

TOGETHER

Every success story of Vijayshanthi has been written together with the support, trust and faith of its shareholders and customers. Vijayshanthi humbly acknowledges and thanks its loving partners, shareholders and customers for being there and making it possible. Vijayshanthi with its motto of delivering constant quality and standards to its customers has brought about a revolution in the real estate business. It has redefined success and delivered not just quality homes but trust and consistent service to all its clients. Its name sounds a ring of sincerity and dedication to all the people associated with it and benefitted by it. Be it high standards of construction, quality or lifestyle, Vijayshanthi has always been a leader in the market and a pioneer in the real estate scenario, setting bench marks and being a point of inspiration to others.



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sales@vijayshanthibuilders.com www.vijayshanthibuilders.com





FOUNDER - V.C.JAIN

Vision:

Home for One and all – Changing lifestyle for a better living.

Mission:

We at Vijay Shanthi strive to enhance the quality of life of our customers by providing each of our customer their dream home with clear title, timely delivery and without cost escalations that is affordable by all. Vijay Shanthi has always been a leader in the market and we strive to continue to be the leaders and a pioneer in the real estate scenario, setting benchmarks and being a point of inspiration to others.

VIJAY SHANTHI BUILDERS LIMITED

Registered office:	Vijay Complex No: 3, Blackers Road Mount Road Chennai 600 002
Board of Directors	Chandan Parmar - Chairman Suresh Kumar - Managing Director Chandan Kumar - Joint Managing Director Bajranglal Eriwal - Director Nitin Kumar - Director Siva Subramaniam - Director
Company Secretary	Kamakshi Krishnan
Bankers	The South Indian Bank Ltd Chennai 600 002
Statutory Auditors	M/s. Ramaratnam & co., Chartered Accountants New No:26, Old No:115 4th Street, Abiramapuram Chennai 600 018
Internal Auditors	M/s. J Sathyaraman & Co. Chartered Accountants 1/16, North Mada Street, Srinagar Colony, Saidapet, Chennai 600 015
Legal Advisors	Mr.Sathish Parasaran, Advocate 13, 18th Street Dr.Radhakrishnan Road Mylapore Chennai- 600 004 Mr. Aravind Pandian, Advocate 115, Luz Church Road Mylapore Chennai- 600 004

NAME AND ADDRESS OF STOCK EXCHANGES

National Stock Exchange Limited	Exchange Plaza Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001
Scrip Code:	523724
Madras Stock Exchange Limited	Exchange Building Post Box No.183, 11 Second Line Beach, Chennai - 600 001
Registrar and Transfer Agent	M/s. Cameo Corporate Services Limited No:2, Subramaniam Building, Club House Road, Chennai - 600 002
Depositories	National Securities Depository Limited Central Depository Services (India) Limited ISIN:INE806F01011

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held at "Vani Mahal" No.103 G.N.Chetty Road, T.Nagar, Chennai 600 017 on Monday the 27th September 2010 at 10.30 AM to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet as on 31st March 2010 and Profit and Loss Account for the year ended on that date together with the report of the Auditors thereon and the report of the Board of Directors.
2. To declare a Dividend.
3. To elect Directors:
 - A) To appoint a Director in the place of Shri.Chandan Parmar, who retires by rotation and being eligible, offers himself for re-appointment.
 - B) To appoint a Director in the place of Shri. Suresh Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT M/S.V.RAMARATNAM & CO., Chartered Accountants, Chennai, firm registration number 002956S the retiring Statutory Auditors, be and are hereby re-appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on a remuneration to be fixed by the Board of Directors of the company.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act, consent of the company be and is hereby given for the re-appointment of Shri.CHANDAN KUMAR as Joint Managing Director for a period of 3 years commencing retrospectively from 1st January 2010 and payment of remuneration as mentioned below:

- Salary- Rs. 3,00,000/- per month (effective from 1.1.2010)
- Perquisites
 - A) Contribution to Provident Fund as per company rules to a percentage of 12% of salary as may be amended by Central Government from time to time in this regard.
 - B) Contribution towards Gratuity Fund as per Company Rules.

FURTHER RESOLVED that in the event of the company having no profits or inadequate profits, the company will pay remuneration subject to compliance of Schedule XIII of Companies Act 1956.



NOTICE TO SHAREHOLDERS

Place: Chennai
Dated: 29.05.2010

By order of the Board
Sd/-
CHANDAN PARMAR
CHAIRMAN

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company, not later than 48 hours before the meeting.
2. Profile of Directors seeking re-appointment, under Item No.3 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 21st August 2010 to Wednesday, the 25th August 2010 (inclusive of both the days), as already intimated.
4. Members are requested to notify immediately any change in their address to the Company.
5. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting, members are, therefore, requested to bring their copies of the "Annual Report" to the meeting.
6. Members/Proxies are requested to affix their signature on the Attendance / Admission slip provided in the 'Annual Report' and hand over the same at the venue of the meeting. Only members / proxies (whose proxy forms have already reached the company) with the 'Attendance slip' will be admitted.
7. A dividend upon declaration will be paid to those share holders whose name stand in the Register of Members as on 25.08.2010 in case of physical shares. In respect shares held in electronic mode the dividend will be paid on the basis of the beneficial ownership as per details to be received from NSDL / CDSL at the end of business hours on 20.08.2010.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

PROFILE OF DIRECTORS SEEKING RE- APPOINTMENT

ITEM NO 3 OF THE AGENDA

Resolutions have been proposed for re-appointment of Shri. Chandan Parmar and Shri. Suresh Kumar. Both Shri. Chandan Parmar and Shri. Suresh Kumar are the directors of the company and are liable to retire by rotation.

As per Clause 49 of the listing agreement with stock exchanges, a brief resume of directors who are proposed to be re-appointed at this meeting is given below.

Shri. Chandan Parmar

Born on 10.05.1953 Shri.Chandan Parmar, a Chartered Accountant has more than 30 years of rich business and professional experience. He is a Chairman and member of audit committee and share holder/ investor grievance committee. He is the Director of the Company since 06.06.2003. He is holding 24346 no. of Equity shares. He also holds directorship / membership in other Companies as below.

NOTICE TO SHAREHOLDERS

Directorship in other Companies	Position held	Committee / Membership
Darshan Housing and Infrastructure Limited	Director	NIL
Gateway Chemists Pvt.Ltd.	Director	NIL
Rivergate Resort India Ltd.	Director	NIL
Datsoft Application Software (India) Ltd.	Director	NIL
Alaknanda Fintrade Pvt. Ltd.	Director	NIL

Shri. Suresh Kumar

Born on 01.06.1963 Shri.Suresh Kumar is the Managing Director of the Company since 06.03.2003. Shri Suresh Kumar 47 years old is a graduate, with more than 23 years of experience in property development. Under his able and dynamic leadership the Company has successfully completed and in the process of execution of 175 projects involving constructed area of 30 Lakhs sq.ft. The Company has also bagged the prestigious "ACCOLADES OF EXCELLENCE" India's Best Residential Project award for their Unique project "PATIO" from CNBC & CRISIL. He holds 503450 no. of Equity shares in the Company. He also holds directorship/membership in other Companies as below.

Directorship in other Companies	Position held	Committee / Membership
Darshan Housing and Infrastructure Limited	Director	NIL
Vijay Shanthi Milestone Developers Private Limited	Director	NIL
High End Homes Private Limited	Director	NIL

ITEM NO 5 OF AGENDA

Shri.Chandan Kumar, Joint Managing Director was appointed in the AGM held on 27th September 2007 for a period of three years commencing from 01.01.2007 and the term of appointment expired on 31.12.2009. Upon the completion of term of appointment, the Board in their meeting held on 30.01.2010 re appointed him at the existing salary of Rs.3,00,000 per month along with other perquisites, more detailed in the resolution, for a period of 3 years commencing from 01.01.2010.

Shri.Chandan Kumar aged 45 years, is a graduate with vast experience in construction industry. Managing a work force in excess of 1000 people, placing the company among the top three building promoters in southern India, Mr. Chandan Kumar plays a leading role in the development and management of each and every project, besides managing the finances of Vijay Shanthi Builders Limited. He has the experience and the charisma to undertake any traditional or contemporary project by managing with dexterity, irrespective of the procurement methods clients may require for their homes.

Now the re appointment made under section 269 of the Companies Act 1956, requires approval of the shareholders. Hence a resolution has been proposed as item no.5 of the agenda seeking members approval of re-appointment in the terms mentioned in the said resolution. The terms as set out in the resolution may be treated as an abstract of terms under section 302 of the Companies Act 1956.

Shri.Chandan Kumar is interested in the resolution, as the proposed appointee and Shri. Suresh Kumar, Managing Director is also interested in the resolution being his relative.

No other director is concerned or interested in the resolution. The Board of Directors recommend the above as a special resolution approval.

