ANNUAL REPORT
2010 - 2011



Towards newer, bigger milestones.

VASCON @25 Young Mature Confident

VASCON
Development with Conscience

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VASCON ENGINEERS LIMITED

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VASCON ENGINEERS LIMITED
Registered Office: 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai 400 083
Email-id-compliance.officer@vascon.com, Tel: (91 22) 2578 1143; Fax: (91 22) 25796333

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty-Sixth Annual General Meeting of the Members of the Company will be held at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400 001, on Tuesday, the 27th September, 2011 at 3.30 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet for the year ended March 31, 2011 and the Profit and Loss Account as on that date together with the Directors' Report and Auditors' Report thereon.

2. To declare a final dividend on equity shares.

3. To appoint a Director in place of Mr. Ameet Hariani, who retires by rotation and being eligible, offers himself for re-appointment.

4. To re-appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT M/s Anand Mehta and Associates, Chartered Accountants, Mumbai be and are hereby reappointed as Statutory Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration to be decided by the Board of Directors in consultation with the Audit Committee."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to sections 198,269,309 read with Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956 (Act) or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of Mr. R. Vasudevan as Managing Director of the Company for the period of 5 years with effect from April 1, 2011, not liable to retire by rotation, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to expertise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof on following terms and conditions:

A) Salary: Rs.10,00,000/- per month, in the scale 10,00,000– 100,000 – 15,00,000.

B) LTA: One month's salary.

C) Rent free furnished accommodation or housing rent allowance 50% of salary per month at the option of the Managing Director.

D) Reimbursement of domiciliary medical treatment expenses of up to Rs. 15000/- or such other higher or lower limit for self and relatives as may be prescribed by Income Tax rules in any financial year.

E) Reimbursement of medical expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.

F) Use of company's car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.

G) Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.

H) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and payment of Gratuity, other retirement benefits and leave encashment as per the Rules of the Company.

FURTHER RESOLVED that in addition to the aforesaid salary, the said Managing Director be and is hereby entitled to an additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five per cent of the net profits of the Company, including the above remuneration, with liberty to pay such commission in one or more installments entirely at the discretion of the Board."

FURTHER RESOLVED that in the event of loss or inadequacy of profits in any financial year, during the tenure of Mr. R. Vasudevan as Managing Director of the Company, he shall be entitled to receive a total remuneration including perquisites, etc. not exceeding the ceiling limits as per Schedule XIII of the Companies Act, 1956 or any modifications thereon."

By Order of the Board of Directors

VASCON ENGINEERS LIMITED

Place: Pune
Date: 14th May, 2011

M. Krishnamurthi,
Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

- MEMBERS ARE REQUESTED TO SEND THEIR PROXY FORM TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

1. The Explanatory Statement pursuant to section 173 of the Companies Act, 1956 is annexed hereunder and forms part of the Notice.

2. The Register of Members and Share Transfer Books of the Company will be closed from Friday 16th September, 2011 to Tuesday, 27th September, 2011 (both days inclusive).

3. Dividend, as may be declared by the Members at the Meeting will be paid to those Members, whose names stand on the Company's Register of Members as on Tuesday, the 27th September, 2011. In respect of shares held in dematerialised form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business on Tuesday 27th September 2011.

4. The certificate from the Auditors of the Company certifying that the Company's Employee Stock Option Scheme, 2007 is being implemented in accordance with SEBI Guidelines, 1999 (Employees Stock Option Scheme and Employees Stock Purchase Scheme), and in accordance with the resolution of the members passed at the general meeting will be available for inspection by the members at the AGM.

5. Karvy Computershare Private Limited (Karvy) is the Registrar & Share Transfer Agent (R & T Agent) of the Company. All investor related communication may be addressed to Karvy at the following address:

   Karvy Computershare Private Limited
   Plot Nos. 17-24, Vittal Rao Nagar, Madhapur
   Hyderabad 500 081
   E mail: einward.ris@karvy.com
   Tel: 040 - 44655000
   Fax: 040 - 23420814
   Contact Person: S. V. Raju, Asst. General Manager

6. For effecting changes in address/bank details/NECS (National Electronic Clearing Service) mandate, members are requested to notify:

   (A) Members holding shares in **electronic form** are requested to update their new bank details in which they wish to receive dividend with their respective Depositories. The Company or the R & T Agent will not act on any direct request from members holding shares in electronic form for change/updation/deletion in such bank details.

   (B) Members holding shares **in physical** form must give instructions regarding their new bank details in which they wish to receive dividend to the Company or the Share Transfer Agent. In the absence of NECS facility, the bank account details, if available, will be printed on the dividend warrants.

7. As per the provisions of Section 109A the Companies Act, 1956, nomination facility is available to the Members, in respect of the equity shares held by them. Nomination forms are available and can be obtained from the RTA.

8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries at an early date so that the desired information may be made available at the meeting.

9. In case of joint holders attending the meeting, only such joint holder whose names appears first in list will be entitled to vote.

10. Members attending the Annual General Meeting are requested to bring with them the following :
    a) Members holding share in dematerialized form- the details of their DP and Client ID Numbers.
    b) Members holding share in physical form- the details of their Folio Numbers.
    c) The Attendance Slip duly completed and signed in terms of specimen signature lodged with the Company and copy of the Annual Report. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting.
    d) In case of Body Corporate, the authorised representative should bring with him/her a certified copy of relevant Board/Governing Body resolution of the entity concerned. In the event such a person wants to appoint a proxy to represent himself/herself, the conditions as outlined above, would apply. The Proxy Form in such a case should be accompanied by a copy of the relevant resolution.

11. No compliment or gift of any nature will be distributed in the Annual General Meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

The following Explanatory Statement sets out, all material facts relating to the business mentioned in Item No. 3 and 5 mentioned in the accompanying Notice.

ITEM NO. 3

Mr. Ameet Hariani, Director, retires by rotation pursuant to Section 255 & 256 of the Companies Act, 1956 and being eligible, offers himself for re-appointment.

Ameet Hariani is a prominent Advocate and Solicitor, well versed inter alia in real estate matters. He has more than 25 years experience as a lawyer. He is also a member of the Bombay Incorporated Law Society, the Law Society of the UK and the Singapore Law Society. He is the Managing Partner of the firm of M/s. Hariani & Co., having its offices in Mumbai, Pune and Goa.

He has been a director on our Board since September19, 2007 and does not hold any shares in the Company.

Pursuant to clause 49 of the listing agreement following information is furnished about the Directors proposed to be appointed/re-appointed:

Other Directorship	Committee Membership	Number of shares & convertible instruments held
1. Ras Resorts And Apart Hotels Limited 2. Capricon Realty Limited 3. Batliboi Limited 4. Hariani Advisory Services Private Limited 5. Radicle Informatics Private Limited 6. Envision Computers Consultancy Private Limited	1. Ras Resorts And Apart Hotels Limited 2. Capricon Realty Limited 3. Batliboi Limited	Nil

None of the directors, except Mr. Ameet Hariani, is concerned or interested in this resolution. Directors recommend the resolution for your approval.

ITEM NO. 5

Mr. R. Vasudevan was re-appointed as Managing Director of the Company in the Extra-ordinary General meeting of the Company held on 12th June, 2006. [Accordingly his tenure of appointment expired on 31st March, 2011.] In terms of the recommendations of the Compensation/ Remuneration Committee, the Board of Directors of the Company in the meeting held on 8th February, 2011 has re-appointed Mr. R. Vasudevan as Managing Director for further period of five years with effect from 1st April, 2011 on the terms and conditions set out in the resolution No 5.

Mr. R. Vasudevan, holds a first class Bachelor's degree in Civil Engineering from the Pune University and completed Owner/President Management Program from Harvard Business School. He has been awarded the Top Management Consortium Award of Excellence for the year 2005, the "Construction World -Top Builder Award" in 2007, Award for Life Time Achievements by the Alumni Association of College of Engineering, Pune in 2005 and the South Indian Education Society on the occasion of its Platinum Jubilee (1932-2008) honored and felicitated Mr. R. Vasudevan as a distinguished alumni. He has over 33 years of experience in the construction industry. He has been our director since January 1, 1986. He is not related to any other director of the Company.

Pursuant to clause 49 of the listing agreement, the following information is furnished about the Directors proposed to be reappointed:

Other Directorship	Committee Membership	Number of shares & convertible instruments held
1. Ascent Hotels Private Limited	Nil	-
2. Novacare Drug Specialties Private Limited	Nil	9377529

The Directors recommend the adoption of the resolution. Except Mr. R. Vasudevan none of the directors are interested in the Resolution.

By Order of the Board of Directors

VASCON ENGINEERS LIMITED

Place: Pune
Date: 14th May, 2011

M. Krishnamurthi,
Company Secretary

ATTENDANCE SLIP

VASCON®
Development with Conscience

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

REGD.FOLIO NO. .....DP ID NO.....CLIENT ID NO .....

Name of the Member/ Proxy.....

(in BLOCK LETTERS)

No. of Shares held .....

I hereby record my presence at the Annual General Meeting of the Company on Tuesday, the 27th of September, 2011.

SIGNATURE OF THE MEMBER/PROXY.....

NOTE: 1. Only Members/ Proxy whose names are registered with the Company will be allowed to attend the meeting and are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting.

2. No attendance slip will be issued at the time of meeting.

----------CUT HERE----------

FORM OF PROXY

REGD.FOLIO NO. .....DP ID NO.....CLIENT ID NO

I/We.....of.....

..... being a Member /Members of

Vascon Engineers Limited, hereby appoint .....

of..... or failing him/her .....

..... of .....

as my/ our Proxy to attend and vote for me/us and on my/our behalf at the Annual General

Meeting of the Company to be held on Tuesday, the 27th of September, 2011 and at any

adjournment thereof.

Signed this .....day of....., 2011.

Affix
Re. 1
Revenue
Stamp

Signature(s) of Shareholder(s)

NOTE: 1. This form should be signed across the revenue stamp as per the specimen signature(s) recorded with the Company and all the alteration made therein should be initialed.
2. The Proxy need not be a Member.
3. This form must be sent to the Registered Office of the Company not less than 48 hours before the Annual General Meeting.



COMPANY INFORMATION

BOARD OF DIRECTORS
V. Mohan, Chairman
R. Vasudevan, Managing Director
K. G. Krishnamurthy, Director
R. Kannan, Director
Ameet Hariani, Director

COMPLIANCE OFFICER & COMPANY SECRETARY
M. Krishnamurthi

AUDITORS
Anand Mehta & Associates
Chartered Accountants
Mulratna, First Floor
334, Narshi Natha Street
Masjid (W), Mumbai 400 009

BANKERS
State Bank of India
HDFC Bank
ICICI Bank
Yes Bank
Central Bank of India
Kotak Mahindra Bank

REGISTERED OFFICE
15/16, Hazari Baug, LBS Marg
Vikhroli (West), Mumbai 400 083
T: +91-22-25781143, F: +91-20-26131071

CORPORATE OFFICE
'Phoenix', Bund Garden Road
Pune 411 001
T: +91-20-30562200, F: +91-20-26131071

WEBSITE
www.vascon.com

REGISTRAR & TRANSFER AGENTS
Karvy Computershare Private Limited
Plot No. 17 to 24, Vittalrao Nagar
Madhapur, Hydrabad 500 081

LISTED ON
National Stock Exchange of India Limited
Bombay Stock Exchange Limited





COMPANY INFORMATION

INTRODUCTION

Vascon Engineers has more than 25 years of experience in conceiving, developing, constructing and managing varied projects. It is active in multiple sectors including residential, industrial, IT parks, malls and multiplexes, hospitality and community.

Right from its inception in 1986, Vascon has remained committed to applying the art of value-based aesthetics into the science of construction through efficient engineering. The Vascon team is mainly made up of engineers who are backed up by highly qualified specialists from various fields of management. Right from planning and procurement to testing and execution, every Vascon professional follows well-documented systems and procedures.

Today, Vascon's achievements range from sprawling factories to premium homes, from glittering malls to towering software parks and from classy hotels to elegant schools. One simple principle guides Vascon's approach to every project: "Understand the customer's needs and expectations; fulfil the needs and exceed the expectations." This is how Vascon has been able to strike the right balance between efficient engineering and thoughtful development in project after project, across the country.

"We don't just construct; we engineer success"
"We don't just build the future; we perfect it"

VISION & MISSION



COMPANY VISION

Be the engineers of choice for quality construction and path-breaking development projects all over India and Asia.

COMPANY MISSION

CONSISTENTLY EXCEED CUSTOMER EXPECTATIONS, USING ENGINEERING SKILLS, DEVELOPMENT EXPERIENCE AND A PERSEVERANT POSITIVE ATTITUDE IN EVERY PROJECT, REGARDLESS OF SIZE, TYPE AND LOCATION.



PHILOSOPHY AND MANAGEMENT POLICY

COMPANY PHILOSOPHY

The Board of Directors of the Company fully appreciates the importance of adopting high standards of corporate governance in all operations and processes throughout the Group. The Company is totally committed to Corporate Governance with the objective of generating long-term economic value for all the stakeholders.

The key elements in corporate governance are transparency, disclosure, supervision and internal controls, risk management, internal and external communications, high standards of safety, accounting fidelity, product and service quality. The Company ensures that the Board and the management of the Company are fully appraised with the affairs of the Company, in order to enable them in conducting the affairs of the Company efficiently and to meet the Company's obligations to the stakeholders.

INTEGRATED MANAGEMENT SYSTEM POLICY

Vascon Engineers Limited is a construction company guided by mother nature and makes optimum use of the basic elements of nature.

Vascon believes man and nature should co-exist.

We, at Vascon Engineers Limited, are committed to manage our project activities, products and services, for delivering excellence in quality, whilst ensuring the occupational health, hygiene, safety and well-being of our employees and minimising our impact on the environment.

To achieve this, we shall strive to

- Understand customer requirement and meet their expectations
- Do the right things right, first time, every time
- Conserve, preserve and improve the environment
- Ensure occupational health, hygiene & safety aspects of personnel, material and equipment at our workplace
- Maintain safe and conducive environment at our workplace to achieve zero accident goal
- Comply with all applicable legislations, regulations and requirements of international standards.

"VASCON BELIEVES IN THE SIMPLE & POWERFUL RULE... ALWAYS GIVE CUSTOMERS MORE THAN THEY EXPECT."

ACHIEVEMENTS & MILESTONES

2011
- Bagged Asia's Best Employer Brand Award from Employer Branding Institute for Managing Health at Work category
- Bagged 5th Indy's Award for Corporate Social Responsibility.

2010
- Vascon went Public
- Inorganic growth: Acquisition of GMP Technical Solutions Pvt. Ltd.

2009
- Well Built Structure awarded for Ruby Mill Dadar by BAI.
- First Government contract for the construction of a hospital for National Building Construction Corp Ltd. in Chennai
- Delhi International Airport Limited Multi Level Car Park project begins.

2008
- Best IT Infrastructure Company Award by Govt. of Maharashtra
- SAP ERP system implemented
- Awarded with Most Trusted Brand by Amicus Eriom

2006
- Investment by real estate venture fund, HDFC venture for a 15% equity stake
- ISO 14001:2004 Certification for Environment Mgmt. Systems
- Nucleus wins Merit Award at ICSC Intl. Design & Development Awards

2005
- Completion of Nucleus Mall, Pune
- Nucleus wins: ASEA Award, BAI Pune Award, Brick Mortar Award & The Spectrum Foundation Award

2003
- ISO 9001:2000 awarded
- BAI Pune award for Project Casaurina & Marigold

2000
- Builder's Association ("BAI"), Pune Award for Project Paradise premises

1999
- Completion of Cipla Foundation's Palliative Care & Training Centre at Pune

1996
- Completion of first project in hospitality sector – Vista Do Rio Resorts, Goa

1994
- Completion of 40 acre greenfield Pharmaceutical & Chemical complex for Cipla Ltd.

1986
- Founded as an EPC company
- Completion of first contractual project for Cipla Ltd.



THE MD'S DESK





Dear Shareholder,

It gives me great pleasure to present the annual report of the Company for the financial year 2010-2011 and share with you the success of the organization. I am pleased to inform you that in the financial year 2011, your company has crossed Rs. 1,000 crore landmark in revenue.

This year your company is celebrating its silver jubilee year. The Company over the years has grown and achieved remarkable change in scale and speed mainly on account of dedication and determination displayed by Vascon's team. Also, the mantra of not sacrificing quality, client satisfaction and corporate culture has worked in favor of us creating our goodwill.

Added to it the various recognitions and awards garnered by us during this period has stood as testimony of hard work, perseverance and passion that has gone behind creating the brand "Vascon".

Despite some pick-up in growth witnessed in the second half of FY2010, the current macro-economic environment seems challenging. This scenario is on account of high inflationary pressures that have led RBI adopting tightening measures by taking frequent interest rate hikes. However, we being present in tier 2 and tier 3 cities and in the affordable housing category, our company has seen minimal slowdown in demand.

We are confident that the Indian economy in coming years will continue its growth momentum. We believe that India's increasing outlay on infrastructure spending coupled with domestic consumption-led growth story is here to stay. And hence we have a positive outlook on all our business segments in future.



THE MD'S DESK

EPC

Our EPC business remains the backbone of the company and Vascon is one of the premier players in Engineering, Procurement and Construction sector with cumulative construction of over 32 million sq. ft.

EPC business has shown an excellent growth year on year on account of improved macro economic conditions. During the last year, your company has executed orders of around 7 million sq. ft. Fresh orders from third party have shown a growth of 33% from Rs. 912 crore in FY10 to Rs. 1,222 crore in FY11. Our revenue from EPC segment is up from Rs. 629 crore in FY10 to Rs. 706 crore in FY11.

The Company has built a reputation for delivering high quality projects and completing them ahead of schedule. During this fiscal we completed construction of a prominent project "Ruby Mills" in Mumbai and would in coming years add on value to new projects in terms of our superior execution skills. The Company intends to expand its clientele in terms of territory and scope of activities.

Real Estate

Your company has been instrumental in launching projects in its established area of Pune and Nashik in FY11. It included launch of "Windermere"- a premium end product offering 0.4 msft for sale. The project has been offered on invitation sale basis and has attracted high amount of interest on account of quality and ambience offered.

The company plans to commence further 8 residential projects with developable area of around 4 msft in FY12. This encompasses a rapidly developing suburb of Chennai with total potential area of development of over 11 million sq ft to be developed in four phases over a period of 6 to 8 years. We believe Chennai is a high growth residential market and we expect this project to deliver healthy volumes once the project is launched.

At Vascon, we are optimistic about the years ahead with our approach on real estate through joint development and joint venture model.

Hospitality

Your company in FY11, as a strategic investment, entered into two premium brands with 26% and 27.5% stake in Hyatt and Holiday Inn in Pune respectively. The Company at the same time exited its entire stake from Vista Do Rio for a consideration of Rs. 15 crore. The Company will continue its investment in hospitality segment to leverage its expertise developed in EPC business.

GMP

Last year your company has acquired GMP Technical Solutions Private Ltd, the leader in modular clean room and office partitions apart from offering HVAC, electrical and building management services (BMS). GMP offers complete solution engineering in clean room modular partitions, HVAC design and supply, integrated building management systems, electric systems and accessories, epoxy and vinyl flooring, and interlocking and access controls.

With the takeover, your company is better positioned to exploit the synergy in other verticals and will also enable the Company to participate in bidding full service contract. The acquisition has enhanced the Company's geographical footprint as GMP has offices in several cities in India and other countries.

To conclude, I'd like to place on record my gratitude to all our shareholders, investors, bankers, financial institutions, lenders, contractors, vendors, suppliers, and above all, our customers who have faith in our company. I would also like to thank each employee of our organization for their unstinted support, hard work and dedication. You all are responsible for making Vascon what it is today.

We shall remain committed to our core strength of quality and delivering results on time.

Yours sincerely.

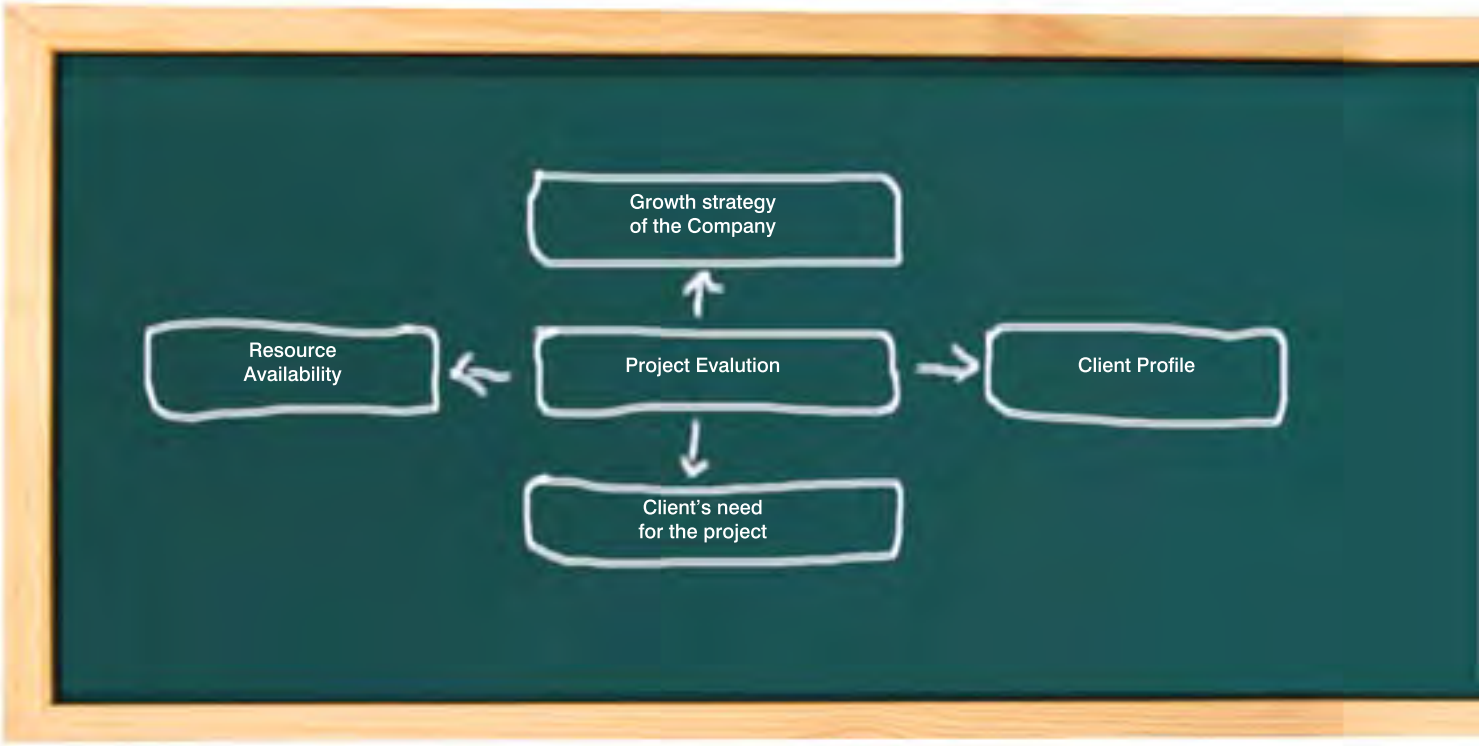
R. Vasudevan
Managing Director

ENGINEERING PROCUREMENT AND CONSTRUCTION (EPC) - STABILITY DRIVER

The Company commenced operations primarily as an EPC services company. Today the Company has 25 years of experience in providing EPC services, which includes constructing factories, hospitals, hospitality properties, office and residential complexes, shopping malls, multiplexes, IT parks and other buildings. The Company is known for its quality of construction, which can be easily concluded from number of repeated orders that the Company gets from its clients. The Company provides EPC services for its own projects as well as to third parties. As of March 31, 2011, the Company has completed more than 190 EPC contracts, with construction of over 32 million sq. ft. and is engaged in 90 ongoing EPC contracts, with an estimated total contract value of Rs. 41,390 million with an Order Backlog of Rs. 27,980 million out of which 66 EPC contracts were for third parties with the order size of Rs.25, 820 million and an Order Backlog of Rs. 14,600 million and 24 EPC Contracts were for projects developed by us or the other development entities with an order size of around Rs.15, 569 million and an order backlog of Rs. 13,380 million. Our third party EPC clients include various reputed clients such as Ruby Mills in Mumbai, Symbiosis Education Institutes, Sinhagad Education Society, Cipla Ltd., Dr. Reddy's Laboratories Ltd., Tata Housing, NBCC, Adani Township, Goa Institute of Management, etc.

EVALUATION PROCESS FOR THIRD PARTY ORDERS

Projects evaluations are done based on client need, client profile, resources availability and overall growth strategy of the Company.



COMPANY'S GROWTH STRATEGY FOR EPC BUSINESS

1. Diversifying geographical presence
2. Diversifying nature of projects
3. Focus on institutional contracts
4. Use of latest construction technology to reduce time and cost
5. Bidding for full service and bigger size contracts

Company is also closely working with various government agencies like NBCC (National Building and Construction Company) for their projects in residential and commercial segment.

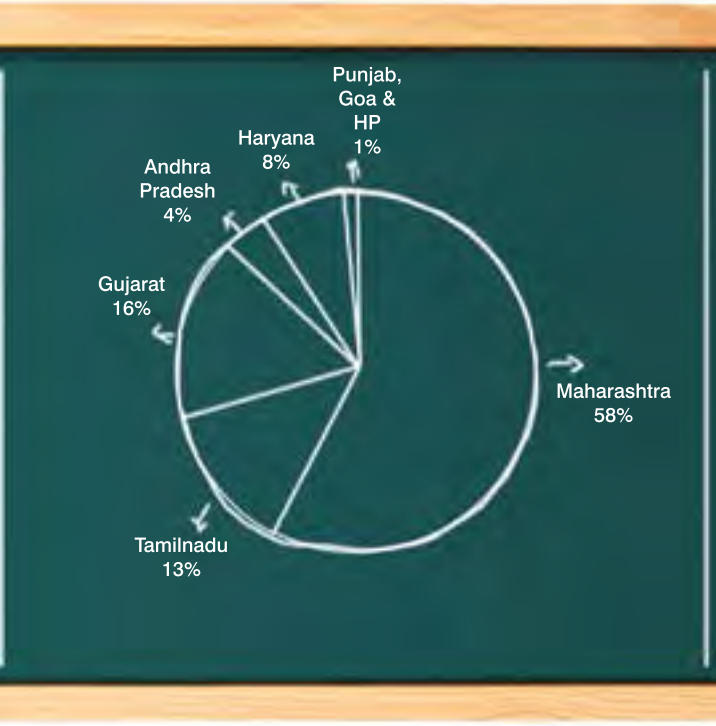
Company is having sound footprint in healthcare and education sectors, where the government and private sector is planning huge investment. This will help the Company in bagging new contracts in these sectors going ahead.

COMPANY'S EPC ORDER BOOK

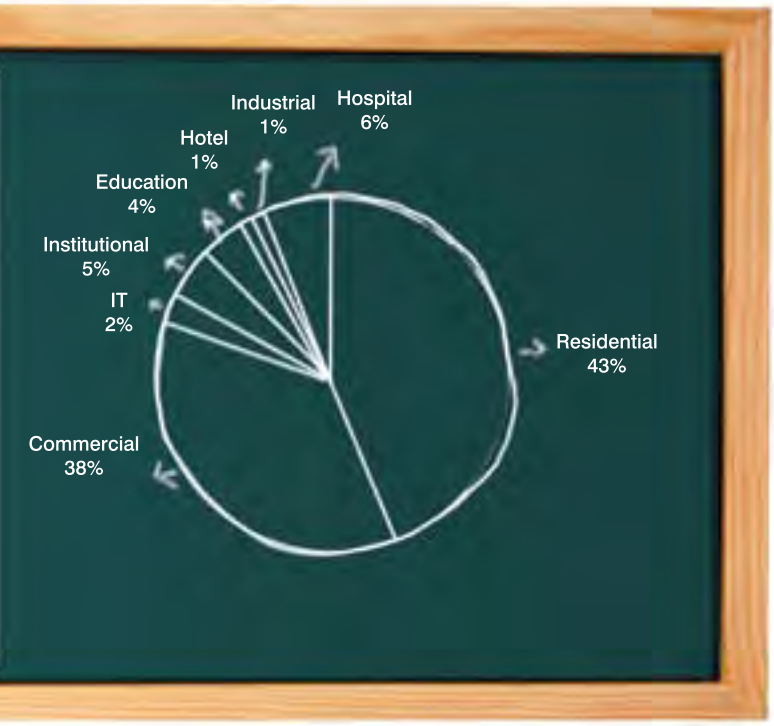
EPC Order Book as of 31st March, 2011			
		Order Book	Backlog
	No. of projects	Rs. million	Rs. million
3rd Party Contracts	66	25,820	14,600
Own Contracts	24	15,569	13,380
Total	**90**	**41,390**	**27,980**

The company has diversified its EPC portfolio both geographically and segment-wise to reduce the risk from projects.
Geographical and segment-wise distribution for the order backlog of Rs. 27,980 million is as follows:

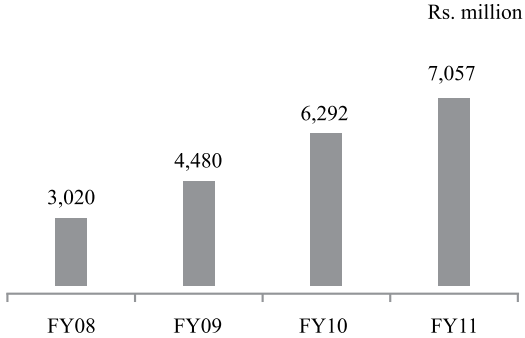
GEOGRAPHICAL DISTRIBUTION



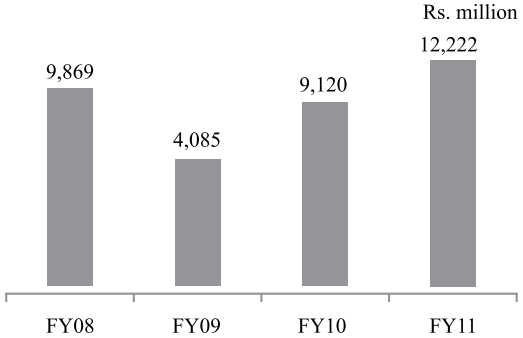
SEGMENT-WISE DISTRIBUTION



EPC Revenue Growth in last 4 years ~ 33%



Orders built over a period – Third Party



REAL ESTATE BUSINESS - SCALABILITY DRIVER

The Company's real estate development business comprises the development of residential and office complexes, as well as shopping malls, multiplexes, hospitality properties, IT parks and other buildings directly or indirectly through our subsidiaries or the other development entities. The Company has a Pan India presence in developing real estate projects. The Company and the other development entities have completed various real estate development projects, and in the process of developing various real estate projects, with an aggregate saleable area of over 66 million square feet.

In order to achieve efficiency of scale and focussed working, the Company has decided to outsource the non core activities like project approval, project management and marketing to Vascon Infrastructure Ltd. a company promoted with these as main objectives.

Company has strategically entered into the Real Estate business to

√ Leverage its EPC experience

- The Company has a strong EPC base which helps the Company to rise above industry standards in terms of execution capabilities.
- Real Estate synergizes well with the EPC business; this not only helps the Company to grow faster but also to establish a niche in this space.

