VASCON

MARKING THE BEGINNING OF A NEW ERA

34th ANNUAL REPORT 2018-19

Vascon Engineers Limited

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Corporate Information

Board of Directors

Mr. R. Vasudevan
Chairman

Mr. Siddharth Vasudevan Moorthy
Managing Director

Mr. V. Mohan
Independent Director

Ms. Sowmya Vasudevan Moorthy
Non Executive Director

Mr. K.G. Krishnamurthy
Independent Director

Mr. Mukesh Malhotra
Independent Director

Key Managerial Personnel

Dr. Santosh Sundararajan
Chief Executive Officer

Mr. M Krishnamurthi (upto 30.09.2018)
Company Secretary and Compliance Officer

Mrs. Vibhuti Darshin Dani (w.e.f 01.10.2018)
Company Secretary and Compliance Officer

Mr. D. Santhanam
Chief Financial Officer

Committees of Board of Directors

Audit Committee

Mr. V. Mohan, Chairman
Mr. K. G. Krishnamurthy, Member
Mr. R. Vasudevan, Member
Mr. Mukesh Malhotra, Member

Nomination & Remuneration Committee

Mr. K. G. Krishnamurthy, Chairman
Mr. V. Mohan, Member
Ms. Sowmya Vasudevan Moorthy, Member
Mr. Mukesh Malhotra, Member

Stakeholders Relationship Committee

Mr. K. G. Krishnamurthy, Chairman
Mr. R. Vasudevan, Member
Mr. V. Mohan, Member
Mr. Mukesh Malhotra, Member

Corporate Social Responsibility Committee

Mr. R. Vasudevan, Chairman
Mr. V. Mohan, Member
Ms. Sowmya Vasudevan Moorthy, Member

Assets Sales Committee

Dr. Santosh Sundararajan
Mr. Rajesh Dilip Mhatre
Mr. Siddharth Vasudevan Moorthy

Governing Council

Dr. Santosh Sundararajan
Mr. Rajesh Dilip Mhatre
Mr. Siddharth Vasudevan Moorthy

Debenture Allotment Committee

Mr. R. Vasudevan
Mr. Siddharth Vasudevan Moorthy
Dr. Santosh Sundararajan

Office Addresses

Registered and Corporate Office

Vascon Weikfield Chambers, Behind Hotel Novotel,
Opposite Hyatt Hotel, Pune - Nagar Road, Pune-411014.
Tel: +91 (20) 30562 100/ 200
Fax: +91 +91 20 30562600.

Major Branch Locations

Uttar Pradesh

Sector 18, Everst Enclave,
Vrindavan Yogana - 4 Raibareli Road,
Lucknow, UP - 226025

Chennai

Flat No. C-1, First Floor, Adwave Towers no.17,
South Boag Road,
Opp. Sri Meenakshi Kalyana Mabndapam,
T. Nagar, Chennai-600017

Mumbai

Neelkanth Business Park, ‘C’ Wing
502, 5th Floor, Near Vidhyavihar, Bus Stop,
Nathani Road, Vidyavihar (West),
Mumbai 400 086.

Goa

511, Shiv Towers, 5th Floor, Patto Plaza,
Panji, Goa - 403001

Coimbatore

SF. No. 555/1, Udayampalayam Road, Hindustand College Road, Sowripalayam, Coimbatore-641028

Registrar & Share Transfer Agents

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32 Gachibowli,
Financial District Nanakramguda,
Hyderabad 500032
Telephone: +91 40 617622222

Listed on

National Stock Exchange of India Limited (NSE)

BSE Limied (BSE)

Bankers & Lenders

State Bank of India

ICICI Bank Limited

HDFC Bank Limited

Hongkong and Shanghai Banking Corporation Limited

Union Bank of India

Kotak India Real Estate Fund-IX

JM Financial Credit Solutions Ltd

Legal Advisors

M/s. Hariani & Company

Statutory Auditors

Deloitte Haskins & Sells LLP
(Firm Regn. No. 117366W/W-100018)
706, B-Wing, 7th floor, ICC Trade Tower
Senapati Bapat Road, Pune 411016
Email : hmjoshi@deloitte.com
Contact : +91 2066244600

Website : www.vason.com

CIN : L70100PN1986PLC175750

CHAIRMAN'S SPEECH

Dear Members,

I am happy to state that your Company has delivered results in-line with the strategy formulated in last few years which helped in achieving satisfactory overall business performance during the Financial Year 2018-19. During the year under review, your Company reported a Net Profit of ₹ 15 crores on the back of strong order book and execution capabilities.

With the launch of various schemes like Housing for all by 2022, Smart Cities, modernization of railways, development of new airports, improving the infrastructure of educational institutes and hospitals, etc, Government is determined to provide decisive impetus to all-around infrastructure development. Your Company has a strong track record of execution of EPC projects across verticals with maintaining high quality standards and is all set to capitalize on the growth opportunity ahead.