Place: Chennai
Dated: 29.05.2010

By order of the Board
Sd/-
CHANDAN PARMAR
CHAIRMAN

NOTICE TO SHAREHOLDERS

STATEMENT REGARDING THE RE-APPOINTMENT OF MANAGERIAL PERSONNEL PROPOSED TO BE APPOINTED AS PER THE SPECIAL BUSINESS CONTAINED IN THE NOTICE GENERAL INFORMATION

Nature of Industry	Major exposure into residential construction with minor exposure in mineral water.		
Date of Commencement of commercial Production	Not applicable being a construction company. Commercial production of mineral water - Since 1995		
Financial Performance (in Rs.)	Year	PAT(Rs.Lakhs)	EPS(Rs.)
	2007-08	1394.79	11.56
	2008-09	265.38	2.09
	2009-10	265.78	2.09
Export Performance and net Foreign Exchange Collaborations	Nil		
Foreign Investments Collaborators	Nil		
Information on the Appointee and background details	Shri.ChandanKumar, Joint Managing Director (since 1.1.2004)		
Past Remuneration	Shri.Chandan Kumar was drawing Rs.3,00,000 per month.		
Recognition or Awards	During his tenure as Joint Managing Director the Company bagged the following awards: "ACCOLADES OF EXCELLENCE" India's Best Residential Project award for their Unique project "PATIO" from CNBC & CRISIL		
Job Profile and Suitability	Shri. Chandan Kumar is 45 years old, a graduate and has 21 years of experience with the industry. He is a promoter of the company and is fully acquainted with operations of the company, he is in charge of the day to day operations of the company including conceptualizing of the flat promotion, negotiation with various agencies involved, quality control, marketing and ultimate product delivery and ensuring customer satisfaction.		

NOTICE TO SHAREHOLDERS

Remuneration Proposed	Rs.3,00,000 per month and perquisites.
Comparative Remuneration Profile	Compared with the remuneration payable in the similar industry and on going projects on hand and to ensure just and proper discharge of the duties, obligations and responsibilities by the appointees, the remuneration proposed is not high as compared with the industry remuneration.
Pecuniary Relationships Directly or Indirectly with the company or managerial personnel	Shri. Chandan Kumar is a promoter and is related to Shri. Suresh Kumar, Managing Director as brother
OTHER INFORMATION	
Reasons for inadequate Profits	With economy just recovering from recession the home buyers have not fully come back into the market and it is expected that with overall stability of the economy and home loan interest rates, the recovery for the property development market will take some time.
Steps taken or proposed to be taken for improvement	The Company which has positioned itself as a premium residential project developers has now repositioned itself by entering into affordable housing segment. The Company strongly believes that this segment shall provide robust volume growth for the Company, thereby contributing for its top line and bottomline.
Expected increase in productivity and profits in measurable terms	The directors' report details the on going projects. The Board expects the company to post increased profits in future years.

Place: Chennai
Dated: 29.05.2010

By order of the Board
Sd/-
CHANDAN PARMAR
CHAIRMAN

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 19th Annual Report together with the audited accounts of your Company for the year ended March 31, 2010.

FINANCIAL RESULTS	YEAR ENDED	YEAR ENDED
	31.03.2010	31.03.2009
	Rs. In Lakhs	Rs. In Lakhs
Income from sales/Other operation		
Sales	6766.86	5062.96
Other Income	50.71	126.62
Total Expenditure	6410.34	4761.77
Gross Profit (Before Int. Depn. & Tax)	407.23	427.81
Financial Overheads	34.68	9.45
Depreciation	47.51	43.65
Profit Before Tax	325.04	374.69
Provision for Tax	57.51	44.07
Profit After Current Tax	267.52	330.62
Less: Deferred Tax	1.75	65.24
Net Profit	265.78	265.38
Add: Surplus From Previous Year	2428.84	2282.86
Profit available for Appropriation	2694.61	2548.25
Less: General Reserve	60.00	60.00
Proposed Dividend	50.77	50.77
Dividend tax	8.43	8.63
Balance Carried Forward	2575.41	2428.84
Earning Per Share Basic (Rs.)	2.09	2.09



DIRECTORS' REPORT

Dividend

To strengthen the long term prospects and ensuring sustainable growth in assets and revenue, it is important for your Company to evaluate various opportunities in which your Company operates. Your Company currently has several projects under implementation and continues to explore newer opportunities. Your Board of Directors considers this to be strategic interest of the Company and believe that this will greatly enhance the long term Shareholders' value. In order to fund these projects of development, expansion and implementation stages, conservation of funds is of vital importance. At the same time considering the investor interest also and to balance both the factors, your Directors have carefully considered and recommended Re.0.40 per equity share as dividend for the financial year 2009 - 10

Merger

The Company has filed an application with the Honourable High Court of Judicature Madras seeking approval for merger of High End Homes Private Limited a closely held Company of the promoters with the Company. The High End Homes Private Limited the transferor Company owns substantial land banks and hence the Board is of the opinion that the proposed merger shall bring into possession much required land assets to the Company for its future projects and would benefit the shareholders as a whole.

Business growth and outlook

The financial year 2009-10 saw the recessionary impact of the earlier year slowly receding. Although American and European economy had not fully recovered and bad news regarding sovereign defaults continuing to pour in, the Indian economy appeared to march ahead with the Central Government confident of meeting the projected 8-9% GDP growth.

The employment market in India having more or less stabilized, the general demand in the economy continued to start gaining from all the sectors including the property development market. The leading commercial banks also took steps to provide positive impetus by announcing concessional rate of interest for initial period of home loans. These factors have helped the customers to come back to the property development market so as to achieve the aim of buying a dream home.

A Company to be strong and stable has to understand the dynamics of economy, continuously evaluate its strategy and should swiftly rework its business plans so as to survive any crisis.

Your Board of Directors fully understood the situation and accordingly re worked the Company's growth path.

The Company which has positioned itself as a premium residential project developers has now repositioned itself by entering into affordable housing segment. The Company strongly believes that this segment shall provide robust volume growth for the Company, thereby contributing for its top line and bottom line.

DIRECTORS' REPORT

Ongoing and future projects

Project	Location	Total saleable area (In Sq.Feet)
Terracotta	Gandhi Nagar	22206
Glo	Besant Nagar II	10200
Waterlilly	Thoraipakkam	4198
Faber hills	Salem	195000
Lotuspond	Thaiyur	1154824
Infinity	Poonamallee	410188
Fountain Square	Ayanavaram	30274
Solitaire	Perungudi	30088
Park Avenue	Kelambakkam	520000
Pebble	Kothari Road	65683
Raj Vilas	Besant Nagar	85000

The Company has completed 20% of these projects and the final execution of few projects are expected to be completed on or before September 2011 and some of the projects by March 2011.

Directors

The Board proposes re appointment of Shri. Chandan Parmar and Shri. Suresh Kumar, who retire by rotation and are eligible for re appointment.

Directors' responsibility statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

1. That in preparation of the annual accounts for the year ended March 31, 2010, the applicable Accounting Standards have been followed and proper explanations were provided for material departures, if any.
2. That 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 as at the end of the financial year and of the profit of the Company for the year.
3. That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the accounts for the financial year ended March 31, 2010, on a going concern basis.



DIRECTORS' REPORT

Corporate Governance

Your company is committed to transparency in all its dealings and places emphasis on adherence to business ethics. Your company has been following good corporate governance procedures and is in constant effort of upgrading its Corporate Governance regime. A report on Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

Awards and Recognitions

- Your Company has been conferred with the prestigious “ACCOLADES OF EXCELLENCE” India's Best Residential Project award for their Unique project “PATIO” from CNBC & CRISIL. A rare Honour reserved for a select few in the real estate industry.
- Prop Equity has ranked Vijay Shanthi Builders Limited as NUMBER ONE among the top 10 developers based on residential launches 2008-09.
- Prop Equity has ranked Vijay Shanthi Builders Limited as NUMBER SIX among the top 10 developers based on residential absorption 2008-09.

Management Discussion and Analysis Report (MDA)

The Management Discussion and Analysis Report, forming part of this report, as required under clause 49(IV)(F) of the Listing Agreement with the stock exchanges is attached separately in this Annual Report.

Auditors and Auditors' Report

M/s. Ramaratnam & Co, Chartered Accountants, statutory auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company and have expressed their willingness for appointment as statutory auditors and confirmed that their appointment if made, will be within the prescribed limits under section 224(1B) of the Companies Act, 1956.

The Notes on Accounts forming a part of the financial statements are self explanatory and need no further explanation.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are set out in Annexure “A” included in this report

DIRECTORS' REPORT

The statement of particulars of employees as required under Sec 217(2A) of the Companies Act, 1956

The statement of particulars of employees as required under Sec 217(2A) of the Companies Act, 1956 are set out in Annexure “B” included in this report.

Fixed Deposits

During the year under review, the Company has not accepted any deposits from the public.

Acknowledgments

Your Directors wish to place on record their appreciation and immense gratitude for the timely assistance received from the Bankers and Financial Institutions, more particularly, The South Indian Bank Limited, State Bank of India, ICICI, Kotak Mahindra Prime Limited, HDFC Bank, Life Insurance Corporation (LIC), and IDBI.