√ Unique Business model focused on lower land acquisition costs

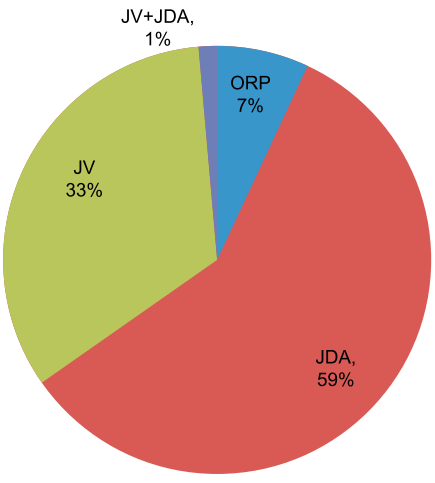
- Majority of Real Estate development is done through Joint Ventures (JVs) and Joint Development Agreements (JDAs), thereby reducing working capital requirement. The model also ensures against the blockage of capital and minimizes downside risk.
- Partnerships augurs well for local market dynamics.
- Company focus on real estate development in Tier II and Tier III cities in India: the idea being to focus on areas where the Company foresees significant value unlocking potential from its land holding.
- The Company also has diversified its Real Estate portfolio across India into cities like Pune, Nashik, Aurangabad, Thane, Chennai, Madurai, Goa, Hyderabad, Coimbatore, Belgaum and Chandigarh.

√ Presence across the entire universe of projects

- Today the Company has established its presence in developing Residential and Office Complexes, IT parks, Shopping malls, Multiplexes, Hospitality properties and other buildings.
- The Company undertake the entire spectrum of Real Estate Development activities including identification and acquisition of land, providing EPC services and sales and marketing of projects to operations of completed projects.

Economic Interest wise distribution of Real Estate Business

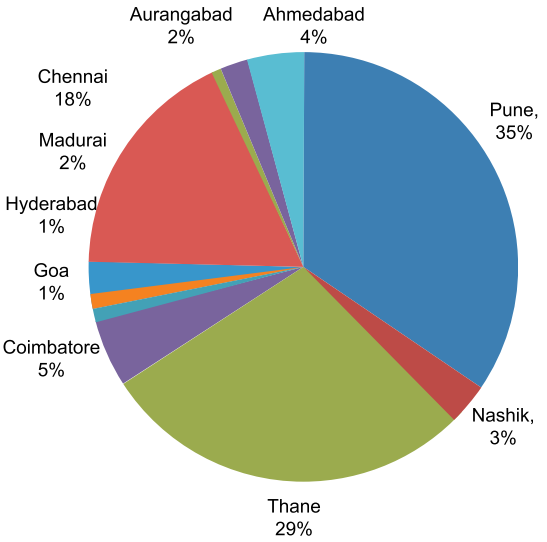
Land Reserves	Develop-ment Potential	Attributable to Vascon	
	msf	msf	%
Land Owned by the Company	3.0	2.9	7%
Development through JDA	34.9	22.6	59%
Joint Ventures	27.3	12.6	33%
JDA with JV	0.6	0.3	1%
	66.0	**38.3**	**100%**



Real Estate Project Portfolio of 66 msf.

No.	Location	Project Area	Attributable to Vascon
		msf	msf
Residential			
1	Pune	15.0	9.1
2	Chennai	11.7	8.9
3	Thane	19.0	8.4
4	Coimbatore	2.8	1.5
5	Nashik	0.7	0.7
6	Madurai	1.0	0.7
7	Goa	0.5	0.5
8	Hyderabad	0.6	0.4
Commercial			
1	Pune	7.0	4.1
2	Ahmedabad	2.7	1.2
3	Aurangabad	1.4	0.7
4	Nashik	1.0	0.8
5	Madurai	0.7	0.5
6	Coimbatore	0.6	0.3
7	Chandigarh	0.3	0.1
8	Belgaum	0.2	0.1

Region-wise breakup of Real Estate Portfolio



PROJECT EXECUTION PROCESS

The Company utilizes a five-stage execution methodology for our development projects, consisting of land identification and acquisition, obtaining consents, authorisations and approvals required for development, project preparation, project management & execution and marketing & post-completion. A summary of the activities involved in these five stages of project development phases is set out in the following chart.

Land identification and acquisition of ownership or development rights	• Identification of suitable land • Due diligence and title searches • Analysis of land use and required governmental regulations • Formation of the JV/JDA and the acquisition of the land
Obtain consents, sanctions, authorizations and approvals	• Concept Design • Cost estimate of projects • Sitting and planning • Consents and sanctions • Environmental consents
Project preparation, including design and architecture	• Project development timetable • Securing financing • Detailed design and architecture • Marketing and pre-sales • Booking of sales and collection of deposits for residential projects
Project execution, including EPC	• Enter into EPC Contracts with our Company • Procurement of raw materials, labour and equipment • Construction of property
Marketing, including sales or leasing, and post completion	• Booking of sales & collection of deposits • After sales service • Customer inspection and delivery • Property management for limited period as part of after sales service

DETAILS FOR THE ONGOING PROJECTS

Project Name	Location	Vascon Share		Project Area
		Equity	Revenue	msft
Willows Phase I	Pune	100%	56%	0.22
Willows Phase II	Pune	100%	56%	0.16
Vista - Phase I	Nashik	100%	100%	0.18
Vista - Phase II	Nashik	100%	100%	0.13
Forest County (11 buildings)	Pune	50%	100%	0.84
Tulips - Phase I	Coimbatore	70%	70%	0.07
Tulips - Phase II	Coimbatore	70%	70%	0.2
Windermere Duplex	Pune	100%	45%	0.17
Windermere Apartments	Pune	100%	45%	0.22
Total				**2.19**

PLANNED LAUNCHES FOR FY12

The Company is planning to launch 8 real estate projects in the current year. The total area for the projects is around 4 million sq. ft.

1. **Chennai Project:** This is a residential project in a rapidly growing suburb - Oragadam, Chennai. The project will comprise of premium bungalows, duplex, premium apartments and economy apartments. The project will feature various amenities such as water harvesting, jogging track, bike tracks, state of art clubhouse, etc.

   Oragadam owes its strategic advantage due to a large manufacturing presence, demand base, supplier presence, established infrastructure and multi-modal connectivity.

2. **Xotech:** This is a residential project located at Hinjewadi, Pune IT hub, Maharashtra that comprises of very modest and quality 2 & 3 BHK apartments. The project will feature various amenities such as rain water harvesting, dedicated children play zone, club house, etc.

3. **ELA – The Earth:** This is a residential project located at upcoming area of Hadapsar, Pune, Maharashtra that will comprises of 2 and 2.5 BHK apartment. The project will feature various amenities such as swimming pool, club house, dedicated children play zone, rain water harvesting, etc.

4. **Nature Spring:** This is a mix development township project consisting of bungalows, premium apartment high-rise buildings, budget apartment high-rise buildings, low rise units, multiplex and shopping mall in an upcoming area of Talegaon, Pune with a state of art clubhouse marks its presence in the open space right at entry which offers world class amenities along with an uninterrupted view of the central open space.

5. **Panache Heights:** This is a residential project located at well developed area of Gachibowli, Hyderabad. The project will comprise of 2, 3 and 4 BHK apartments. The project will feature well developed landscape garden, rainwater harvesting, club house, etc.

6. **Neelambur Project:** This is a mix development project in Neelambur, Coimbatore, Tamil Nadu. The project will comprise of 1 & 2 BHK apartments with modern amenities such as rain water harvesting, club house, swimming pool, dedicated children play zone, etc.

7. **Madurai Project:** This is a mix development project at Madurai, Tamil Nadu. Residential area will comprise of 2, 3 & 4 BHK apartments with modern amenities such as well developed landscape garden, rain water harvesting, swimming pool, club house, dedicated children play zone, etc.

8. **Vista Phase III:** This is Phase III of eco friendly Vista residential project. The project will comprise of 2 building of 2 & 3 BHK apartments. The project will feature various amenities such as centrally landscape garden, dedicated children play zone, fully equipped multi activity club house, etc.



BUSINESS MODEL & REVIEW

HOSPITALITY BUSINESS - STRATEGIC INVESMENT

As part of our growth strategy, the Company has developed number of hospitality properties and shopping malls and office complexes and intends to develop several others. We derive revenue from entities involved in owning and operating hospitality properties and service apartment complexes.

The primary reason to hold these properties is to tap the demand for the hospitality segment in and around our Real Estate development. Secondly, as the Company has expertise in construction, getting the investor who likes to save the lead time for construction, benefits both the parties.

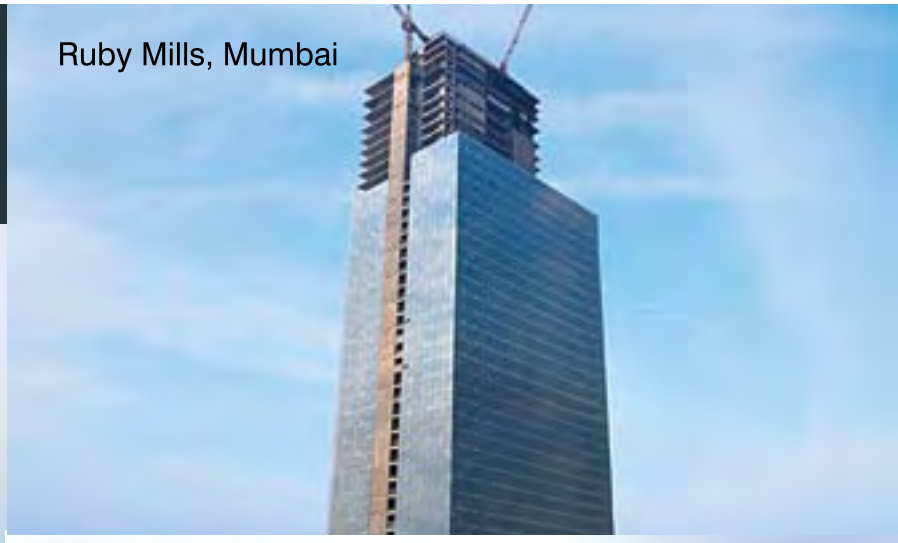
The Company is also looking to expand its presence across the country, by making strategic investment in this segment, wherever a lucrative opportunity is available.

Company's Current Hospitality Portfolio

Hotel	Galaxy Resorts	Golden Suites	Hyatt	Holiday Inn	Coimbatore
Location	Goa	Pune	Pune	Pune	Coimbatore
Holding	43.83%	50%	26%	27.50%	70%
Category	3 Star	3 Star	5 Star	5 Star	4 Star
No. of Keys	65	71	306	187	107
Total Area (Sft)	70,000	55,000	4,50,000	1,09,769	1,06,500
Operator	Royal Orchids	Royal Orchids	Hyatt	Holiday Inn	To be finalized
Operational	Jan 2005	June 2007	Nov 2010	April 2011	Will get operational in FY 2013

PICTURES OF SUCCESS





Ruby Mills, Mumbai



Cipla SEZ, Indore



Multilevel Car Park,
Delhi Airport



BPTP, Gurgaon

PICTURES OF SUCCESS

Willows, Pune



Mazak, Pune





Vista, Nashik

Nucleus, Pune

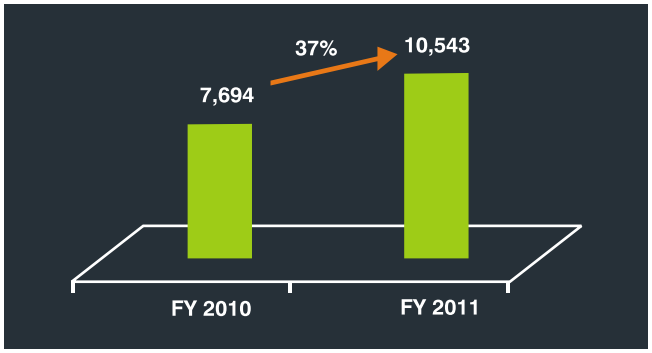


PERFORMANCE HIGHLIGHTS

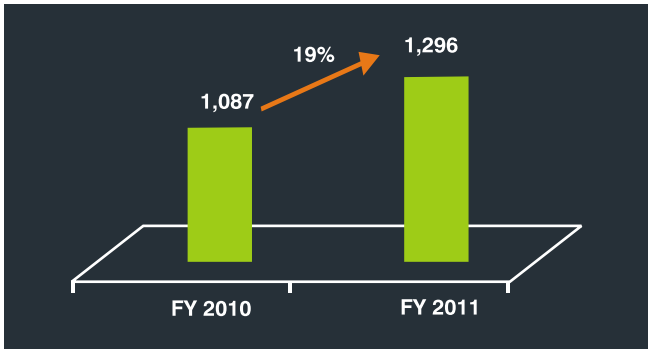
Rs. Million	FY 2011	FY 2010
Revenue	**10,543**	**7,694**
EPC	# 7,057	# 6,292
Real Estate	# 2,099	1,166
Hospitality	87	90
Manufacturing/BMS	986	-
Other Income	313	145
Raw Material	8,127	5911
Employee Expenses	624	394
Other Expenses	497	302
EBITDA	1,296	1,087
EBITDA Margin	**12.3%**	**14.13%**
Interest & Finance Charges	257	234
Depreciation	139	78
PBT	900	774
Tax	242	242
PAT	659	533
PAT Margin	**6.3%**	**6.9%**
EPS	**7.20**	**6.71**
Net worth	**7,175**	**6,611**

After elimination of inter segment revenue of:
1. Rs 293 mn in EPC and 90 mn in Real Estate in FY11
2. Rs 274 mn in EPC in FY10

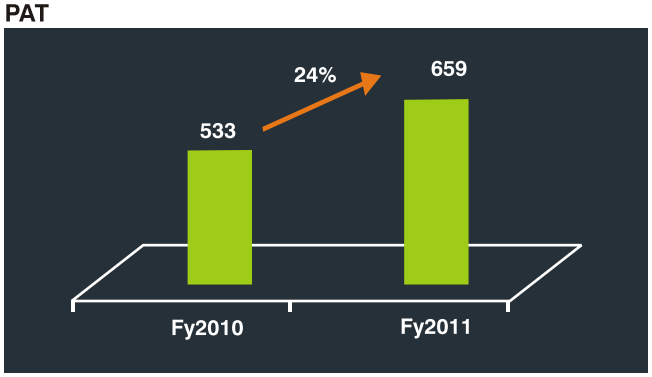
Revenue



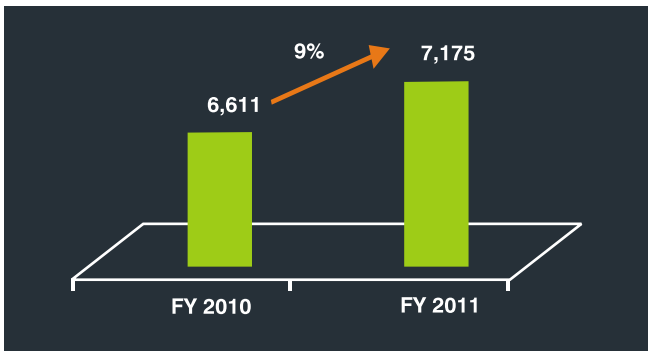
EBITDA



PAT



Net Worth



STORY BEYOND THE NUMBERS



EPC Segment

The Company has significant experience in providing EPC services, and has established a strong track record of designing and constructing a diverse range of projects. With 25 years of experience in the EPC services business, we have constructed factories, hospitals, hospitality properties, office and residential complexes, shopping malls, multiplexes, IT parks and other buildings.

The Company has established a track record of developing and constructing high quality and innovative projects. The Company has developed dedicated teams and processes to bid for, design and engineer, procure materials for and construct our projects in a cost-effective and quality-controlled manner. Company has also completed the implementation of SAP enterprise resource planning system to streamline operations, improve productivity and reduce costs.

The Company's EPC services business has contributed to the total income and intends to focus on growing such business, particularly as a result of significant infrastructure and other development opportunities in India and the commitment to these sectors by the Indian Central and State Governments.

The Company intends to take advantage of the significant growth opportunities in the Indian economy by not only diversifying into new locations but also by optimizing EPC services business and resources and entering into infrastructure development by participating in road development and other infrastructure related activities.

Real Estate Segment

Prior to 1998, the Company was primarily operating as an EPC services company. In the past 13 years, the Company has diversified into and has focused on real estate development. The Company intends to continue to build real estate development business and is committed to developing a diverse range of projects such as residential and office complexes, shopping malls, multiplexes, hospitality properties, IT parks, community centers and other buildings. The Company along with its development entities has completed various projects and is in the process of developing 66 million sq. ft. through its ongoing and forthcoming projects. While real estate development requires significant amounts of capital, the opportunities to grow revenues and profit in both commercial and residential real estate development business are significant.

The Company recognizes that land reserves are critical to this strategy and has developed a business model of entering into joint ventures and joint development agreements with land owners and other financial investors to provide for land and land development rights for its real estate development projects. The Company intends to continue to selectively enter into joint ventures and joint development agreements to increase the amount of land or land development rights available to us for development. This model also assists in reducing working capital investment and effectively utilizing EPC services and sales & marketing capabilities.

Key Differentiators

Diversified Business Portfolio and Diverse Revenue Streams

The Company commenced its business as an EPC services company and has since, due to synergies between the two businesses, diversified into the real estate business as well. As a result, the Company currently has two main revenue streams. The benefits of having two revenue streams became especially apparent over the fiscal year 2009, when the real estate business in India witnessed a significant downturn due to the global economic slowdown. While our total income for the fiscal year 2009 decreased by 15.43% as a result of the decrease in real estate business, the Company's EPC services business, which grew substantially for the fiscal year 2009 as compared to the fiscal year 2008 helped offset the fall in revenue from the real estate business. Our EPC services business grew by 48.22% to Rs 4,481.38 million for the fiscal year 2009 compared to Rs 3,023.52 million for the fiscal year 2008.

The Company has created a diversified and sustainable business model with which it intends to increase shareholder wealth and grow our revenues. The Company believes that such a diversified business portfolio diminishes the risks associated with the dynamics of any particular industry while also simultaneously helping us to benefit from the synergies of operating diverse businesses.

Focus on optimizing resources

The Company generally enters into joint development agreements and/or joint ventures with land owners to acquire development rights to their land in exchange for a pre-determined portion of revenues or profits generated from the projects. This business model enables us to have development rights to significant parcels of land without having to invest large amounts of money to purchase such land. The Company's joint development agreements provide us with significant control over all aspects of the development and sales of our projects. In addition, in case of the other development entities, the Company either owns a majority interest in or controls such entities. As a result, management has control over our projects and can control important business decisions relating to such projects. In addition, the Company provides any and all EPC services to real estate development projects. This helps to closely monitor the management and operations of projects, as well as to apply a uniform management philosophy, including standardized processes for accounting, finance, marketing and sales, business and management review, to such businesses. As a result, the Company is able to optimize revenues and minimize operational, capital and other costs.

Focus on innovation

Innovation is the key to being successful in any business. The Company not only focuses on design and quality, but is committed to introducing innovations in its projects. It utilizes the experience and skills of employees to plan and carry out innovative developments that maximize the use of land and minimize the use of power and other natural resources.

Concepts such as dual feeder, electricity supply and automated temperature control systems are introduced by the Company to reduce the consumption of electricity. The Company has also introduced post-tensioned concrete technology in its commercial projects. The usage of tower cranes, concrete placer booms, automated stirrup making machines and shuttering systems have enabled the Company to use advanced technology to enhance construction speed, safety and efficiency.

The Company's commitment to quality and innovativeness is exemplified by a number of awards such as "The Best IT Infrastructure Company for 2008" from the Government of Maharashtra; "The Most Trusted Brand in 2008" from Amicus Enrio, New Delhi; Building Industry Leadership Awards 2008, from Builders Information Bureau, New Delhi; Gold Crown Award, 2008 for Vista Do Rio; the merit award for innovative design and development of a new project (with respect to the Nucleus Mall in Pune) at the 30th ICSC International Design and Development Awards and Best Employer Brand Award from Employer Branding Institute in 2011.

Established brand name for quality and reliability

The Company has established a well recognized brand name in the market. Customers associate the brand name with quality, transparency, reliability, ethics and value. The Company has developed long-term relationships with retail and corporate customers, joint venture entities parties, sub-contractors and suppliers, and its EPC services business enjoys repeat business with many of our EPC customers.

The Company has acquired a reputation for undertaking quality construction projects and completing them on a timely basis. The Company will continue to focus on performance and quality and timely project execution in order to seek to maximize customer satisfaction in both our EPC services and real estate development businesses. The Company will also continue to use technological tools and processes and strengthen its quality control team and will further enhance its engineering, architecture, design, construction and development teams to provide innovative and superior design and engineering in all its projects and services.



R. Vasudevan
Managing Director

R. Vasudevan, holds a first class Bachelor's degree in Civil Engineering from Pune University, and completed his Owner/President Management Program from Harvard Business School. He has been awarded the Top Management Consortium Award of Excellence for the year 2005, the "Construction World - Top Builder Award" in 2007, Award for Life Time Achievements by the Alumni Association of College of Engineering, Pune in 2005 and The South Indian Education Society on the occasion of its Platinum Jubilee (1932-2008) honored and felicitated Mr. R. Vasudevan as a distinguished alumni. He started his career with Maharashtra Industrial Development Corporation as a junior engineer and has worked in various organizations including HCC Limited, Atul Constructions Company Limited, Beck Engineer Company Private Limited and Cipla Limited. He has been our director since January 1, 1986. He is responsible for the over-all management of our Company. He has over 33 years of experience in the construction industry.



V. Mohan
Chairman &
Independent Director

V. Mohan, holds a Bachelor's degree in Commerce from Madras University. He is also a fellow member of the Institute of Chartered Accountants of India. He is a practicing chartered accountant with more than 32 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 & Company, Chartered Accountants, where he is a partner. He has been a director since March 6, 2007. He was appointed as the Chairman of the Company by our Board on January 21, 2008.



K. G. Krishnamurthy
Non-Executive &
Non-Independent Director

K.G. Krishnamurthy, holds a Bachelor's degree from the Indian Institute of Technology, Kharagpur, and a degree in Business Administration from the Jamnalal Bajaj Institute of Management, Mumbai. He has over 32 years of experience in the areas of real estate, construction finance, property valuation and property search services. He is currently the Chief Executive Officer of HDFC Property Ventures Limited. He has also been appointed on the board of various companies. He is appointed on our Board as the nominee director of HDFC Ventures Trustee Company Limited acting in its capacity of trustee of HDFC Property Fund. He has been a director since June 21, 2006.



Amit Hariani
Non-Executive &
Non-Independent Director

Ameet Hariani, holds a degree in Law and also a LLM degree from Bombay University. Besides being a member of the Bombay Incorporated Law Society and the Law Society, UK, he is also a member of the Singapore Law Society. He is a practicing lawyer with over 25 years of experience with Hariani & Co., Advocates & Solicitors, where he is a partner. He has been a director since September 19, 2007.



R. Kannan
Independent Director

R. Kannan, holds a Bachelor's degree in Commerce from Mumbai University. He has over 21 years of experience in the pharmaceutical industry. He is currently the Director of Novacare Drug Specialities Private Limited in addition to being appointed on the board of various other companies. He has been a director since September 19, 2007.

VASCON MOORTHY FOUNDATION (VMF) COMPLETES THREE YEARS

Last year VMF has carried out various activities on Health & Hygiene, Education, Employee welfare etc., few of which are mentioned below.

HEALTH, HYGIENE & SAFETY

In 2010-2011, VMF was able to reach out to 40 sites all over India as against 14 sites in the previous year and 10 sites in 2008-2009.

To ensure good health of workers and their families, awareness programs on hygiene-related health issues were arranged. These interactive sessions were conducted by VMF staff on 13 sites in Baddi, Chennai, Coimbatore, Goa, Ludhiana and Pune. At some sites in Pune, the staffs were joined by PMC doctors or the visiting doctors on site. In all 1,910 workers participated in these programs.

Awareness talk at STES site, Pune



AIDS awareness programs were held at Ruby Tower and Kshitij, two sites in Mumbai. These programs were conducted with the help of Mumbai Districts AIDS Control Society.

Street plays were organized for workers at 13 sites in Maharashtra. These plays depicted how addictions like tobacco, alcohol, 'gutka', prostitution, etc. adversely affected the workers' health and family. 2,165 workers watched these plays which were followed by discussions.

Street Play at Windermere site, Pune.



259 children at 7 sites in Pune were immunized. Vitamins, Iron supplements and some first aid material was procured from Pune Municipal Corporation and distributed on sites in Pandharpur, Pune and Solapur.

VMF had started providing mid-day meals to children from January 2010. In the beginning there were only 60 children from 2 sites enjoying the meals. As of 31st March, 2011, 350 children from 9 sites were benefitting from this scheme.

EDUCATION

Education has always been VMF's priority. VMF ensures that children residing in the labor camps not only go to crèche on site, but also get enrolled in mainstream schools. Presently, there are 106 children attending mainstream schools from sites in Pune, Nashik and Solapur. To keep children and their parents motivated to continue formal education, VMF organized an Annual Day Program on 21st August, 2010. As of 31st March, 2011, there were 12 crèches (child development centres) in Maharashtra, Goa and Tamil Nadu.



Classroom at SPSPM, Solapur crèche (left).



A child being felicitated by the special guest

To enable the children of the migrant construction workers to have uninterrupted education, VMF started education sponsorship program in June 2009. The program has had a good response from workers. 15 children are residing in hostels today. These children are placed in hostels of Maher, Seva Sadan and Janseva Foundation.

EXTERNAL BENEFICIARIES

From June 2010, VMF has started the HIGHER EDUCATION SCHOLARSHIP LOAN PROGRAM. Under this program, deserving students are provided with a scholarship loan for their graduation studies. This year VMF has offered loan to two students.

A workshop on "self-expression through art and games" was conducted for standard 10th girls of St. Felix School.

EMPLOYEE WELFARE

VMF has provided financial and moral support for medical care in deserving cases and provided scholarship for children of deceased employees.

PLANS FOR THE FUTURE

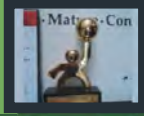
VMF has following plans for the future:

- Find sponsors to educate more children.
- Convince more parents to enrol their children in hostels for uninterrupted education.
- Tie-up with Indian Institute of Entrepreneurship Development and Research (IIEDR) to provide technical Training to site workers for construction industry.
- Training site staff for maintaining labor camps.

CERTIFYING OUR SUCCESS



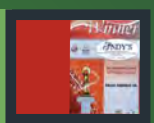
Asia's Best Employers Brand Award 2011



Best Safety Performance Award for Yamazaki Technology Centre Project Pune 2011



Winner of 5th Indy's Award for Corporate Social Responsibility 2011



Well Equipped and Mechanised Site Award for Ruby Mills, Mumbai, BAI - Pune Centre



Eco Housing Certification for Windermere 2010



Best IT Infrastructure Company Award Govt. of Maharashtra 2008



Construction World Top 10 Awards 2007



Top Management Consortium (TMC) Award of Excellence to R. Vasudevan (M.D.) 2005



AESA (Architects, Engineers & Surveyor's Association) Nucleus & Marisoft III 2005



Brick and Mortar Award (West Zone)of the "a+d" & Spectrum Foundation Nucleus & Marisoft III 2005



CERTIFICATIONS

Integrated Management Systems for
ISO 14001:2004 (EMS)
ISO 9001:2008 (QMS)
ISO 18001:2007 (OHSAS)

DIRECTORS REPORT

DEAR MEMBERS,

We are delighted to present 26th Annual Report on the business and operations of the Company for the year ended 31st March, 2011.

01. FINANCIAL RESULTS:

Financial Highlights of the Company for the year are as follows:

(Rs. In Millions)

Particulars	2010-2011		2009-2010	
Gross Receipts :		8083.23		7147.72
Profit before Interest & Depreciation & Taxes		1024.13		907.79
Less: Interest	227.89		214.26	
Depreciation	75.33		64.11	
Profit Before Tax & Prior Period Adjustment		720.91		629.43
Less: Provision for Tax Current	201.08		197.20	
Deferred Tax Expense/(Gain)	(2.61)		(4.39)	192.81
Profit After Tax & before Prior Period Adjustment		522.45		436.62
Add/Less: Excess/(Short) Provision W Back/ Off	15.53		2.30	
Prior Period Adjustment-Income(Expenses)	5.01	20.54	3.34	5.64
Net Profit	542.99			442.26

02. BUSINESS PERFORMANCE

Gross Receipt for the year is at Rs. 8083.23 million compared to Rs. 7147.72 million for the previous period of 12 months.

Net Profit for the year is at Rs. 542.99 million as compared to Rs. 442.26 million for the previous period of 12 months.

03. CONSOLIDATED RESULTS

Consolidated income of Vascon Group has gone up by 36.99% to Rs. 10,524.92 million.

Net Profit has increased 21.66%% to Rs. 648.36 million.

Diluted Earnings Per Share (EPS) on consolidated basis Rs. 7.18 as compared to Rs. 6.69 in the previous year.

04. BUSINESS OPERATIONS & FUTURE OUTLOOK

The Company's EPC Services include constructing factories, hospitals, hospitality properties, office and residential complexes, shopping malls, multiplexes, IT Parks and other buildings. We intend to capitalize on the opportunity presented by the emphasis on the infrastructure development by the Government of India.

Vascon also provides EPC Services for its own projects as well as to third parties. EPC Services involve various activities, depending on the scope of the engagement on a specific project. It encompasses undertaking projects or as contractors responsible for a specific portion of a project.

Vascon's strategy for the EPC segment will focus on optimizing its EPC services business and resources and entering into infrastructure development and other infrastructure related activities.

In the real estate space the Company is engaged in the development of residential and office complexes, shopping malls, multiplexes, hospitality properties IT Parks and other buildings. Vascon conducts its real estate development business directly or through its subsidiaries and also holds equity into joint development or other agreements to develop the properties.

The Company undertakes the entire spectrum of Real Estate Development activities including identification and acquisition of land to providing EPC Services, and sales and marketing of projects to operation of the completed projects.

05.DIVIDEND

Your Directors have recommended a dividend of Re.1 per share on equity shares of Rs.10 each for the year 2010-2011 amounting to Rs.90.02 millions. Your Directors sought your approval for declaring same in Annual General Meeting.

06. UTILIZATION OF IPO PROCEEDS

A) **Change in Utilization of IPO proceeds: postal ballot**

Postal ballot process, pursuant to section 192A of the Companies Act, 1956 read with Companies (passing of resolution by postal ballot) Rule, 2001, was undertaken by the Company for the purpose of obtaining the approval of the shareholders by way of a Ordinary resolution.

The detailed information relating to postal ballot has been furnished in the General Shareholder Information of the Report on Corporate Governance.

