBA Option in Part A or plain paper applications indicating application through the ASBA payment mechanism, the Eligible Equity Shareholders are deemed to have authorized (i) the SCSB to do all acts as are necessary to make the CAF in the Issue, including blocking or unblocking of funds in the bank account maintained with the SCSB specified in the CAF or the plain paper, transfer of funds to the separate bank account maintained by our Company as per the provisions of Section 40 (3) of the Companies Act, 2013 on receipt of instruction from the Registrar to the Issue after finalization of the basis of Allotment; and (ii) the Registrar to the Issue to issue instructions to the SCSB to remove the block on the funds in the bank account specified in the CAF or plain paper, upon finalization of the basis of Allotment and to transfer the requisite funds to the separate bank account maintained by our Company as per the provisions of Section 40 (3) of the Companies Act, 2013.

Application in electronic mode will only be available with such SCSB who provides such facility. The Equity Shareholder shall submit the CAF/ plain paper application to the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. However, no more than five (5) applications (including CAF and plain paper application) can be submitted per bank account in the Issue. In case of withdrawal / failure of the Issue, the Lead Managers, through the Registrar to the Issue, shall notify the SCSBs to unblock the blocked amount of the Equity Shareholder applying through ASBA within one (1) day from the day of receipt of such notification.

The relevant Designated Branch of each SCSB would upon receipt and verification of ASBA Applications and blocking of the relevant application monies upload details of each Application Form received by it on the online-application platform provided by the Stock Exchanges, and issue an acknowledgement to the ASBA Investor in connection with submission of the ASBA Application.

Mode of payment

The Equity Shareholder applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in a bank account maintained with the SCSB.

After verifying that sufficient funds are available in the bank account provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per Registrar's instruction allocable to the Eligible Equity Shareholders applying under the ASBA Process from bank account with the SCSB mentioned by the Equity Shareholder in the CAF. This amount will be transferred in terms of the SEBI ICDR Regulations, into the separate bank account maintained by our Company as per the provisions of Section 40 (3) of the Companies Act, 2013. The balance amount remaining after the finalization of the basis of allotment shall be either unblocked by the SCSBs or refunded to the Investors by the Registrar on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Managers, to the respective SCSB.

The Eligible Equity Shareholders applying under the ASBA Process would be required to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the bank account with the SCSB details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF or (ii) more than five (5) applications are submitted per account held with the SCSB in the Issue. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

Option Available		**Action Required**
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A *(All joint holders must sign)*
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares *(All joint holders must sign)*

The Equity Shareholder applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the SCSB with the relevant details required under the ASBA process option and SCSB blocks the requisite amount, then that CAF would be treated as if the Equity

Shareholder has selected to apply through the ASBA process option.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Renouncee(s), applying for Equity Shares renounced in their favor, can also apply for additional Rights Equity Shares in the Issue. Subject to the foregoing, resident Eligible Shareholders and resident Renouncees may subscribe to additional Rights Equity Shares.

In terms of Regulation 6 of Notification No. FEMA.20/2000-RB dated May 3, 2000, as amended from time to time and the RBI approval dated June 17, 2015, only NR Eligible Shareholders can apply for issue of additional Rights Equity Shares over and above the Rights Equity Shares offered on rights basis by our Company.

NR Renouncees cannot apply for additional Rights Equity Shares over and above the Rights Equity Shares renounced in their favour and such applications for additional Rights Equity Shares will be rejected.

Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board and subject to the aggregate shareholding of FIIs and FPIs not exceeding 24% of the paid-up capital of our Company, in consultation with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue – Basis of Allotment*" on page 255 of the LOF.

Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue – Basis of Allotment*" on page 255 of the LOF.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 19 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. For further details please refer to the section titled "*Terms of the Issue – Basis of Allotment*" on page 255 of the LOF.

Renunciation under the ASBA Process

Renouncees cannot participate in the Issue through the ASBA Process.

Application on Plain Paper

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders applying on the basis of a plain paper application are required to indicate their choice of applying under the ASBA Process.