We are deeply obliged with the Government Agencies for the help and guidance received time and again from them, we are grateful to them for their constant support.

Your Directors also wish to place on record their appreciation for the excellent contribution made by the employees of your company at all levels during the year under review. The team effort is really commendable. The same level of dedication, zeal and enthusiasm by the employees of your company is expected during the coming years, to achieve new horizons.

Place: Chennai
Dated: 29.05.2010

By order of the Board
Sd/-
CHANDAN PARMAR
CHAIRMAN

DIRECTORS' REPORT

Annexure "A" to the Directors' Report

Information pursuant to section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, and forming part of Director's Report for the year ended March 31, 2010.

Conservation of energy and technology absorption:

The company is continuously taking measures to conserve energy in its mineral water plant. The company has been engaging itself in power saving techniques.

The provisions of Section 217 (1) (e) of the Companies Act, 1956 relating to the technology absorption is not applicable to the Company.

Foreign exchange earnings and outgo in foreign exchange during the period:

There are no foreign exchange outgo during the years

The foreign exchange earnings during the year is as follows:

Particulars	Amount(Rs.)
Flat collection received	28,77,871.5

Place: Chennai
Dated: 29.05.2010

By order of the Board
Sd/-
CHANDAN PARMAR
CHAIRMAN

DIRECTORS' REPORT

Annexure "B" to the Director's Report

Information pursuant to section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming a part of the Directors' Report for the year ended March 31, 2010.

Name	Designation/ Nature of Duties	Qualifications	Experience	Remuneration (Rs.)/p.m.	Date of Appointment	Age (in yrs)	Particulars of Last employment
Suresh Kumar	Managing Director	Graduation	23yrs	3, 00,000	06/03/2003	47	Nil
Chandan Kumar	Joint Managing Director	Graduation	21yrs	3, 00,000	01/01/2004	45	Nil

Place: Chennai
Dated: 29.05.2010

By order of the Board
Sd/-
CHANDAN PARMAR
CHAIRMAN

MANAGEMENT ANALYSIS AND DISCUSSION RREPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPEMENT

The company is in the property development industry, wherein large sets of organized and unorganized players co exist. This sector has been constantly maintaining healthy growth rate, thanks to the needs of a common man to own a home for himself. The concept of quality and healthier buildings have moved a common buyer closer to organized and reputed builder instead of not so proven ones.

OPPORTUNITIES AND THREATS

The uncertainty regarding applicability or otherwise of service tax to property development with large degree of lack of clarity has added to the cost of buying homes and continues to pose a threat in this regard.

Similarly the reluctance of Banks and Financial institutions to lend to property development companies have also slowed down the growth of this sector.

SEGMENTWISE PERFORMANCE

The company has two segments of activities namely construction and mineral water manufacture. During the year 2009- 2010, the gross income break ups from these 2 activities are as follows.

	Rs. In Lakhs
Construction	6568.32
Mineral Water	198.54

OUTLOOK

With the economy back on track and purchasing power of the people increasing coupled with attractive home loan interest rates, the prospects of the realty industry is likely to improve from 2010-11 onwards.

RISKS AND CONCERNS

The unorganized sector in construction coupled with increase in prices of construction materials resulting in increased cost to the ultimate buyer is the main area of concern. The company hopes that the government both at Centre and State would take necessary measures in this regard including review of duties and statutory levies applicable to this industry.

DISCUSSION OF FINANCIAL PERFORMANCE

A detailed report about financial performance forms part of Directors Report to the shareholders.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has a proper system of internal control and system to safeguard its asset against misuse / disposition.

HUMAN RESOURCE DEVELOPMENT

The company has assembled an able Human Resource Development suitable to the needs of the company.

Place: Chennai
Dated: 29.05.2010

For and on behalf of Board of Directors
Sd/-
CHANDAN PARMAR
CHAIRMAN



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

Corporate governance is the set of processes, customs, policies, laws, and institutions affecting the way a company is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. The principal stakeholders are the shareholders, the board of directors, employees, customers, creditors, suppliers, and the community at large.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your company firmly believes in transparency in its dealings and lays emphasis on the integrity and regulatory compliance's. Your company considers good corporate governance a prerequisite for meeting the needs and aspirations of its shareholders and other stakeholders in the company. With this end in view this year's annual report has made substantial disclosures on the Board, the Board Committees as also on the financial and the stock performance.

The company is in compliance with the requirements of the revised guidelines stipulated under clause 49 of the listing agreement with the stock exchanges.

BOARD OF DIRECTORS

Composition

As on 31st march 2010, the Board consist of six directors including one non executive chairman, one Managing Director and one Joint Managing Director and three independent Directors. The Independent Directors are professionals with high credentials, who actively contribute in the deliberations of the Board, covering all strategic policy matters and strategic decisions. In terms of Articles of Association the Board shall consist of not less than three Directors and not more than twelve Directors.

The composition of Vijay Shanthi's Board and the number of Directorship and Committee membership are as follows:

Name of the Director	Designation	Number of other Directorships held in other Public Limited Companies as on 31.03.2010		Number of committee Chairmanships/ memberships held in other Public Limited Companies as on 31.03.2010	
		Chairman	Director	Chairman	Member
Shri. Chandan Parmar	Non Executive Chairman	1	2	Nil	Nil
Shri.Suresh Kumar	Managing Director Promoter Executive	Nil	1	Nil	Nil
Shri. Chandan Kumar	Joint Managing Director Promoter Executive	Nil	1	Nil	Nil

CORPORATE GOVERNANCE REPORT

Shri.Bajranglal Eriwal	Non Executive Independent Director	Nil	1	Nil	Nil
Shri.Nitin Kumar	Non Executive Independent Director	Nil	Nil	Nil	Nil
Shri.Siva Subramaniam	Director Non Executive Independent Director	Nil	Nil	Nil	Nil

Relationship between Directors inter-se.

Name	Relationship
Shri.Suresh Kumar, Managing Director	Elder brother of Shri.Chandan Kumar
Shri. Chandan Kumar, Joint Managing Director	Younger brother of Shri.Suresh Kumar

Board Meetings:

The Vijay Shanthi Board met 11(Eleven) times during the financial year ended 31st March 2010 and the details regarding the Board meetings are as follows:

Quarter	Date of the Board Meetings	Total no. of Board Meetings
April - June	1. 21.04.2009	2
	2. 29.06.2009	
July - September	1. 03.07.2009	3
	2. 30.07.2009	
	3. 05.08.2009	
October - December	1. 07.10.2009	5
	2. 30.10.2009	
	3. 21.11.2009	
	4. 16.12.2009	
	5. 19.12.2009	
January March	1. 30.01.2010	1
Total		11

The gap between two Board meetings has not exceeded four months.



CORPORATE GOVERNANCE REPORT

Director's Attendance Record

Name of the Director	Board Meeting during the period April 01,2009 to March 31,2010		Whether present at the previous AGM held on September 30, 2009
	Held	Attended	
Shri. Chandan Parmar	11	9	Yes
Shri.Suresh Kumar	11	11	Yes
Shri. Chandan Kumar	11	11	Yes
Shri.Bajranglal Eriwal	11	11	Yes
Shri.Nitin Kumar	11	10	Yes
Shri.Siva Subramaniam	11	11	Yes

CODE OF CONDUCT

As per requirement of clause 49 of the Listing Agreement with the stock exchanges, the Board has laid down a code of conduct for all the Board members, senior management personnel of the Company. All the Board members and senior management personnel affirm compliance with the code on an annual basis and a declaration to this effect by Shri.Chanda Parmar, Chairman and Shri.Suresh Kumar, Managing Director, is attached to this report.

AUDIT COMMITTEE

Constitution of Audit Committee

The audit committee comprises of the following Directors as members.

- | | |
|----------------------------|----------|
| 1. Shri. Chandan Parmar | Chairman |
| 2. Shri. Bajranglal Eriwal | Member |
| 3. Shri. Nitin Kumar | Member |

Previous Annual General Meeting of the Company was held on September 30,2009.

Shri.Chandan Parmar, Chairman of the Audit Committee has attended the meeting. The composition of the Audit Committee consisting of three Independent Directors', meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the stock exchanges.

Meetings and attendance during the year.