B) Utilization of IPO proceeds :

The proceeds of the IPO were issued for procurement of land at various strategic places, repayment of loans,

construction expenses of projects and for general corporate purposes. The summaries of utilization of net IPO proceeds are as follows:

(Rs. In Millions)

Particulars	Amount to be utilized	Actual utilizations as on 31.03.2011
a) Construction of our EPC contracts & real estate development projects	1189.2	1189.2
b) Repayment of debt	361.7	361.7
c) General corporate purpose	103.4	103.4
d) Issue Expenses	127.7	127.7
Total	1,78.2	1,78.2

07. ACQUISITIONS

During the year the Company has continued to pursue the strategy of economies of scale and improve its edge in offering turnkey solutions. The Company acquired GMP Technical Solution Private Limited, a Company with a turnover of over Rs. 120 crores. The acquisition is made for a total investment of Rs. 626.3 million. GMP Technical Solutions has attained expertise in the manufacturing of modular clean rooms, office partition systems, etc.

08. SUBSIDIARY COMPANIES

The Company had 9 subsidiaries at the beginning of the year. During the year the Company acquired one new subsidiary which is GMP Technical Solutions Private Limited. Calypso Premises Private Limited ceased to be a subsidiary of the Company due to sale of shares.

Following this action, the Company has 9 subsidiaries as on March 31, 2011.

The Ministry of Company Affairs vide its letter No. 47/95/2011-CL-III dated February 7, 2011 granted exemption to the Company from affixing Copies of the Balance Sheet and Profit and Loss Account, Directors' Report and Auditor's Report of the subsidiary companies for the year 2010-2011. However, on request by any member of the Company/statutory authority interested in obtaining them, these documents will be made available for examination, at the corporate office. Pursuant to the approval, a statement of summarized financials of all the subsidiaries, joint ventures & associates is attached along with the consolidated financial statement.

09. CONSOLIDATED FINANCIAL STATEMENT

We have pleasure in attaching the Consolidated Financial Statement pursuant to clause 32 of the listing agreement entered in to with the stock exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard.

10. DETAILS OF UNCLAIMED SHARES

Following are the unclaimed shares in demat suspense account of the Company as at March 31, 2011.

At the being of the year		During the year		At the end of the year	
Aggregate number of shareholders	Outstanding shares in the suspense account lying at the beginning of the year	Number of shareholders approached for transfer of shares from suspense account	Number of shareholders to whom shares are transfer from suspense account	Aggregate Number of shareholders	outstanding shares in the suspense account lying at the end of the year
5	805	5	805	0	0

11. DIRECTORS

Retirement by Rotation

Mr. Ameet Hariani, Director retires by rotation and being eligible has offered himself for re-appointment. We proposed to re-appoint Mr. Ameet Hariani as Director of the Company at the ensuing Annual General Meeting.

Re-appointment of Managing Director

Mr. R. Vasudevan was re-appointed as a Managing Director of the Company in the Extra- ordinary General Meeting of the Company held on June 12, 2006. Accordingly his tenure of appointment expired on March 31, 2011. In terms of the recommendations of the Compensation/Remuneration Committee, the Board of Directors of the Company in their meeting held on February 8, 2011 has re-appointed Mr. R. Vasudevan as a Managing Director for further period of five years with effect from April 1, 2011, subject to approval of members, on the terms and conditions set out in the resolution No. 5 of the notice of the ensuing Annual General Meeting.

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

12.CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT:

A report on corporate governance is attached to this Report along with Management Discussion and Analysis Statement.

13. FIXED DEPOSIT

The Company has accepted deposits without invitation to Public under section 58A of the Companies Act, 1956. The statement in lieu of advertisement signed by the Directors of the Company was filed with the Registrar of Companies, Mumbai pursuant to rule 4A(1) of the Companies (Acceptance of Deposits) rule, 1975. Fixed deposits accepted from employees, shareholders and outsiders as on March 31, 2011 stood at Rs. 83.701 Millions. None of the fixed deposits which are matured during the year remained unpaid.

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

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo is provided in Annexure forming part of the Report.

15. PARTICULARS REGARDING EMPLOYEES

The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. The information required under section 217(2A) of the Companies Act, 1956 and the rules made there under is provided in annexure forming part of the report. In terms of section 219(1)(b)(iv) of the Act, the report and accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary.

16. EMPLOYEE STOCK OPTION SCHEME

During the year under review, the Company implemented Employee Stock Option Scheme, 2007 ("the scheme"). Disclosures in respect of the scheme in compliance with Clause 12 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guideline, 1999 are set out in annexure to this report and forms part of this report.

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

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

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the Profit of the Company for that year.

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The annual accounts are prepared on a going concern basis.

18. SOCIAL RESPONSIBILITY

Vascon Moorthy Foundation (VMF) was set up in February 2008 to handle the welfare initiatives of Vascon Engineers Limited. VMF was named after the late Shri N. R. Moorthy, Senior Mentor of Vascon. The first task was to look after the welfare of construction workers at Vascon Project sites. Outside the industry, VMF is taking steps to promote education of deserving children, especially girls. Long term plans include sponsoring or setting up an institute that can provide technical training in construction industry to the youth.

19. AUDITORS

Anand Mehta & Associates, Auditors, retire at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept offer, if re-appointed.

20. ACKNOWLEDGEMENT

We thank our bankers, customers and vendors for their continued support to our Company's growth. We place on record our appreciation of the contributions made by Vascon's employees at all levels. Their competence, hard work, solidarity, co-operation and support have enabled the Company to perform consistently well in a competitive environment.

For and on behalf of the Board
VASCON ENGINEERS LIMITED

Place: Pune
Date: 14th May, 2011

V. Mohan
Chairman



DIRECTORS REPORT

ANNEXURE TO DIRECTORS' REPORT

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

As required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, your Company is not covered by the Schedule of Industries which are required to furnish the information in Form-A.

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Millions)

Particular	2010-2011	2009-2010
Foreign exchange earnings	-	-
Expenditure in foreign exchange	21.84	19.09

Clause 12

Pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guideline,1999 the details of stock option as on 31st March, 2011 under the Employee Stock Option Scheme, 2007 are set out as under :

SR	Description			
1	Options Granted			19,83,500
2	The Pricing Formula			Fair value
3	Option Vested			19,83,500
4	Option Exercised			16,50,000
5	The Total number of shares arising as result of exercise of option			19,83,500
6	Options lapsed			Nil
7	Variation of terms of Option			Nil
8	Money realised by exercise of option			1,65,00,000/-
9	Total number of options in force			3,33,500
10	Employee wise details as on March 31 2010 of options granted to			
i)	Senior Managerial Personnel	Name	Exercise Price(Rs)	No. of Options
		R. Vasudevan	10	16,00,000
		N.R. Moorthy	10	50,000
		C. V. Shah	10	50,000
		S. P. Nair	10	50,000
		Kumar Krishnan	10	40,000
		P. S. Padgoankar	10	25,000
		D. Santhanam	10	25,000
		Sudhakar Shetty	10	15,000

Senior Managerial Personnel	Name	Exercise Price (Rs.)	No. of Options
	M.T. Badshah	10	15,000
	T. V. Jagdale	10	10,000
	J. K. Patoli	10	10,000
	Santosh Sundararajan	10	10,000
	M. Krishnamurthi	10	10,000
ii) Any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year.	Grant of 16,00,000 options to R. Vasudevan.		
iii) Identified employee who received a grant option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Grant of 16,00,000 options to R. Vasudevan.		
11 Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20" Earning Per Share"	Rs. 6.01/-		
12 Where the Company has calculated the employees compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the options. The impact of this difference on profits and on EPS of the Company.	There is no impact on the profits and EPS		
13 Weighted average exercise prices and weighted average fair values of options separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.			
14 A description of the method & significant assumptions used during the year to estimate the fair values of options, including the following weighted average information - (a) risk free interest rate (b) expected life (c) expected volatility (d) expected dividends and (e) the price of the underlying share in market at the time of option grant.			

For and on behalf of the Board
VASCON ENGINEERS LIMITED

V. Mohan
Chairman

Place: Pune
Date: 14th May, 2011



REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

Philosophy:

Corporate Governance aims at promoting fairness, transparency, accountability and responsiveness and directing the Company to not only work towards the enhancement of shareholders' value but also towards the overall betterment of all stakeholders viz shareholders, creditors, customers, employees and society at large.

Vascon Engineers Limited is committed to achieve the above mentioned standards and maintain the highest standard of Corporate Governance. It believes in total transparency in sharing all relevant information with all its stakeholders and the Company is quite confident that the information shared would in turn contribute to improve the overall performance of the Company and further would strengthen the relationship of the Company with stakeholders, promoters, customers, vendors, government, employees. It is with this conviction that Vascon Engineers Limited has formulated procedures and policies & systems that are promoting immaculate Corporate Governance structure within the Company.

Company's Philosophy on Code of Corporate Governance

The Company has always been committed to the principle of good Corporate Governance which rests upon the four pillars of transparency, full disclosure, independent monitoring & fairness to all, especially to minority shareholders and has always strived to promote good Corporate Governance practice. The Corporate Governance structure in the Company assigns responsibility and entrusts authority among different participants in the organization viz Board, the senior management, employees etc.

Composition of the Board of Directors

The strength of Board of Directors as on 31st March, 2011 consists of five directors - One Managing Director, two Non-Executive Directors and two Non-Executive Independent Directors.

Given in the table below is the composition of the Board and inter alia the other directorships held by each of the directors.

Name	Position	Date of Joining	Directorship U/s 275 of the companies Act, 1956 in other Public Limited Companies	Number of Committee Chairmanships/ Memberships held in other Public Limited Companies	
				Committees membership	Chairmanship Committees
V. Mohan DIN: 00071517	Chairman & Independent Director	March 6, 2007	5	1	NIL
R. Vasudevan DIN : 00013519	Managing Director	Jan 1, 1986	NIL	NIL	NIL
K. G. Krishnamurthy DIN: 00012579	Non-Executive Director	June 21, 2006	5	1	NIL
Ameet Hariani DIN: 00087866	Non-Executive Director	Sept 19, 2007	3	3	1
R. Kannan DIN: 00017321	Independent Director	Sept 19, 2007	NIL	NIL	NIL

1. The directorship/committee membership is based on the latest disclosures received from the Directors.
2. None of the directors is a member of the Board of more than 15 companies in terms of Section 275 of Companies Act, 1956; member of more than 10 committees & chairman of more than 5 committees across all companies in which he is a director.
3. None of the directors are related inter-se.

Board Meetings

The Board met nine times during the financial year 2010-2011. The maximum time gap between two meetings was not more than four calendar months. These were held on May 10, 2010, July 28, 2010, August 7, 2010, November 8, 2010, December 14, 2011, January 10, 2011, January 11, 2011, February 8, 2011 and March 30, 2011.

The number of Board meetings and attendance of all Directors during the financial year 2010-2011 is given in the table below:-

Directors	No of Board Meetings held	No of Board Meetings attended	Attendance at Last AGM
V. Mohan	9	9	Yes
R. Vasudevan	9	9	Yes
K. G. Krishnamurthy *	9	8	Yes
Ameet Hariani *	9	7	Yes
R. Kannan *	9	6	Yes

*Were given leave of absence on request.



REPORT ON CORPORATE GOVERNANCE

The Company has a well-defined process of placing vital sufficient information before the Board such that the information earmarked under Clause 49 of the Listing Agreement(s) is covered to the fullest extent.

The Minutes of the Meetings of all the Committees namely, Audit Committee, Shareholders' Grievance Committee and Remuneration/Compensation Committee of the Company are placed before the Board as and when held during the year.

Committees of Board:
The Company has Board Level Committees, namely:
1. Audit Committee
2. Remuneration/Compensation Committee
3. Shareholders' Grievance Committee

Audit Committee

The Audit Committee has been constituted as per provisions of section 292A of the Companies Act, 1956 and clause 49 of the listing agreement. It was constituted on February 17, 2007 and reconstituted on Sept 16, 2009. It now comprises of three directors.

During the year the Audit Committee met on April 6, 2010, May 10, 2010, August 7, 2010, November 8, 2010 and February 8, 2011.

Given in the table below is the constitution of committee and attendance records of members:-

Name	Status	No. of meetings attended
Mr. V. Mohan	Chairman & Independent Director	5
Mr. R. Kannan	Independent Director	3
Mr. R. Vasudevan	Managing Director	5

The Company Secretary acts as Secretary to the Audit Committee.

Terms of reference of the Audit Committee are broadly as under :

1. If the remuneration to Auditors is not fixed by shareholders and is delegated to the Board then the Audit Committee should make a suitable recommendation to the Board.
2. Where the Audit Committee finds the quality, efficiency and contribution of the Auditor is not satisfactory then, the Audit Committee shall take up the matter with the Auditor and in case he does not resign, the Audit Committee shall find a suitable replacement and recommend his appointment to the Board, including terms & conditions as to remuneration or otherwise.
3. To approve payment to the Auditor for services other than Audit.
4. To approve the bill of the Auditor for services in any other capacity.
5. To examine any changes in accounting policies and the reasons thereof.
6. To examine major accounting entries based on the exercise of judgment by management.
7. Where the Auditor made some qualifications in his draft report, to examine the details causing such qualification and suggest suitable addendum in the Director's Report.
8. Reviewing with the management, the quarterly financial statement before submission to the board for approval.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
11. To carry out such other functions as may be specifically referred to by the Board from time to time.
12. Relationships with Suppliers and Customers: The Directors and senior management employees of the Company during the course of interaction with suppliers and customers, shall neither receive nor offer or make, directly and indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended or perceived to obtain business or uncompetitive favors for the conduct of its business. However this is not intended to include gifts of customary nature.
13. Interaction with Media: The Directors and senior management employees other than the designated spokespersons shall not engage with any member of press and media in matters concerning the Company. In such cases, they should direct the request to the designated spokespersons.
14. Safety and Environment: The Directors and senior management employees shall follow all prescribed safety and environment-related norms.

Remuneration/Compensation Committee

The Remuneration/Compensation Committee was constituted on June 11, 2007 and was reconstituted on Sept 16, 2009 now comprises of three directors.

During the year the Remuneration/Compensation Committee met on November 8, 2010 and February 8, 2011.



REPORT ON CORPORATE GOVERNANCE

Given in the table below is the constitution of the committee and attendance record of members:-

Name	Status	No. of meetings attended
Mr. V. Mohan	Chairman & Independent Director	2
Mr. R. Kannan	Independent Director	1
Mr. Ameet Hariani	Non-executive Director	1

The Company Secretary acts as Secretary to the Remuneration/Compensation Committee.

Terms of reference of Remuneration/Compensation Committee are broadly as under:

1. To discharge the Board's responsibilities relating to compensation to the Company's Executive Directors.
2. To approve and evaluate the Executive Director's compensation plans, policies and programmes of the Company
3. To formulate, administer and adopt the Employees' Stock Option Plan (ESOP) of the Company
4. To determine the quantum of option to be granted under an ESOP per employee and the total number in aggregate
5. To determine at such intervals, as the Committee considers appropriate, the persons to whom shares or options may be granted
6. To decide the conditions under which option vested in employees may lapse in case of termination of employment for misconduct
7. To determine the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period
8. To determine the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee
9. To determine the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period
10. To determine the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issue, bonus issue, merger, sale of division and others. In this regard the following shall be taken into consideration by the committee.

(I) The number and the price of the ESOP shall be adjusted in a manner such that the total value of the ESOP remains the same after the corporate action

(ii) For this purpose global best practices in this area including the procedures followed by the derivatives markets in India and abroad shall be considered

11. To determine the grant, vest and exercise of option in case of employees who are on long leave
12. To determine the procedure for cashless exercise of options
13. To construe and interpret the plan and to establish, amend and revoke rules and regulations for its administration. The Compensation Committee may correct any defect, omission or inconsistency in the plan or option and/or vary/amend the terms to adjust to the situation that may arise
14. To approve the transfer of the shares in the name of the employee at the time of exercise of options by such employee under ESOP
15. To review and approve any disclosures in the annual report or elsewhere in respect of compensation policies or directors' compensation
16. To obtain such outside or professional advice as it may consider necessary to carry out its duties
17. To invite any employee or such document as it may deem fit for exercising of its functions
18. To attend to such matters with respect to the remuneration of senior and other employees as may be submitted to it by the Managing Director
19. To attend to any other responsibility as may be entrusted by the Board.

The Company has no pecuniary relationship or transaction with its Non Executive Director other than payment of sitting fees. The Company has sought the expert legal advice of Hariani & Co, Solicitors & Advocates in certain matters and a sum of Rs. 44,66,347/- has been paid as professional fees to the said firm during the year ended 31st March, 2011. Mr. Ameet Hariani, Non Executive Director of Company is the Senior Partner of the said firm. The aforesaid professional fees are not considered material enough to have potential conflict with the interest of the Company.

On recommendations of the Compensation/ Remuneration Committee, the Board of Directors of the Company in their meeting held on 8th February, 2011 has re-appointed Mr. R. Vasudevan as a Managing Director and revised remuneration payable to him subject to the provisions of Section 198, 309 and other applicable provisions of the Companies Act, 1956 and approval of shareholders. Non-executive directors are paid sitting fees pursuant to Section 310 of the Companies Act, 1956.

Given in the table below are the details of remuneration paid/payable to the directors and their shareholding for the year ended March 31, 2011.

Name of Director	R. Vasudevan	V. Mohan	K. G. Krishnamurthy	Ameet Hariani	R. Kannan
Salary Commission & Ex-gratia	32365759	NIL	NIL	NIL	NIL
other perquisites (LTA+Medical +gratuity+ superannuation +perks)	2432744	NIL	NIL	NIL	NIL
Contribution to PF	1202400	NIL	NIL	NIL	NIL
Sitting fees	NIL	130000	115000	105000	90000
Total	36000903	130000	115000	105000	90000
Shareholding of directors	9377529*	NIL	NIL	NIL	NIL

* includes 7577528 equity shares jointly held with Mrs. Lalitha Vasudevan & 54546 equity shares jointly held with Mrs. Thangam Moorthy and 1745455 Equity Shares under his own name under Employee Stock Option Scheme,2007 of the Company.

Shareholders Grievance Committee

The Shareholders Grievance Committee was constituted on June 11, 2007 and reconstituted on Sept 16, 2009 to specially oversee & redress the issues pertaining to Investor Grievances.

During the year, Shareholders Grievance Committee met on April 6, 2010, May 10, 2010, June 7, 2010, July 28, 2010, August 7, 2010, October 25, 2010, November 8, 2010 and February 8, 2011.

Given in the table below is the Constitution of Committee and attendance records of the members:-

Name	Status	No. of meetings attended
Mr. V. Mohan	Chairman & Independent Director	8
Mr. R. Vasudevan	Independent Director	8

The Company Secretary acts as secretary to the Shareholders Grievance Committee.

Terms of reference of Shareholders Grievance Committee are broadly as under:

1. Transfer/ Transmission of shares
2. Issue of duplicate share certificate
3. Review of share dematerialized and all related matters
4. Non receipt of Annual Report and dividend
5. Monitors expeditious redressed of investors grievance
6. All others matters related to shares/Debentures

During the year following complaints were received from shareholders/investors and resolved.

Given in the table below is the complaints status:-

No of complaints received	No of complaints resolved	No of complaints pending
30	30	NIL

During the year following the unclaimed shares are in demat suspense account of the Company as at March 31, 2011 and the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

At the being of the year		During the year		At the end of the year	
Aggregate number of shareholders	Outstanding shares in the suspense account lying at the beginning of the year	Number of shareholders approached for transfer of shares from suspense account	Number of shareholders to whom shares are transfer from suspense account	Aggregate number of shareholders	Outstanding shares in the suspense account lying at the end of the year
5	805	5	805	0	0

Details of Compliance Officer

M. Krishnamurthi
Company Secretary
T: +91-20-30562305
F: +91-20-26131071
email: compliance.officer@vascon.com
Website: www.vascon.com

IPO Committee

Our IPO Committee was constituted on Sept. 19, 2007 and was reconstituted on Sept. 16, 2009 for all matters relating to public issue and allotment of shares of the Company in consultation with the stock exchanges concerned, SEBI and NSDL & CDSL. On successfully completion of IPO it was dissolved on May10, 2010.

Disclosures

Subsidiary Companies:

During the year, none of the subsidiaries was a material non listed Indian subsidiary Company as per the criteria given in Clause 49 of the Listing Agreement.

Policy for Prevention of Insider Trading:

In pursuance of the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (duly amended), the Board has approved "Policy for Prevention of Insider Trading". The objective of the policy is to prevent trading of shares of the Company by

an Insider on the basis of unpublished price sensitive information. Under the policy, insiders are prohibited from dealing in the Company's shares during the closure of trading window. To deal in the securities over a specific limit, permission of Compliance Officer is required. All Directors/designated employees are required to disclose related information periodically as defined in the Code, which in turn is being forwarded to the Stock Exchanges. The Company Secretary has been designated as the Compliance Officer.

Code of Conduct:

The Code of Conduct (the Code) as recommended by the Corporate Governance Committee and adopted by the Board is a comprehensive Code to ensure good governance and provide for ethical standards of conduct on matters including conflict of interest, acceptance of positions of responsibility, treatment of business opportunities and the like. The Code is applicable to all the Directors & the Senior Management Personnel of the Company. An annual affirmation of compliance with the Code has been obtained from all members of the Board & Senior Management Personnel as on March 31, 2011.

A copy of the Code of Conduct has been hosted on the Company's website www.vascon.com

In terms of Clause 49 of the Listing Agreement, a declaration signed by the Managing Director is stated hereunder:

I hereby confirm that:
All members of the Board & Senior Management Personnel of the Company have affirmed compliance with Vascon's Code of Conduct for the financial year 2010-2011.

Place: Pune Sd/-

Date: 14th May, 2011 Managing Director

General Shareholder Information

26th Annual General Meeting
Date: 27th September, 2011
Time: 3.30 p.m.
Venue: Babasaheb Dhanakur Hall,
Oricon House, 12, K. Dubhash Marg,
Near Jehangir Art Gallery, Kalaghoda,
Fort, Mumbai 400001.

Last three Annual General Meetings

YEAR	DATE AND TIME	VENUE	SPECIAL RESOLUTION (S) PASSED
2007-2008	Aug 25, 2008. at 3.00 P.M	The Conference Room of HDFC HIREF, 6th Floor, Raman House, H T Parekh Marg, 169 Backbay Reclamation, Churchgate, Mumbai 20	NIL
2008-2009	Aug 27, 2009 at 12.00 P.M.	The Conference Room of HDFC HIREF, 6th Floor, Raman House, H T Parekh Marg, 169 Backbay Reclamation, Churchgate, Mumbai 20	NIL
2009-2010	July 28, 2010 at 4.00 P.M.	Wisteria Ballroom at Lavender Bough, next to Swaminarayan Temple, 90 Feet Road, Garodia Nagar, Ghatkopar (East), Mumbai 400 077	Pursuant to section 314 of the Companies Act, 1956, and subject to the approval of the Central Government appointment of Mr. Siddharth Vasudevan Moorthy, son of Mr.R.Vasudevan, Managing Director of the Company, to hold an office or place of profit as project controller of the Company on following remuneration with effect from August 1,2010.

All special resolutions in the Annual General Meeting held in 2010 were passed through show of hands.

Approval by Members through Postal Ballot:

The Company sought approval of the Members for passing a Ordinary Resolution under Section 61 of the Companies Act, 1956, to vary , alter, modify , revise or delete any of the details as the Board may deem fit in the best interest of the Company, of the objects in the Initial Public offering through 100% book building process contained in the prospectus dated February 2, 2010 including to take up any new activity/ expenses/ financial commitment apart from those mentioned in the Prospectus and to change deployment of funds, taking in to consideration the business prospectus and funding requirements of the Company & to authorised the Board to address any concern, reply any query, decide any issue, answer any clarification, decide any other matter in this regard in the interest of the Company and do all such acts, deeds and things as

may be considered necessary, proper, expedient or incidental for the purpose of giving effect to this resolution. Ms. Savita Jyoti a Practicing company secretary, was appointed as the Scrutinizer for conducting the Postal Ballot process. The details of the voting pattern are as under:

Particulars	No. of Votes
Voted in favor of the Resolution	69510651
Voted in Against the Resolution	1821
Invalid Votes (unsigned/unticked)	400

The Resolution was approved by a requisite majority of the Members.

Procedure for Postal Ballot
After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, postal ballot form and self-addressed postage pre-paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. The calendar of events containing the activity chart is filed with the Registrar of Companies. After the last date for receipt of ballots, the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same is published in the Newspapers and informed to Stock Exchanges viz Bombay Stock exchange India Limited and National Stock Exchange of India Limited.

Financial year
The Financial year is April 1, 2010 to March 31, 2011

Financial Results on Company's Website:
The annual results of the Company are published in leading newspapers in India, Economic Times and Maharashtra Times and also displayed on its web site www.vascon.com. Presentations to analysts, as and when made, are immediately placed on the website for the benefit of the shareholders and public at large.

Book Closure:
16th September, 2011 - 27th September, 2011

Dividend Payment Date: 7th October, 2011

Listing on Stock Exchange:
The Company's equity shares are listed on The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). Listing fees for the financial year has been paid in full for both the stock exchanges.

Stock Code/ Symbol:
National Stock Exchange of India Limited – Vascon EQ
Bombay Stock Exchange Limited – 533156
ISIN NO: INE893I01013

Master Price Data: High, Low during each month in last financial year:

Month	Equity shares			
	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2010	167.90	149.00	168.00	154.95
May, 2010	164.00	136.10	164.00	138.10
June, 2010	154.00	130.25	151.75	130.05
July, 2010	151.75	135.50	151.85	135.00
August, 2010	196.80	136.95	196.40	138.00
September, 2010	185.90	162.00	186.50	162.70
October, 2010	180.00	158.25	180.00	158.75
November, 2010	171.50	112.60	171.50	112.35
December, 2010	149.40	116.00	147.50	116.00
January, 2011	146.80	110.05	148.80	110.05
February, 2011	116.00	91.00	114.80	90.30
March, 2011	115.90	85.10	105.00	84.50

Registrar and Transfer Agents & Share Transfer System:
Karvy Computershare Private Limited
Plot No. 17 to 24, Vittalrao Nagar
Madhapur
Hyderabad - 500 081
Email: einward.ris@karvy.com
Investor grievance id: einward.ris@karvy.com
Website: www.karvy.com
Contact Person: J. V Raju, Asst. General Manager
SEBI Registration No.: INR000000221

The Company's shares are covered under the compulsory dematerialized list and are transferable through the depository system. Shares sent for transfer in physical form are registered and return within a period of 30 days from the date of receipt of the document, provided the documents are valid and complete in all respects

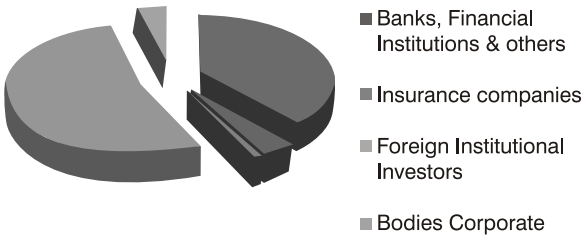
Distribution of shareholding as on 31st March, 2011

No. of Equity Shares held	Shareholders		Equity shares held	
Category	No. of Shareholders	% to Total	Shares	% to Total
001 - 500	5528	85.95	631080	0.70
501 - 1000	588	9.14	380670	0.42
1001 - 2000	131	2.04	195383	0.22
2001 - 3000	42	0.65	108260	0.12
3001 - 4000	16	0.25	57712	0.06
4001 - 5000	20	0.31	93808	0.10
5001 - 10000	30	0.47	212578	0.24
10001 & Above	77	1.20	88336559	98.13
Total	**6432**	**100.00**	**90016050**	**100.00**

REPORT ON CORPORATE GOVERNANCE

Shareholding pattern as on 31st March, 2011

Category	No. of Shares held	% to Total
Promoters Holdings	34831823	38.70
Public Share holding:		
Mutual Funds	2949219	3.28
Banks, Financial Institutions & others	0	0
Insurance companies	0	0
Foreign Institutional Investors	774523	0.86
Bodies Corporate	47794879	53.10
NRI/Foreign Nationals	6219	0.01
Indian Public	3659387	4.07
Total	**90016050**	**100.00**



Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: N.A.

Address for correspondence

Registered Office:
15/16, Hazari Baug, LBS Marg, Vikhroli (West)
Mumbai 400 083
Tel: +91-22-25781143 Fax: +91-20-26131071

Corporate Office

'Phoenix', Bund Garden Road, Pune 411 001
Tel: +91-20-30562200/300 Fax: +91-20-26131071
email: vascon@vsnl.com

Compliance Officer

M Krishnamurthi
Company Secretary
T: +91-20-305662305
F: +91-20-26131071]
email:mk_murthi@vascon.com
Website www.vascon.com

Shareholders' Correspondence:

Registrar & Transfer Agents for all matters relating to transfer/dematerialization of shares, payment of dividend, IPO refunds/demat credits at

Karvy Computershare Private Limited

Plot No. 17 to 24, Vittalrao Nagar
Madhapur
Hyderabad 500 081
Email: einward.ris@karvy.com
Investor grievance id: einward.ris@karvy.com
Website: www.karvy.com
Contact Person: S V Raju, Asst. General Manager
SEBI Registration No.: INR000000221



REPORT ON CORPORATE GOVERNANCE

CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT BY VASCON ENGINEERS LIMITED

To the Members of VASCON ENGINEERS LIMITED

I have examined the compliance by VASCON ENGINEERS LIMITED ('the Company') of the requirements under Clause 49 of the Listing Agreement, entered into by the Company with the Stock Exchanges, for the year ended 31st March 2011.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures adopted, and implementation thereof, by the Company for ensuring compliance with the conditions of Corporate Governance under Clause 49. The examination is neither an audit nor an expression of opinion on the financial statements of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dr. K. R. Chandratre
Practising Company Secretary
FCS No. 1370
Certificate of Practice No. 5144

Place : Pune
Date : 14 May, 2011

CEO/CFO Certification:

To the Board of Directors of Vascon Engineers Limited, we R. Vasudevan, Managing Director and D. Santham, Chief Financial Officer certify that:

(A) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(B) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(C) We accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(D) They have indicated to the auditors and the Audit committee that:

(i) significant changes in internal control during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place: Pune
Date: 14 May, 2011

D. Santhanam
Chief Financial Officer

R. Vasudevan
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

The Economic Scenario

India's GDP started to indicate recovery trends since Q4FY10. As per advance estimates the overall GDP growth rate for 2010-11 was 8.6 percent in comparison to 8.0 percent during 2009-10. Further Government is planning for maintaining high GDP growth in the range of 8.75-9.25% for 2011-12

According to the latest estimates available on the Index of Industrial Production (IIP), the general index registered a growth rate of 7.8 per cent in 2010-11 as compared to 10.5 per cent during April-March 2009-10. However, the index for six infrastructure sectors (comprising crude oil, petroleum refinery products, coal, electricity, cement and finished carbon steel) with a weight of 26.68 per cent in the Index of Industrial Production (IIP) grew by 5.9 per cent during April-March 2010-11, as compared to growth rate of 5.5 per cent achieved during the corresponding period in 2009-10.

The Indian economy compared to other economies have shown remarkable bounce back post recessionary phase and is today rated as one of the most attractive investment destinations across the globe. The net capital inflows to the extent of US$ 18.8 billion in a single quarter as compared to US$ 3.5 billion in the first quarter of FY2011 further strengthens the outlook for our country as a preferred investment destination. However, the current European crisis and inflationary conditions in India makes us predict that the recovery will be uneven in global context for some more time.