Your Company's current order stands at ₹ 1,148 crores. Our external order book stands at ₹ 1,011 crores and internal order book from our real estate launches is at ₹ 137 crores. During the year, we have received order from reputed developers and various Government institutions and expect order-inflow momentum to pick-up going forwards.

Your Company during the Financial Year 2018-19, despite the current challenges in the Real Estate sector, has successfully launched and sold Forest Edge (2-Towers of a residential project) and Xotech Phase II (a residential project of 71 units of exclusive smart 2BHK). Your Company forayed into affordable housing space with the launch of Vascon Goodlife, Company's first ever value housing project and also simultaneously launched an ultra-modern residential project Forest County. Your Company has made an important progress in sales of both the projects. Successful launches are the testimony of the Company's commitment to excellence and delivering value for money for our customers.

As per Your Company's on-going strategy, we continue to focus on our core business that is Engineering, Procurement & Construction (EPC) and Real Estate Development Business. Also, we continue to make efforts on improving operational efficiencies and strengthening the balance sheet of the Company.

I take this opportunity to thank our employees, management team and Board of Directors who have worked hard to see the current transformation. I thank our Bankers and our shareholders for their continuous support.

Thank you

R. VASUDEVAN

REPORT OF BOARD OF DIRECTORS

Dear Members,

The Board of Directors are pleased to present the Company's 34th Annual Report on the business and operations of the Company together with the audited financial statements (standalone and consolidated) for the financial year ended March 31, 2019.

1. Financial Highlights

Table 1 gives the financial highlights of the Company for FY 2019 as compared to the previous financial year, on consolidated and standalone basis.

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	FY 2019	FY 2018	FY 2019	FY 2018
Net Sales /Income from Business Operations	52411.48	54058.06	36345.15	33535.48
Other Income	3689.68	3793.34	2879.51	2406.01
Total Income	56101.16	57851.40	39224.66	35941.49
Profit /(loss)before Interest and Depreciation	4398.87	4460.23	4453.14	3829.59
Less Interest	2631.51	2528.17	2235.49	1936.37
Profit /(loss)before Depreciation	1767.36	1932.06	2217.65	1893.22
Less Depreciation and amortisation	1341.72	1431.64	798.59	751.77
Profit / (loss) after depreciation and Interest	425.64	500.42	1419.06	1141.45
Exceptional Item				
Less Current Income Tax	3.15	8.54	1.20	-
Less Previous year adjustment of Income Tax	(103.22)	(55.43)	(103.22)	(55.43)
Less Deferred Tax	(2.05)	82.24	-	57.45
Net Profit after Tax	527.76	465.07	1521.08	1139.43
Remeasurement of Benefit liabilities/(Assets)	(62.90)	75.16	(31.61)	23.73
Income Tax relating to items that will not be reclassified to profit & loss account	8.71	(17.17)	-	-
Total Comprehensive Income	473.56	523.06	1489.47	1163.16
Less Minority share of profits / losses	(157.99)	(97.56)	-	NA
Dividend (including Interim if any and final)	-	-	-	-
Net Profit after dividend and Tax	631.55	620.62	1489.47	1163.16
Earnings per share (Basic)	0.39	0.34	0.86	0.67
Earnings per Share(Diluted)	0.39	0.33	0.86	0.66

Notes: FY2019 represents fiscal year 2018–19, from 1 April 2018 to 31 March 2019, and analogously for FY 2018 and other such labeled years.

2. Business Performance

The total standalone sales for FY 2019 are Rs 36345.15 lakhs as compared to ₹ 33535.48 lakhs for FY 2018. The Company made a PAT of ₹ 1521.08 lakhs in FY 2019 compared to ₹ 1139.43 lakhs in FY 2018.

3. Consolidated Results

The turnover of the Company was Rs 52411.48 lakhs in Financial Year 2019 against Rs 54058.06 lakhs in FY 2018. Profit after tax before Minority Interest for Financial Year 2019 was ₹ 527.76 lakhs as compared to Rs 465.07 lakhs in FY 2018.

4. Business Operations & Future Outlook

The company is refocusing on its core area of operations, Viz., EPC and Real Estate. In view of the Government's emphasis on affordable housing, your company has a sharp focus on this segment. While procuring the contract, the company lays emphasis on the priority of the project to the clients, the importance of value add in the project, and a special focus on affordable housing segment. The company has done extensive research on this area and has developed a special expertise on execution of such projects.

We foresee that the quality developers shall have an edge over others due to more stringent regulatory changes in this area. Growth in the Indian economy and likely reduction in interest rates, pickup in housing segment can be expected. With the Government emphasis on Housing for All and development of affordable housing, your Company shall look for favorable opportunities in this niche segment.