During the financial year ended 31st March, 2010 four(4) Audit Committee meetings were held on June 29, 2009; July 30, 2009; October 30, 2009; January 30, 2010. The attendance of the Audit Committee members was as under:

Names	No. of meetings held	No. of meetings attended
Shri. Chandan Parmar	4	4
Shri. Bajranglal Eriwal	4	4
Shri. Nitin Kumar	4	4
Total	4	4

CORPORATE GOVERNANCE REPORT

The terms of reference of Audit Committee are as under:

- To review the Statutory Auditor's report on the financial statements
- To generally interact with Statutory Auditors
- To review weaknesses in the internal control procedures
- To select and establish accounting policies and review the same
- To review and approve related party transactions

REMUNERATION COMMITTEE

Constitution of Remuneration Committee

The remuneration committee comprises of the following Directors as members:

- | | |
|-----------------------------|----------|
| 1. Shri. Bhajranglal Eriwal | Chairman |
| 2. Shri. Siva Subramaniam | Member |
| 3. Shri. Nitin Kumar | Member |

Meetings and Attendance during the year

During the financial year ended March 31, 2010 one meeting of the Remuneration committee was held on January 25, 2010 to consider and approve the reappointment of Shri.Chandan Kumar as Joint Managing Director. The attendance of the Remuneration Committee members was as under:

Names	No. of meetings held	No. of meetings attended
Shri. Siva Subramaniam	1	1
Shri. Bhajranglal Eriwal	1	1
Shri. Nitin Kumar	1	1
Total	1	1

The terms of reference of the Remuneration Committee are as under:

- Meetings of the committee shall be held whenever matters pertaining to the remuneration payable, including any revision in remuneration payable to Executive / Non Executive Directors are to be made.
- Payment of remuneration shall be approved by a resolution passed by the remuneration committee.
- All information about the Directors / Managing Directors / Whole time Directors i.e. background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders.
- The committee shall take into consideration and ensure the compliance of provisions under Schedule XIII of the Companies Act, 1956 for appointing and fixing remuneration of Managing Directors / Whole time Directors.
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.

Following disclosures on the remuneration of Directors shall be made in the section on the Corporate Governance of the Annual Report:

- All elements of remuneration package of all the Directors i.e. Salary, benefits, bonus, stock options, pension etc.



CORPORATE GOVERNANCE REPORT

Remuneration Policy

Remuneration of the Executive Chairman, Managing Director or Executive Director is determined periodically by the Remuneration Committee within the permissible limits under the applicable provisions of law and as approved by the shareholders.

Details of remuneration paid during the financial year ended 31st March, 2010 to the Directors are furnished here under:

Name of the Director	Salary & Commission (Rs.)	Perquisites (Rs.)	Total (Rs.)	No. of shares held
Shri.Suresh Kumar	3,00,000 per month	Nil	36,00,000	503450
Shri. Chandan Kumar	3,00,000 per month	Nil	36,00,000	452200
Total			72,00,000	

SHAREHOLDER / INVESTORS GRIEVANCE COMMITTEE.

Constitution of the Committee

Shareholder/Investor grievance committee comprises of following Directors as members:

- | | |
|-------------------------|----------|
| 1. Shri. Chandan Parmar | Chairman |
| 2. Shri Chandan Kumar | Member |

The constitution of the committee meets the requirement of Clause 49 of the Listing agreement with the stock exchanges.

Meetings and attendance during the year.

During the financial year ended 31st March, 2010 four(4) Shareholder and Investor Grievance Committee meetings were held on June 29, 2009; July 30, 2009; October 30, 2009; January 30, 2010. The attendance of the Shareholder and Investor Grievance Committee members were as under:

Names	No. of meetings held	No. of meetings attended
Shri. Chandan Parmar	4	4
Shri. Chandan Kumar	4	4
Total	4	4

The details of the complaints received during the financial year 2009-10 and the status of the same are as below:

The Company received 15 number of complaints during the year 2009 10 and there was no outstanding complaints as on 31st March 2010. All requests for dematerialisation of shares were carried out within the stipulated time period and no share certificates were pending for dematerialisation as on 31st March 2010 beyond the stipulated period.

Share Transfer Committee

Constitution of the Committee

Share Transfer committee comprises of following Directors as members:

- | | |
|-----------------------|-------------------------|
| 1. Shri.Suresh Kumar | Managing Director |
| 2. Shri.Chandan Kumar | Joint Managing Director |

CORPORATE GOVERNANCE REPORT

Meetings and attendance during the year:

During the financial year ended March 31, 2010 fifteen (15) meetings of the Shareholder / Investors Grievance Committee was held on April 9,2009; April 22, 2009; June 22, 2009; June 29, 2009; July 14,2009; September 18,2009; October 7, 2009; November 11,2009; December 9,2009; December 23, 2009; January 22,2010; February 15, 2010; February 23, 2010; March 15,2010; March 26,2010.The attendance of the Shareholder / Investors Grievance Committee members was as under:

Names	No. of meetings held	No. of meetings attended
Shri. Suresh Kumar	15	15
Shri. Chandan Kumar	15	15
Total	15	15

The terms of reference of share transfer grievance committee is as under:

- Allotment of all types of securities to be issued by the Company (if any).
- Transfer, transposition and transmission of securities.
- Issuance of duplicate shares.
- Dealing with complaints about non receipt of declared dividend, non receipt of annual reports, etc
- Investigate into other investor's complaints and take necessary steps for redressal thereof.
- To perform all functions relating to the interests of shareholders / investors of the Company as may be required by the provisions of the Companies Act, 1956, Listing Agreements with stock exchanges and guidelines issued by SEBI or any other regulatory authority.
- Appointment and fixation of remuneration of the Registrar and Share Transfer Agent and Depositories and to review their performance.

GENERAL BODY MEETINGS

Annual General Meetings

Venue, date and time of the Annual General Meetings held during the preceding three years and the special resolutions passed there at are as under:

Year	Venue	Date & Time	Special Resolutions passed
2008 - 09	Padmavathy Hall, No.93, Arcot Road, Virugambakkam, Chennai - 600 092.	30th September 2009, 11.45 a.m.	No special resolution passed
2007 - 08	Padmavathy Hall, No.93, Arcot Road, Virugambakkam, Chennai - 600 092.	29th September 2008, 1.00 p.m.	Re-appointment of Managing Director
2006 - 07	Padmavathy Hall, No.93, Arcot Road, Virugambakkam, Chennai - 600 092	27th September 2007, 1.00 p.m.	Re-appointment of Joint Managing Director and Whole time director and increase of remuneration including Managing Director



CORPORATE GOVERNANCE REPORT

Extraordinary General Meetings

Venue, date and time of the Extra Ordinary General Meetings held during the preceding three years and the special resolutions passed there at are as under:

Year	Venue	Date & Time	Special Resolutions passed
2008 - 09	NA	NA	NA
2007 - 08	No.27, Pycrofts Garden Road, Nungambakkam, Chennai - 600 034	07.05.2007 at 1.00.p.m	Resolution under section 81 Companies (1A) of the Act, 1956 for issue of warrants convertible into equity shares. Resolution under section 293(1) (d) of the Companies Act, 1956 for increase in borrowing powers.
	No.27, Pycrofts Garden Road, Nungambakkam, Chennai - 600 034	30.08.2007 at 1.00.p.m.	Resolution under section 81 (1A) of the Companies Act, 1956 for issue of equity shares to Qualified Institutional Buyers and announcement of the results of Postal Ballot. Resolution under section 17 of the Companies Act, 1956 for altering the object clause of Memorandum of Association.
2006 - 07	No.27, Pycrofts Garden Road, Nungambakkam, Chennai - 600 034	18.12.2006 at 1.00.p.m.	Resolution under section 81 (1A) of the Companies Act, 1956 for issue of warrants convertible into equity shares.

Special resolutions passed through postal ballot:

No special resolution was passed during the year through postal ballot.

PENALTY IMPOSED AND OTHER ACTIONS TAKEN

There has been no instance of any non compliance, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

COMPLIANCE WITH NON MANDATORY CLAUSE

The Company has complied with all applicable mandatory requirements in terms of Clause 49 of Listing agreement. The non mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed else where in this report.

DISCLOSURES

Disclosures on materially significant related party transactions i.e. transactions of the company of Material nature, with its promoters, Directors or their relatives, management etc. that may have potential conflict with the interests of the Company at large.

CORPORATE GOVERNANCE REPORT

The transactions with related parties are mentioned elsewhere may be verified in the Annual Report. None of the transactions with related parties were in conflict with the interests of the company at large.

MEANS OF COMMUNICATION

Quarterly Results

i. Which news paper normally published	<ul style="list-style-type: none"> Economic Times / Trinity Mirror (English Newspaper) Makkal Kural (Vernacular Newspaper)
ii. Any website displayed	NO
iii. Whether website also displays official news releases	NO
iv. Whether presentations were made to the institutional investors or to the analysts	NO
v. Whether Management Discussion and Analysis is part of annual report or not	YES

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

MDA forms part of the Director's Report and the same is attached separately to the Annual Report.

GENERAL SHAREHOLDER INFORMATION

Date, time and venue of the Nineteenth Annual General Meeting

Monday, September 27, 2010 at 10.30 A.M. at "Vani Mahal" No.103, G.N.Chetty Road, T.Nagar, Chennai – 600 017

Financial Calendar

The Financial year is 1st April to 31st March and financial results are proposed to be declared as per the following tentative schedule.