Industry Scenario

EPC and Infrastructure Sector

The biggest booster to the economic growth has been the construction industry. The growth in Construction Industry continues to outpace GDP growth for the last few years. In the recent union budget (28 Feb. 2011), it was seen that the spending in infrastructure projects will increase another 23%. In last four years, Indian Government's focus on investment in infrastructure projects has already seen a massive jump; further increase of 23% will only help the economy. It is estimated that total construction spending shall be doubled to Rs 12,189 billion during the period 2008-09 to 2012-13 from Rs 6,217 billion incurred during 2003-04 to 2007-08. There is a huge opportunity for infra spending in the segments of Construction Industry.

The Government is also seeking higher investments from the private players through the Public Private Partnership (PPP) Model by making necessary changes in the policy framework. There has been huge potential opportunities in all segments of Construction Industry more particularly, roads, highways, real estate and airports and further, it is expected that other sectors like power, SEZs, metros, ports and urban infrastructure will also be the key drivers for the coming years.

During the Twelfth Five Year Plan (2012-2017), the total investment in infrastructure is projected to be around INR 41 trillion (US$1 trillion).

In 2009–10, expenditure worth approximately 7.2 per cent of the GDP was spent on infrastructure. The government aims to increase the country's infrastructure expenditure to 9 per cent of its GDP by 2014. Investment in the country's infrastructure sector has doubled over the last five years, from 4% of GDP to 8%.

Given the economic fundamentals and committed efforts of the government to drive growth, the future of the Indian economy, in particular construction industry, appears to be optimistic.

Real Estate

The real estate sector in India is of great importance. According to the report of the Technical Group on Estimation of Housing Shortage, an estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12) provides a big investment opportunity.

The Indian real estate industry is expected to be valued at US$ 180 billion (INR 8,640 billion) by 2020. The real estate sector in India is on a rapid growth trajectory. The real estate sector is a key growth driver of the country's economy. The contribution of the residential segment alone to India's gross domestic product (GDP) is around 5 to 6 per cent.

In a short span of time, the industry has evolved from a highly fragmented and unorganized market into a semi-organized market, with a large number of listed companies.

In the last decade, foreign domestic investments (FDI) in real estate, has increased due to the growing interest of foreign players in the Indian market. The real estate sector is one of the highest FDI-attracting sectors in India, with recorded FDI inflow of more than US$ 8.9 billion (INR 403 billion) between April 2000 and September 2010. FDI of up to 100 per cent is allowed under the automatic route in most asset classes.

Favorable demographics (a young population and increasing urbanization) and growth in the services sector, especially the IT & ITeS sector, have primarily driven growth in the real estate industry.

Growth Drivers

Residential space

- ✓ **Rapid urbanization -** the urban population is estimated to reach 590 million by 2030.
- ✓ **Decreasing household size -** Growth in the number of nuclear families is leading to an increase in the number of households, especially middle-class households. India is expected to be home to 91 million middle-class households by 2030.

- ✓ The growing working age population in the 15-60 age groups is expected to reach 918 million, or 64 per cent, of the population by 2025.
- ✓ The demand for affordable housing is growing, which is a priority segment for both the government and developers.
- ✓ The country's housing shortage in 2007 totalled 24 million units, and this is expected to increase to more than 26 million units by 2012.

Commercial office space

- ✓ The commercial real estate (CRE) segment (primarily office space) has expanded on the back of growth in the Indian economy.
- ✓ The influx of multinational companies (MNCs) and the growth of the services sector have driven the demand for office space.
- ✓ Progressive liberalization and the relaxation of FDI norms in various sectors have paved the way for growth in FDI in the real estate sector. This, in turn, has led to a burgeoning demand for office space from MNCs and other foreign investors.
- ✓ The demand for office space is expected to increase driven by the growth in the services industry, which includes telecom, financial services and IT & ITeS, which accounts for the maximum demand of commercial office space in the country.

Retail space

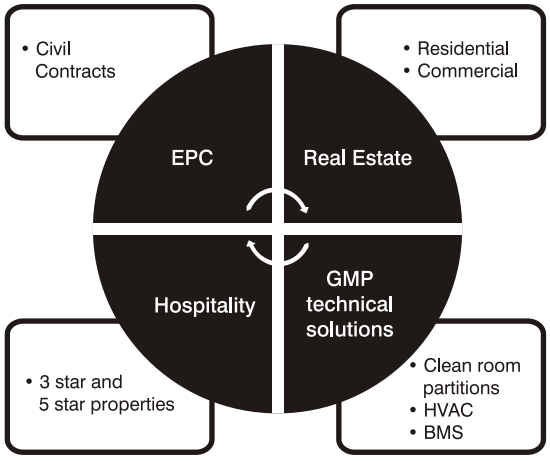
- ✓ Consumerism is increasing on the back of rising disposable income.
- ✓ Organized retailing has grown.
- ✓ The entry of international retailers has boosted industry growth.
- ✓ Expansion by domestic retailers has also given impetus to the industry.
- ✓ The share of organized retail in the total Indian retail trade pie is projected to grow at 40 per cent per annum.

Hospitality Space

- ✓ The hospitality segment has witnessed robust demand growth, primarily due to strong growth in tourism, including both business and leisure travel.
- ✓ India is becoming increasingly popular as a medical tourism destination.

A significant demand-supply gap characterizes the segment. The potential for budget hotels, service apartments, spas and other niche products is significant.

Company Performance



The Company is one of the leading real estate development and construction companies in India with a unique business model and delivery mechanism. It has over the years proved its expertise in construction and further leveraged it in its other business segments of real estate development and hospitality. The Company has for the year successfully completed and added following projects to its esteemed list of projects.

EPC Business

Significant projects completed during the year:

1. **Delhi International Airport (Multilevel Car Parking)**

   The Multilevel car park at Delhi International Airport terminal # 3 is the largest in India and has a capacity to accommodate 4,300 vehicles, spread across 7 floors. The project has been completed in a record time of 15 months with a construction area of 1.2 million sq. ft. and with the estimated contract value of Rs 2,480 million.

2. **Ruby Mill, Mumbai**

   This high-rise commercial building in Dadar, Mumbai has bagged various awards along with "Well Built Structure" Award from Builder's Association of India 2009. The project has total construction area of 1.45 million sq. ft. with the estimated contract value of Rs. 2,074 million. The project has been completed in a record time of 2.5 years.

3. **Cipla, Indore SEZ**

   This Company has done factory building work for CIPLA at Indore SEZ. The project has a total construction area of 1.55 million sq. ft. with an estimated contract value of Rs. 1,447 million and has been completed within tenure of 18 months.

4. **Neelkanth Palacia Mall and IT Park, Mumbai**

   This commercial complex in Kurla, Mumbai has total construction area of 0.95 million sq. ft with an estimated contract value of Rs1,333 million and has been completed within a span of 3.5 years.

Significant Projects awarded to Vascon during the year:

1. **Adani Meadows – Shantigram**

   The Company has acquired order worth Rs 1321 million from Adani Township and Real Estate Company for its Shantigram township in Ahmedabad, Gujarat. The project execution has commenced in the month of Feb. 2011 and is expected to get completed in 2013.

2. **NBCC, Mumbai**

   The Company has bagged order worth Rs 1312 million from NBCC for building a hospital in Mumbai, Maharashtra. The project execution has commenced in the month of March 2011 and is expected to get completed by 2013.

3. **Park Amstoria – Phase I BPTP**

   The Company has bagged order worth Rs1297 million from BPTP for constructing a residential complex in Haryana. The project execution has commenced in the month of Feb. 2011 and is expected to get completed by end of 2012.

4. **Akshaya Realty**

   The Company has acquired order worth Rs 1100 million from Akshaya January and Akshaya Metroplocs for constructing a residential complex in Chennai, Tamilnadu. The project execution has commenced in the month of March 2011 and is expected to get completed by 2013.

5. **Kondwa Realty**

   The Company has acquired order worth Rs 999 million from Kondhwa Reality for constructing a residential complex in Pune, Maharashtra. The project execution has commenced in the month of June 2010 and expected to get completed by 2012.

Real Estate

Significant Ongoing Projects:

Windermere

This is a ultra luxury residential project at Pune's most sought after located - Koregaon Park, Pune, Maharashtra that comprises of apartments ranging from 3000 sq. ft. to 3800 sq. ft. and duplexes of 8300 sq. ft. with its own private swimming pool.

The project has bagged the Certified Platinum rating from The Indian Green Building Council (IGBC) green homes.

The project is designed for five star rated Eco housing with amenities such as renewable energy systems, architectural design that ensures good ventilation and the maximum use of natural lighting, use of environmental friendly construction material, water conservation by maximum recycling, rain water harvesting, organic waste management and many more.

The project with an approximate saleable area of 0.4 msft. is expected to be completed in 2013.

Forest County – Phase I

This is one of the premium projects situated in a sunrise location that's tucked away from the madding crowd – Kharadi, Pune, Maharashtra, yet is at a convenient distance from all the important destinations. The project features various amenities such as well designed landscaped green belt with water body, dedicated children play zones, joggers track, spacious and fully furnished club house, etc.

Forest County incorporates environmental consideration at every stage of building construction such as environmental architecture, efficient building material, water conservation.

The phase I of the project will comprise of 11 building with total saleable area of 0.84 msft. and is expected to get completed in 2012.

Willows Phase II

This is phase II of the luxurious Willows residential project located at one of Pune's most sought after locations –Baner/ Balewadi. The project houses three sides open, eco friendly homes with the latest amenities. The project with an approximate saleable area of 0.16 msft. is expected to be completed by 2013.

Vista Phase II

This is a residential project located at Indiranagar, Nashik, Maharashtra that comprises of well-ventilated homes of 2 and 3 BHK apartments. The project features various amenities such as centrally landscaped gardens, children's area and fully equipped multi activity club house. Keeping in line with our endeavor of constructing eco friendly buildings, this project also has a vermiculture pit, rainwater harvesting and sewage treatment plant. The project will comprise of a total saleable area of 0.13 msft. and is expected to be completed by 2012.

Tulip Phase II

This is tallest premium Vascon-Pricol residential project at Avinashi Road, Coimbatore. That comprises of lavish and well ventilated 2, 3 & 4 BHK apartments. The project is completely Vastu friendly with thoughtfully designed landscaping giving the complex a perennial fresh and lively look.

The project with an approximate saleable area of 0.2 msft. is expected to be completed by 2013.



MANAGEMENT DISCUSSION AND ANALYSIS

Novotel

The Novotel hotel is located at Nagar Road, Pune, Maharashtra and provides luxurious comforts and modern facilities. It contains 246 keys and various banquet halls, lounge bar, restaurants, meeting rooms, business center, health club, spa and swimming pool. It has an area of 0.2 million square feet, excluding parking, and has ten floors in addition to three basements and ground floor. The project is expected to be completed by 2012.

SWOT Analysis of our Business:

Strengths

1. **Joint Venture Business Model**

   The Company's core strength lies in its unique joint venture business model wherein the Company enters into development agreements with land owners to acquire development rights for their land in exchange for a pre-determined portion of revenues, profits or developable area generated from the project. This model brings along capital efficiency and allows your Company to rapidly grow the business without blocking large amounts of capital in land purchases. For any given amount of capital, the joint venture model allows Vascon to do many more projects than it could if it had to buy the land. This leads to greater profitability at the company level and significantly reduces the exposure to risk in any one project. This model is expected to provide some cushion to profits during real-estate downturn.

2. **Significant experience and strong track record**

   The Company has significant experience in providing EPC services, and has established a strong track record of designing and constructing a diverse range of projects. With over 25 years of experience in the EPC services business, Company has constructed across the real-estate category including factories, hospitals, hospitality properties, office and residential complexes, shopping malls, multiplexes, IT parks and other buildings.

3. **Diversified portfolio of businesses and diverse revenue streams**

   The Company has currently has two main revenue streams, one from EPC and the other from Real Estate business. Also the Company has operations in a number of states and union territories of India. Company believes that such a diversified business portfolio diminishes the risks associated with the dynamics of any particular industry while also simultaneously helps us to benefit from the synergies of operating diverse businesses.

4. **Strong project portfolio**

   The Company's current real-estate portfolio comprises of 66 msft. of developable area under various stages of planning or construction across various cities. Unlocking this portfolio in future will add significant value to our real-estate business segment.

5. **Quality and strength of execution**

   The Company has a track record of developing and constructing high quality and innovative projects. It has dedicated teams and processes to bid for, design and engineer, procure materials for and construct projects in a cost-effective and quality-controlled manner. Company's execution capability of 10 msft. and being the recipient of the Platinum Leed award for some of its projects has added to its superior execution skills.

   The Company currently is ISO 9001:2008 certified for our management systems and achieved ISO 14001:2004 certification for environmental procedures in 2006.

6. **Qualified and proven project teams and experienced management**

   The Company has broader management bandwidth and an experience team with broad based skill sets. The diversity of expertise of employees gives the Company the flexibility to adapt to the needs of customers.

7. **Established brand name**

   In over two decades of operations, the Company has established a well-recognized brand name in business. The Company believes that customers associate its brand name with quality, transparency, reliability, ethics and value. The Company has developed long-term relationships with retail and corporate customers as well as investors in the real estate market, joint venture entities parties, sub-contractors and suppliers, and its EPC services business, enjoy repeat business with many of its EPC customers.

Opportunities:

1. **Ability to bid for Full-Service Contract**

   The Company has acquired GMP Solutions in FY11. This was mainly in order to be backward integrated and participate in modular clean room, office partitions, HVAC, electrical and building management systems. It will enable the Company to mature as a general contractor and participate in bidding of full service contracts.

2. **Mid Segment Focus**

   Currently our economy is reeling under pressure of high interest rates and high inflation. However, the Company being into mid-sized category, the impact of the challenging scenario is expected to be minimized.

Challenges

1. **Execution**

The Company is renowned for its superior construction capability and delivering remarkable real-estate projects. We expect increased construction orders and real estate portfolio to increase as we go ahead. This will pose challenges to complete projects within the stipulated time period and to maintain the quality levels showcased by our Brand till now. Company has been constantly working on it to handle our growing business.

2. **Brand Recognition in Newer Cities**

As the Company enters newer geographies and cities, the challenge on penetrating and competing with existing players comes along. Company will remain focused on adding new value creating developments and believes that our track-record will help it create a mark as a preferred player in the newly entered cities as well.

Threats

1. **Industry Risk**

Real estate segment usually follows the macro-economic trend. During challenging economic growth parameters, this segment being linked to government policies, interest rate, demand-supply conditions and the general liquidity scenario in the economy. may get impacted during the period.

The Company takes care to prevent itself from being vulnerable to the change in the economic scenario by adopting asset-light model and de-risking itself from vagaries of land prices and carrying out extensive research before entering into newer geographies.

2. **Legal Approvals**

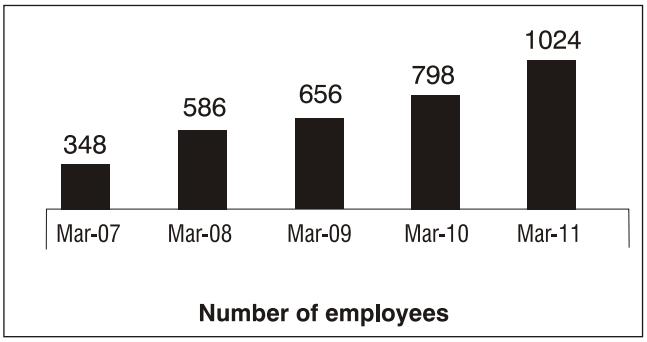
Real estate development has to go through too many legal hassles. Any delay in getting approvals leads to delay in projects. Company ensures proper documentation process to smoothly carry out execution of projects.

Human Resource

Employees' Competitive Advantages

In today's fast-paced economy, competition is an issue of services and products. Company gives attention to a better service and best product and how this can be achieved through utilizing the talent of its human resources. Understanding sources of competitive advantage has become a major area of research in the field of strategic management. Competitive advantage concepts and models, competitive strategies and Human Resource practices have a significant impact on the employees' performance. Management trusts its employees and gives them challenging assignments, in turn employees give commitment to accomplish the organizational objectives & goals with high performance.

Companies Growth in terms of Manpower

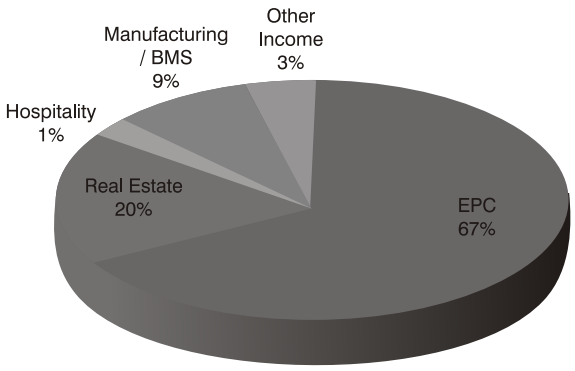


This year Company has bagged Asia's Best Employer Brand Award from Employers Branding Institute for Managing Health at Work category.

Financial Highlights

- During the year 2010-11, the Company reported net income of Rs 10,543 million, an increase of 37.0% over the previous year.
- Earnings before Interest, Depreciation, Tax and amortization stood at 1,296 million, up by 19.2 %.
- Profit before tax from ordinary activities registered a growth of 16.3 % at Rs 900 million.
- Net profit stood at Rs 659 million, up by Rs. 23.6 %.
- Net Debt to Equity stood at 0.36 times.

The Company's Revenue is segmented as below:





AUDITOR'S REPORT

To the Members of

VASCON ENGINEERS LIMITED

We have audited the attached Balance Sheet of the above company as at 31st March, 2011, and also the Profit & Loss Account and the Cash flow Statement for the year ended as on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1 As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Sub Section (4A) Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered appropriate and to the best of our knowledge and according to the information and explanations given to us during the course of the audit, we give below in the annexure a statement on the matter specified in paragraph 4 and 5 of the said order.

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

a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

b. In our opinion, proper Books of Accounts as required by the law have been kept by the Company so far as it appears from examination of such books.

c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred in this report are in agreement with the Books of Account.

d. In our opinion the Balance Sheet and Profit & Loss Account and Cash Flow Statement referred to in this report are in compliance with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.

e. On the basis of the written representations received from the directors of the Company and taken on record by the board of directors, we report that none of the directors is disqualified at the year-end from being appointed to act as 'Director' under Section 274 (1) (g) of the Companies Act, 1956.

f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit and Loss Account and Cash Flow Statement read together with the notes thereon give the information required by the Companies Act, 1956 in the manner as required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.

ii. In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and

iii. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For

Anand Mehta & Associates
CHARTERED ACCOUNTANTS

Kusai Goawala
Partner

Membership No. 039062
Firm Registration No. 127305W
Place: Pune, Dated: May 14, 2011



ANNEXURE TO AUDITOR'S REPORT

The annexure referred in our report to the Members of Vascon Engineers Limited for the year ended 31st March, 2011.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the books of accounts and other records examined by us in the normal course of audit, we report that :

1. a) The Company is maintaining proper records showing full particulars of fixed assets.

   b) According to the information and explanations given to us, a major portion of the fixed assets has been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets is reasonable having regards to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

   c) During the year, the Company has not disposed off substantial part of fixed assets which may affect the going concern status of the Company.

2. a) The Company is engaged mainly in the construction business. Majority of the stock of the Company are in form of developments/work in progress. The stock in the said form and stock of other materials have been regularly verified by the management during the year. In our opinion the frequency of verification is reasonable.

   b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) The inventories which are in the form of work-in-progress/development keep on changing as work progresses. Due to its very nature it is not comparable with any book records. Except this, discrepancies noticed on verification between physical stock and book records were not material and have been properly dealt with in the books of accounts.

3. a) The Company has not granted any loans to Companies, firms, or other parties listed in the Register maintained under sec. 301 of the Companies Act, 1956 and hence the clauses (a) to (d) of Paragraph 4(iii) of the Order are not applicable.

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

	Cur. Yr.	Prev. Yr.		Cur. Yr.	Prev. Yr.
No. of Parties	0	1	Amt. Involved Rs.	-	5,000,000

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

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

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

5. According to the information and explanations given to us, the Company has not entered into any contract or arrangement, for purchases of goods and materials and/or sales of goods, materials and services, with the parties referred under S. 301 of the Companies Act, 1956. Hence, the provisions of clause 4(v) of the Companies (Auditor's Report) Order 2003 are not applicable.

6. In our opinion and according to the information and explanations given to us, in respect of the Deposits accepted by the Company from the public, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA and any other relevant provisions of the Companies Act, 1956 and Rules framed there under as may be applicable. According to the information and explanations given to us, no order has been passed by Company Law Board or the National Company Law Tribunal or any Court or any other Tribunal in regard to the above provisions.

7. The Company has set up an internal audit system for operations at some of its new distant locations. As informed to us, the Company is in the process of setting-up a formal internal audit system commensurate with the size and the nature of its business for its operations at all locations.

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

9. a) According to the information and explanations given to us, the Company was generally regular in depositing with appropriate authority undisputed statutory dues in respect of Provident fund, Investor Education and Protection fund, Employee's State Insurance, Wealth Tax, Service Tax, Cess and other statutory dues as may be applicable, though there have been slight delays in few cases. There was no arrears of any statutory dues which were outstanding as at year end for a period of more than 6 months from the date they became payable except in case of Advance Income Tax, short paid to the extent of Rs 12,06,955/-.

   b) There were no disputed dues in respect of Income tax, Sales tax, Custom duty, Wealth tax, Service tax, Excise duty that have not been deposited except in respect of the particulars given here under :

Sr No	Tax Laws	Forum where dispute is pending	Period	Cur. Yr.	Prev. Yr.
1	Service Tax	Commissioner (Appeal) Chandigarh Service tax	F.Y 2006-08	706,677	706,677
2	Service Tax	Service Tax Appellate Tribunal Delhi	F.Y 2004-07	3,709,154	3,709,154
3	Service Tax	Service tax Appellate Tribunal Delhi	F.Y 2006-07	524,493	524,493
5	Income Tax	"Asst Commissioner of Income Tax Mumbai"	F.Y 2008-09	18,606,210	-
6	Income Tax (TDS)	"Commissioner of Income Tax (Appeals) Thane"	F.Y. 2005-06	785,920	-
7	Income Tax (TDS)	"Commissioner of Income Tax (Appeals) Thane"	F.Y. 2007-08	33,242,970	-
8	Income Tax (TDS)	"Commissioner of Income Tax (Appeals) Thane"	F.Y. 2008-09	2,194,400	-

10. In our opinion, the Company is not having any accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit or the immediately preceding financial year.

11. In our opinion and according to information and explanations given to us, the Company has not defaulted in payment of dues to financial institutions and banks except in respect of payment of interest on term loan amounting to Rs. 84,38,778/- which became due for payment on 31st March, 2011 out of which Rs. 60,53,425/- was paid in April, 2011 after a delay of few days and the balance amount of Rs.23,85,353/- is still unpaid as of the date of signing of this report.

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

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

14. In our opinion and according to the information and explanations given to us, the Company is neither dealing nor trading in shares, securities, debentures and other investments. The Company has invested surplus funds in Mutual Funds. The investments in mutual funds have been held by the company in its own name.

15. According to the information and explanations given to us and considering the fact the guarantees are granted in respect of loans availed by three subsidiaries and one joint venture entity, the terms and conditions of guarantee given by the Company for loans taken by others from bank or financial institutions are not, prima facie, prejudicial to the interest of the Company.

16. The Company has raised new term loans during the year. In our opinion and according to information and explanations given to us, on an overall basis, the term loans raised during the year, prima facie, have been applied for the purposes for which they were raised.



ANNEXURE TO AUDITOR'S REPORT

17. According to the information and explanations given to us and on an overall examination of the financial statements, we are of the opinion that the company has not utilized the funds raised during the year on short term for long term purpose.

18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956

19. The Company has not issued any Debentures during the year. Hence, there is no question of creation of security in respect of the same.

20. The Company has not raised any money through a public issue during the year. However, we have verified the end use of money raised by public issue of shares during the preceeding financial year, as disclosed in the Notes to the financial statements. (Refer Note no. 3.4 of Schedule 20).

21. During the Course of examination of books of accounts carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the period nor have we been informed of any such case by the management.

For

Anand Mehta & Associates
CHARTERED ACCOUNTANTS

Kusai Goawala
Partner

Membership No. 039062
Firm Registration No. 127305W
Place: Pune, Dated: May 14, 2011



BALANCE SHEET
AS AT MARCH 31, 2011

Amount in Rupees

Particulars	Schedules	March 31, 2011		March 31, 2010	
SOURCES OF FUNDS					
1) Share Holders Fund					
a) Capital	1	900,160,500		900,160,500	
b) Share Application Money		930,000			
b) Reserves and Surplus	2	5,975,481,996		5,537,463,000	
			6,876,572,496		6,437,623,500
2) Loan Funds					
a) Secured Loans	3	2,427,343,034		1,405,233,931	
b) Unsecured Loans	4	875,295,895		67,730,246	
			3,302,638,929		1,472,964,177
			10,179,211,425		7,910,587,677
APPLICATION OF FUNDS					
1) Fixed Assets	5				
a) Gross Block		744,671,873		683,856,199	
b) Less: Depreciation / Amortisation		273,384,879		235,887,790	
c) Net Block		471,286,994		447,968,409	
d) Capital Work in Progress Including Capital Advances		67,868,294		17,931,799	
			539,155,288		465,900,208
2) Investments	6		2,256,422,339		2,068,634,248
3) Deferred Tax Asset (Net)			11,167,943		8,222,100
4) Current Assets, Loans and Advances					
a) Inventories	7	1,595,209,985		1,021,799,720	
b) Debtors & Unbilled Revenues	8	3,408,077,093		2,366,343,068	
c) Cash and Bank Balances	9	1,003,963,552		427,378,358	
d) Loans and Advances	10	4,074,260,996		3,763,180,690	
		10,081,511,626		7,578,701,836	
Less: Current Liabilities and Provisions					
a) Current Liabilities	11	2,280,731,894		1,968,736,885	
b) Provisions	12	428,313,877		242,133,830	
		2,709,045,771		2,210,870,715	
Net Current Assets			7,372,465,855		5,367,831,121
			10,179,211,425		7,910,587,677
Notes to Accounts	20				

AS PER OUR REPORT OF EVEN DATE

For Anand Mehta & Associates
CHARTERED ACCOUNTANTS

Kusai Goawala
PARTNER
MEMBERSHIP NO. 39062
Firm Registration No. 127305W
PUNE: DATED: May 14, 2011

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	Schedules	March 31, 2011		March 31, 2010	
INCOME					
Income from Operations	13		8,269,102,012		7,485,428,161
Less: Value Added Tax Collected		(305,410,022)		(278,565,627)	
Service Tax Collected		(184,496,541)	(489,906,563)	(154,765,229)	(433,330,856)
Income from Operations (Net)			7,779,195,449		7,052,097,305
Interest Earned	14		85,293,496		87,137,755
Other Income	15		218,736,590		8,486,074
			8,083,225,535		7,147,721,134
EXPENDITURE					
Materials and other direct expenses	16	6,244,555,998		5,625,257,606	
Personnel Expenses	17	487,222,082		378,461,642	
Operating and Other Expenses	18	327,315,798		236,211,266	
Financial Expenses	19	227,892,092		214,257,729	
Depreciation / Amortisation	5	75,328,987		64,105,902	
			7,362,314,957		6,518,294,145
Profit Before Taxation and prior period adjustments			720,910,578		629,426,989
Less: Provision for Taxation					
Current (Net of Refund)		201,077,000		197,200,000	
Deferred Tax Expenses / (Gain)		(2,613,668)		(4,390,219)	
			198,463,332		192,809,781
Profit After Tax and before prior period adjustments			522,447,246		436,617,208
Excess/(Short) Provision W/back / (Off)			15,525,564		2,302,864
Prior Period Adjustments-(Income/Expenses)			5,012,776		3,337,840
Net Profit for the year			542,985,586		442,257,912
Balance brought forward			1,648,325,676		1,206,067,764
Amount available for appropriations			2,191,311,262		1,648,325,676
Less: Appropriations					
Proposed dividend on equity shares		90,016,050		-	
Tax on dividend on equity shares		14,950,541		-	
			104,966,591		-
Balance carried forward			2,086,344,671		1,648,325,676
Earnings Per Share (Equity Shares, Par Value of Rs. 10/- Each)					
Basic Earnings Per Share			6.03		5.57
Diluted Earnings Per Share			6.01		5.55
Notes to Accounts	20				

AS PER OUR REPORT OF EVEN DATE

For Anand Mehta & Associates
CHARTERED ACCOUNTANTS

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

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011



CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011		March 31, 2010	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Taxation		720,910,578		629,426,989
Adjustments to reconcile profit before tax to cash provided by operating activities				
- Depreciation / Amortisation	75,328,987		64,105,902	
- Finance cost	227,892,092		214,257,729	
- Dividend Income	(6,302,692)		(4,120,815)	
- Employee Compensation Expenses (ESOP)	-		4,158,745	
- Interest income in respect of financing activities	(13,740,633)		(9,755,297)	
- Provision for Doubtful Debt	1,436,872		10,584,207	
- Prior Period Adjustments	5,012,776		3,337,840	
- (Profit) Loss on Sale of Assets	(106,680,786)		(108,553)	
- (Profit) Loss on Sale of Investments	(105,825,932)		(4,234,125)	
		77,120,684		278,225,633
Operating Profit before working capital changes		798,031,262		907,652,622
Adjustments for				
Decrease / (Increase) in Inventories before Capitalisation of Borrowing Cost	(539,712,361)		(261,881,496)	
Decrease / (Increase) in Sundry Debtors	(1,159,879,308)		137,762,490	
Decrease / (Increase) in Loans and Advances	900,969,648		(180,798,989)	
Increase / (Decrease) in Current Liabilities and Provisions	341,874,974		(182,584,796)	
		(456,747,046)		(487,502,789)
Cash generated from operations		341,284,215		420,149,832
Direct Taxes Paid (Net)		(175,116,083)		(149,939,659)
Net Cash flow from operating activities		166,168,132		270,210,174
B. CASH FLOW FROM FINANCING ACTIVITIES				
Increase / (Decrease) in Share Capital		-		1,782,000,000
Increase / (Decrease) in Share Application Money Received		930,000		-
Increase / (Decrease) in Secured Loans		1,022,109,102		355,128,232
Increase / (Decrease) in Unsecured Loans		924,274,061		(145,152,252)
Share Issue Expenses (IPO)		-		(127,732,729)
(Increase) / Decrease in intercorporate deposit / advances to joint venture		(1,109,070,159)		(740,789,468)
Interest Income		13,740,633		9,755,297
Finance Cost Including Capitalised to Qualifying Assets		(263,132,302)		(210,052,741)
Net Cash genereated / (used) in financing activities		588,851,335		923,156,340



CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
C. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(193,438,270)	(80,243,545)
Dividend Income	6,302,692	4,120,815
Proceeds on Disposal of fixed assets	157,409,449	402,000
Proceeds on Disposal of Securities/investments	344,682,454	30,245,726
Long Term investments in securities	(1,055,408,424)	(105,845,682)
Share application money paid	(39,916,670)	(63,200,000)
(Increase) / Decrease in Long term investments in fixed deposits with banks	(52,830,786)	(185,725,257)
Net Cash genereated / (used) in investing activities	(833,199,555)	(400,245,943)
D. NET CASH INFLOW / (OUTFLOW) (A+B+C)	(78,180,088)	793,120,571
Cash and cash equivalents at the beginning of the period	993,681,360	200,560,789
Cash and cash equivalents at the end of the period	915,501,272	993,681,360
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(78,180,088)	793,120,571
Reconciliation of cash and bank balances given in schedule 9 is as follows:		
Cash And Bank Balances	1,003,963,552	427,378,358
Less: Balances with scheduled bank in deposit accounts	(238,556,043)	(185,725,257)
Short term investments	150,093,763	752,028,259
Cash and cash equivalents at the end of the period	915,501,272	993,681,360
The Company has undrawn borrowing facilities of Rs.	260,018,931	387,344,983

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

AS PER OUR REPORT OF EVEN DATE

For Anand Mehta & Associates
CHARTERED ACCOUNTANTS

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

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars		March 31, 2011	March 31, 2010
Schedule No. 1			
Share Capital			
Authorised			
100,000,000 (100,000,000) Equity Shares Of Rs. 10/- Each		1,000,000,000	1,000,000,000
		1,000,000,000	1,000,000,000
Issued And Subscribed			
9,00,16,050 (9,00,16,050) Equity Shares Of Rs. 10/- Each		900,160,500	900,160,500
		900,160,500	900,160,500
Out Of The Above:			
55,622,353 (55,622,353) Equity Shares of Rs.10/- each are Allotted As Fully Paid-Up By Way of Bonus Shares by Capitalising Free Reserves of the Company.			
16,50,000 (16,50,000) Equity Shares of Rs.10/- each are Allotted As Fully Paid-Up to Employees of the Company Pursuant to the Employee Stock Option Scheme 2007.			
Schedule No. 2			
Reserves & Surplus			
Securities Premium Account			
Balance at the commencement		3,876,661,089	1,861,697,684
Add: Received during the year		-	2,142,696,134
Less: IPO Expenses		-	(127,732,729)
		3,876,661,089	3,876,661,089
Employee Stock Options			
(Refer Note 3.24 of Schedule 20)			
Employee Stock Options Outstanding		12,476,235	12,476,235
Deferred Employee Compensation Outstanding		-	-
		12,476,235	12,476,235
Profit & Loss Account		2,086,344,671	1,648,325,676
(As per Annexed Profit & Loss Account)			
		5,975,481,996	5,537,463,000
Schedule No. 3			
Secured Loans	Note		
Term Loans			
a) From Banks	1	1,666,856,746	1,067,125,961
b) From Financial Institutions	2	31,238,272	42,388,191
Cash Credit From Banks	3	729,248,015	295,719,779
		2,427,343,034	1,405,233,931

1 (a) An amount of Rs. 167980500/- (Rs. 72848490/-) is secured by way of hypothecation of vehicles / equitable mortgage of the assets financed by them.