5. Credit Rating

The Company's financial prudence is reflected in the strong credit ratings ascribed by Rating Agency as given below:

Instrument	Rating Agency	Rating	Outlook
Long Term Instrument	SMERA	BBB-	Stable
Short Term Instrument	SMERA	A3	NA

6. Transfer to Reserves

The Company has not proposed to transfer any amount to the General Reserve.

7. Dividend

Considering the Cash Flow Situation, we do not recommend any dividend for the year under review.

8. Share Capital

The Company has allotted 40,00,000 equity shares of ₹ 28/- each fully paid on August 14, 2018 (including premium of ₹ 18 each) under Employee Stock Option Scheme, 2017 ('ESOS, 2017'). All the allotted equity shares rank pari passu in all respects with the existing Equity Shares of the Company.

Consequently, the total issued, subscribed and paid-up share of the Company has increased to ₹178,13,67,160 consisting of 17,81,36,716 equity shares of ₹ 10 each fully paid up on the date of this Report.

Non-convertible Debentures

Your Company had raised funds amounting to ₹ 110 crores by issuing Non-Convertible Debentures carrying a coupon rate of 15.5% with a tenor of 48 months on Private Placement Basis to Kotak Investment Advisors Limited.

9. Fixed Deposits

The details of deposits accepted during the year FY 2019 under review are as below:

Sr. No.	Particulars	Amount (in ₹)
1	Amount accepted during the year	5, 00,000
2	Amount remained unpaid or unclaimed as at the end of the year.	None
3	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved. i) at the beginning of the year ii) maximum during the year iii) at the end of the year	No
4	Details of deposits which are not in Compliance with the requirements of the Act.	No

10. Change in the Nature of Business, if any

During the year, there was no change in the nature of business of the Company or any of its subsidiaries.

11. Material Changes and Commitments affecting the Financial Position of the Company

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2019 till the date of this report

12. Adequacy of Internal Financial Controls with Reference to the Financial Statements

The Board has adopted systems, policies and procedures for efficient conduct of business, operations, safeguarding its assets and prevention of frauds. This ensures accuracy and completeness of accounting records and its timely preparation.

13. Subsidiaries, Associates and Joint Ventures

During the year under review, following changes took place with respect to Subsidiaries and Associates:

On January 7, 2019, Vascon EPC Limited was incorporated as Wholly Owned Subsidiary of Vascon Engineers Limited.

On February 27, 2019, Vascon Saga Construction LLP was incorporated as Joint Venture with Saga Infra Solutions

The list of subsidiaries and associates of your Company as on March 31, 2019 forms a part of MGT-9 (extract of Annual Return) which is annexed as **Annexure-VII** to the Board's Report.

As per Section 129(3) of the Companies Act, 2013, where the Company has one or more subsidiaries, it shall, in addition to its financial statements, prepare a consolidated financial statement of the Company and of all subsidiaries in the same form and manner as that of its own and also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiaries.

In accordance with the above, the consolidated financial statement of the Company and all its subsidiaries and joint ventures prepared in accordance with Accounting Standards 21 and 27 as specified in the Companies (Accounts) Rules, 2014, form part of the annual report. Further, a statement containing the salient features of the financial statement of our subsidiaries and joint ventures in the prescribed Form AOC-1, is attached as "**Annexure I"** to the Board's Report. This statement also provides the details of the performance and financial position of each subsidiary. It gives idea about overall performance and their contribution.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements and related information of the subsidiaries, where applicable, will be available for inspection during regular business hours at the Company's registered office in Pune, India. These will also be available on our website at http://vascon.com/investor.asp.

14. Particulars of Loans, Guarantees Or Investments

The Company makes investments or extends loans/ guarantees to its wholly owned subsidiaries for their business purpose. Details of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013, along with the purpose for which such loan or guarantee is proposed to be utilized by the recipient, form part of the notes to the financial statements provided in this annual report.

15. Corporate Governance and Additional Shareholders' Information

Your company practices a culture that is built on core and ethical values. A detailed report on the corporate governance systems and practices of the Company is given separately in this annual report.

A certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on corporate governance.