Particulars	Tentative Schedule
Financial reporting for the quarter ending June 30, 2010	Within 45days from June 30,2010
Financial reporting for the quarter / half year ending September 30, 2010	Within 45days from September 30,2010
Financial reporting for the quarter / nine months ending December 31,2010	Within 45days from December 30,2010
Financial reporting for the quarter / Year ending March 31, 2011	Within 60days from March 30,2011
Annual General Meeting for the year ending March 31, 2011	August / September 2011

CORPORATE GOVERNANCE REPORT

Book Closure Date:

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 21st August 2010 to Wednesday, the 25th August 2010 (inclusive of both the days) for the purpose of the Nineteenth Annual General Meeting.

Dividend Payment Date:

Within thirty days of declaration of Dividend.

LISTING OF STOCK EXCHANGES

Equity Shares

The Company's Shares are listed on the following stock exchanges

Name of the Stock Exchange	Address	Stock Code
National Stock Exchange of India Limited	Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai - 400 051	VIJSHAN
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400 001	523724
Madras Stock Exchange Limited	Exchange Building Post Box No. 18 \11 Second Line Beach, Chennai – 600 00.1	

Annual listing fees for the year 2010 – 11 has been paid by the Company for all the three Stock Exchanges.

STOCK MARKET DATA RELATING TO SHARES LISTED

(Amount in Rs.)

Month	NSE		BSE	
	HIGH	LOW	HIGH	LOW
April 2009	19.45	11.70	19.35	11.61
May 2009	28.85	16.00	28.40	15.70
June 2009	36.95	24.25	37.90	24.05
July 2009	28.55	19.00	28.50	20.00
August 2009	36.55	22.70	36.05	22.50
September 2009	40.20	30.62	40.20	31.35
October 2009	41.10	31.85	40.40	31.65
November 2009	42.80	29.35	42.90	29.00
December 2009	53.45	35.05	52.95	35.80
January 2010	55.50	40.80	55.90	40.90
February 2010	45.50	36.20	45.00	35.85
March 2010	42.40	32.40	42.65	34.00

CORPORATE GOVERNANCE REPORT

REGISTRAR & SHARE TRANSFER AGENT (RTA)

M/s.Cameo Corporate Services Limited
Subramaniam Building,
No 1, Club House Road, Chennai – 600 002.
Telephone No.: 044-28460390, Fax No.: 044- 2846 0129
E-mail: kandhimathi@cameoindia.com

Share transfer procedure:

The share transfers which are received in physical form are processed and the share certificates are returned within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company has delegated powers of approving transfers and transmissions of securities to the shareholder / investors grievance committee. The committee has authorized the Vice President Finance and Administration to approve transfer of shares. A summary of the transfer, transmissions / dematerialization request / rematerialisation requests approved by the committee is placed before the Board. The Company obtains half yearly certificates from a Company Secretary in Practice on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of clause 47(c) of the listing agreement.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2010.

Distribution by category

Description	No. of Shareholders	Total Shares	% Equity
Promoters Individuals	11	4233255	33.35
Promoters Bodies Corporate	1	66500	0.52
Bodies Corporate	294	14455007	11.46
Mutual Funds	2	2300	0.02
Resident Individuals	17254	6649548	52.38
Non Residential Indians	80	119900	0.94
Clearing Members	47	167090	1.32
Total	17689	12693600	100.00

Distribution by size

Range of equity shares held	No. of share holders	%	March 31,2010	
			No. Of shares	%
1-100	10303	58.2452	905381	7.1325
101-500	5891	33.3031	1600234	12.6066
501-1000	826	4.6695	682439	5.3762
1001-2000	326	1.8429	490539	3.8644
2001-3000	109	0.6162	274353	2.1613
3001-4000	44	0.2487	158636	1.2497
4001-5000	46	0.2600	219796	1.7315
5001-10000	68	0.3844	486061	3.8291
10001- and above	76	0.4296	7876161	62.0482
Total	17689	100.0000	12693600	100.0000

CORPORATE GOVERNANCE REPORT

DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's shares are available for dematerialisation in both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Total 74.467% of shares have been dematerialised as on March 31, 2010.

ISIN: INE806F01011

Description	No. of Shareholders	No. of shares	% Equity
PHYSICAL	8820	3241005	25.533
NSDL	6303	5517541	43.467
CDSL	2566	3935054	31.000
TOTAL	17689	12693600	100.000

OUTSTANDING WARRANTS OR ANY COVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

There are no outstanding warrants or any other instruments pending conversion into equity shares.

INVESTOR CORRESPONDENCE

Registered office address

Vijay Shanthi Builders Limited
No.3, Vijay Complex,
Blackers Road,Mount Road, Anna Saalai,
Chennai – 600 002
Telephone No. 044-444 30000
Fax No. 044- 44430019
Website: www.vijayshanthibuilders.com

Compliance officer

D. Kaliamoorthy
Vice President – Administration & Finance
Vijay Shanthi Builders Limited.
3, Vijay Complex, Blackers Road,
Mount Road, Chennai- 600 002
Telephone No. 044- 44430003
Fax No.044- 44430019
E-mail: sect.vsbl@gmail.com

PREVENTION OF INSIDER TRADING

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the company has instituted comprehensive code of conduct for prohibition of insider trading in the Company's shares.



CORPORATE GOVERNANCE REPORT

SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:

As stipulated by SEBI, a qualified Chartered Accountant carries out the secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid – up capital. This audit is carried out every quarter and the report there on is submitted to the stock exchanges. The audit inter alia, confirms that the total listed and paid up capital of the company is in agreement of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

CORPORATE IDENTITY NUMBER (CIN)

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L45201TN1992PLC021960

COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors of the Company, M/s.Ramaratnam & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed hereinafter.

Declaration pursuant to Clause 49 of the Listing Agreement regarding adherence to the code of Business Conduct and Ethics

To

The shareholders of the company
Vijay Shanthi Builders Limited
No.3, Vijay Complex
Blackers Road
Mount Road
Chennai – 600 002

On the basis of the written representations received from members of the Board and Senior Management Personnel as on 31st March 2010 in terms of Clause 49 of the Listing Agreement, we hereby certify that both the members of the board and the senior management personnel have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the company as laid down by the board of directors.

Chandan Parmar	Chairman
Suresh Kumar	Managing Director
Chandan Kumar	Joint Managing Director
Bajranglal Eriwal	Director
Nitin Kumar	Director
Siva Subramaniam	Director

Place: Chennai
Date: 29.05.2010

AUDITORS CERTIFICATE

Auditors' Certificate regarding Compliance of conditions of Corporate Governance

To

The Members
Vijay Shanthi Builders Limited
Chennai

We have explained the Compliance of conditions of Corporate Governance by Vijay Shanthi Builders Limited, for the period ended on 31st March 2010, as stipulated in Clause 49 of the listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of procedures and implementation thereof adopted by the company for ensuring the compliances of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an Audit nor expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and representations made to us by the directors and the Management, We certify that the company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investors' grievances are pending for the period exceeding 30 days against the company as per the records maintained by the Registrar and Share Transfer Agents of the company and presented to the Share Holders/Investors Grievances Committee.

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

For Ramaratnam & Co.
Chartered Accountants.

Sd/-
R.Sundar
Partner
Firm Registration No. 002956S

Place : Chennai
Date: 29.05.2010

AUDITORS' REPORT

AUDITORS' REPORT TO SHAREHOLDERS

We have audited the attached Balance Sheet of VIJAY SHANTHI BUILDERS LIMITED Chennai as at 31st March 2010 and the Profit and Loss account and the Cash Flow Statement of the Company for the year ended 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. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the manufacturing and other Companies (Auditor's report) order 2003 and (Amendment) Order 2004 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act 1956, and on the basis of such checks as we considered appropriate, we enclose 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, we report that:
 - 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, the Company, as required by law, has kept proper books of accounts so far as appears from our examination of those books.
 - C) The Balance Sheet and Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - D) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement comply with the Accounting Standards as referred to in sec 211(3C) of the Companies Act, 1956.
 - E) Based on the written representation received from Directors as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as Director under section 274(1)(g) of Companies Act, 1956
 - F) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act 1956, in the manner so

AUDITORS' REPORT

required and give a true and fair view:-

In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March 2010

In so far as it relates to the Profit and Loss Account, of the profit for the year ended on that date

And

In so far as it relates to cash flow statement, the cash flow of the Company for the year ended on that date.