(b). An amount of Rs. 895732410/- (Rs. 692257610/-) is secured by way of equitable mortgage of specific properties belonging to the Company and other Entities (including a Wholly Owned Subsidiary), hypothecation of all moveable assets belonging to the Company, specific receivables of other Company and exclusive charge on escrow account and Debt Service Reserve Account and related investments thereof.

This includes an amount of Rs. 418436460/- (Rs. 478368457/-) which is personally guaranteed by the Managing Director and Rs. 58583320/- (Rs. 189654999/-) where the Managing Director is liable as co-borrower.

(c) An amount of Rs Nil (Rs. 302019864/-) is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other Companies, corporate guarantee of the other Company and personal guarantee of the Managing Director of the Company.

(d) An amount of Rs. 603143830/- (Rs. 0/-) is secured by way of subservient charge over the current assets of the Company and mortgage of specific properties belonging to the other Company.

2. The term loans are secured by equitable mortgage of specified properties, hypothecation of receivables arising out of the same, belonging to the Company and its one wholly owned subsidiary and personal guarantee of the Managing Director and one Director of such subsidiary.

3 Cash Credit from bank is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other Companies (including a Wholly Owned Subsidiary), corporate guarantee of the other Company and personal guarantee of the Managing Director of the Company.

Term Loans due for repayment within one year		
- From Banks	732,367,509	671,921,028
- From Financial Institutions	31,238,272	42,388,191

Schedule No. 4		
Unsecured Loans		
a) Long Term		
Public Deposits	83,701,328	38,834,452
Security Deposits	12,276,526	19,276,526
	95,977,854	58,110,978
b) Short Term		
From Banks	318,704,592	-
From Companies	577,321,861	9,619,268
	896,026,452	9,619,268
(Less): Bills Discounted Accepted by Debtors	(116,708,411)	-
	779,318,041	9,619,268
	875,295,895	67,730,246
Long Term Loans due for repayment within one year		
- Public Deposits	82,551,328	30,914,286
- Security Deposits	10,620,072	7,641,472



Schedule No. 5 **Fixed Assets** *Amount in Rupees*

No	Particulars	Gross Block				Depreciation / Amortisation				Net Block	
		Opening	Addition	Deduction	Closing	Opening	Addition	Deduction	Closing	March 31, 2011	March 31, 2010
(A)	Tangible Assets										
	1. Leasehold Land	1,678,245	-	-	1,678,245	207,233	29,420	-	236,653	1,441,592	1,471,012
	2. Freehold Land	698,385	-	-	698,385	-	-	-	-	698,385	698,385
	3. Premises *	161,039,718	29,620,000	77,334,416	113,325,302	44,036,644	6,176,466	27,964,874	22,248,236	91,077,066	117,003,074
	4. Plant & Machinery	436,624,970	101,426,670	41,500	538,010,140	147,787,282	52,223,577	25,878	199,984,980	338,025,160	288,837,688
	5. Furniture & Fixtures	49,802,917	9,687,350	-	59,490,268	18,405,452	8,258,607	-	26,664,058	32,826,210	31,397,466
	6. Vehicles	23,937,478	2,244,706	7,153,714	19,028,470	15,376,695	2,243,409	5,810,215	11,809,888	7,218,582	8,560,783
(B)	Intangible Assets										
	1. Softwares	10,074,485	2,366,578	-	12,441,063	10,074,485	2,366,578		12,441,063	-	-
	Total	683,856,199	145,345,304	84,529,630	744,671,873	235,887,790	71,298,057	33,800,967	273,384,879	471,286,994	447,968,409
	Capital Work in Progress									67,868,294	17,931,799
	Previous Year	615,785,178	69,822,082	1,751,062	683,856,199	173,239,574	64,105,830	1,457,615	235,887,790	447,968,409	

* Cost Of Premises Includes Amount Paid For Shares In Co- Operative Societies/ Companies.
Capital Work In Progress Includes Borrowing Cost Capitalised During The Year Of Rs. 1843531/- (Previous Year Rs. 1050412/-)



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 6		
Investments		
Investments - Long Term		
Trade :-	Nil	Nil
Others :-		
Quoted		
Corporation Bank Limited 200 (200) Equity Shares of Rs.10/- each fully paid.	16,000	16,000
	16,000	16,000
Unquoted :-		
Shares Investment in Subsidiaries		
Marvel Housing Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	100,000	100,000
IT Citi Info Park Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	100,000	100,000
Calypso Premises Private Limited (9460000) Equity Shares of Rs. 10/- Each Fully Paid	Nil	94,600,000
Vascon Dwellings Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	100,000	100,000
Greystone Premises Private Limited 6500 (6500) Equity Shares of Rs. 10/- Each Fully Paid	65,000	65,000
Floriana Properties Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	100,000	100,000
Wind Flower Properties Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	100,000	100,000
Vascon Pricol Infrastructures Limited 4970000 (4970000) Equity Shares of Rs. 10/- Each Fully Paid	49,700,000	49,700,000
GMP Technical solutions Private Limited 12689 (Nil) Equity Shares of Rs. 10/- Each Fully Paid	394,062,542	-
	444,327,542	**144,865,000**



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Investment in Other Shares		
The Saraswat Co-Op Bank Limited 2500 (1000) Equity Shares Of Rs.10/- Each Fully Paid	25,000	10,000
Sahyadri Hospital Limited 250000 (250000) Equity Shares Of Rs.10/- Each Fully Paid	2,500,000	2,500,000
PBAP Realty Private Limited (Formerly known as Promo Builders Private Limited) 5000 (5000) Equity Shares of Rs. 10/- Each Fully Paid	50,000	50,000
Rose Premises Private Limited 2000000 (2000000) Equity Shares of Rs. 10/- Each Fully Paid	20,000,000	20,000,000
Core Fitness Private Limited 150 (150) Equity Shares of Rs. 100/- Each Fully Paid	15,000	15,000
Just Homes India Private Limited 5000 (5000) Equity Shares of Rs. 10/- Each Fully Paid	50,000	50,000
Marigold Premises Private Limited 25000 (25000)Equity Shares of Rs. 10/- Each Fully Paid	419,672	419,672
Cosmos Premises Private Limited 177401 (177401) Equity Shares of Rs. 10/- Each Fully Paid	36,790,610	36,790,610
Angelica Properties Private Limited 4710000 (4710000) Equity Shares of Rs. 10/- Each Fully Paid	54,450,000	54,450,000
Angelica Properties Private Limited 462625 (3062625) 0.10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- Each Fully Paid	29,608,000	196,008,000
Angelica Properties Private Limited 307800 (307800) Compulsory Convertible Preference Shares of Rs. 10/- Each Fully Paid	12,312,000	12,312,000
Viorica Properties Private Limited 11235417 (7425000) Equity Shares of Rs. 10/- Each Fully Paid	146,816,670	74,275,000
Mumbai Estates Private Limited 99999 (88889) Equity Shares of Rs. 10 /- Each Fully Paid	999,990	888,890
Aster Premises Private Limited Nil (10000) Equity Shares of Rs. 10 /- Each Fully Paid	-	100,000



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Vascon Infrastructure Limited Nil (48000) Equity Shares of Rs 10/- Each Fully Paid	-	480,000
Almet Corporation Limited 28824 (28824) Equity Shares of Rs 100/- Each Fully Paid	52,373,208	52,373,208
John Fowler Opthalmics Private Limited 2269853 (2269853) Equity Shares of Rs 10/- Each Fully Paid	177,048,535	177,048,535
Marathawada Realtors Private Limited 19216 (19216) Equity Shares of Rs 100/- Each Fully Paid	80,995,440	80,995,440
	614,454,125	708,766,355
UNQUOTED: PARTLY PAID		
PBAP Realty Private Limited (Formerly known as Promo Builders Private Limited) 100000 (100000) Equity Shares of Rs. 10/- Each Rs. 1/- Paid Up	**100,000**	**100,000**
	100,000	100,000
Government and other Securities - Unquoted		
7 Years National Savings Certificate (Deposited with Government Authorities)	20,000	-
	20,000	-
Others		
Immovable Properties	-	74,908
Capital Investment In Partnership Concerns & Joint Ventures	52,879,628	45,781,070
Cost of investment	526,559,554	-
Less: Amortisation of cost of investment	(4,030,930)	-
	575,408,252	45,855,978
Investments - Current Trade Quoted	Nil	Nil
Unquoted		
Ascent Hotels Private Limited 6669492 (5294492)Equity Shares of Rs. 10 /- Each Fully Paid	266,701,680	211,701,680
N.V. Projects Private Limited 1300000 (1300000) Equity Shares of Rs 10/- Each Fully Paid	32,350,000	32,350,000
N.V. Projects Private Limited 688426 (688426) Preference Shares of Rs 100/- Each Fully Paid	149,550,977	149,550,977



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Sita Lakshmi Mills Limited 806000 (806000) Equity Shares of Rs 50/- Each Fully Paid	23,400,000	23,400,000
	472,002,657	417,002,657
Mutual Funds - Debt Unutilized funds out of the proceeds of the IPO Rs. Nil (Rs. 75,20,28,259/-) (Refer Note 3.4 of Schedule 20)		
Unquoted		
SBI Premier Liquid Fund Super Institutional Daily Dividend 14960754.0344 (Nil) Units of Rs. 10/-	150,093,763	-
IDFC Fixed Maturity Plan Quarterly Series 55 Plan A Dividend Nil (10036874) Units of Rs. 10/-	-	100,368,740
Canara Robeco Liquid Collection Nil (Nil) Units of Rs. 10/-	-	-
SBI SHDF Short Term Institutional Plan Weekly Dividend Nil (24790766.978) Units of Rs. 10/-	-	250,676,798
Kotak Quarterly Interval Plan Series 1 Dividend Nil (15006021.393) Units of Rs. 10/-	-	150,060,214
IDFC Fixed Maturity Plan Half Yearly Series 9 Plan A Dividend Nil (5000000.000) Units of Rs. 10/-	-	50,000,000
ICICI Prudential Flexible Income Plan Premium Daily Dividend Nil (475038.601) Units of Rs. 100/-	-	50,228,206
SBNPP Ultra ST Fund Super Institutional Dividend Reinvestment Daily Dividend Nil (15013878.625) Units of Rs. 10/-	-	150,694,300
	150,093,763	752,028,259
	2,256,422,339	2,068,634,248
Quoted investments		
Book Value	16,000	16,000
Market Value	127,240	96,110
Unquoted investments		
Book Value	150,093,763	752,028,259
Net Asset Value	150,093,765	752,561,300

(1. The mode of valuation of investments in securities/properties is given in the Note 2.6 of Schedule 20
2. Particulars of investments purchased and sold during the year is given in the Note 3.17 of Schedule 20)



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 7		
Inventories		
Stock At Close:-		
Building Materials / Tools	754,982,042	405,892,531
Developments - Unfinished (Refer Note 3.25 of Schedule 20)	840,227,943	613,794,868
Stock for Resale	-	2,112,320
	1,595,209,985	1,021,799,720
Schedule No. 8		
Debtors And Unbilled Revenues		
a) Debtors (Unsecured Considered Good, Unless Otherwise Stated)		
A) Outstanding For Period Exceeding Six Months		
Considered Good#	1,398,916,695	1,281,648,476
Considered Doubtful	67,381,435	65,944,563
	1,466,298,130	1,347,593,039
B) Others - Considered Good	2,074,631,994	570,465,090
	3,540,930,124	1,918,058,129
Add / (Less) : Provision For Doubtful Debts (Refer Note 3.23 of Schedule 20)	(67,381,435)	(65,944,563)
(Less): Related Unearned Receivables	(501,176,301)	(202,123,266)
(Less): Bills Discounted Accepted by Customers	(116,708,411)	
(Less): Commitment Deposit Received	(427,292,785)	(434,757,785)
	(1,112,558,932)	(702,825,614)
b) Retention (Accrued but not due)		
Outstanding for period exceeding six months	216,272,164	187,605,185
Others	105,503,322	190,021,608
	321,775,486	377,626,793
c) Unbilled Revenues (Refer Note 2.7.1 of Schedule 20)	710,304,042	943,522,388
(Less): Related Advance Payment Received	(52,373,628)	(170,038,628)
	657,930,415	773,483,760
	3,408,077,093	2,366,343,068



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 9		
Cash And Bank Balances		
Cash On Hand	19,175,555	9,959,105
Balances with Scheduled Banks in Current Accounts*	726,648,871	228,560,350
Balances with Scheduled Banks in Deposit Accounts#	258,139,126	188,858,904
	1,003,963,552	427,378,358

*Includes Rs. Nil/- (Rs.167034730/-) unutilised monies out of the proceeds of the IPO.

#Includes Rs. 218741231/- (Rs. 185725257/-) under banks lien for margin money deposits.

Schedule No. 10		
Loans and Advances		
(Unsecured Considered Good Unless Otherwise Stated)		
Advances Recoverable in Cash or in Kind or for Value to be received		
Advances / Loans to Subsidiaries	870,674,221	805,080,786
Advances / Loans to Firms / AOP in which Company or Subsidiary is Partner / Member	744,472,405	738,926,710
Advance Against Development / Work / Purchases	102,977,322	396,028,288
Project Advances	1,178,638,319	965,440,523
Intercorporate Deposits	778,754,151	547,138,007
Balance in Current Account with Partnership Firms		
Prepaid Expenses	30,687,597	25,464,102
Deposits (Includes Rs. 10,00,000/- (Rs. 10,00,000/-) Doubtful Of Recovery)	82,713,990	70,213,982
Advance Income Tax *	76,113,159	35,848,420
Other Recoverables and Receivables	210,229,832	180,039,872
	4,075,260,996	3,764,180,690
Add / (Less): Provision for Doubtful Loans and Advances	(1,000,000)	(1,000,000)
	4,074,260,996	3,763,180,690

*Advance Income Tax are after netting off provisions for taxes of Rs. 508413080/- (Rs. 731189800/-)



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 11		
Current Liabilities		
Sundry Creditors	-	-
- Dues to Micro, Small and Medium Enterprises	1,261,540	418,225
(Refer Note 3.9 of Schedule 20)		
- Others*	1,543,098,020	1,024,133,949
Customer Advances	358,329,651	642,286,849
(Less): Related Unbilled Contract Revenue	(52,373,628)	(170,038,628)
	305,956,023	472,248,221
Commitment and Other Deposits	460,892,785	634,757,785
(Less): Related Debtors	(427,292,785)	(434,757,785)
	33,600,000	200,000,000
Advances / Loans from Firms / AOP in which Company or Subsidiary is Partner / Member	37,707,621	11,642,220
	-	
Advances from Subsidiary	6,556,598	-
Unearned Revenue	654,488,709	315,033,097
(Less): Related Debtors	(501,176,301)	(202,123,266)
	153,312,408	112,909,831
Overdraft Balance in Current Account with Scheduled Bank	345,046	4,447,169
Interest Accrued but not due	521,474	822,700
Other Liabilities	198,373,164	142,114,569
	2,280,731,894	1,968,736,885

*Includes Rs. 6777895/- (Rs. 14505738/-) payable to Managing Director of the Company

Schedule No. 12		
Provisions		
For Taxation*	58,022,887	6,990,621
For Gratuity	10,041,257	3,340,039
For Compensated Absences	36,733,584	28,084,932
For Unapproved Sales (Refer Note 3.23 Of Schedule 20)	14,021,530	1,806,951
For Warranty	4,528,029	1,911,286
For Contingency	200,000,000	200,000,000
For Proposed Dividend	90,016,050	-
For Tax on Dividend	14,950,541	-
	428,313,877	242,133,830

*Provisions for Taxation are after Netting Off Advance Payment of Income Tax & TDS of Rs. 508413080/- (Rs. 759597600/-)



SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 13		
Income From Operations		
Contract Revenue / Sales Recognized (Gross)		
(Refer Note 2.7 of Schedule 20)		
- Contract Revenue	7,721,098,348	6,881,540,642
- Sale of unit	321,762,808	409,283,677
- Trading and Other Sales	203,346,447	92,626,047
Other Operating Income		
- Rent Earned	6,754,752	39,114,892
- Share Of Profit / (Loss) from AOP / Firms (Net)	16,139,658	62,862,902
	8,269,102,012	7,485,428,161
Schedule No. 14		
Interest Earned		
Interest received on intercorporate deposits, from subsidiary and associate companies and others	71,552,863	67,537,004
(Tax deducted at source Rs. 4007372/- (Rs. 7361013/-)		
Interest on income tax refund	-	9,845,455
Interest on bank fixed deposits	13,547,404	9,591,298
(Tax deducted at source Rs. 1245091/- (Rs. 1888358/-)		
Other Interest	193,229	163,999
	85,293,496	87,137,755
Schedule No. 15		
Other Income		
(Refer Note 3.10 of Schedule 20)		
Dividend Income from long term investments - other than trade	1,252,517	568,185
Dividend Income from current inverstments - other than trade	5,050,175	3,552,630
Profit / (Loss) on sale of fixed assets (Net)	106,680,786	108,553
Profit on sale of Investments (Net) long term - other than trade	105,825,932	4,234,125
Foreign exchange gain / (loss)	(72,819)	22,581
	218,736,590	8,486,074



SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 16		
Materials and other direct expenses		
Opening Inventory: -		
Building Materials / Tools	405,892,531	173,669,226
Developments - Unfinished (Refer Note 3.25 of Schedule 20)	613,794,868	572,800,904
Stock for Resale	2,112,320	1,691,614
	1,021,799,719	748,161,744
Add: -		
Purchase of Materials and Labour during the year	6,559,757,612	5,816,124,468
Expenses for Development	427,266,900	301,774,528
Allocation of Borrowing Cost to Development	33,697,905	11,756,478
	7,020,722,417	6,129,655,474
Less :-		
Vat / Cenvat / Service Tax Input Credit	202,756,152	230,759,893
	202,756,152	230,759,893
Less:- Closing Inventory:-		
Building Materials / Tools	754,982,042	405,892,531
Developments - Unfinished	840,227,943	613,794,868
Stock for Resale	-	2,112,320
	1,595,209,985	1,021,799,720
	6,244,555,998	5,625,257,606
Schedule No. 17		
Personnel Expenses		
Salaries and Bonus	403,222,185	330,882,429
Gratuity	12,080,608	2,693,719
Compensated Absence	12,933,687	5,144,460
Contribution To Provident & Other Defined Contribution Funds	14,909,291	9,487,824
Staff Welfare & Other Expenses	44,076,311	26,094,465
Employee Compensation Expenses	-	4,158,745
	487,222,082	378,461,642



SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 18		
Operating and Other Expenses		
Advertisement	40,703,309	2,925,819
Bank Charges	23,732,367	15,126,729
Bad Debts	10,000	1,587,498
Brokerage / Commission	9,909,901	1,689,792
Conveyance	11,497,774	7,753,241
Donations	8,277,107	5,886,421
Electricity Charges	26,339,666	16,420,875
Insurance	20,289,578	19,327,913
Other Expenses	12,101,419	12,157,674
Provision For Doubtful Debt and Advances	1,436,872	10,584,207
(Refer Note 3.23 Of Schedule 20)		
Provision for Warranty Expenses	2,616,743	1,911,286
Postage and Telephone	15,055,442	9,264,876
Printing and Stationery	8,132,772	5,658,738
Rates & Taxes	3,837,810	3,696,969
Rent	37,262,149	39,085,064
Repairs, Renovation And Maintenance		
Building	8,027,092	2,138,208
Plant and Machinery	742,201	503,298
Others	7,252,539	7,259,406
Sales Promotion Expenses	24,590,037	3,551,710
Travelling Expenses	13,051,596	8,025,431
Service Charges/Professional Fees/Retainers	52,449,425	61,656,113
	327,315,798	236,211,266
Schedule No. 19		
Financial Expenses		
Interest On: - Fixed Loans		
- Convertible Debentures	-	30,720,724
- Term Loans	117,233,444	83,706,812
- Public Deposits	8,103,848	1,397,007
	125,337,292	115,824,543
Other Loans		
- Banks	42,477,533	65,521,989
- Others	54,949,767	25,628,027
	97,427,300	91,150,016
Sub Total	222,764,592	206,974,558
Add: Other Charges		
Processing Charges	40,668,936	20,090,060
	263,433,528	227,064,619
Less: Borrowing Cost transferred to Qualifying Assets	35,541,436	12,806,890
	227,892,092	214,257,729

Schedule No. 20

Notes To Accounts

(Figures in bracket pertains to previous year)

1 Background

Vascon Engineers Limited (Company) was incorporated on 1st January, 1986. The Company is engaged in the business of Engineering, Procurement and Construction services (EPC) and Real Estate Development directly or indirectly through its Subsidiaries, Joint Ventures and Associates.

2 Significant Accounting Policies followed:

2.1 Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956, on accrual basis, as adopted consistently by the Company.

2.2 Use of Estimates

The preparation of financial statements in conformity with Indian Generally GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Fixed Assets and Capital Work in Progress

2.3.1 Fixed assets are stated at cost of acquisition or construction, after reducing accumulated depreciation till the date of the Balance Sheet. The cost of an item of fixed asset comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price and includes borrowing cost relating to any specific borrowing attributable to the acquisition of the fixed assets as per the provisions of AS 16 "Borrowing Cost" issued by ICAI.

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

2.3.2 Intangible assets are recognized as an asset only if it fulfills the criteria specified in AS 26 "Intangible Assets" issued by the ICAI.

2.4 Impairment

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

2.5 Depreciation / Amortisation

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

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

2.6 Investments

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

2.7 Recognition of Revenue / Cost

2.7.1 Construction contracts

Revenue from fixed price construction contracts is recognized on the percentage of completion method. The stage of completion is determined by survey of work performed / completion of physical proportion of the contract work determined by technical estimate of work done / actual cost incurred in relation to estimated contract amount, as the case may be, and acknowledged by the contractee. Future

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

The Company provides for warranties and expected cost for completed projects, based on technical evaluation and past experience of meeting such costs net of the obligations on account of subcontractors.

2.7.2 **Real estate development**

(a) 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

(b) Units Under Development

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

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

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

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

2.7.3 Share of Profit/Loss from Partnership firm/ Association of Person is recognized as income during the relevant period on the basis of accounts made-up and allocation made by the firm / AOP in accordance with the Deed of Partnership / AOP Agreement.

2.7.4 **Interest Income** – Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest.

2.7.5 **Dividend Income** – Dividend income is recognized as and when the right to receive the same is established.

2.7.6 **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.

2.7.7 Income from services rendered is recognized as revenue when the right to receive the same is established

2.7.8 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

2.8.1 **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.

2.8.2 **Development Work**

The development work in progress represents progressive cost of work remaining incomplete/ unsold as at close of the year, valued at lower of cost or net realisable value on the basis of technical estimate certified by the Managing Director. Finished goods comprising of constructed units ready for sale are valued at lower of cost and net realisable value.

(a) **Development - Completed Units**

Finished goods comprising of constructed units ready for sale are valued at lower of cost and net realisable value.

(b) **Development - Units under Construction**

The unit under construction to the extent not recognized as sales under the revenue recognition policy adopted by the Company is carried at lower of cost or net realisable value

2.8.3 **Stock of Trading Goods**

Stock of trading goods has been stated at cost or net realisable whichever is less. The cost is determined on Weighted Average Method.

2.9 Employee Benefits

Provision for Gratuity and Compensated Absences on retirement payable are made on actuarial basis. The Company has taken up a group policy with Life Insurance Corporation of India for future payment of gratuities to employees. Amount of premium and differential liability on account of excess of obligation over plan assets and actuarial loss for the period for the said Policy and Company's contribution for the year to P.F., and superannuation fund, etc. are charged to Revenue.

2.10 Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying assets, if any, are capitalized up to the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account. Advances / deposits given to the vendors under the contractual arrangement for acquisition of qualifying assets is considered for the purpose of capitalization of borrowing cost.

2.11 Leases

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

2.12 Contingent Liabilities and Assets

Contingent liabilities, if any, have been disclosed by way of note to balance sheet. Provision has been made in respect of those, which have materialized after the year-end but before finalization of accounts and have material effect on balance sheet date. Contingent assets as on the balance sheet, if any, are neither recognized nor disclosed in the financial statements.

2.13 Taxes on Income

Taxes on Income are accounted in accordance with AS – 22 " Taxes on Income". Taxes on Income comprise both current tax and deferred tax.

(a) Provision for current tax for the year is determined considering the disallowance, exemptions and deductions and/or liabilities / credits and set off available as laid down by the tax law and interpreted by various authorities.

(b) Deferred tax is the tax effect of timing difference representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).This is measured using substantively enacted tax rate and tax regulation.

2.14 Amortization

Expenses relating to increase in capital other than those related to public issue of shares, if any, are being written off in the year the same are incurred. The expenses relating to public issue of shares is appropriated from Share Premium Account.

Expenses relating to issue of debentures are being written off in the year the same are incurred.

2.15 Joint Venture Projects

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

2.15.2 Jointly Controlled Entities:

a) Integrated Joint Ventures:

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

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

b) Incorporated Jointly Controlled Entities:

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

2) Investment in such Joint Ventures are carried at cost after providing for any other than temporary dimunition in value in opinion of the management.

2.16 Segment Reporting

As permitted by paragraph 4 of Accounting Standard - 17 (AS - 17), 'Segment Reporting', if a single financial report contains both consolidated financial statements and the separate financial

statements of the parent, segment information need to be presented only on the basis of the consolidated financial statements. Thus, disclosures required by AS 17 are given in consolidated financial statements.

2.17 Employee Stock Option Scheme

Stock options granted to the employees under the stock options scheme are accounted as per the accounting treatment prescribed by ICAI. Accordingly, the excess of fair value over the exercise price of the options is recognized as deferred employee compensation and is charged to the profit and loss account on straight line basis over the vesting period of the options. The amortized portion of the cost is shown under reserves and surplus.

2.18 Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except the provision required under AS - 15 "Employee Benefits", are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.19 Foreign Currency Transaction

a) Initial Recognition

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

b) Conversion

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

c) Exchange Difference

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

3. OTHER NOTES

3.1 Managerial Remuneration

(a)	Particulars	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Managing Director				
2.1	Salary	Rs.	10,020,000	Rs.	9,600,000
2.2	Commission	Rs.	13,707,600	Rs.	21,591,600
2.3	Other Benefits & Allowances	Rs.	1,630,000	Rs.	750,000
2.4	Contribution to PF	Rs.	1,202,400	Rs.	1,058,400
2.5	Approximate monetary value of Perquisite in kind as per I.T. Act	Rs	-	Rs.	-
	Other Directors				
2.6	Meeting Fees	Rs.	440,000	Rs.	330,000
			27,000,000		33,330,000

Managerial remuneration excludes provision for gratuity and leave availment, since it is provided on an actuarial valuation of the Company's liability to all its employees.