The envelope should be super scribed *"*Vascon Engineers Limited - Rights Issue - R*"* in case of resident shareholders/Investors or shareholders/Investors applying on non repatriable basis or "Vascon Engineers Limited - Rights Issue - NR" in case of non resident shareholders/Investors applying on repatriable basis and should be postmarked in India. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per specimen recorded with our Company, must reach the Designated Branch of the SCSBs before the Issue Closing Date and should contain the following particulars:

- Name of Company, being Vascon Engineers Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount blocked at the rate of ₹ 15 per Equity Share;
- Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Investor and for each Investor in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Signature of Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company or the Depositories;
- Authorizing such SCSB to block an amount equivalent to the amount payable on the application in such bank account maintained with the same SCSB;
- In case of non-resident Investors, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- A representation that the Equity Shareholder is not a "U.S. Person" (as defined in Regulation S under the Securities Act); and
- Additionally, Non Resident Investors shall include the representation in writing that:

1. "I/We understand that the Rights Entitlement have not been, and will not be, registered under the United States Securities Act of 1933, ("**US Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof or to, or for the account or benefit of, "**U.S. Persons**" (as defined in Regulation S under the US Securities Act), except in a transaction exempt from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Equity Shares referred to in this application are being offered in India but not in the United States of America. None of our Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Managers or any other person acting on behalf of our Company has reason to believe is, a resident of the United States and to whom an offer, if made, would result in requiring registration of this application with the United States Securities and Exchange Commission.

2. I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

3. I/We understand and agree that the Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with

Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act."

Option to receive Rights Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE BEING HELD ON RECORD DATE.

Issuance of Intimation Letters:

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The number of Rights Equity Shares to be allotted against each successful ASBA;
- The amount to be transferred from the ASBA Account to the separate account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to in above paragraph, shall be transferred to separate account opened by our Company for the Issue; and
- The details of rejected ASBAs, if any, along with reasons for rejection to enable SCSBs to unblock the respective ASBA Accounts.

General instructions for Eligible Equity Shareholders applying under the ASBA Process

a. Please read the instructions printed on the respective CAF carefully.

b. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected. The CAF / plain paper application must be filled in English.

c. The CAF / plain paper application in the ASBA Process should be only at a Designated Branch of the SCSB and whose bank account details are provided in the CAF **and not to the Banker to the Issue/ collecting branch of the Escrow Collection Bank(s)** (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Managers to the Issue. **The onus of due completion and submission of such ASBA applications shall solely be that of the** Investor.

d. All Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, **CAFs / plain paper applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Rights Equity Shares shall be made into the accounts of such Investors.**

e. All payments will be made by blocking the amount in the bank account maintained with the SCSB. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

f. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Equity Shareholders must sign the CAF / plain paper application as per the specimen signature recorded with our Company /or Depositories.

g. In case of joint holders, all joint holders must sign the relevant part of the CAF / plain paper application in the same order and as per the specimen signature(s) recorded with our Company. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

h. All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number.

i. Only the person or persons to whom the Rights Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.

j. Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

k. Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through ASBA process.

l. Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using ASBA process.

m. **Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000.**

n. **Notwithstanding anything contained hereinabove, all Renouncees shall apply in the Issue through the non-ASBA process only.**

Do's:

(a) Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in. In case of non-receipt of the CAF, the application can be made on plain paper indicating application through the ASBA payment mechanism with all necessary details as indicated under the section titled "*Terms of the Issue – Application on Plain Paper*" on page 245 of the LOF.

(b) Electronic mode is only available with certain SCSBs and not all SCSBs and you should ensure that your SCSB offers such facility to you.

(c) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Rights Equity Shares will be allotted in the dematerialized form only.

(d) Ensure that the CAFs / plain paper applications are submitted at the registered branch of the SCSBs for blocking of application monies in the relevant account maintained with such SCSB and details of the correct bank account have been provided in the CAF.

(e) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares applied for} X {Issue Price of Rights Equity Shares}) available in the bank account maintained with the SCSB mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

(f) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF / plain paper application, in the bank account maintained with the respective SCSB, of which details are provided in the CAF / plain paper application and have signed the same.

(g) Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF /plain paper application in physical form or electronic mode.

(h) Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, each Investor should mention their PAN allotted under the IT Act.