For V.Ramaratnam & Co
Chartered Accountants

Sd/-
R. Sundar
Partner
Firm Registration No: 002956S

Place: Chennai
Date: 29.05.2010

ANNEXURE FOR AUDITORS REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE REPORT OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF VIJAY SHANTHI BUILDERS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

- I A) The Company has maintained proper records showing particulars, including quantitative details and situation of Fixed Assets.
- B) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
- C) During the year, the Company has disposed off the fixed assets, which is not substantial. According to the information and explanations given to us, we are of the opinion that the sale of fixed assets has not affected the going concern status of the Company.
- II A) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- B) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and its nature of business.
- C) The Company is maintaining proper records of inventory. No discrepancies noticed on verification between the physical stocks and the book records.
- III A) The Company has taken loan from Companies, firms covered in the register maintained under section 301 of the Companies Act, 1956. The unsecured loan is taken from eight persons and the maximum amount outstanding during the year is Rs. 40856437/-
- B) In our opinion, the terms and conditions on which loans was taken from the parties listed in the register maintained under section 301 of the Companies act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- C) There is no stipulation regarding payment of principal amounts and interest.
- IV A) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory and assets and with regard to sale of goods. During the course of audit, we have not observed any continuing failure to correct major weakness in internal controls.
- V A) According to the information and explanations given to us, we are of the opinion, that the transactions need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

ANNEXURE FOR AUDITORS REPORT

- B) In our opinion and according to the information and explanations given to us, the transactions made exceeding the value of Rs 5,00,000/- with parties maintained under section 301 of the Companies at., 1956 are not made under any contracts of arrangements but at the price at which it is made are reasonable to prevailing market price.
- VI A) The company has not accepted any fixed deposits during the year in respect of which Section 58A of the Companies Act, 1956 is applicable.
- VII A) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- VIII A) The maintenance of cost records has not been prescribed by the Central Government under section 209(1) of the Companies Act, 1956
- IX A) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
- B) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, exercise duty and Cess were in arrears as at 31st March 2010 for a period of more than six months from the date they became payable.
- C) According to the information and explanations given to us, there is no undisputed tax pending for payment. However the company has disputed tax pending for payment which is Rs.151 Lakhs pertaining to the financial year 2005 – 2006 and 2006 – 2007.
- X A) In our opinion, there is no accumulated loss. The Company has not incurred any cash loss during the financial year covered under the audit and also immediately preceding financial year.
- XI A) According to the information and explanations given to us, the Company has not defaulted in repayment of its dues to Banks and Financial institutions. The Company has not issued any debentures.
- XII A) Based on our examination of the records and of the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures or other securities.
- XIII A) In our opinion the company is not a chit fund or Nidhi/Mutual benefit fund/ Society. Therefore the provisions of clause 4(Xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

ANNEXURE FOR AUDITORS REPORT

- XIV A) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(XVI) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- XV A) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions.
- XVI A) In our opinion, the Company has availed car loans from Kotak Mahindra Prime Ltd during the year in addition to previously sanctioned Loans carried over to this year and these loans were utilized only for the purpose for which it is sanctioned.
- XVIIA) According to information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- XVIII A) According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties covered in the register maintained under section 301 of the companies Act, 1956 during the year.
- XIX A) According to the information and explanations given to us, the company has not issued any debentures during the year and hence, the provisions of clause no 4(XIX) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- XX A) According to the information and explanations given to us, the company has not raised the money by way of public issues during the year.
- XXI A) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For V. Ramaratnam & Co
Chartered Accountants
Sd/-
R Sundar
Partner
Firm Registration No. 002956S

Place: Chennai
Date: 29.05.2010

BALANCE SHEET

BALANCE SHEET AS AT 31st MARCH 2010

	SCH.NO.	31.3.2010	31.3.2009
I. SOURCES OF FUNDS:			
Share Capital	A	126936000	126936000
Reserves & Surplus	B	431208235	410551475
		558144235	537487475
LOAN FUNDS:			
Secured Loan	C	556964666	666718546
Unsecured Loan	D	40856437	54756390
		597821103	721474937
		1155965338	1258962412
II. APPLICATION OF FUNDS:			
FIXED ASSETS			
Gross block	E	70566420	67233851
Less: Depreciation		28504511	25099322
Net block		42061909	42134529
INVESTMENTS			
CURRENT ASSETS, LOANS & ADVANCES			
Work-in-progress	G	2372441477	
Less: Advance from Customers		787872627	
Sundry Debtors	H	29078848	18484911
Cash and Bank balances	I	7286560	1494358
Loans and Advances	J	28246914	29441473
		1649181172	1861931158
LESS: CURRENT LIABILITIES AND PROVISIONS:			
Liabilities	K	547768271	649539374
Provisions	L	33591227	43470664
		581359498	693010038
Net Current Assets		1067821674	1168921120
Miscellaneous expenditure Prepaid interest		45292760	47117769
Total		1155965338	1258962412

The schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For V.RAMARATNAM & CO	Chartered Accountants
R.Sundar	Partner
Chandan Parmar	Chairman
Suresh Kumar	Managing Director
Chandan Kumar	Joint Managing Director
Bajranglal Eriwal	Director
Nitin Kumar	Director
Siva Subramaniam	Director

Place: Chennai
Date: 29.05.2010

PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

I. INCOME	SCH.NO.	31.3.2010	31.3.2009
Sales/Income from operation	M	676686320	506295698
Other Income	N	5070625	12662280
		681756945	518957978
II. Expenditure			
Construction Expenses	O	563907638	416881908
Managerial Remuneration	P	7200000	7200000
Employees Cost	Q	20701374	16517249
Financial Overheads	R	3467586	945321
Selling Expenses	S	9152364	2301109
Administrative Expenses	T	22319536	14178539
Mineral Water Expenses		16637307	19098599
Loss on Sale of Assets		1116191	0
Depreciation	E	4751414	4365265
		649253409	481487990
Profit before taxation for the year		32503536	37469988
Provision for Income Tax		5751226	4407490
Provision for FBT		0	423640
Deferred - Income Tax		174810	6101010
Profit after tax		26577500	26537848
Add: Profit of previous year		242883753	228286256
Profit available for Appropriation		269461253	254824104
Transfer to general reserve		6000000	6000000
Proposed Dividend		5077440	5077440
Dividend Distribution tax		843300	862911
Available Surplus carried to Balance Sheet		257540513	242883753
Earnings Per Share		2.09	2.09
Notes on Accounts	U		

The schedules referred to above form an integral part of the Profit and Loss Account.
This is the Profit and Loss Account referred to in our report of even date.

For V.RAMARATNAM & CO
R.Sundar
Chandan Parmar
Suresh Kumar
Chandan Kumar
Bajranglal Eriwal
Nitin Kumar
Siva Subramaniam

Chartered Accountants
Partner
Chairman
Managing Director
Joint Managing Director
Director
Director
Director

Place: Chennai
Date: 29.05.2010

SCHEDULES

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

(Amount in Rs.)		
Schedule A	Year 2010	Year 2009
Authorised		
20000000 Equity Shares of Rs.10/- each	200000000	200000000
Issued		
13078600 Equity Shares of Rs.10/- each	130786000	130786000
Subscribed and Paid up		
12693600 Equity Shares of Rs.10/- each	126936000	126936000
	126936000	126936000

(Amount in Rs.)		
Schedule B	Year 2010	Year 2009
Reserves & Surplus		
General Reserve	54979562	49131342
Add: During the Year	6000000	6000000
Less: Income tax	0	151780
	60979562	54979562
Forfeited Share Warrants	56006960	56006960
Share Premium	56681200	56681200
Profit & Loss Account	257540513	242883753
	431208235	410551475

(Amount in Rs.)		
Schedule C	Year 2010	Year 2009
Secured Loan		
Secured by hypothecation of assets	556964666	666718546

(Amount in Rs.)		
Schedule D	Year 2010	Year 2009
Unsecured Loan		
Short Term Loans	40856437	54756390
	40856437	54756390

SCHEDULES

SCHEDULES

Schedule E

FIXED ASSET SCHEDULE FOR 2009 -2010

DEPRECIATION STATEMENT AS PER THE COMPANIES ACT, 1956

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Balance as on 01.04.2009	Additions	Deletions	Balance as on 31.03.2010	Balance as on 01.04.2009	For the year	Deletions	Balance as on 31.03.2010	As at 31.03.2009	As at 31.03.2010	Depreciation rates 31.03.2010
Land	1800000	0	0	1800000	0	0	0	0	1800000	1800000	0
Factory Buildings	8980563		0	8980563	2169916	146383	0	2316299	6810647	6664264	1.63%
Factory Shed	621827	0	0	621827	86399	20769	0	107168	535428	514659	3.34%
Plant & Machinery (Mineral water division)	13335450	0	0	13335450	7202959	70	4112	7907071	6132491	5428379	5.28%
Furniture & Fittings	9962345	686028		10648373	1989554	650694	0	2640248	7972791	8008125	6.33%
Office Equipments	3269977	2131113	0	5401090	2363836	648970	0	3012806	906141	2388284	16.21%
Vehicles	29263689	4862845	4347417	29779117	11286658	2580486	1346225	12520918	17977032	17258199	9.50%
	67233851	7679986	4347417	70566420	25099322	4751414	1346225	28504511	42134530	42061909	

SCHEDULES

(Amount in Rs.)		
Schedule F	Year 2010	Year 2009
Investments		
South Indian Bank Shares	788994	788994
	788994	788994