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

Particulars		Year Ended March 31, 2011		Year Ended March 31, 2010	
	Profit before taxation after prior period items	Rs.	725,923,354	Rs.	632,764,830
Add:	Managerial Remuneration	Rs.	26,560,000	Rs.	33,000,000
	Provision for doubtful debts and advances	Rs.	1,436,872	Rs.	-
	Meeting fees	Rs.	440,000	Rs.	330,000
Less:	Profit on sale of assets	Rs.	106,680,786	Rs.	108,553
	Profit on sale of investments	Rs.	105,825,932	Rs.	-
	Profit for the year as per section 349	Rs.	541,853,508	Rs.	665,986,277
	Commission (as approved and restricted by the Board of Directors)	Rs.	13,707,600	Rs.	21,591,600

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

3.2 Contingent Liabilities:

(a) The Company has not considered necessary to make provision in respect of:

Income tax demand of Rs. 61595900/- (Rs. 6770000/-) and Service Tax demand of Rs. 18677086/- (Rs. 18133336/-) not accepted by the Company as the same have been disputed by the Company in Appeal/ Rectification before higher authorities.

c) Securities/guarantees provided to the bankers :

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
(I) for other companies	Rs. -	Rs. -
(ii) for performance	Rs. 2,442,487,374	Rs. 1,110,518,289
(c) Corporate Guarantee given for other Companies	Rs. 891,300,000	Rs. 300,000,000
(d) Claims against the Company not acknowledged as debts	Rs. 6,087,783,351	Rs. 2,487,783,351
a) The assignee of a development rights relating to a property had filed an arbitration proceedings making a claim of Rs. 2487783351/- plus interest (Rs. 2487783351/- plus interest). The Company has been legally advised that apart from the claim not being legally tenable, since the rights were only acquired by the Company as an assignee, the liability, if any, would be on the original owner(s).		
b) In respect of claim against the Company amounting to Rs.3600000000/- (Rs Nil) by a party who was originally claiming interest in a property, no provision has been considered necessary by the Management in view of the legal opinion that the said claim is not tenable on various grounds.		
(e) Uncalled liability on shares partly paid	Rs. 900,000	Rs. 900,000

3.3 Sundry debtors include dues from Private Limited Companies where directors are interested as director/member

	Year Ended March 31, 2011	Year Ended March 31, 2010
	Rs. -	Rs. 23,956,366

3.4 Details of issue proceeds received, utilized & unutilized through public issue (IPO) upto March 31, 2011

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Proceeds from Initial Public Offer	1,782,000,000	1,782,000,000
Less: Payment towards IPO Expenses (Net of Service Tax Input Credit availed of Rs. 8967216/-)	127,732,729	127,732,729
Net Proceeds from Initial Public Offer	1,654,267,271	1,654,267,271
Less: Utilization of Funds:		
a) Payment towards prepayment of loan	361,682,463	361,682,463
b) Construction of EPC Contract and Real Estate Development Project	1,189,184,808	5,803,123
c) General corporate purposes	103,400,000	103,400,000
Total of Utilization of Funds (a+b+c)	1,654,267,271	470,885,586
Balance Unutilized money from IPO Proceeds	-	1,183,381,685
Represented By:		
a) Investment in Mutual Fund - Debt	-	752,028,259
b) Amount utilized towards temporary reduction of Cash Credit	-	264,318,699
c) Balance lying current account with scheduled banks	-	167,034,727
	-	**1,183,381,685**

3.5 Details of Earnings & Expenditure in foreign currency

Earnings on account of	Year Ended March 31, 2011	Year Ended March 31, 2010
Sales/Work	Rs. -	Rs. -
TOTAL	**Rs. -**	**Rs. -**
Expenditure on account of		
Purchase of Spares/ materials	Rs. 9,670,508	Rs. 6,322,496
Purchase of services	Rs. 6,545,594	Rs. 11,549,214
Travelling & other expenditure	Rs. 175,634	Rs. 12,163
Purchase of Fixed Assets	Rs. 5,453,926	Rs. 1,206,810
TOTAL	Rs. 21,845,662	Rs. 19,090,683

3.6 The particulars of the Partnership Firms where the Company is a partner as on the year end are as follows:-

Name of the Firm	**Ajanta Enterprises**	
	Year Ended March 31,	
Earnings on account of	**2011**	**2010**
Total Capital of the Firm	Rs. 9,859,689	Rs. 104,010,747
Name of the Partners	**Profit/Loss Sharing Ratio**	
a) Shree Madhur Realtors Private Limited.	20.00%	20.00%
b) Dhiren Popatlal Nandu	10.00%	10.00%
c) Shishir Bhansali	2.50%	2.50%
d) Raj Bhansali	17.50%	17.50%
e) Marvel Housing Private Limited	0.00%	20.00%
f) Vascon Engineers Limited	50.00%	30.00%

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

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

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
a)Difference between Book Depreciation and Depreciation under Income Tax	Rs. (27,084,093)	Rs. (14,787,316)
b) Statutory Payments	Rs. 15,537,433	Rs. 1,109,227
c) Reserve for doubtful debts and advances	Rs. 22,714,603	Rs. 21,900,189
c) Other disallowances	Rs. -	Rs. -
Net Deferred Tax Asset/(Liability)	Rs. 11,167,943	Rs. 8,222,100

3.9 The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at March 31, 2011. The disclosure pursuant to the said Act is as under:

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Principal amount payable to suppliers at the year end	Rs. 1,261,540	Rs. 418,225
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Rs. -	Rs. -
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the specified under the MSMED	Rs. -	Rs. -
Amount of interest accrued and remaining unpaid at the end of the accounting year	Rs. -	Rs. -
Names of the small scale undertakings to whom the Company owe any sum together with interest outstanding for more than 15 days		
Putzmeister India Private Limited	Rs. 1,079,682	Rs. -

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company. This has been relied upon by the auditors.

No dues were outstanding for more than 30 days from the date they were payable to the above parties.

3.10 The Other income includes a sum of Rs. 105575190/- (Rs Nil/-) towards profits on sale of shares in a subsidiary/associate engaged in the business of real estate development/Construction and a sum of Rs. 101541831/- (Rs Nil/-) towards profit on sale of fixed assets of the Company being building constructed for the purpose of sale in ordinary course of business but operated as a resort during intervening period. Considering the nature of the said transactions, such profits represents sale of underlying developments and accordingly in substance it is normal business operating profits of the Company.

3.11 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.

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

3.13 Particulars of the Contract Revenue as required in AS 7 "Accounting for Construction Contracts" issued by the ICAI, in respect of which disclosures have been made are given in the Annexed Statement.

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

3.15 The Loans & Advances include an amount of Rs. 677152912/- (Rs. 475752284/-) paid as advances/deposits to the vendors while acquiring development rights for various projects . 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.

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

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

3.18 The particulars of employee benefits as required under AS 15 "Accounting for Employee Benefits" issued by the ICAI are given in the Annexed Statement.

3.19 a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Rs. 52512940/- (Rs. 34633169/-).

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 Rs. 37102920/- (Rs. 37102920/-).

3.20 Auditors' Remuneration

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Audit Fee	Rs. 1,900,000	Rs. 1,900,000
Tax Audit	Rs. 500,000	Rs. 500,000
Other Services	Rs. 196,800	Rs. 58,500
Other Services (Relating to IPO)	Rs. -	Rs. 4,000,000
Total	**2,596,800**	**6,458,500**

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

3.21 Earning Per Share (EPS)

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
a) Net Profit available for equity share holder	Rs. 542,985,586	Rs. 442,257,912
b) Weighted average number of equity shares for Basic EPS	Rs. 90,016,050	Rs. 79,416,323
c) Face Value per share	Rs. 10	Rs. 10
d) Basic EPS	Rs. 6.03	Rs. 5.57
e) Weighted average number of equity shares for Diluted EPS	Rs. 90,279,206	Rs. 79,679,480
f) Diluted EPS	Rs. 6.01	Rs. 5.55

3.22 The Company has 9 subsidiaries. During the year, Company has acquired 90% stake in GMP Technical Solutions Private Limited and by which the same has become subsidiary of the Company. The Company has sold its stake in Calypso Premises Private Limited, one of the subsidiary and accordingly it ceases to be the subsidiary. The Company has acquired additional 20% stake in Ajanta Enterprises and has sold its stake in Vascon Infrastructures Limited.

The Ministry of Affairs vide its letter No. 47/95/2011-CL-III dt. 9th January 2011 granted approval to the Company for not attaching copies of the Balance Sheet and Profit & Loss Account, Directors' Report and Auditors' Report of the subsidiary companies for the financial year 2010 - 2011. As per condition no. (i) of the above said letter Consolidated Financial Statements duly audited by the Statutory Auditors is enclosed with the statement of summarized financials of all the subsidiaries.

3.23 Disclosure Relating to Provisions

a. Provision for Doubtful Debts

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Opening Balance	Rs. 65,944,563	Rs. 55,360,356
Add: Provision during the year	Rs. 38,623,217	Rs. 17,215,511
	Rs. 104,567,780	Rs. 72,575,867
Less: Utilisation/Transferred to Bad Debts/ Reversal	Rs. 37,186,345	Rs. 6,631,304
Closing Balance	Rs. 67,381,435	Rs. 65,944,563

b. Provision for Unapproved Sales

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Opening Balance	Rs. 1,806,951	Rs. 3,721,401
Add: Provision during the year	Rs. 14,021,530	Rs. 969,550
	Rs. 15,828,481	Rs. 4,690,951
Less: Utilization / Transfers	Rs. 1,806,951	Rs. 2,884,000
Closing Balance	Rs. 14,021,530	Rs. 1,806,951

c. Provision for Warranty

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Opening Balance	Rs. 1,911,286	Rs. -
Add: Provision during the year	Rs. 3,851,761	Rs. 1,911,286
	Rs. 5,763,047	Rs. 1,911,286
Less: Utilization / Transfers	Rs. 1,235,018	Rs. -
Closing Balance	Rs. 4,528,029	Rs. 1,911,286

d Provision for Contingency

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Opening Balance	Rs. 200,000,000	200,000,000
Add: Provision during the year	Rs. -	-
	Rs. 200,000,000	200,000,000
Less: Utilization / Transfers	Rs. -	-
Closing Balance	Rs. 200,000,000	200,000,000

3.24 EMPLOYEE STOCK OPTION PLANS (ESOP)

The Company has provided share based payment schemes to its employees. During the year ended 31st March 2010, the "ESOS - 2007" scheme was in operation:

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Outstanding at the beginning of the year	Nos. 333,500	Nos. 333,500
Granted during the year	Nos. -	Nos. -
Forfeited during the year	Nos. -	Nos. -
Exercised during the year	Nos. -	Nos. -
Outstanding at the end of the year	Nos. 333,500	Nos. 333,500

3.25 Stock of Development includes cost amounting to Rs. 0/- (Rs. 853960/-) in respect of certain projects under construction pursuant to agreement to sale with the prospective buyers where the prospective buyers have created charge in favor of third party.

3.26 The Company has acquired and held the investments in following companies for sale in the near future and accordingly the same is disclosed as current investments in accordance with the Accounting 13 "Accounting for Investments".
Following are the details of current investments:

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Ascent Hotels Private Limited	Rs. 266,701,680	Rs. 211,701,680
N V Projects Private Limited	Rs. 181,900,977	Rs. 181,900,977
Sita Laxmi Mills Limited	Rs. 23,400,000	Rs. 23,400,000

3.27 Advances / loans to subsidiaries includes Rs. 410050214/- (Rs. 593697951/-) being advance for projects as required to be contributed by the Company.

3.28 The break up of stock of materials and tools is as under:

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Materials	457,121,632	361,461,698
Tools	297,860,409	44,430,833
Total	754,982,042	405,892,531

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

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

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

AS PER OUR REPORT OF EVEN DATE

For Anand Mehta & Associates
CHARTERED ACCOUNTANTS

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

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011

ANNEXURE REFERRED TO IN NOTE NO. 3.7 OF THE NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2011

The quantitative information in respect of trading activity of the Company:

Particulars	Unit	Opening Stock		Purchases		Sales / Issued to projects		Closing Stock	
		Qty	Amount, Rs	Qty	Amount, Rs	Qty	Amount, Rs	Qty	Amount, Rs
Cement	Bags	-	-		-	-	-	-	
		-	-	-	-	-	-	-	-
Sand	Brass	-	-		-		-	-	-
		-	-	-	-	-	-	-	
Steel	Mt	43	1,233,805	-	-	43	1,233,805	-	-
		-	-	(178)	(5,697,643)	(135)	(3,998,143)	(43)	(1,233,805)
Others		-	878,515		828,617		2,026,275	-	-
		-	(1,691,614)	-	(126,910)		(1,923,976)	-	(878,515)
Total (Net Value)			2,112,320		828,617		3,260,080		-
Add: Taxes			-		74,435		101,405		-
Total (Gross Value)			2,112,320		903,052		3,361,485		-
			(1,691,614)		(6,053,203)		(6,254,516)		(2,112,320)

(Figures in the bracket indicate previous year's figures)



TRANSACTIONS WITH RELATED PARTY

Annexure referred to in Note No. 3.12 of the notes forming part of accounts for the period ended on March 31, 2011

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

Amount in Rupees

No	Particulars	Subsidiary	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Associates	Establishments where Key Managerial Personnel or Relatives exercise significant Influence
1	Sales and Work	219,779,339 (173,182,336)	492,357,477 (343,209,523)	- -	- -	56,966,829 (231,705,019)	- (5,500,000)
2	Interest Income	9,571,457 (12,556,912)	56,211,835 (29,796,735)	-	-	-	-
3	Dividend Income -	-	1,250,000 (500,000)	- -	- -	12,767 (68,185)	- -
4	Interest Expenses	- -	- (1,354,808)	- (3,576,758)	 (1,044,644)	- -	 (2,456,493)
5	Purchase of Goods / Work	1,405,003 (279,952)	888,435 -	-	-	-	- -
6	Receiving of Services	-	-	25,357,600 (33,000,000)	950,000 -	-	25,230,588 (18,662,789)
7	Share of Profit from AOP/Firm	- -	19,587,231 (980,485)	- -	- -	- -	- -
8	Share of Loss from AOP/Firm	- -	3,447,573 (980,485)	- -	- -	-	- -
9	Amounts written off	- -	- (500,000)	- -	- -	- -	- -
10	Purchase of Fixed Assets	- (219,999)	- -	- -	- -	- -	- -
11	Corporate Guarantee Given	791,300,000 (200,000,000)	100,000,000 (100,000,000)	-	-	- -	-
12	Finance Provided (including equity contributions in cash or in kind)	658,159,534 (276,246,251)	919,316,461 (195,646,509)	-	-	25,000,000 (18,288,890)	-
13	Finance Availed (including equity contributions in cash or in kind)	-	- (43,974,154)	- (1,000,000)	-	- -	-
14	Outstanding as on March 31, 2010						
	(a) Receivable to Vascon Engineers Limited	1,262,937,757 (1,634,600,605)	1,357,507,214 (1,264,013,691)	-	400,000 -	880,806,841 (239,148,310)	50,528,337 (55,076,650)
	(b) Receivable from Vascon Engineers Limited	- (1,261,736)	38,207,215 (11,700,921)	6,777,895 (14,505,738)	-	33,600,000 (208,300,000)	7,637,135 (4,886,436)

(Figures in bracket indicate previous years' figures)



TRANSACTIONS WITH RELATED PARTY

NOTE: NAMES OF RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP

		March 31, 2011	March 31, 2010
No	**Particulars**	**Name of the Party**	**Name of the Party**
1	Joint Venture	Weikfield IT CITI Infopark Phoenix Ventures Zenith Ventures Zircon Ventures Marigold Premises Private Limited Just Homes (India) Private Limited Cosmos Premises Private Limited Almet Corportation Limited Marathawada Realtors Private Limited John Fowler Opthalmics Private Limited Rose Premises Pvt Ltd Ajanta Enterprises	Weikfield IT CITI Infopark Phoenix Ventures Zenith Ventures Zircon Ventures Marigold Premises Private Limited Just Homes (India) Private Limited Viorica Properties Private Limited Cosmos Premises Private Limited Almet Corporation Limited Marathawada Realtors Private Limited John Fowler Opthalmics Private Limited Rose Premises Pvt Ltd Ajanta Enterprises
2	Key Management Personnel	Mr. R. Vasudevan	Mr. R. Vasudevan
3	Relatives of Key Management Personnel	Mrs. Lalitha Vasudevan Mrs. Thangam Moorthy Mrs. Lalitha Sundarrajan Mr. Siddarth Vasudevan Ms. Soumya Vasudevan	Mrs. Lalitha Vasudevan Mrs. Thangam Moorthy Mrs. Lalitha Sundarrajan Mr. Siddarth Vasudevan Ms. Soumya Vasudevan
4	Individuals having significant influence over the Company	-	-
5	Associates	Angelica Properties Private Limited Mumbai Estate Private Limited Viorica Properties Private Limited	Angelica Properties Private Limited Mumbai Estate Private Limited Vascon Infrastructure Limited
6	Establishments where which individuals in serial number (2), (3) and (4) exercise significant Influence	Flora Premises Private Limited Vastech Consultants Private Limited Vatsalya Enterprises Private Limited Bellflower Premises Private Limited Syringa Properties Private Limited Vascon Infrastructure Limited	Flora Premises Private Limited Vastech Consultants Private Limited Vatsalya Enterprises Private Limited Bellflower Premises Private Limited Syringa Properties Private Limited
7	Subsidiary	Marvel Housing Private Limited Grey Stone Premises Private Limited Vascon Dwellings Private Limited IT CITi Info Park Private Limited Caspia Hotels Private Limited Windflower Properties Private Limited GMP Technical Solution Private Limited Floriana Properties Private Limited Vascon Pricol Infrastructure Limited	Marvel Housing Private Limited Grey Stone Premises Private Limited Vascon Dwellings Private Limited IT CITi Info Park Private Limited Rose Premises Private Limited Windflower Properties Private Limited Calypso Premises Private Limited Floriana Properties Private Limited Vascon Pricol Infrastructure Limited
8	Venturer in respect of which Company is associate or joint venture	-	-



TRANSACTIONS WITH RELATED PARTY

DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY ACCOUNTING STANDARD 18

Amount in Rupees

		March 31, 2011		March 31, 2010	
Sr. No	**Nature of Transactions/Relationships/ Major Parties**	**Party Details**	**Gross Total**	**Party Details**	**Gross Total**
1	**Sales and Work**				
i)	Subsidiaries		219,779,339		173,182,336
	Calypso Premises Private Limited	8,122,433			
	Caspia Hotels Private Limited	49,447,157			
	GMP Technical Solution Private Limited	9,928,428			
	Vascon Dwellings Private Limited	71,383,210		171,223,838	
	Vascon Pricol Infrastructure Limited	80,898,111		1,958,498	
ii)	Joint Ventures		492,357,477		343,209,523
	Ajanta Enterprises	101,075		-	
	Almet Corporation Limited	2,739,096		-	
	Marigold Premises Private Limited	114,812		532,821	
	Phoenix Ventures	68,736,184		2,299,422	
	Viorica Properties Private Limited	12,790,623		31,939,084	
	Weikfield IT CITI Info Park	380,746,624		166,361,180	
	Zenith Ventures	1,012,918		-	
	Zircon Ventures	26,116,145		142,077,016	
iii)	Associates		56,966,829		231,705,019
	Angelica Properties Private Limited	56,966,829		171,705,019	
	Vascon Infrastructure Limited	-		60,000,000	
iv)	Enterprises		-		5,500,000
	Flora Premises Private Limited	-		5,500,000	
2	**Interest Income**				
i)	Subsidiaries		9,571,457		12,556,912
	Floriana Properties Private Limited	-		2,782,417	
	GMP Technical Solutions Private Limited	9,571,457			
	Vascon Dwellings Private Limited	-		4,249,579	
	Marvel Housing Private Limited			5,524,916	
ii)	Joint Ventures		56,211,835		29,796,735
	Almet Corporation Limited	336,375		336,375	
	John Fowler Opthalmics Private Limited	410,702		281,250	
	Marathawada Realtors Private Limited	581,888		501,750	
	Viorica Properties Private Limited	6,553,337		-	
	Rose Premises Private Limited	16,079,511		15,275,405	
	Zenith Ventures	21,830,182		10,693,233	
	Phoenix Ventures	8,971,966			
	Ajanta Enterprises	1,447,874		2,708,722	
3	**Dividend Income**				
i)	Joint Venture		1,250,000		500,000
	Marigold Premises Private Limited	1,250,000		500,000	
ii)	Associates		12,767		68,185
	Angelica Properties Private Limited	12,767		68,185	

DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY ACCOUNTING STANDARD 18

Amount in Rupees

		March 31, 2011		March 31, 2010	
Sr. No	**Nature of Transactions/Relationships/ Major Parties**	**Party Details**	**Gross Total**	**Party Details**	**Gross Total**
4	**Interest Expense**				
i)	Key Management Personnel		-		3,576,758
	Mr. R. Vasudevan	-		3,576,758	
ii)	Joint Ventures		-		1,354,808
	Viorica Properties Private Limited	-		1,354,808	
ii)	Relatives of Key Management Personnel		-		1,044,644
	Mrs. Lalitha Vasudevan	-		1,023,479	
	Mrs. Thangam Moorthy	-		21,165	
iii)	Enterprise		-		2,456,493
	Vatsalya Enterprises Private Limited	-		2,115,321	
	Bellflower Premises Private Limited	-		341,172	
5	**Purchase of Goods / Work**				
i)	Subsidiaries		1,405,003		279,952
	GMP Technical Solution Pvt. Ltd.	1,405,003		-	
	Rose Premises Private Limited	-		279,952	
ii)	Joint Ventures		888,435		-
	Weikfield IT CITI Info Park (AOP)	-		-	
	Rose Premises Private Limited	388,841			
	Zenith Ventures	499,594		-	
6	**Receiving of Services**				
i)	Key Management Personnel		25,357,600		33,000,000
	Mr. R. Vasudevan	25,357,600		33,000,000	
ii)	Relatives of Key Management Personnel		950,000		-
	Mr. Siddarth Vasudevan	950,000		-	
iii)	Enterprise		25,230,588		18,662,789
	Vastech Consultants Private Limited	25,230,588		18,662,789	
7	**Share of Profit from AOP/Firm**				
i)	Joint Ventures		19,587,231		63,843,387
	Weikfield IT CITI Info Park (AOP)	17,360,762		-	
	Zircon Ventures	-		63,843,387	
	Ajanta Enterprises	2,226,469			
8	**Share of Loss from AOP/Firm**				
i)	Joint Ventures		3,447,573		980,485
	Phoenix Ventures	3,161,720		809,837	
	Zenith Ventures	285,853		82,187	

DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY ACCOUNTING STANDARD 18

Amount in Rupees

		March 31, 2011		March 31, 2010	
Sr. No	**Nature of Transactions/Relationships/ Major Parties**	**Party Details**	**Gross Total**	**Party Details**	**Gross Total**
	Zircon Ventures	-		32,418	
	Ajanta Enterprises	-		56,043	
9	**Amounts written off**		-		500,000
i)	Joint Ventures				
	Cosmos Premises Private Limited	-		500,000	
10	**Purchase of Fixed Assets**				
i)	Subsidiaries		-		219,999
	Greystone Premises Private Limited	-		219,999	
11	**Corporate / Bank Guarantees Given for**				
i)	Subsidiaries		791,300,000		200,000,000
	Caspia Hotels Private Limited	356,300,000			
	Vascon Dwellings Private Limited	200,000,000		200,000,000	
	GMP Technical Solution Private Limited	235,000,000			
ii)	Joint Ventures		100,000,000		100,000,000
	Cosmos Premises Private Limited	100,000,000		100,000,000	
12	**Finance Provided (including equity contributions in cash or in kind)**				
i)	Subsidiaries		658,159,534		276,246,251
	Calypso Premises Private Limited	897,500		11,262,179	
	GMP Technical Soclution Private Limited	233,600,000			
	Floriana Properties Private Limited	1,981,311		39,300,000	
	Greystone Premises Private Limited	102,000		1,390,000	
	Marvel Housing Private Limited	4,500,000		202,250,000	
	Vascon Dwellings Private Limited	113,176,987		12,210,572	
	Vascon Pricol Infrastructure Limited	52,000,000		9,833,500	
	Windflower Properties Private Limited	251,901,736		-	
ii)	Joint Ventures		919,316,461		195,646,509
	Cosmos Premises Private Limited	2,500,000		-	
	Just Homes (I) Private Limited	-		66,065	
	Phoenix Ventures	151,000,825		11,417,390	
	Viorica Properties Private Limited	663,977,956		63,000,000	
	Zenith Ventures	65,086,550		118,713,054	
	Ajanta Enterprises	26,751,130		2,450,000	
	Marathawada Realtors Private Limited	5,000,000		-	
	John Fowler Opthalmics Private Limited	5,000,000		-	
iii)	Associates		25,000,000		18,288,890
	Mumbai Estate Private Limited	20,000,000		18,288,890	
	Vascon Infrastructure Limited	5,000,000		-	



TRANSACTIONS WITH RELATED PARTY

DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY ACCOUNTING STANDARD 18

Amount in Rupees

		March 31, 2011		March 31, 2010	
Sr. No	**Nature of Transactions/Relationships/ Major Parties**	**Party Details**	**Gross Total**	**Party Details**	**Gross Total**
13	**Finance Availed (including equity contributions in cash or in kind)**				
i)	Key Management Personnel		-		1,000,000
	Mr. R. Vasudevan			1,000,000	
ii)	Joint Ventures		-		43,974,154
	Viorica Properties Private Limited			43,974,154	
14	**Outstanding as on March 31, 2011**				
i)	A) Receivable to Vascon Engineers Limited Subsidiaries		1,262,937,757		1,634,600,605
	a)Sundry Debtors				
	GMP Technical Solution Private Limited	6,687,989			
	Vascon Dwellings Private Limited	351,278,616		361,281,062	
	Vascon Pricol Infrastructure Limited	15,043,197		8,450	
	Windflower Properties Private Limited	19,253,734		19,253,734	
	b) Loans & Advances				
	Calypso Premises Private Limited			450,330,003	
	Floriana Properties Private Limited	61,381,188		59,399,877	
	GMP Technical Solution Private Limited	237,252,779			
	Greystone Premises Private Limited	67,386,237		66,956,737	
	Marvel Housing Private Limited	3,672,338		554,830,450	
	Vascon Dwellings Private Limited	143,674,535		41,497,548	
	Vascon Pricol Infrastructure Limited	105,411,198		76,411,211	
	Windflower Properties Private Limited	251,895,946		131,533	
	c) Share Application Money		-		4,500,000.00
	Vascon Pricol Infrastructure Limited			4,500,000	
ii)	Joint Ventures		1,357,507,214		1,264,013,691
	a) Sundry Debtors				
	Cosmos Premises Private Limited			87,883	
	Marigold Premises Private Limited	154,090,371		161,090,371	
	Phoenix Ventures	75,163,495		102,159,989	
	Weikfield IT CITI Info Park (AOP)	186,204,374		32,649,047	
	Zenith Ventures	1,064,089		56,917,418	
	Zircon Ventures	15,984,687		219,180	
	Ajanta Enterprises	109,649		19,925,922	
	Almet Corporation Limited	2,713,345		-	
	b) Loans & Advances				
	Almet Corporation Limited	3,784,855		3,482,118	
	John Fowler Opthalmics Private Limited	8,268,369		2,898,737	
	Marathawada Realtors Private Limited	10,755,962		5,232,263	
	Marigold Premises Private Limited	45,193,911		45,193,911	
	Phoenix Ventures	159,226,966		20,417,390	
	Ajanta Enterprises	8,844,233		18,827,859	
	Rose Premises Private Limited	109,701,702		95,230,142	
	Zenith Ventures	216,073,019		129,406,287	

DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY ACCOUNTING STANDARD 18

Amount in Rupees

		March 31, 2011		March 31, 2010	
Sr. No	**Nature of Transactions/Relationships/ Major Parties**	**Party Details**	**Gross Total**	**Party Details**	**Gross Total**
	c) Share Application Money				
	d) Balance in current accounts				
	Phoenix Ventures	19,193,758		603,163	
	Weikfield IT Citi Infopark	265,555,718		499,031,937	
	Zircon Ventures	75,578,711		70,640,074	
iii)	Relatives of Key Management Personnel		400,000		
	a) Receivable for Expenses				
	Mr. Siddarth Vasudevan	400,000			
iv)	**Associates**		880,806,841		239,148,310
	a) Sundry Debtors				
	Ajanta Enterprises				
	Angelica Properties Pvt Ltd	17,683,339			
	Viorica Properties Private Limited	6,752,002			
	b) Loans & Advances				
	Mumbai Estate Private Limited	255,300,010		235,411,110	
	Viorica Properties Private Limited	599,750,960			
	c) Share Application Money				
	Viorica Properties Private Limited	1,283,330		3,700,000	
	Angelica Properties Private Limited	37,200		37,200	
v)	**Enterprise**		50,528,337		55,076,650
	a) Sundry Debtors				
	Flora Premises Private Limited	5,441,650		5,441,650	
	Vascon Infrastructure Limited	40,086,687		49,635,000	
	b) Loans & Advances				
	Flora Premises Private Limited				
	Vascon Infrastructure Limited	5,000,000			
	B) Receivable from Vascon Engineers Ltd.				
i)	Subsidiaries		-		1,261,736
	a) Security Deposit				
	Greystone Premises Private Limited			1,261,736	
	b) Advance from Customers				
	Caspia Hotels Private Limited				
ii)	Joint Ventures		38,207,215		11,700,921
	a) Advance from Customers				
	Viorica Properties Private Limited				
	b) Sundry Creditors				
	Zenith Ventures	499,594			
	Rose Premises Private Limited			58,701	



TRANSACTIONS WITH RELATED PARTY

DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY ACCOUNTING STANDARD 18

Amount in Rupees

		March 31, 2011		March 31, 2010	
Sr. No	**Nature of Transactions/Relationships/ Major Parties**	**Party Details**	**Gross Total**	**Party Details**	**Gross Total**
	c) Balance in current account				
	Zenith Ventures	1,956,053		1,170,606	
	Ajanta Enterprises	35,751,568		10,471,614	
iii)	Key Management Personnel		6,777,895		14,505,738
	a) For Services Received				
	Mr. R. Vasudevan	6,777,895		14,505,738	
iv)	Associates		33,600,000		208,300,000
	a) Advance from Customers				
	Angelica Properties Private Limited			8,300,000	
b)	Security Deposit / Other Payables				
	Angelica Properties Private Limited	33,600,000		200,000,000	
v)	Enterprise		7,637,135		4,886,436
	a) Sundry Creditors				
	Vastech Consultants Private Limited	7,637,135		4,886,436	

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**	
		March 2011	**March 2010**	**March 2011**	**March 2010**
A	Loans & Advances in the nature of loan to subsidiaries				
1	Floriana Properties Private Limited	61,381,188	59,399,877	61,381,188	59,399,877
2	Marvel Housing Private Limited	3,672,338	551,805,534	557,330,450	551,805,534
3	Vascon Dwellings Private Limited	143,674,535	41,497,548	153,024,535	81,511,180
4	Windflower Properties Private Limited	251,895,946	1,353,430	251,901,736	1,353,430
B	Loans & Advances in the nature of loan to Associates (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 Corporation Limited	3,784,855	3,482,118	3,784,855	3,482,118
2	John Fowler Opthalmics Private Limited	8,268,369	2,898,737	8,268,369	2,898,737
3	Marathawada Realtors Private Limited	10,755,962	5,232,263	10,755,962	5,232,263

- 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.
- There are no Investment by loanee in share of parent or subsidiary where Company made loan or advances in the nature of loan.