(i) Ensure that the name(s) given in the CAF / plain paper application is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF / plain paper application is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF / plain paper application.

(j) Ensure that the Demographic Details with your Depository Participant(s) are updated, true and correct, in all respects.

(k) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorizing such funds to be blocked.

(l) Apply under the ASBA process only if you comply with the definition of an ASBA Investor, namely such Retail Individual Investors who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee; and
- apply through a bank account maintained with one of the SCSBs.

Note: Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Don'ts:

(a) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

(b) Do not pay the amount payable on application in cash, by money order or by postal order.

(c) Do not send your physical CAFs / plain paper applications to the Lead Managers to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.

(d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(e) Do not instruct your respective banks to release the funds blocked under the ASBA Process.

(f) Do not apply if the ASBA Account has been used for five Investors.

Do's and donot for non ASBA

Do's for non-ASBA Investors:

(a) Check if you are eligible to apply i.e. you are an Eligible Shareholder on the Record Date.
(b) Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in.
(c) In the event you hold Rights Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be allotted in the dematerialized form only.
(d) Ensure that your Indian address is available to us and the Registrar and transfer agent, in case you hold the Rights Equity Shares in physical form or the depository participant, in case you hold Rights Equity Shares in dematerialised form**.**
(e) Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Rights Equity Shares applied for) X (Issue Price of Rights Equity Shares, as the case may be) before submission of the CAF.
(f) Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form.
(g) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim and officials appointed by the courts.
(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
(i) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

(a) Do not apply if you are not eligible to participate in the Issue the securities laws applicable to your jurisdiction.
(b) Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Bankers to the Issue.
(c) Do not pay the amount payable on application in cash, by money order or by postal order.
(d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground**.**
(e) Do not submit Application accompanied with stock invest.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under *"Terms of the Issue* **-** *Grounds for Technical Rejection"* beginning on page 259 of the LOF, applications under the ABSA Process are liable to be rejected on the following grounds:

(a) Application for Rights Entitlements or additional shares in physical form.
(b) DP ID and Client ID mentioned in CAF / plain paper application not matching with the DP ID and Client ID records available with the Registrar.
(c) Sending CAF / plain paper application to the Lead Managers / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.
(d) Renouncee applying under the ASBA Process.
(e) Insufficient funds are available with the SCSB for blocking the amount.
(f) Funds in the bank account with the SCSB whose details are mentioned in the CAF / plain paper application having been frozen pursuant to regulatory orders.
(g) Account holder not signing the CAF / plain paper application or declaration mentioned therein.
(h) Submitting the GIR number instead of the PAN.
(i) Submission of more than five CAFs per ASBA Account
(j) Applications by Investors who are not eligible ASBA Investors made through the ASBA process.
(k) Application on SAF.
(l) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in restricted jurisdictions and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
(m) CAFs which have evidence of being executed in/dispatched from restricted jurisdiction.
(n) QIBs and Non Institutional Investors who are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009) not applying through the ASBA process. Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail Investors are located, are mandatorily required to make use of ASBA facility. Otherwise, applications of such Non Retail Investors are liable for rejection.
(o) The application by an Eligible Equity Shareholder whose cumulative value of Rights Equity Shares applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 and has not done so through the ASBA process.
(p) Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 2,00,000. Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail Investors are located, are mandatorily required to make use of ASBA facility. Otherwise, applications of such Non Retail Investors are liable for rejection. All Non Retail Investors are encouraged to make use of ASBA facility wherever such facility is available.
(q) Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application
(r) Applications by persons not competent to contract under the Contract Act, 1872, including by minors other than minors who have a valid beneficiary account, as per demographic details provided by Depositaries.

Depository account and bank details for Eligible Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM. ALL ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF / PLAIN PAPER APPLICATION. ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF / PLAIN PAPER APPLICATION IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF / PLAIN PAPER APPLICATION IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF / PLAIN PAPER APPLICATION.