(Amount in Rs.)			
Schedule G			Year 2010
Work In Progress - Particulars	Completed & Handed over	In Progress	Total
a) Opening Stock	865380033	1699896326	2565276359
Add: Cost of Construction during the year	37049210	526858429	563907639
Total	902429243	2226754755	3129183998
Less: Cost of Project Completed			902429243
Add: Subjective addition for the year			2226754755
			145137353
			2371892108
Add: Mineral Water			549369
Closing Stock			2372441477

(Amount in Rs.)		
Schedule H	Year 2010	Year 2009
Sundry Debtors		
Debts Outstanding for a period exceeding 6months considered good – secured	8304523	6521851
Other debts considered good	20774325	11963060
	29078848	18484911

(Amount in Rs.)		
Schedule I	Year 2010	Year 2009
Cash and Bank Balance		
Cash on Hand	1480568	1319476
Balance with Bank	5805992	174882
	7286560	1494358

(Amount in Rs.)		
Schedule J	Year 2010	Year 2009
Loans and Advances		
Loans and Advances	12709836	9830643
Deposits	15537078	19610830
	28246914	29441473

SCHEDULES

(Amount in Rs.)		
Schedule K	Year 2010	Year 2009
Current Liabilities		
Sundry Creditors for goods	78099055	36777404
Sundry Creditors Others	469669216	612761970
	547768271	649539374

(Amount in Rs.)		
Schedule L	Year 2010	Year 2009
Provisions		
Audit Fees	99270	100000
Deferred Tax Liabilities	10554087	11846623
Dividend Tax Payable	2893509	862911
Proposed Dividend	5077440	5077440
Income Tax Provision	1603975	4407490
Others	13109051	20752560
FBT Provision	253895	423640
	33591227	43470664

(Amount in Rs.)		
Schedule M	Year 2010	Year 2009
Sales/Income from operation		
Sale of Flats		
Income from Operation	850216697	125541602
Opening Work in Progress	2565276359	2208491673
Closing Work in Progress	2371892108	2565276359
	656832446	482326288
Sale of Mineral Water		
Sales	19588448	23824888
Opening Work in Progress	283943	139421
Closing Work in Progress	549369	283943
	19853874	23969410
Total	676686320	506295698

(Amount in Rs.)		
Schedule N	Year 2010	Year 2009
Other Income		
Extra Work Charges	5147	362975
Interest Received	1173735	806909
Rent	371700	176905
Empty cans	217969	136238
Dividend Received	43556	0
Weighment Proceeds	1738778	1985342
Miscellaneous Income	1519740	1238537
Profit on Sale of Assets	0	7955374
	5070625	12662280

SCHEDULES

(Amount in Rs.)		
Schedule O	Year 2010	Year 2009
Construction Expenses		
Project in Progress at the Year end	498068486	593217561
Project Completed and Handed Over	65839152	31296196
Less: Purchase Return	0	207631849
	563907638	416881908
(Amount in Rs.)		
Schedule P	Year 2010	Year 2009
Managing Directors Remuneration		
Managing Director Remuneration	3600000	3600000
Joint Managing Director Remuneration	3600000	3600000
	7200000	7200000
(Amount in Rs.)		
Schedule Q	Year 2010	Year 2009
Employees Cost		
Salary	8942261	8926391
Dearness Allowance	1938469	1458464
Other Allowances	5332340	2634012
Provident Fund	660727	519283
Bonus	879138	-
Gratuity Provision	1100000	269250
Gratuity (Mineral Water)	122750	27000
Incentive	582000	1641190
Staff Welfare	1143689	1041659
	20701374	16517249
(Amount in Rs.)		
Schedule R	Year 2010	Year 2009
Financial Overheads		
Bank Charges	430356	192036
Interest	2705300	753285
Loan Processing Charges	331930	0
	3467586	945321
(Amount in Rs.)		
Schedule S	Year 2010	Year 2009
Selling Expenses		
Advertisement	5449408	1422078
Business Promotion	1461662	631001
Exhibition Expenses	2241294	248030
	9152364	2301109

SCHEDULES

(Amount in Rs.)		
ScheduleT	Year 2010	Year 2009
ADMINISTRATIVE EXPENSES		
Audit Fees	115618	160274
Boarding & Lodging	990	50299
Electricity Charges	643973	446211
Legal & Professional Charges	1132816	1873852
Insurance	253804	338191
Other Expenses	2472239	1522917
Office Expense	1283179	932617
Postage & Telegraph	489940	403676
Printing & Stationery	1950776	1465245
Rent	2490432	2527749
Rates & Taxes	1867272	1118997
Repairs & Maintenance - Building	5262	1350
Repairs & Maintenance - Machine	230818	123338
Repairs & Maintenance - Vehicle	170	285203
Repairs & Maintenance	5000	0
Telephone Charges	819889	693047
Travelling & Conveyance	3207356	2235573
Business loss	5350002	0
	22319536	14178539

The schedules referred to above form an integral part of Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For V.RAMARATNAM & CO

R.Sundar
Chandan Parmar
Suresh Kumar
Chandan Kumar
Bajranglal Eriwal
Nitin Kumar
Siva Subramaniam

Chartered Accountants

Partner
Chairman
Managing Director
Joint Managing Director
Director
Director
Director

Place: Chennai

Date: 29.05.2010

NOTES ON ACCOUNTS

Schedule U

NOTES ON ACCOUNTS FOR THE PERIOD ENDING 31ST MARCH 2010

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the company are prepared under the historical cost convention and in accordance with applicable mandatory accounting standards issued by the institute of Chartered Accountants of India and the relevant provision of the Companies Act, 1956. Accounting policies not specifically referred to are consistent with generally accepted accounting practices. The company follows mercantile system of accounting policies which is stated below.

A. REVENUE RECOGNITION

The company follows percentage of completion method for recognition of income as per AS 7 relating to construction contracts. Income from operation is the value of construction work handed over to customers, less income already recognized during the previous accounting year as per AS 7.

In respect of sale of mineral water, Sales include Sales Tax and Freight and cartage charges. Revenue is recognized at the point of billing.

Value of Construction work

The value of construction work done during the year is determined as follows;

In respect of project in progress at close of the accounting year, it is difference between the closing and opening work-in-progress duly adjusted for value additions if any, under the percentage completion method.

Interest cost for the project yet to be commenced and as well as selling expenses pertaining to that project has not been recognized as expenditure during the year. However it has been considered as expenditure for the purpose of Tax provision under Income tax Act.

B. FIXED ASSETS AND DEPRECIATION

Fixed assets other than land are accounted at cost less Depreciation and impairment loss if any.

Depreciation on fixed assets have been provided on straight line method prescribed under Schedule XIV of the Companies Act 1956 as amended with effect from 16th December 1993 on the original cost of fixed assets.

Expenditure of Capital nature is capitalized at cost that comprise purchase price and any cost directly attributable to bring the asset to its working condition for the intended use.

C. INVESTMENTS

Investments are categorized into Long Term and Current Investments. Long-term investment are stated at cost and unless there is permanent fall in value. And no provision is made for the increase or decrease in the market value as required AS -13. The investments in equity shares are quoted shares.



NOTES ON ACCOUNTS

D. WORK-IN-PROGRESS

Work in progress in respect of each project is valued at the close of the accounting period as aggregate of land cost, material consumed, labour charges and other direct expenditure including interest on borrowed fund for the project. Building material lying unused at each project site is also added to the project cost. An adjustment for value addition is made on the following basis. Firstly the percentage of work completed is ascertained on project wherever advances are received and its proportion to the total estimated cost of the project is worked out. Next profit is estimated on the total project and profit is recognized as percentage of work completed. In the Balance sheet net off work-in-progress minus sales advance is disclosed.

E. Debtors, Creditors, Loans and Advances are subject to confirmation. In case of debtors it is recoverable in kind or in cash and it is fully secured.

F. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

G. FOREIGN CURRENCY TRANSACTION

Foreign Currency Transactions are recognized in the books at the exchange rates prevailing on the date of transaction.

H. EMPLOYEE BENEFIT PLAN

The Company's Provident Fund Scheme is defined contribution fund and the Company's contribution paid or payable is recognized as expenses in the Profit and Loss Account during the period in which the employees render the related service.

The Gratuity liabilities are provided on Management Estimated basis and are charged to Profit and Loss account and it is neither invested in any Group Gratuity Scheme of LIC nor Company's own recognized Gratuity Scheme.

I. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. Impairment Loss is charged to profit and loss account in the year in which an asset is identified as impaired. During the year no impairment loss is recognized.

II. NOTES ON ACCOUNTS

1. CONTINGENT LIABILITY

All liabilities have been provided for in the books of accounts and except liabilities of contingent nature.

There is a contingent liability of service tax not recognized to the extent of Rs.151 lakhs which is disputed.

NOTES ON ACCOUNTS

2. SUNDRY CREDITORS

No dues to SSI are outstanding for more than 30 days.

3. PROVISION FOR INCOME TAX

Provision for income tax has been made as per Income Tax Act.