ANNEXURE REFERRED TO IN NOTE NO. 3.13 OF THE NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2011

DISCLOSURE OF PARTICULARS OF CONTRACT REVENUE AS REQUIRED BY ACCOUNTING STANDARD 7

Amount in Rupees

No	Particulars	March 31, 2011	March 31, 2010
1	Contract Revenue Recognized	7,257,998,384	6,455,073,695
2	Contract Expenses Recognized	6,009,195,652	5,335,907,715
3	Recognized Profit	1,248,802,732	1,119,165,980
4	Contract Cost Incurred	6,009,195,652	5,335,907,715
5	Progress Billing	7,164,482,571	5,826,584,404
6	Unbilled Contract Revenue Recognized	701,658,242	943,522,388
7	Unearned Revenue	608,142,430	315,033,097
8	Advances from Customers	202,417,344	400,892,358
9	Contract Cost Incurred and Recognized Profit	7,257,998,384	6,455,073,695
10	Gross Amount Due from Customer	2,641,834,730	1,417,535,372
11	Retention	321,775,486	377,626,793

ANNEXURE REFERRED TO IN NOTE NO. 3.14 OF THE NOTES FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED ON MARCH 31, 2011

PARTICULARS OF THE JOINT VENTURES UNDERTAKEN BY THE COMPANY AS REQUIRED IN ACCOUNTING STANDARD 27 "FINANCIAL REPORTING OF INTEREST IN JOINT VENTURE"

Amount in Rupees

Name of the Joint Venture	Interest of Company in JV	Share in Assets of the JV	Share in Liabilities	Investment in Joint Venture	Add: Share of Profit of the JV	Less: Share of Tax	Closing Balance of Investment Asset/(Liability)	Loans given
Zircon Ventures	Refer note below	99,622,213	24,043,502	75,578,711	-	-	75,578,711	-
Phoenix Ventures	10% of the total project Cost as project management Fees & 50% of remaining Profit	158,355,879	128,992,222	42,355,478	(3,161,720)	-	39,193,758	159,226,966
Zenith Ventures	Refer note below	259,150,353	260,042,316	1,670,200	(285,853)	-	1,384,347	216,073,019
Weikfield IT Citi Info Park (AOP)	Refer note below	793,303,329	527,747,620	248,194,956	20,950,318	17,342,169	251,803,105	-
Just Home India Private Limited	50% Share of Profits	183,503,298	27,449,472	50,000	-	-	50,000	-
Marigold Premises Private Limited	50% Share of Profits	307,777,238	139,724,374	419,672	-	-	419,672	45,193,911
Cosmos Premises Private Limited	43.83% Share of Profits	114,624,590	50,907,558	36,790,610			36,790,610	-
Almet Corporation Ltd.	49% Share of Profits	25,881,759	3,828,921	52,373,208			52,373,208	3,784,855
Marathawada Realtors Private Limited	49% Share of Profits	44,658,564	7,873,676	80,995,440			80,995,440	10,755,962
John Fowler Opthalmics Pvt. Ltd.	49% Share of Profits	110,070,622	24,628,280	177,048,535			177,048,535	8,268,369
Ajanta Enterprises	50% Share of Profits	129,576,377	167,515,663	555,408,252	3,178,150	951,681	557,634,721	8,844,233
Rose Premises Private Limited	50% Share of Profits	141,843,725	133,004,617	20,000,000			20,000,000	109,701,703

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 Partners.

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

ANNEXURE REFERRED TO IN NOTE NO. 3.16 OF THE NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2011

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.

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

Particulars	Year Ended March 31,	
	2011	2010
Gross Carrying Amount of Premises	36,735,020	36,735,020
Accumulated Depreciation	8,799,075	7,328,762
Depreciation for the year	1,470,313	1,547,698

Future minimum lease income under non-cancellable operating leases

a) Not later than 1 year	2,421,700	5,275,440
b) Later than 1 year and not later than 5 years	-	2,421,700
c) Later than 5 years	-	-
Income recognised during the year	5,275,440	35,909,934

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:

The Company is obligated under non-cancellable leases / sub-leases for office space that are renewable on a periodic basis at the option of both the lessor and lessee.

Future minimum lease expenses under non-cancellable operating leases:

a) Not later than 1 year	2,278,212	5,275,440
b) Later than 1 year and not later than 5 years	1,516,676	2,421,700
c) Later than 5 years	-	-
Expenses recognized during the year	2,887,050	-



ANNEXURE REFERRED TO IN NOTE NO. 3.17 OF THE NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2011
PARTICULARS OF INVESTMENTS PURCHASED AND SOLD DURING THE YEAR

	March 31, 2011		March 31, 2011		March 31, 2010		March 31, 2010	
Particulars	No of Units	Cost of Purchase	No of Units	Sales	No of Units	Cost of Purchase	No of Units	Sales
Canara Robeco Liquid Collection	2,985,705.6877	30,021,270.6900	2,985,705.6877	30,021,270.6900				
Birla Sun Life Cash Plus Inst. Prem.	-	-	-	-	4,990,702.2825	50,004,342	4,990,702	50,004,342
Birla Sun Life Saving Fund Inst.	-	-	-	-	5,003,401.3821	50,068,037	5,003,401	50,068,037
DSP BlackRock Liquidity Fund-Inst.	-	-	-	-	100,115.2350	100,152,560	100,115	100,152,560
HDFC Cash Management Fund Saving	-	-	-	-	37,609,891.1323	400,033,846	37,609,891	400,033,846
HDFC Cash Management Fund Treasury	-	-	-	-	39,928,285.7648	400,540,599	39,928,286	400,540,599
ICICI Prudential Liquid Super Inst. Plan	-	-	-	-	499,931.9580	50,004,244	499,932	50,004,244
IDFC Cash Fund - Super Inst Plan C	-	-	-	-	17,996,938.2114	180,014,374	17,996,938	180,014,374
IDFC MM Fund - TP Super Inst Plan C	-	-	-	-	18,034,168.8727	180,368,740	18,034,169	180,368,740
Kotak Liquid Institutional	-	-	-	-	1,635,681.5360	20,001,277	1,635,682	20,001,277
Kotak Floater Long Term	-	-	-	-	1,990,140.0762	20,060,214	1,990,140	20,060,214
Principal Floating Rate Fund FMP	-	-	-	-	3,002,838.6604	30,065,322	3,002,839	30,065,322
Reliance Liquidity Fund	-	-	-	-	19,995,359.4946	200,015,581	19,995,359	200,015,581
Reliance Money Manager Fund	-	-	-	-	200,061.0650	200,288,414	200,061	200,288,414
SBI Magnum Insta Cash Fund	-	-	-	-	20,896,636.1755	350,024,925	20,896,636	350,024,925
SBI SHF Ultra ST Inst Plan	-	-	-	-	35,046,651.8609	350,676,798	35,046,652	350,676,798
SBNPP Money Fund Super Inst.	-	-	-	-	14,859,518.0312	150,011,292	14,859,518	150,011,292
TATA Liquid Super High Invest. Fund	-	-	-	-	44,865.9770	50,004,029	44,866	50,004,029
TATA Floater Fund	-	-	-	-	4,996,784.4065	50,145,730	4,996,784	50,145,730
UTI Money Market Fund	-	-	-	-	14,950.6730	15,001,287	14,951	15,001,287
UTI Floating Rate Fund STP Inst Div	-	-	-	-	15,008.9110	15,020,478	15,009	15,020,478

ANNEXURE REFERRED TO IN NOTE NO. 3.13 OF THE NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2011

DISCLOSURE OF PARTICULARS OF CONTRACT REVENUE AS REQUIRED BY ACCOUNTING STANDARD 15

Amount in Rupees

NO	PARTICULARS	March 31, 2011	March 31, 2010
	Gratuity Plan Valuation		
	Summary of Key Results		
	Present Value of obligation	29,916,136	17,086,466
	Fair Value of plan assets	19,874,879	13,746,427
	Net Asset/ (Liability) recognized in balance sheet	(10,041,257)	(3,340,039)
	No. of Employees	967	741
	Total monthly Salary in Rupees	15,018,569	9,940,959
	Average Past Service	2.83	3.00
	Average Age	33.04	33.26
I.	**Assumptions**		
	Discount Rate	8.10%	8.10%
	Rate of increase in compensation levels		
	First five years	10.00%	15.00%
	Thereafter	5.00%	5.00%
	Rate of Return on Plan Assets	9.15%	9.15%
	Expected Average remaining working lives of employees (years)	8.76	8.71
II.	**Table showing changes in present value of obligations**		
	Present Value of obligations as at the beginning of the year	17,086,466	14,927,420
	Acquisition adjustment	-	-
	Interest Cost	1,259,123	1,055,526
	Past Service Cost	7,353,147	-
	Current Service Cost	6,944,754	5,001,354
	Curtailment Cost/(credit)	-	-
	Settlement Cost/(credit)	-	-
	Benefits paid	(3,083,487)	(534,673)
	Actuarial (gain)/loss on obligations	356,133	(3,363,161)
	Present Value of obligation as at the end of the end of the year	29,916,136	17,086,466
III.	**Table showing changes in Fair Value of Plan Assets**		
	Fair Value of Plan Assets as at the beginning of the year	13,746,427	11,434,963

ANNEXURE REFERRED TO IN NOTE NO. 3.13 OF THE NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2011

DISCLOSURE OF PARTICULARS OF CONTRACT REVENUE AS REQUIRED BY ACCOUNTING STANDARD 15

Amount in Rupees

NO PARTICULARS	March 31, 2011	March 31, 2010
Acquisition adjustment	-	-
Expected Return on Plan Assets	1,362,836	1,152,049
Contributions	5,379,390	2,846,137
Benefits paid	(3,083,487)	(534,673)
Actuarial gain/(loss) on Plan Assets	2,469,713	(1,152,049)
Fair Value of Plan Assets at the end of the end of the year	19,874,879	13,746,427
IV. Actuarial Gain/Loss Recognized		
Actuarial gain/(loss) for the year - obligations	(356,133)	3,363,161
Actuarial (gain)/loss for the year - Plan Assets	(2,469,713)	1,152,049
Total(gain)/loss for the year	(2,113,580)	(2,211,112)
Actuarial (gain)/loss recognized in the year	(2,113,580)	(2,211,112)
Unrecognized Actuarial(gain)/losses at the end of year	-	-
V. The Amounts To Be Recognized In Balance Sheet And Statement Of Profit And Loss		
Present Value of obligations as at end of the year	29,916,136	17,086,466
Fair Value of plan assets as at the end of the year	19,874,879	13,746,427
Funded status	(10,041,257)	(3,340,039)
Unrecognized actuarial (Gain)/Losses	-	-
Net assets/(liabilities) recognized in Balance Sheet	(10,041,257)	(3,340,039)
VI. Expenses Recognized In The Statement Of Profit And Loss		
Current Service Cost	6,944,754	5,001,354
Past Service Cost	7,353,147	-
Interest Cost	1,259,123	1,055,526
Expected return on Plan Assets	(1,362,836)	(1,152,049)
Curtailment Cost/(credit)	-	-
Settlement Cost/(credit)	-	-

ANNEXURE REFERRED TO IN NOTE NO. 3.18 OF THE NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2011

DISCLOSURE OF PARTICULARS OF CONTRACT REVENUE AS REQUIRED BY ACCOUNTING STANDARD 15

Amount in Rupees

NO PARTICULARS	March 31, 2011	March 31, 2010
Net Actuarial (Gain)/Loss recognized in the year	(2,113,580)	(2,211,112)
Expenses recognized in the statement of Profit And Loss at the end of the year	12,080,608	2,693,719
VII. Major Categories Of Plan Assets (As A % Of Total Plan Assets)		
Funds managed by Insurer	100.00%	100.00%
Compensated Absences Valuation		
Summary Of Key Results		
Present Value of obligation	36,733,584	28,084,932
Fair Value of plan assets	-	-
Net Asset/ (Liability) recognized in balance sheet	(36,733,584)	(28,084,932)
No. of Employees	967	741
Total Monthly Gross in Rupees	29,267,052	19,211,913
Total monthly CTC in Rupees	33,021,852	21,697,287
Total Leave Balance in days	21,845	19,062
Average past service	2.83	3.00
Average Age	33.04	33.26
I. Assumptions		
Discount Rate	8.10%	8.10%
Rate of increase in compensation levels		
First five years	10.00%	15.00%
Thereafter	5.00%	5.00%
Expected Average remaining working lives of employees (years)	8.76	8.71

As per Para 128 read in conjunction with Para 132 of AS 15 (R) does not require any specific disclosuer except where expenses resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard No. 5 or Accounting Standard No. 18.



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. L 7 0 1 0 0 M H 1 9 State Code 1 1
8 6 P L C 0 3 8 5 1 1

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 1 (Year)

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

Public Issue: 0 0 0 0 N I L

Rights Issue: 0 0 0 0 N I L

Bonus Issue: 0 0 0 0 N I L

Private Placement: 0 0 0 0 N I L

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

Total Liabilities: 1 1 2 8 8 8 2 6

Total Assets: 1 1 2 8 8 8 2 6

Sources of Funds

Paid-up-Capital: 0 9 0 0 1 6 1

Reserves & Surplus: 5 9 7 5 4 8 2

Secured Loans: 2 4 2 7 3 4 3

Unsecured Loans: 0 8 7 5 2 9 6

Application of Funds

Net Fixed Assets: 0 5 3 9 1 5 5

Investments: 2 2 5 6 4 2 2

Net Current Assets: 7 3 7 2 4 6 6

Misc.Expenditure: 0 0 0 0 N I L

Accumulated Losses: 0 0 0 0 N I L

Deferred Tax Asset: 0 0 1 1 1 6 8

IV. Performance of Company (Amount in Thousands)

Turnover: 8 0 8 3 2 2 6

Total Expenditure: 7 3 6 2 3 1 5

Profit/Loss before Tax: + 0 7 2 0 9 1 1

Profit/Loss after Tax: + 0 5 2 2 4 4 7

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

Earning per share in Rs.: 0 0 0 0 0 0 6

Dividend rate %: N I L

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

Item Code No. (ITC Code) N A

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

Item Code No. (ITC Code) N A

Product Description T R A D I N G



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES

Amount in Rupees

	1	2	3	4	5	6	7	8	9	10
Name of the subsidiary	Marvel Housing Private Limited	Vascon Dwellings Private Limited	IT Citi Infopark Private Limited	Calypso Premises Private Limited	Floriana Properties Private Limited	Windflower Private Limited	Caspia Hotels Private Limited	Vascon Pricol Infrastructures Limited	Greystone Premises Private Limited	GMP Technical Solution Private Limited
Financial year ending of the Subsidary	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011
Date from which they became subsidary	January 2, 2006	April 1, 2006	April 2,2006	May 31, 2006	August 25, 2008	November 2, 2006	Sptember 8, 2009	April 2, 2007	January 4, 2008	August 8, 2010
a) Number of shares held in the by the company subsidary at the end of financial year of holding company.	10,000	10,000	10,000		10,000	10,000	9,100,000	4,970,000	6,500	12,689
b) Extent of interest of holding Company at the end of the financial year of subsidary company.	100%	100%	100%		100%	100%	70%	70%	65%	90%
The net aggregate amount of subsidiary companies profit/(loss) so far as it concerns the members of holding company:										
a) Not dealt with in the holding company's accounts										
I) For the financial year ended March 31,2011	1,388,395	(9,619,817)	9,887,287		(72,755)	(9,134,152)	(509,016)	5,208,404	(211,709)	121,110,025
ii) For the previous year of the subsidiary company since it became holding company's subsidiary	(5,164,583)	(35,966,328)	76,577,531		(3,365,433)	17,759,144	(1,474,497)	(767,373)	(3,629,453)	591,548,614
b) Dealt with in the holding company's accounts										
I) For the financial year ended Mar 31,2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) For the previous year of the subsidiary company since it became holding company's subsidiary.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY
AND COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

PLACE: Pune, DATED: May 14, 2011



INFORMATION ON FINANCIALS OF SUBSIDIARIES

AS AT MARCH 31, 2011

Amount in Rupees

Sr No	Particulars	Marvel Housing Private Limited		Vascon Dwellings Private Limited		IT Citi Infopark Private Limited		Calypso Premises Private Limited		Floriana Properties Private Limited		Windflower Properties Private Limited		Caspia Hotels Private Limited		Vascon Pricol Infrastructures Limited		Greystone Premises Private Limited		GMP Technical Solution Private Limited	
		2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
1	Capital	100,000	100,000	100,000	100,000	100,000	100,000		150,133,300	100,000	100,000	100,000	100,000	130,000,000	100,000	71,000,000	71,000,000	100,000	100,000	141,000	
2	Reserves & surplus (adjusted for debit balance in P & L Account, where applicable)	(3,776,188)	(5,164,583)	(45,586,146)	(35,966,328)	86,464,819	76,577,531		(5,102,594)	(3,438,188)	(3,365,433)	8,624,992	17,759,145	(2,833,590)	(2,106,425)	6,344,330	(1,096,247)	(5,909,479)	(5,583,774)	561,706,162	
3	Total Assets	41,700	552,226,927	540,989,651	907,227,937	110,725,349	221,782,284		800,937,446	58,708,456	57,065,062	332,023,886	338,181,062	175,826,242	14,172,012	154,459,142	182,858,402	96,597,771	96,460,127	1,396,015,094	
4	Total Liabilities	3,717,888	557,291,510	586,475,796	943,094,265	24,160,530	145,104,752		655,906,740	62,046,644	60,330,495	323,298,894	320,321,917	48,659,832	16,178,437	207,114,812	113,054,649	102,407,250	101,943,901	834,167,932	
5	Investments (except in case of investment in the subsidiaries)																				
	A) Long term																				
	(Non-Trade Investments)		552,224,402				63,000														
	B) Current Investments																				
	a. Unquoted equity shares																				
	b. Unquoted equity shares																				
	c. Units																			1,500,000	
	Total current investments																			1,500,000	
	Total Investments (A+B)		552,224,402				63,000													1,500,000	
	Turnover (including other income)	1,433,709		549,402,331	118,811,928	17,344,468	14,573,406					1,800,948	2,159,611			142,208,273				1,410,683,871	
	Profit before tax	1,388,395	(5,579,275)	(9,619,817)	(31,763,712)	12,347,287	9,904,955		(648,325)	(72,755)	(2,840,060)	(9,134,152)	(18,744,421)	(727,165)	(2,018,378)	10,956,577	(728,153)	(325,706)	(675,236)	162,937,433	
	Provision for tax					2,460,000	2,877,400									3,516,000				28,370,739	
	Profit after tax	1,388,395	(5,579,275)	(9,619,817)	(31,763,712)	9,887,287	7,027,555		(648,325)	(72,755)	(2,840,060)	(9,134,152)	(18,744,421)	(727,165)	(2,018,378)	7,440,577	(728,153)	(325,706)	(675,236)	134,566,694	
	Proposed dividend (excluding tax on dividend)																				

Note: i) The annual accounts of the above Subsidiary Companies are open for inspection by any investor at the Company's Corporate Office and Registered Office of the respective subsidiary companies.

ii) During the year Company has acquired stake in GMP Technical Solution Private Limited and has sold its stake in Calypso Premises Private Limited.
The Ministry of Affairs vide its letter No. 47/95/2011-CL-III dt. 9th January 2011 granted approval to the Company for not attaching copies of the Balance Sheet and Profit & Loss Account, Directors' Report and Auditors' Report of the subsidiary companies for the financial year 2010 - 2011. As per condition no. (i) of the above said letter Consolidated Financial Statements duly audited by the Statutory Auditors is enclosed with the statement of summarised financial of all the subsidiaries.

AUDITOR'S REPORT

The Board of Directors of
VASCON ENGINEERS LIMITED

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

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

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

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

The financial statement of two Joint ventures, whose financial statement reflected the total assets of Rs.58,08,68,042/- as at March 31,2011 and net profit of Rs. 2,09,65,543/-for the year ended on that date are not audited as of the date of this audit report and have been included in the consolidated Financial Statements.

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

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

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

I. In the case of Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;

II. in the case Profit and Loss Account, of the Profit of the Group for the year ended on that date; and

III. In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For

Anand Mehta & Associates
CHARTERED ACCOUNTANTS

Kusai Goawala
Partner

Membership No. 39062
Firm Registration No. 127305W
Place: Pune, Dated: May 14, 2011



CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2011

Amount in Rupees

Particulars	Schedules	March 31, 2011	March 31, 2010
SOURCES OF FUNDS			
1) Share Holders Fund:			
a) Capital	1	900,160,500	900,160,500
b) Share Application Money		930,000	-
c) Reserves and Surplus	2	6,274,663,805	5,710,868,991
		7,175,754,305	6,611,029,491
2) Minority Interest		76,508,558	73,786,732
3) Loan Funds:			
a) Secured Loans	3	2,665,659,915	1,778,721,643
b) Unsecured Loans	4	1,037,876,646	389,450,227
		3,703,536,561	2,168,171,870
4) Deferred Tax Liability		1,616,572	2,061,500
		10,957,415,997	8,855,049,593
APPLICATION OF FUNDS			
1) Fixed Assets	5		
a) Gross Block		2,562,403,361	1,775,847,132
b) Less: Depreciation / Amortization		505,539,713	274,622,831
c) Net Block		2,056,863,648	1,501,224,301
d) Capital Work in Progress Including Capital Advances		196,528,927	269,103,638
		2,253,392,575	1,770,327,939
2) Investments	6	1,016,222,983	1,674,153,673
3) Deferred Tax Asset (Net)		20,169,124	8,662,435
4) Current Assets, Loans and Advances			
a) Inventories	7	2,911,393,515	3,229,884,116
b) Debtors and Unbilled Revenues	8	3,435,181,832	1,886,735,085
c) Cash and Bank Balances	9	1,124,485,925	490,388,366
d) Loans and Advances	10	3,725,788,819	2,857,137,741
		11,196,850,091	8,464,145,308
Less: Current Liabilities and Provisions			
a) Current Liabilities	11	3,054,317,828	2,778,480,826
b) Provisions	12	474,900,948	283,758,936
		3,529,218,776	3,062,239,762
Net Current Assets		7,667,631,315	5,401,905,546
		10,957,415,997	8,855,049,593
Notes to Accounts	20		

AS PER OUR REPORT OF EVEN DATE
For Anand Mehta & Associates
CHARTERED ACCOUNTANTS
Kusai Goawala
PARTNER
MEMBERSHIP NO. 39062
Firm Registration No. 127305W
Place: Pune, Dated: May 14, 2011

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND
COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011



CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	Schedules	March 31, 2011	March 31, 2010
INCOME			
Income from Operations	13	10,759,508,469	7,989,856,591
Less: Value Added Tax Collected		(332,458,663)	(280,444,230)
Service Tax Collected		(193,860,974)	(155,932,211)
Luxury Tax Collected		(3,596,757)	(5,233,928)
Income from Operations (Net)		10,229,592,075	7,548,246,222
Interest Earned	14	116,668,704	68,796,253
Other Income	15	178,662,712	66,153,408
		10,524,923,491	7,683,195,883
EXPENDITURE			
Materials and other direct expenses	16	8,126,476,739	5,911,202,589
Personnel Expenses	17	623,494,714	394,183,291
Operating and Other Expenses	18	497,064,209	301,515,211
Financial Expenses	19	257,009,529	234,141,250
Depreciation / Amortisation	5	138,493,389	78,219,858
		9,642,538,580	6,919,262,200
Profit Before Taxation		882,384,911	763,933,683
Less: Provision for Taxation			
Current		256,134,673	246,049,006
Deferred Tax Expenses / (Gain)		(14,574,673)	(4,120,939)
		241,560,000	241,928,067
Profit After Tax		640,824,912	522,005,616
Excess/(Short) Provision W/back / (Off)		15,524,274	252,270
Prior Period Adjustments - Income / (Expenses)		2,200,489	10,232,955
Minority Share of Losses / (Profits)		(10,190,617)	450,926
		7,534,146	10,936,151
Balance available for appropriation		648,359,057	532,941,767
Less: Appropriations			
Transfer to Reserves		471,000	1,009,500
Dividend Paid / Proposed		90,016,050	-
Provision for Tax on Dividend		15,158,150	84,975
		105,645,200	1,094,475
Surplus for the Year Carried to Balance Sheet		**542,713,857**	**531,847,292**
Earnings Per Share (Equity Shares, Par Value of Rs. 10/- Each)			
Basic Earnings Per Share		7.20	6.71
Diluted Earnings Per Share		7.18	6.69
Notes to Accounts	20		

AS PER OUR REPORT OF EVEN DATE
For Anand Mehta & Associates
CHARTERED ACCOUNTANTS
Kusai Goawala
PARTNER
MEMBERSHIP NO. 39062
Firm Registration No. 127305W
Place: Pune, Dated: May 14, 2011

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND
COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	882,384,911	763,933,683
Adjustments to reconcile profit before tax to cash provided by operating activities		
- Depreciation / Amortization	138,493,389	78,219,858
- Borrowing Costs	257,009,529	234,141,250
- Dividend Income	(5,822,846)	(3,690,471)
- Employee Compensation Expenses (ESOP)		4,158,745
- Interest income	(116,340,104)	(68,796,253)
- Provision for Doubtful Debt	7,725,342	11,999,932
- Prior Period Adjustments	2,200,489	10,232,955
- (Profit) Loss on Sale of Assets	(106,680,786)	(63,203)
- (Profit) Loss on Sale of Investments/Subsidiary	(64,637,158)	(4,394,925)
Operating Profit before working capital changes	994,332,766	1,025,741,569
Adjustments for		
Decrease / (Increase) in Inventories before Capitalization of Borrowing Cost	(406,940,646)	(322,366,160)
Decrease / (Increase) in Sundry Debtors	(1,269,267,096)	(293,745,334)
Decrease / (Increase) in Other Current Assets		
Decrease / (Increase) in Loans and Advances	1,003,484,635	345,419,090
Increase / (Decrease) in Current Liabilities and Provisions	336,898,513	99,147,887
Cash generated from operations	658,508,172	854,197,053
Direct Taxes Paid (Net)	(240,027,855)	(177,731,690)
Net Cash flow from operating activities	418,480,317	676,465,363
B. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital	-	1,782,000,000
Increase / (Decrease) in Secured Loans	887,971,151	392,026,069
Increase / (Decrease) in Unsecured Loans	860,839,514	(228,099,729)
Share Application money received	930,000	-
Share Premium received by Joint Venture	-	9,613,503
Share Issue Expenses (IPO)		(127,732,728)
Interest Income	116,340,104	68,796,253
Interest Paid Including Capitalized to Qualifying Assets	(353,801,334)	(290,310,327)
Inter Corporate Deposit / advances to joint venture	(1,335,116,493)	(508,263,119)
Net Cash generated / (used) in financing activities	177,162,942	1,098,029,920



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
C. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(465,799,780)	(154,086,736)
Dividend Income	5,822,846	3,690,471
Proceeds on Disposal of fixed assets	168,338,492	52,337,820
Proceeds on Disposal of Securities/investments	250,907,236	41,088,544
Consideration paid on acquisition of Subsidiary	(394,062,542)	-
Dividend paid by Subsidiary	(233,211,470)	
Proceeds on Disposal of Subsidiary	168,684,912	
Long Term investments in securities	(85,205,072)	(676,260,078)
Share application money paid		(63,200,000)
Long term investments in fixed deposits with banks	(96,608,398)	(197,919,515)
Net Cash generated / (used) in investing activities	(681,133,775)	(994,349,494)
D. NET CASH INFLOW / (OUTFLOW) (A+B+C)	(85,490,515)	780,145,790
Cash and cash equivalents at the beginning of the period	1,046,895,039	262,853,839
Cash and Cash equivalents pursuant to addition in Subsidiary	(33,100,000)	
Cash and Cash equivalents pursuant to change of Subsidiary status to joint Ventures, Associate to joint venture and Joint Venture to Associate	14,452,749	(3,895,410)
Cash and cash equivalents at the end of the period	980,051,775	1,046,895,039
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(85,490,515)	780,145,790
Reconciliation of Cash and Bank Balances		
Cash And Bank Balances	1,124,485,925	490,388,366
Less: Balances with scheduled bank in deposit accounts	(294,527,913)	(197,919,515)
Add: Mutual Fund Investment	150,093,763	754,426,188
Cash and cash equivalents at the end of the period	980,051,775	1,046,895,039
The Company has undrawn borrowing facilities of Rs.	297,249,651	387,344,983

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

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

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011

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

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 1		
Share Capital		
Authorized		
100,000,000 (100,000,000) Equity Shares of Rs. 10/- Each	1,000,000,000	1,000,000,000
	1,000,000,000	1,000,000,000
Issued And Subscribed		
9,00,16,050 (9,00,16,050) Equity Shares of Rs. 10/- Each	900,160,500	900,160,500
	900,160,500	900,160,500
Out Of The Above:		
55,622,353 (55,622,353) Equity Shares of Rs.10/- each are allotted as Fully Paid-Up by way of Bonus Shares by Capitalizing Free Reserves of the Company.		
16,50,000 (16,50,000) Equity Shares of Rs.10/- each are allotted as Fully Paid-Up to Employees of the Company pursuant to the Employee Stock Option Scheme 2007.		
Schedule No. 2		
Reserves & Surplus		
Share Premium Account		
Balance at the Commencement	3,942,875,305	1,918,298,397
Add: Received during the year	-	2,152,309,637
Less: Change in status from Joint Venture to Associates	(9,174,756)	
Less: Share Issue Expenses	-	(127,732,728)
	3,933,700,549	3,942,875,305
General Reserve		
Balance at the Commencement	5,874,500	4,865,000
Add: Transferred from Profit and Loss Account	471,000	1,009,500
	6,345,500	5,874,500
Capital Reserve		
Balance at the Commencement	101,221,440	101,221,440
Add: Created during the year	27,233,611	-
	128,455,051	101,221,440
Employee Stock Options		
Employee Stock Options Outstanding	12,476,235	12,476,235
Less: Deferred Employee Compensation Outstanding	-	-
	12,476,235	12,476,235
Profit & Loss Account		
(As per Annexed Profit & Loss Account)		
Balance Brought Forward	1,648,421,514	1,116,574,219
Add: Change in Status from Joint Venture to Associates	2,551,099	
Less: Capitalization by way of Bonus Shares	-	-
	1,650,972,613	1,116,574,219
Add: Profit Transferred From Profit & Loss Account	542,713,857	531,847,292
	2,193,686,470	1,648,421,511
	6,274,663,805	5,710,868,991

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 3		
Secured Loans		
Term Loans		
a) From Banks	1,817,362,060	1,314,518,538
b) From Financial Institutions	31,238,272	167,159,594
Cash Credit From Banks	817,059,583	297,043,509
	2,665,659,915	**1,778,721,643**

1 (a) An amount of Rs. 169293618/- (Rs. 73345027/-) is secured by way of hypothecation of vehicles / assets financed by them.

(b) An amount of Rs. 1045142242/- (Rs. 939153650/-) is secured by way of equitable mortgage of specific properties belonging to the Company and other Companies (including a Wholly Owned Subsidiary), hypothecation of all moveable assets belonging to the Company and other Companies, specific receivables of other Company and exclusive charge on escrow account and Debt Service Reserve account and related investment thereof.

This includes an amount of Rs. 41843646/- (Rs. 615575613/-) which is personally guaranteed by the Managing Director and other Directors and individuals associated with the Company and Rs. 58583320/- (Rs. 189654999/-) where the Managing Director is liable as co-borrower.

(c) An amount of Rs. NIL/- (Rs. 302019864/-) is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other Companies, corporate guarantee of the other Company and personal guarantee of the Managing Director of the Company.

(d) An amount of Rs.603143830/- (Rs. NIL) is secured by way of subservient charge over the current assets of the Company and mortgage of specific properties belonging to other company.

2. The term loans are secured by equitable mortgage of specified properties, hypothecation of receivables arising out of the same, belonging to the Company and its one wholly owned subsidiary and personal guarantee of the Managing Director and one Director of such subsidiary.

3. Cash Credit from bank is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other Companies, pledge of fixed deposits with bank and corporate guarantee of the other Company and personal guarantee of the Managing Director of the Company.