Eligible Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF / plain paper application, the Registrar to the Issue will obtain from the Depository demographic details of these Eligible Equity Shareholders such as address, bank account details for printing on refund orders and occupation, ("**Demographic Details**"). Hence, Eligible Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF / plain paper application.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblock of bank account of the respective Equity Shareholder. The Demographic Details given by Eligible Equity Shareholders in the CAF / plain paper application would not be used for any other purposes by the Registrar. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs / plain paper applications, the Eligible Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating allotment and unblocking or refund (if any) would be mailed at the address of the Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. Refunds, if any, will be made directly to the bank account in the SCSB and which details are provided in the CAF / plain paper application and not the bank account linked to the DP ID. Eligible Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of bank account may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Equity Shareholder in the CAF / plain paper application would be used only to ensure dispatch of letters intimating unblocking of bank account.

Note that any such delay shall be at the sole risk of the Eligible Equity Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Managers shall be liable to compensate the Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Eligible Equity Shareholders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such applications are liable to be rejected.

Transfer of Funds

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA bank accounts for (i) transfer of requisite funds to the separate bank account maintained by our Company as per the provisions of Section 40 (3) of the Companies Act, 2013 (ii) rejected / unsuccessful ASBAs.

In case of failure or withdrawal of the Issue, on receipt of appropriate instructions from the Lead Managers through the Registrar to the Issue, the SCSBs shall unblock the bank accounts latest by the next day of receipt of such information.

MISCELLANEOUS

Payment by Stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stock invest Scheme has been withdrawn. Hence, payment through Stock invest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application monies received by our Company. However, the Banker to the Issue / Registrar / Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto. In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board declares that:

(a) All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to Section 40 (3) of the Companies Act, 2013;

(b) Details of all monies utilized out of the Issue referred to in clause (i) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

(c) Details of all unutilized monies out of the Issue, if any, referred to in clause (i) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

(d) The Company may utilize the funds collected in the Issue only after the basis of Allotment is finalized and the listing and trading approvals are received for the Rights Equity Shares.

Undertakings by our Company

Our Company undertakes:

1. The complaints received in respect of the Issue shall be attended to by the company expeditiously and satisfactorily;
2. That all steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the securities are to be listed are taken within 7 working days of finalization of basis of allotment;
3. The funds required for making refunds to unsuccessful Investor under the Issue as per the mode(s) disclosed in the Letter of Offer shall be made available to the Registrar to the Issue;
4. That where refund are made through electronic transfer of funds, a suitable communication shall be sent to the Investor/s under the Issue within 15 days of the Issue Closing Date giving details of the bank where refunds shall be credited along with the amount and expected date of electronic

credit of refund.

5. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalizing the basis of allotment under the Issue.

6. At any given time, there shall be only one denomination for the Equity Shares.

7. The Company shall comply with such disclosure and accounting norms specified by the SEBI from time to time.

8. The certificates of the securities or refund orders to non-resident shareholders will be dispatched within specified time

9. No further issue of securities shall be made till the securities offered through the Letter of Offer are listed or till the application moneys are refunded on account of non-listing, under-subscription, etc.

Our Company accepts full responsibility for the accuracy of information given in the Letter of Offer and confirms to the best of his knowledge and belief, there are no other facts or the omission of which makes any statement made in the Letter of Offer misleading and further confirms that it has made all reasonable inquiries to ascertain such facts.

Underwriting

This Issue shall not be underwritten.

Important

Please read the Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years*"

All enquiries in connection with the Letter of Offer or accompanying CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Investor as mentioned on the CAF and super scribed *"**Vascon Engineers Limited - Rights Issue - R**"* in case of resident shareholders/Investors or shareholders/Investors applying on non repatriable basis or "***Vascon Engineers Limited - Rights Issue - NR***" in case of nonresident shareholders/Investors applying on repatriable basis on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Karvy Computershare Private Limited
Plot 31-32, Gachibowli,
Financial District,
Nanakramguda, Hyderabad – 500 032
Telephone: +91 40 6716 2222
Facsimile: +91 40 2343 1551
E-mail: vascon.rights@karvy.com
Website: www.karvy.com
Contact Person: Mr. M. Muralikrishna
SEBI Registration No.: INR000000221

It is to be specifically noted that this Issue of Equity Shares is subject to the risks as detailed in the section titled "*Risk Factors*" beginning on page 10 of the LOF.