4. RETIREMENT BENEFITS

Provident Fund provided	Rs. 6,60,7271/-
Gratuity Provided	Rs. 11,00,000/-

5. MANAGERIAL REMUNERATION

Managing Director's remuneration	Rs. 36,00,000/-
Joint Managing Director's remuneration	Rs. 36,00,000/-
Total	Rs. 72,00,000/-

6. AUDITORS REMUNERATION

For Audit	Rs. 1,37,875/-
For Tax Audit	Rs. 11,030/-
For Certification	Rs. 5,515/-
For IT representation and other	Rs. 11,238/-

7. LIST OF RELATED PARTIES AND NATURE OF THEIR RELATIONSHIPS STANDARD – 18

The details of related parties as identified by the management are as under:

i) Key Management Personnel:

Chandan Parmar	-	Chairman
Suresh Kumar	-	Managing Director
Chandan Kumar	-	Joint Managing Director

ii) Associates:

- Darshan Housing and Infrastructure Limited (Formerly known as Vijay Shanthi Finance Limited) - Associate Company
- High End Homes Private Limited (Formerly known as Akash Housing) - Associate Company
- Vijay Shanthi Mile stone Developers Private Limited - Associate Company

8. RELATED PARTY TRANSACTIONS

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is required to be made and no amounts have been written off or written back during the year in respect of debts due from or to related parties. There are no other parties where control exists that need to be disclosed.

NOTES ON ACCOUNTS

Key management personnel

Particulars	Amount (Rs.)
Traveling, Boarding	14,83,512/-
Managerial Remuneration	72,00,000/-
Club expense	24,799/-
Entertainment expense	91,290/-
Telephone Expenses	64,235/-
Vehicle Maintenance	4,71,907/-
Fuel	1,54,777/-

Associates	Amount Received in Rs.	Amount Paid in Rs.
Darshan Housing and Infrastructure Limited	69,61,091	49,75,849
High End Homes Private Limited	1,30,70,521	1,30,70,521
Related Party		
i) Expense		
Rent	-	3,00,000
ii) Unsecured Loan	Loan Received	Loan Repaid
Balaji Scales	3,90,000	48,626
Naresh Kumar	1,67,45,072	1,77,07,451
Premila Jain	10,00,000	
Suresh Kumar	98,90,000	45,55,952

9. DEFERRED TAX

Particulars	Amount (Rs.)
Opening Deferred Tax Liability	11846623/-
Deferred Tax recognized during the year	174810/-

The Company has recognized deferred tax liability due to time difference in depreciation claimed under the Income tax Act and Companies Act and differential treatment of project loan interest under income tax Act.

10. SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE – 41 OF THE LISTING AGREEMENT SEGMENT REVENUE 31.03.2009

Though the company operates different business, the single primary business segments results constitutes more than 90% of total revenue of all segments no separate disclosure is required.

11. GENERAL RESERVE

General reserve includes forfeited shares warrants of Rs 4,65,24,960/-

NOTES ON ACCOUNTS

12. SECURED LOANS Rs 55,69,64,666/-

The secured loans include the Term Loan from South Indian bank Ltd., for Rs.42,76,69,984/- secured against the mortgage of land of Ayanawaram project, Thaiyur project, Kelambakkam project. Kotak Mahindra Prime Ltd Project Loan Rs 12,32,51,981/- secured against Besant Nagar project. The secured Loans also include vehicle loan from ICICI Bank Ltd., for Rs 29,60,807/- and Kotak Mahindra Prime Ltd of Rs 30,81,894/- secured on the vehicles of the Company.

13. The nature of business carried on by the company is such that furnishing of Quantitative details relating to consumption of stock is not feasible.

14. Previous years figures have been re-grouped and re-classified wherever necessary.

15. Earning in foreign currency (Cash basis)

Particulars	Amount
Sale of flat	Rs. 2877871.50

16. SHARE APPLICATION MONEY

During the year the company has not issued any Equity Shares.

17. Basic EPS	2.09
Diluted EPS	2.09

For V.RAMARATNAM & CO	Chartered Accountants
R.Sundar	Partner
Chandan Parmar	Chairman
Suresh Kumar	Managing Director
Chandan Kuma	Joint Managing Director
Bajranglal Eriwal	Director
Nitin Kumar	Director
Siva Subramaniam	Director

Place: Chennai
Date: 29.05.2010

CASH FLOW STATEMENT

Cash flow statement for the year ended 31st March 2010

A.CASH FLOW FROM OPERATING ACTIVITIES	2009-2010	2008-2009
Net profit before tax and extraordinary items	32503536	37529988
Adjustment for depreciation	4751414	4365265
Loss on sale of assets	1116191	0
Financial expenses	3467586	945321
Other written off	7110906	0
operating profit before working capital changes	48949633	42840574
Trade and other receivables	10593938	33808383
Inventories	227941566	-265735332
Loans and advances	1194559	-14172821
Trade payables	13036873	-78745258
cash generated from operations	254454948	-282004454
Interest	3467586	945321
Income tax	8897796	4831130
Net cash before extraordinary items	242089566	-276228003
Dividend	5077440	13269960
Net cash flow from operating activities	237012126	-301050865
B.CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase and sale of fixed assets	-5794986	1731431
Purchase and sale of investments	0	0
Net cash flow from investment activities	-5794986	1731431
C.CASH FLOW FROM FINANCING ACTIVITY		
Secured loan and unsecured loan	-123653834	216107414
Equity Capital	0	6300000
Extrodinary item		75504960
Miscellaneous expenditure	0	0
Net Cash flow from financing activities	-123653834	297912374
Net increase in cash A+B+C	107563306	-1407060
Cash and cash equivalent at the beginning	1494358	2901418
Cash and cash equivalent at the end	7286560	1494358

This is the Cash flow statement referred to in our report of even date.

For V.RAMARATNAM & CO	Chartered Accountants
R.Sundar	Partner
Chandan Parmar	Chairman
Suresh Kumar	Managing Director
Chandan Kumar	Joint Managing Director
Bajranglal Eriwal	Director
Nitin Kumar	Director
Siva Subramaniam	Director

Place: Chennai
Date: 29.05.2010

BALANCE SHEET ABSTRACT

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Profile

(in 000's)

1. REGISTRATION DETAILS	
a) Registration No.	21960
b) State Code	18
c) Balance Sheet date	31-03-2010
2. CAPITAL RAISED DURING THE YEAR	
a) Public issue	NIL
b) Bonus issue	NIL
c) Rights issue	NIL
d) Private placement	NIL
3. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS	
a) Total assets	1155965
b) Total liabilities	1155965
SOURCE OF FUNDS	
a) Paid-up capital	126936
b) Reserves and surplus	431208
c) Secured Loans	556964
d) Unsecured loans	40856
Total	1155965
APPLICATION OF FUNDS	
a) Net Fixed Assets	42061
b) Investments	788
c) Net Current Asset	1067821
d) Misc. Expenditure	45292
e) Accumulated Losses	
Total	1155965
PERFORMANCE OF THE COMPANY	
a) Turnover	676686
b) Other Income	50700
c) Total Expenditure	649253
d) Profit before Tax	32504
e) Profit after Tax	26578
f) Earnings per Share in Rs.	2.09
g) Dividend rate%	4%

BALANCE SHEET ABSTRACT

For V.RAMARATNAM & CO

Chartered Accountants

R.Sundar

Partner

Chandan Parmar

Chairman

Suresh Kumar

Managing Director

Chandan Kumar

Joint Managing Director

Bajranglal Eriwal

Director

Nitin Kumar

Director

Siva Subramaniam

Director

Place: Chennai

Date: 29.05.2010

ATTENDANCE/ ADMISSION SLIP

ATTENDANCE/ ADMISSION SLIP

NINETEENTH ANNUAL GENERAL MEETING

Held at
Vani Mahal, No.103 G.N.Chetty Road,
T.Nagar, Chennai - 600 017,

ATTENDANCE/ ADMISSION SLIP

Please fill in particulars before lodging

Folio No.	No. of Shares (As on date)

I hereby record my presence at the Nineteenth General Meeting of the Company held on 27th September 2010 at 10.30 AM.

Member's/ Proxy Signature-----

VIJAY SHANTHI BUILDERS LIMITED

Registered Office: IV Floor, Vijay Complex, No. 3, Blackers Road, Anna Salai, Chennai – 600 002

PROXY

(Please fill in particulars before sending)

Folio No. _____

I/ We _____ of _____ being a Member(s) of Vijay Shanthi Builders Limited, hereby appoint _____ of failing him/ her _____ as my/ our proxy to attend and vote on my/ our behalf at the Nineteenth Annual General Meeting of the Company to be held at Vani Mahal, No.103 G.N.Chetty Road, T.Nagar, Chennai - 600 017 at 10.30 AM on 27th September 2010 and at my adjournment thereof.

Note: The proxy form must be duly completed, stamped and signed must be sent to the Registered Office of the Company so as to reach it not less than, 48 hours before the commencement of the Meeting.

100 ps.
Revenue
Stamp