Schedule No. 4		
Unsecured Loans		
a) Long Term		
Public Deposits	83,701,328	38,834,452
Security Deposits	23,695,842	21,106,149
From Companies	94,721,942	319,890,358
	202,119,112	379,830,959
b) Short Term		
From Banks	318,704,592	-
From Companies	633,761,354	9,619,268
	952,465,945	9,619,268
(Less) : Bills Discounted Accepted by Debtors	(116,708,411)	-
	835,757,534	9,619,268
	1,037,876,646	389,450,227



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

SCHEDULE NO. 5 FIXED ASSETS

Amount In Rupees

		GROSS BLOCK					DEPRECIATION					NET BLOCK	
No	PARTICULARS	OPENING	Adj	*ADDITION	DEDUCTION	CLOSING	OPENING	Adj *	ADDITION/ AMORTISATION	DEDUCTION	CLOSING	March 2011	March 2010
	(A) TANGIBLE ASSETS												
1	LEASEHOLD LAND	13,268,003	2,944,275	4,610,200	2,944,275	17,878,203	207,233	151,299	321,051	155,339	524,244	17,353,959	13,060,770
2	LAND	91,630,125	30,728,535	98,254,250	-	220,612,911	-	-	-	-	-	220,612,911	91,630,125
3	PREMISES	367,601,583	252,494,588	72,142,964	82,437,285	609,801,849	62,772,902	47,320,852	32,132,971	29,780,368	112,446,356	497,355,493	304,828,681
4	PLANT & MACHINERY	395,374,757	194,662,416	114,468,564	-	704,505,737	117,777,326	61,887,610	66,504,005	-	246,168,940	458,336,797	277,597,432
5	FURNITURE & FIXTURES	72,948,919	15,148,828	14,849,644	6,840,879	96,106,512	27,995,861	2,149,512	12,287,312	2,316,159	40,116,527	55,989,985	44,953,058
6	ELEC. FITTINGS	12,494,648	30,969,373	851,229	-	44,315,249	7,318,735	10,254,961	4,279,327	-	21,853,024	22,462,226	5,175,912
7	MOTOR VEHICLES	28,686,833	516,792	6,453,731	8,142,334	27,515,022	17,273,399	946,096	3,687,726	6,470,824	15,436,398	12,078,624	11,413,434
8	AIR-CONDITIONERS	5,558,636	(203,000)	941,821	-	6,297,456	2,748,109	(21,344)	461,976	-	3,188,741	3,108,715	2,810,527
9	OFFICE EQUIPMENT'S	44,074,331	20,588,729	20,873,669	41,500	85,495,230	26,778,869	9,347,077	11,118,935	25,878	47,219,003	38,276,227	17,295,463
10	OTHER CONSTR. ASSETS	1,884,121	-	-	-	1,884,121	651,553	-	171,450	-	823,003	1,061,118	1,232,568
11	OTHER ASSETS	749,144	(588,895)	3,892,023	-	4,052,272	550,492	(434,836)	705,772	-	821,428	3,230,844	198,652
	(B) INTANGIBLE ASSETS												
1	Goodwill on Consolidation	731,027,678	-	-	-	731,027,678	-		4,030,930	-	4,030,930	726,996,748	731,027,678
2	SOFTWARE	10,548,354	(420,875)	2,783,639	-	12,911,118	10,548,354	(429,170)	2,791,934	-	12,911,118	0	-
	Total	1,775,847,131	546,840,767	340,121,735	100,406,274	2,562,403,359	274,622,831	131,172,057	138,493,390	38,748,568	505,539,712	2,056,863,647	1,501,224,298
	Capital Work in Progress											196,528,926	269,103,638
	PREVIOUS YEAR	1,198,753,543	(138,953,709)	776,340,230	60,292,933	1,775,847,131	225,546,538	(19,170,887)	76,265,495	8,018,316	274,622,831	1,501,224,300	973,207,003

* Adjustment on account of change in Subsidiary and Joint Venture



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

Amount in Rupees

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

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
UNQUOTED: PARTLY PAID		
PBAP Realty Private Limited (Formerly known as Promo Builders Private Limited 100000 (100000) Equity Shares of Rs. 10/- Each Re. 1/- Paid Up	100,000	100,000
	100,000	100,000
Mutual Funds - Equity	1,500,000	-
Government and other Securities - Unquoted 7 Years National Savings Certificate	20,000	-
	1,520,000	-
Others		
Immovable Properties	-	74,908
Capital Investment In Partnership Concerns & Joint Ventures	147,499,508	180,258,513
	147,499,508	180,333,421
Investments - Current		
Trade Quoted	-	-
Unquoted		
Ascent Hotels Private Limited 6669492 (5294492) Equity Shares of Rs.10 /- Each Fully Paid	266,701,680	211,701,680
N.V. Projects Private Limited 1300000 (1300000) Equity Shares of Rs.10/- Each Fully Paid	32,350,000	32,350,000
N.V. Projects Private Limited 688426 (688426) Preference Shares of Rs.100/- Each Fully Paid	149,550,977	149,550,977
Sita Lakshmi Mills Limited 806000 (806000) Equity Shares of Rs.50/- Each Fully Paid	23,400,000	23,400,000
	472,002,657	417,002,657
Mutual Funds - Debt	180,263,835	754,426,188
Unutilized funds out of the proceeds of the IPO NIL (P.Y. Rs.75,20,28,259/-) (Refer Note III (2) (q) of Schedule 20)	180,263,835	754,426,188
	1,016,222,983	1,674,153,673

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

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 7		
Inventories		
Stock At Close:		
Materials/Tools/Stock for Resale/W.I.P/Finished Goods	848,461,197	408,004,851
Developments - Unfinished (Refer Note No III (2) (v) of Schedule 20)	2,061,216,176	2,820,737,244
House Keeping and Kitchen Material	1,716,142	1,142,021
	2,911,393,515	3,229,884,116
Schedule No. 8		
Debtors And Unbilled Revenues		
a) Debtors		
(Unsecured Considered Good, Unless Otherwise Stated)		
A) Outstanding For Period Exceeding Six Months		
Considered Good#	1,117,568,199	849,099,962
Considered Doubtful	73,974,137	66,073,258
	1,191,542,336	915,173,220
B) Others - Considered Good	2,427,729,128	549,565,865
	3,619,271,464	1,464,739,085
Add / (Less): Provision For Doubtful Debts (Refer Note III 2 (r) (a) of Schedule 20)	(73,974,137)	(66,073,258)
(Less): Related Unearned Receivables	(501,176,301)	(202,123,266)
(Less): Bills Discounted Accepted by Customers	(116,708,411)	-
(Less): Commitment Deposit Received	(427,292,785)	(434,757,785)
	(1,119,151,634)	(702,954,309)
b) Retention (Accrued but not due)		
Outstanding for period exceeding six months	216,272,164	187,605,185
Others	105,503,322	190,021,608
C) Unbilled Revenues (Refer Note III 1 (G) (a) of Schedule 20)	665,660,143	917,362,144
(Less): Related Advance Payment Received	(52,373,628)	(170,038,628)
	613,286,515	747,323,516
	3,435,181,832	1,886,735,085



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

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 9		
Cash And Bank Balances		
Cash On Hand	29,176,700	14,119,979
Balances With Scheduled Banks In Current Accounts*	800,781,313	278,348,872
Balances With Scheduled Banks In Deposit Accounts#	294,527,913	197,919,515
	1,124,485,926	490,388,366
*Includes Rs. Nil/- (Rs.167034730/-) unutilized monies out of the proceeds of the IPO. #Includes Rs. 218741231/- (Rs. 185725257/-) under banks lien for margin money deposits.		
Schedule No. 10		
Loans And Advances (Unsecured Considered Good Unless Otherwise Stated)		
Advances / Loans to Firms / AOP in which Company or Subsidiary is Partner / Member	83,868,698	20,283,510
Advance Against Development / Work / Purchases	146,693,904	492,223,527
Project Advances	1,387,464,862	1,165,421,703
Intercorporate Deposits	1,354,929,538	186,093,260
Prepaid Expenses	32,670,279	28,130,937
Deposits (Includes Rs. 22,50,000/- (Rs. 22,50,000/-) Doubtful Of Recovery)	110,324,319	158,842,838
Advance Income Tax (Net of Provision)	132,839,432	74,772,246
Other Recoverables and Receivables	479,247,787	733,619,720
	3,728,038,818	2,859,387,741
Add / (Less): Provision For Doubtful Loans and Advances	(2,250,000)	(2,250,000)
	3,725,788,819	2,857,137,741



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

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 11		
Current Liabilities		
Sundry Creditors	1,716,901,875	1,123,503,750
Customer Advances	794,917,443	1,188,772,208
(Less): Related Unbilled Contract Revenue	(52,373,628)	(170,038,628)
	742,543,815	1,018,733,580
Commitment and Other Deposits#	477,317,691	675,464,207
(Less): Related Debtors	(427,292,785)	(434,757,785)
	50,024,906	240,706,422
Advances / Loans from Firms / AOP in which Company or Subsidiary Is Partner / Member	1,064,089	121,590,288
Unearned Revenue	554,242,841	278,848,676
(Less): Related Debtors	(501,176,301)	(202,123,266)
	53,066,542	76,725,410
Overdraft Balance in Current Account with Scheduled Bank	1,426,781	8,318,521
Interest Accrued But Not Due	521,474	2,207,934
Share Application Money / Preference Share Capital	16,520,138	32,320,970
Other Liabilities	472,248,208	154,373,951
	3,054,317,828	2,778,480,826
Schedule No. 12		
Provisions		
For Taxation (Net of Advance Tax)	94,887,546	47,883,055
For Gratuity	13,486,162	3,705,604
For Compensated Absences	43,011,090	28,452,040
For Unapproved Sales (Refer Note III 2 (r) (b) of Schedule 20)	14,021,530	1,806,951
For Warranty	4,528,029	1,911,286
For Contingency (Refer Note III 2 (r) (d) of Schedule 20)	200,000,000	200,000,000
For Proposed Dividend	90,016,050	-
For Tax on Dividend	14,950,541	-
	474,900,948	283,758,936



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

Amount in Rupees

Particulars	March 31, 2011	March 31, 2010
Schedule No. 13		
Income From Operations		
Contract Revenue / Sales Revenue (Gross)		
Refer Note III (1) (G) of Schedule 20		
- Sale of Unit/Land	1,908,695,174	1,019,661,599
- Contract Revenue	7,480,265,211	6,612,838,558
- Trading Sales & Other Sales	203,346,447	6,254,516
- Manufacturing Sales	1,006,956,552	86,872,897
- Hotel Revenue	92,209,456	97,223,999
	-	-
Other Operating Income		-
- Rent / Compensation / Maintenance	51,739,013	79,598,300
- Share Of Profit / (Loss) from AOP / Firms	24,559,352	5,073,243
- Share of Profit / (Loss) from Associates	(8,262,736)	82,333,478
	10,759,508,469	7,989,856,591
Schedule No. 14		
Interest Earned		
Interest received on intercorporate deposits, from subsidiary and associate companies and others	100,496,518	48,413,043
	-	
Interest on income tax refund	328,600	9,888,970
Interest on bank fixed deposits	14,532,974	10,082,303
Other Interest	1,310,612	411,937
	116,668,704	68,796,253
Schedule No. 15		
Other Income		
Refer Note No III (2) (s) of Schedule 20		
Dividend Income from long term investments - other than trade	6,646	3,664
Dividend Income from current investments - other than trade	5,816,200	3,686,807
Profit On Sale Of Fixed Assets (Net)	106,680,786	63,203
Profit On Sale Of Investments/Subsidiary/Joint Venture (Net)		
Long Term - other than trade	64,637,158	26,570,247
Foreign Exchange Gain/(Loss)	53,367	22,581
Remission of Liability	-	33,596,710
Miscellaneous Income	1,468,555	2,210,196
	178,662,712	66,153,408

Amount in Rupees

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



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

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

SCHEDULE NO. 20

(I) NATURE OF OPERATIONS

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

(II) PRINCIPLE OF CONSOLIDATION

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

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

b) Others:

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

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

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

(iv) Investments other than its subsidiaries, joint ventures and associates have been accounted in accordance with AS - 13 on "Accounting for Investments" issued by the ICAI.

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

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

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

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

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

Name of the company	Relationship	Country of Incorporation	Shareholding As at 31st March, 2011
Marvel Housing Private Limited	Subsidiary	India	100.00%
Vascon Dwelling Private Limited	Subsidiary	India	100.00%
IT-Citl Infopark Private Limited	Subsidiary	India	100.00%
Greystone Premises Private Limited	Subsidiary	India	65.00%
Vascon Pricol Infrastructure Limited	Subsidiary	India	70.00%
Floriana Properties Private Limited	Subsidiary	India	100.00%
Windflower Properties Private Ltd	Subsidiary	India	100.00%
Caspia Hotel Private Limited	Subsidiary	India	70.00%
GMP Technical Solutions Private Ltd.	Subsidiary	India	90.00%
Just Homes (I) Private Limited	Joint Venture	India	50.00%
Marigold Premises Private Limited	Joint Venture	India	50.00%
Phoenix Ventures	Joint Venture	India	50.00%
Rose Premises Private Limited	Joint Venture	India	50.00%
Weikfield IT Citl Info Park	Joint Venture	India	Refer Note III 2 (I)
Zenith Ventures	Joint Venture	India	Refer Note III 2 (I)
Zircon Ventures	Joint Venture	India	Refer Note III 2 (I)
Almet Corporation Limited	Joint Venture	India	49.00%
John Fowler Opthalmics Private Limited	Joint Venture	India	49.00%
Marathawada Realtors Private Limited	Joint Venture	India	49.00%
Cosmos Premises Private Limited	Joint Venture	India	43.83%
Ajanta Enterprises	Joint Venture	India	50.00%
Viorica Properties Private Limited	Associates	India	27.90%
Angelica Properties Private Limited	Associates	India	26.00%
Mumbai Estate Private Limited	Associates	India	44.44%

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

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

(III) NOTES TO ACCOUNT

1 Statement of Significant Accounting Policy

A. Basis of Preparation of Financial Statement
The financial statements are prepared under historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory accounting standards issued by the ICAI and the provisions of the Companies Act, 1956, on accrual basis, as adopted consistently by the Group.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

C. Fixed Assets and Capital Work in Progress
Fixed assets are stated at cost of acquisition or construction, after reducing accumulated depreciation till the date of the Balance Sheet. The cost of an item of fixed asset comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price further adjusted by CENVAT credit and includes borrowing cost relating to any specific borrowing attributable to the acquisition of the fixed assets as per the provisions of AS - 16 "Borrowing Cost" issued by the ICAI. Assets under installation or under construction as at the Balance sheet date are shown as Capital work in progress. Advances paid towards acquisition of assets are also included under Capital work in progress.
Intangible assets are recognized only if it meets with all the criteria specified in AS - 26 "Intangible Assets" issued by the ICAI. In other cases such expenditure is written off during the period in which it is incurred.
Payment for leasehold land is amortized over the period of lease.

D. Impairment

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

E. Depreciation / Amortization

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

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

G. Recognition of Revenue / Cost
(a) Construction contracts

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

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

(b) Real estate development

(a) Completed Units

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

(b) Units Under Development

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

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

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

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

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

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

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

(f) Rental Income - Income from letting-out of property is accounted on accrual basis- as per the terms of agreement and the right to receive the rent is established.

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

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

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

H. Inventories

(a) Stock of Material, etc

Stock of materials, etc. has been valued at lower of cost or net realizable value. The Cost is determined on Weighted Average Method.

(b) Development work

The development work in progress represents progressive cost of work remaining incomplete/ unsold as at close of the year, valued at lower of cost or net realizable value on the basis of technical estimate certified by the Managing Director/Expert. Finished goods comprising of constructed units ready for sale are valued at lower of cost and net realizable value.

(c) Stock of Trading Goods

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

I. Retirement Benefits

Provision for Gratuity and Compensated Absences on retirement payable are made on actuarial basis. The Company has taken up a group policy with Life Insurance Corporation of India for future payment of gratuities to employees. Amount of premium and differential liability on account of excess of obligation over plan assets and actuarial loss for the period for the said Policy and Company's contribution for the year to P.F., Super Annuation Fund, etc. are charged to Revenue as and when incurred.

J. Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition/construction of qualifying assets, if any, are capitalized up to the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account. Advances/deposits given to the vendors under the contractual arrangement for acquisition of qualifying assets is considered for the purpose of capitalization of borrowing cost.

K. Leases

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

L. Contingent Liabilities and Assets

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

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

M. Taxes on Income

Taxes on Income are accounted in accordance with AS - 22 "Taxes on Income". Taxes on Income comprise both current tax and deferred tax.

Provision for current tax for the year is determined considering the disallowance, exemptions and deductions and/or liabilities / credits and set off available as laid down by the tax law and interpreted by various authorities. Deferred tax being the tax effect of timing difference representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). This is measured using substantively enacted tax rate and tax regulation.

N. Amortization

Expenses relating to increase in capital other than those related to public issue of shares, if any, are being written off in the year the same are incurred. In respect of the expenses relating to proposed public issue of shares is appropriated from Share Premium Account.

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

O. Segment Reporting

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

P. Foreign currency transaction

(a) Initial Recognition

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

(b) Conversion

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

(c) Exchange Difference

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

Q. Earnings Per Share

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

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

R. Employee Stock Option Scheme

Stock options granted to the employees under the stock options scheme are accounted as per the accounting treatment prescribed by Institute of Chartered Accountants of India. Accordingly, the excess of fair value over the exercise price of the options is recognized as deferred employee compensation and is charged to the profit and loss account on straight line basis over the vesting period of the options. The amortized portion of the cost is shown under reserves and surplus.

S. Provisions

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

T. Cash and Cash equivalents

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

2 OTHER NOTES

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

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

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

(c) Other Contingent liabilities:

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

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

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

Uncalled Liability on Partly Paid Up

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

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

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

As per the arrangement with a customer, the assets provided by it for the relevant contract will be acquired by the Company at 50% of the cost at the end of the project. The estimated amount of such commitment at the year end is Rs.3,71,02920/- (Rs. 3,71,02920/-).

(e) Particulars of Construction Contract

Particulars	2010-11 Rs.	2009 -10 Rs.
Contract Revenue Recognized	6,934,920,537	6,138,227,392
Contract Expenses Recognized	5,709,882,123	5,064,462,612
Recognized Profit	1,225,038,414	1,073,764,780
Contract Cost Incurred	5,709,882,123	5,064,462,612
Progress Billing	6,293,866,690	5,220,865,248
Unbilled Contract Revenue	641,053,847	917,362,144
Unearned Revenue	507,896,562	278,848,676
Advances from Customers	202,417,344	570,930,986
Contract Cost Incurred & Recognized Profit	6,934,920,537	6,138,227,392
Gross Amount Due from Customer	2,280,820,493	1,069,289,308
Retention	321,775,486	377,626,793

(f) Loans advances and Sundry Debtors

Particulars	2010-11 Rs.	2009 -10 Rs.
(a) Loans and Advances include an amount due from Pvt. Ltd Companies where Directors are interested as director/ member	-	-
(b) Sundry Debtors include an amount due from Pvt. Ltd Companies where Directors are interested as director/membr	-	23,956,366

(g) Earning per share

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

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

(I) Loans and advances includes an amount of Rs. 101,90,15,859/- (Rs. 70,46,02,284/-) paid as advances / deposits to the vendors for acquiring land/development rights for various projects under Single Joint Venture agreements. As per such Agreements the Group has to work out the consideration for acquisition of land/ development rights on the basis of sale proceeds at the time of receipts of the such proceeds of the developed area, in other words, no amount is payable if there is no sale. There is no event of any loss by the Group or by the vendor since as such the liability is not presently quantifiable.

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

(k) The profit for the yearended includes net income/(expense) of Rs. 22,00,489/- Previous year (Rs. 1,02,32,965/-) in respect of prior years.

(l) The Consolidated Financial Statements includes share of assets and liabilities of Zircon Ventures, Weikfield 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 for consolidation based on the specific allocation of such assets and liabilities which relate to the Company as per the arrangement with the Joint Venture Partners.

(m) During the year company has sold its stake in Calypso Premises Private Limited, one of the subsidiary and accordingly it ceases to be subsidiary w.e.f close of business on 29.09.2010. The effect of disposal of subsidiary on the financial position at the reporting date, the result for the reporting period and on the corresponding amounts for the preceding period is as follow.

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

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

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

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

(o) Leases

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

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

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

Future minimum lease payment under non-cancellable operating leases:

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

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

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

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

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

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

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

Represented By:
(a) Investment in Mutual Fund - Debt -

(b) Amount utilized towards temporary reduction of Cash Credit - c) Balance lying current account with scheduled banks - -

(r) Disclosure Relating to Provisions

(a) Provision for Doubtful Debts

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

(b) Provision for Unapproved Sales

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

(c) Provision for Warranty

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

Amount in Rupees

d) Provision for Contingency

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

(s) The Other income includes a sum of Rs. 4,22,31,785/- (Rs Nil/-) towards profits on sale of shares in a subsidiary/associate engaged in the business of real estate development/ Construction and a sum of Rs. 10,15,41,831/- (Rs Nil/-) towards profit on sale of fixed assets of the Company being building constructed for the purpose of sale in ordinary course of business but operated as a resort during intervening period. Considering the nature of the said transactions, such profits represents sale of underlying developments and accordingly in substance it is normal business operating profits of the Company.

(t) The Company has provided share based payment schemesto its employee. During the year ended 31st March 2011, the "ESOS - 2007" scheme was in operation. 3,33,500 options were outstanding at the beginning and half year end. No options were granted or exercised during the period ended.

(u) As per the terms of an agreement with a land vendor, an additional amount equivalent to 40% of sale proceeds will required to be paid in the event the FSI availed is in excess of 580000 Sq ft. Since such event has not occurred till the date of balance sheet, no provision is required for this additional cost.

(v) Stock of Development includes cost amounting to Rs. NIL/- (Rs. 853960/-) in respect of units which are charged to a lender for financing the cost paid to the Company by the individual buyers as advance against booking of Units.

(w) Share of Joint Venture in Consolidated Financial statement are as under.
Profit and Loss Account Items For The Year Ended March 31st, 2011

Particulars	2010-11	2009-10
INCOME		
Income From Operation	1,122,557,045	632,861,922
Interest Earn	9,277,614	18,267,502
Other Income	1,608,239	36,358,327
EXPENSES		
Cost of Sales	940,483,720	424,444,992
Personnel Expenses	19,482,174	15,721,649
Operating & Other Expenses	92,113,239	52,122,235
Financial Expenses	14,967,621	27,145,207
Depreciation / Amortisation	20,700,836	14,841,342
Provision For Taxation		
Current	24,007,747	45,971,606
Fringe Benefit Tax	-	-
Deferred tax expenses / (gain)	(745,346)	269,280
Excess/(Short) Provision W/Back / (Off)	(1,290)	(1,779,491)
Appropriation Dividend on Preference Shares	-	500,000
Dividend Tax	207,610	84,975
Transfer to General Reserve	678,610	1,009,500



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET

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

Balance Sheet Items As At March 31st 2011

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

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

(y) The financial statements of subsidiaries, joint ventures and associates used in the consolidation are drawn up to the same reporting dates as of the company i.e year ended March 31,2011.
The accounts of Angelica Premises Private Limited, Mumbai Estate Private Limited, associates of the company have not been audited for the year ended March 31, 2011 as of balance sheet date and have been consolidated on the basis of the accounts as certified by the management.
The accounts of Cosmos Premises Private Limited & Ajanta Enterprise, joint venture of company have not been audited for the year ended March 31, 2011 as of balance sheet date and have been consolidated on the basis of the accounts as certified by the management.

(z) Managerial Remuneration

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

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

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

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

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

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

FOR VASCON ENGINEERS LIMITED

R. Vasudevan
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. Krishnamurthi
COMPANY SECRETARY AND COMPLIANCE OFFICER

D. Santhanam
CHIEF FINANCIAL OFFICER

Place: Pune, Dated: May 14, 2011

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

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

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



SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars	2010-11	2009-10
Sales		
Joint Venture	45,095,014	187,615,081
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	56,966,829	231,705,019
Establishment where KMP and their relatives exercise significant influence	-	5,500,000
Purchases & Labour Charges		
Joint Venture	194,421	-
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Rendering Of Services		
Joint Venture	-	-
Key Management Personnel	25,357,600	33,000,000
Relatives of KMP	950,000	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	25,230,588	18,662,789
Rental/Hire Charges Paid		
Joint Venture	-	-
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Rent/Dividend Income		
Joint Venture	625,000	250,000
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	12,767	68,185
Establishment where KMP and their relatives exercise significant influence	-	-
Purchase of Fixed Assets		
Joint Venture	-	-
Key Management Personnel	-	-
Relatives of KMP		
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Sale of Fixed Assets		
Joint Venture	-	-
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Interest Paid		
Joint Venture	-	912,057
Key Management Personnel	-	3,576,758
Relatives of KMP	-	1,044,644
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	2,456,493
Interest Income		
Joint Venture	18,652,404	10,104,689
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Amounts Written Off		
Joint Venture	-	280,850
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Finance Provided (including loans and equity contributions in cash or in kind)		
Joint Venture	95,380,228	49,868,328
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	688,977,956	18,288,890
Establishment where KMP and their relatives exercise significant influence	-	-
Finance Availed (including loans and equity contributions in cash or in kind)		
Joint Venture	-	29,603,400
Key Management Personnel	-	1,000,000
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Balances as on 31.03.2011 and 2010		
Amount Due To Company		
Joint Venture	290,106,935	279,958,999
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	879,523,511	285,083,310
Establishment where KMP and their relatives exercise significant influence	50,528,337	5,441,650
Amount Due From Company		
Joint Venture	-	29,351
Key Management Personnel	13,180,295	14,505,738
Relatives of KMP	400,000	-
Associates	33,600,000	208,300,000
Establishment where KMP and their relatives exercise significant influence	7,637,135	4,886,436



SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

Particulars		March 31, 2011		March 31, 2010	
Sr. No	Nature of Transactions/Relationships/ Major Parties	Party Details	Gross Total	Party Details	Gross Total
1	Sales and Work				
i)	Joint Ventures		45,095,014		187,615,081
	Marigold Premises Private Limited	57,406		266,411	
	Phoenix Ventures	34,368,092		1,149,711	
	Viorica Properties Private Limited	9,222,039		21,501,391	
	Weikfeilds ITCITI Info Park	-		164,697,568	
	Ajanta Enterprises	50,538		-	
	Almet Corpotation Limited	1,396,939		-	
ii)	Associates		56,966,829		231,705,019
	Angelica PropertiersPrivate. Limited.	56,966,829		171,705,019	
	Vascon Infrastructure Limited	-		60,000,000	
iii)	Enterprises		-		5,500,000
	Flora Premises Private Limited	-		5,500,000	
2	Interest Income				
i)	Joint Ventures		18,652,404		10,104,689
	Almet Corporation Limited	171,551		171,551	
	Phoenix Ventures	4,485,983		-	
	John Fowler Opthalmics Private Limited	209,458		143,438	
	Marathawada Realtors Private Limited	296,763		255,893	
	Viorica Properties Private Limited	4,724,956		-	
	Rose Premises Private Limited	8,039,756		7,637,703	
	Ajanta Enterprises	723,937		1,896,105	
3	Dividend Income				
i)	Joint Venture		625,000		250,000
	Marigold Premises Private Limited	625,000		250,000	
ii)	Associates		12,767		68,185
	Angelica Properties Private Limited	12,767		68,185	
4	Interest Expense				
i)	Key management Personnel		-		3,576,758
	Mr R Vasudevan	-		3,576,758	
ii)	Joint Ventures		-		912,057
	Viorica Properties Private Limited	-		912,057	
iii)	Relatives of Key Management Personnel		-		1,044,644
	Mrs. Lalitha Vasudevan	-		1,023,479	
	Mrs. Thangam Moorthy	-		21,165	
iv)	Enterprise		-		2,456,493
	Vatsalya Enterprises Private Limited	-		2,115,321	
	Bellflower Premises Private Limited	-		341,172	



SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

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



SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

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



SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES

FOR THE YEAR ENDED MARCH 31, 2011

Amount in Rupees

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

Dear Shareholder

RE: Green Initiative in Corporate Governance: Go Paperless

Government of India, Ministry of Corporate Affairs **("Ministry")** has initiated a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In terms of the recent Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 issued by the Ministry, Companies can now send notices / documents (including but not limited to notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc.) through electronic mode to its Members, whose e-mail addresses are registered with the Company or with the concerned Depository which shall be deemed to be in compliance of the provisions of the Section 53 of the Companies Act, 1956, read with applicable provisions of Information Technology Act, 2000.

You would agree, it is a welcome move for the society at large as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment. This step will also help in speedy communication of the documents and also evade loss in postal transit. We are sure that you would appreciate the "Green Initiative" taken by the Ministry and hereby solicit your patronage and support in helping the Company to implement the e-governance initiatives of the Ministry.

Considering the below mentioned advantages of registration for e-communication, this is also a golden opportunity for every Member of **VASCON ENGINEERS LIMITED (the Company)** to contribute towards Corporate Social Responsibility initiative provided you all register your e-mail id with the Company or the concerned Depository Participant to receive above-mentioned notices / documents through electronic mode. You are not required to re-register unless there is a change in your e-mail address.

ADVANTAGES OF REGISTERING FOR E-COMMUNICATION:

- Contribute towards Corporate Social Responsibility
- Save costs on paper and on postage
- Receive communication promptly
- Reduce paper consumption and save trees
- Eliminate wastage of paper
- Avoid loss of document in postal transit

We find that either your e-mail id is not registered with the Depository Participant or you are holding shares in Physical form. We intend to send through electronic mode notices / correspondences, etc. of the Company henceforth. All you have to do is to register your e-mail id with the concerned Depository Participant or send the attached form duly filled to the Company's Registrar and Transfer Agent i.e. Karvy Computershare Private Limited (Transfer Agent), Plot No. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad 500 081.

Please note that the documents sent by electronic means will also be available on the website of the Company at the below mentioned link in due course: www.vascon.com and the physical copies of these documents will be available at our Registered Office at Mumbai for inspection during office hours.

We therefore request you to contribute to the cause by updating your e-mail id with the concerned Depository Participant or sending the attached form duly filled to the Transfer Agent in the enclosed business reply envelope. You can also download the form from our website at the below mentioned link: www.vascon.com.

Kindly note that if you still wish to get a physical copy of all the communications, the Company undertakes to provide the same without any cost to you upon receipt of a requisition from you, any time. If you wish to continue to receive the above-mentioned notices / documents in physical form, you are requested to confirm the same.

Let's be part of this 'Green Initiative'.

Best regards,
For Vascon Engineers Limited

M. Krishnamurthi
Company Secretary & Compliance Officer

E-COMMUNICATION REGISTRATION FORM

(In terms of Circular No. 17/2011 dated 21st April 2011 issued by the Ministry of Corporate Affairs)

Folio No. / DP ID & Client ID _____

Name of First Registered Holder _____

Name of Joint Holder(s) _____

_____

Registered Address _____

_____

E-mail Id (to be registered) _____

I/ We shareholder (s) of Vascon Engineers Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail id in your records.

Date: ……

Signature: …….

(First Holder)

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

WINDERMERE, PUNE



Artistic impression

Cautionary Statement:

Statement made in this Annual Report describing the Company's objectives, projections, estimates, expectations may be "Forward looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand, supply and price conditions in the domestic & overseas markets in which the Company operates, changes in government regulations, tax laws & other statements & other incidental factors.



VASCON®
Development with Conscience

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