Issue to remain open for a minimum of 15 days and maximum of 30 days as may be determined by the Board.

SECTION VIII – STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10:00 A.M. to 5:00 P.M. from the date of the Letter of Offer until the Issue Closing Date, on working days.

(A) Material Contracts

1. Issue Agreement dated November 21, 2014 between our Company and the Lead Managers to the Issue.
2. Agreement November 4, 2014 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated June 24, 2015 between our Company, the Lead Managers, the Registrar to the Issue, and Banker to the Issue.

(B) Documents

1. Certificate of Incorporation of our Company.
2. Memorandum and Articles of Association of our Company.
3. Board resolution dated October 20, 2014, authorizing this Issue.
4. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Managers to the Issue, Registrar to the Issue and the Domestic Legal Advisor to the Issue to include their names in the Letter of Offer to act in their respective capacities.
5. Statement of Tax Benefits dated May 26, 2015 from the Statutory Auditor of our Company as disclosed in the Letter of Offer.
6. The reports of the Statutory Auditor dated May 12, 2015, in relation to the audited consolidated financial statements and the audited standalone financial statements, respectively, of our Company for the six month period ended March 31, 2015.
7. Certificate from Architect Shirish B. Mohile dated May 26, 2015 in connection with total estimated construction cost for the Project Ela- Residential.
8. Certificate from Architect Sandeep Hardikar dated May 26, 2015 in connection with total estimated construction cost for the Project Windermere- Residential.
9. Annual Reports of our Company for Fiscal Years 2010, 2011, 2012, 2013 and 2014.
10. In-principle approval dated January 20, 2015 and January 28, 2015 from the NSE and the BSE, respectively.
11. Due Diligence Certificate dated November 21, 2014 from the Lead Managers.
12. Tripartite agreement dated December 4, 2007 between CDSL, the Registrar and our Company.
13. Tripartite agreement dated December 26, 2007 between NDSL, the Registrar and our Company.
14. Agreement dated February 6, 2003 entered into in connection with the development and construction of Project Windermere and supplementary agreements dated February 1, 2010 and November 1, 2012 executed between our Company and Rajesh Builders.

15. Agreement dated June 1, 2007 for the joint development / construction in connection with Project Ela located at Hadapsar, Pune.

16. Letter No. CFD/DIL-II/AKD/AEA/OW/3675/2015 dated February 3, 2015, issued by SEBI in connection with the Issue.

17. Letters from our Company to RBI dated December 4, 2014, December 23, 2014, January 17, 2015, Feburary 2, 2015 and June 15, 2015 and letter from RBI dated January 6, 2015 and approval letter from RBI in relation to the renunciation of the Rights Entitlement vide its letter dated June 17, 2015 (Ref No. FED.CO.FID.No. 19236/ 10.21.338/ 2014-15) conveying its no-objection, subject to conditions, to renunciation of Rights Entitlement of the Rights Equity Shares of our Company by the following: (i) resident shareholders to FIIs, NRIs or RFPIs; (ii) existing FII/NRI/RFPI shareholder to resident shareholders and (iii) existing FII/NRI/RFPI shareholders to other FIIs/NRIs/RFPIs.

Any of the contracts or documents mentioned in the Letter of Offer as may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

We certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act and the rules made thereunder or regulations issued thereunder, as the case maybe. We further certify that, all the legal requirements connected with the said Issue as also the regulations, guidelines, instructions, etc. issued by SEBI, Government of India and any other competent authority in this behalf have been duly complied with.

We hereby certify that all disclosures made in this Letter of Offer are true and correct.

Signed by all the Directors of our Company

Mr. V. Mohan	Mr. R. Vasudevan
Chairman & Independent Director	Managing Director
Mr. K. G. Krishnamurthy	Mr. R. Kannan
Independent Director	Independent Director
Mrs. Sowmya Vasudevan Moorthy	
Additional Director	

Signed by the Chief Executive Officer	**Signed by the Chief Financial Officer**
Dr. Santosh Sundararajan	Mr. D. Santhanam
Chief Executive Officer	Chief Financial Officer

Date: June 29, 2015

Place: Mumbai