16. Awards and Recognitions:

During F.Y. 2018-19, your Company had received 22 awards. They are:

1. 9th Realty Plus Awards, Pune – Lifetime Achievement Award of the Year – Mr. R. Vasudevan
2. 9th Realty Plus Awards, Pune – Iconic Project of the Year Award - Windermere
3. 9th Realty Plus Awards, Pune – CSR Excellence Award – Vascon Engineers Ltd.
4. Realty Leaders Summit & Awards 2018 - Real Estate Achiever Award of the Year – Mr. R. Vasudevan
5. Realty Leaders Summit & Awards 2018 - Most Trusted Developer Residential of the Year (Maharashtra) - Vascon Engineers Ltd.
6. Daily Indian Media - Trendsetter Top 30 - Vascon Engineers Ltd.
7. Insights Success - The 10 Best Construction Companies in 2018 - Vascon Engineers Ltd.
8. 10th Realty+ Conclave & Excellence Awards 2018 (West) - Emerging Developer of the Year – Vascon Engineers Ltd.
9. Golden Brick Award 2018, Dubai - Black - Ink Award Print Media Ad Design - Windermere
10. Golden Brick Award 2018, Dubai - Housing Project Of The Year (Regional) – Vascon Goodlife, Katvi.
11. ACEF Asian Leadership Award, 2018 - Excellence in Launch Marketing – Vascon Goodlife
12. Big Bang Awards 2018, Bangalore - Awards for Excellence in Communication & Media: Real Estate – Television
13. Big Bang Awards 2018, Bangalore - Awards for Excellence in Communication & Media: Real Estate - Integrated Campaign
14. Asia Real Estate Excellence Award 2018 - the Best EPC Company - Vascon Engineers Ltd.
15. CORP COM & PR EXCELLENCE 2018 - PR Champion of the Year – Vascon Goodlife
16. CORP COM & PR EXCELLENCE 2018 - Best Launch Campaign / Communication of the Year – Vascon Goodlife
17. The Economic Times Best Realty Brands 2018 – Vascon Engineers Ltd.
18. 10th REALTY+ EXCELLENCE AWARDS 2019 – PUNE-Integrated Brand Campaign of the Year - Vascon Goodlife, Katvi
19. 10th REALTY+ EXCELLENCE AWARDS 2019 – PUNE - Budget Housing Project of the Year - Vascon Goodlife, Katvi
20. Times of India – Real Estate Icons of Pune – Mr. Siddharth Vasudevan.
21. Sampoorna Pune – Certificate of Appreciation for CSR Champions – Vascon Engineers Ltd.
22. Times Realty Icons 2019-Best Super Luxury Segment Home for Windermere Project

17. Management Discussion and Analysis

A detailed report on the Management Discussion and Analysis in terms of the provisions of Regulation 34 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), is provided as a separate chapter in the annual report.

18. Board of Directors and Key Management Personnel

As per Section 152(6)(c) of the Companies Act, 2013, Mr. R. Vasudevan, Executive Director(DIN: 00013519) of the Company retires by rotation at the forthcoming 34th AGM and being eligible, seeks re-appointment.

The term of office of Mr. V. Mohan and K. G. Krishnamurthy as an Independent Director is upto this Annual General Meeting. The Board of Directors upon recommendation of Nomination and Remuneration Committee has recommended re-appointment of Mr. V. Mohan and Mr. K. G. Krishnamurthy as Independent Directors of the Company for a second term of 5 (five) consecutive years on the expiry of their current term of office subject to approval of shareholders in Annual General Meeting.

Pursuant to provisions of Section 134(3)(d) of the Companies Act, 2013 with respect to statement on declarations given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of Independence as provided in the said section 149(6) of the Act and Regulation 16(1)(b) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which affects their status as Independent Directors.

The Company has received Form DIR-8 from all Directors pursuant to Section 164(2) and rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014. Brief Profile of the Directors seeking appointment/re-appointment has been given in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

Key Managerial Personnel (KMPs)

For the purposes of the provisions of Section 203(1) (i) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the following officers of the Company are hereby designated as the Key Managerial Personnel of the Company:

Dr. Santosh Sundararajan, Chief Executive Officer; Mr. D. Santhanam, Chief Financial Officer; Mr. M Krishnamurthi, Company Secretary and Compliance Officer (upto 30.09.2018) and Mrs. Vibhuti Darshin Dani, Company Secretary and Compliance Officer (w.e.f. October1, 2018)

Mr. Somnath Biswas has been promoted as Chief Financial Officer w.e.f 1.9.2019 in place of Mr. D. Santhanam who retires on 31.8.2019.

Remuneration and other details of Key Managerial Personnel are provided in form MGT-9 which is set out at **Annexure –VII** to Board's Report.

19. Meetings:

A calendar of Board Meetings, Annual General Meeting and Committee Meetings is prepared and circulated in advance to Directors of your Company. The Board of Directors of your Company met 7 times during the Financial Year 2018-19 (including a separate meeting of Independent Directors). The maximum gap between two Board Meetings did not exceed 120 days.

Details of Board Meetings are laid down in Corporate Governance Report which forms a part of this Report.

20. Performance Evaluation

As per provisions of the Companies Act, 2013 and Regulation 17(10) of the Listing Regulations, an evaluation of the performance of the Board of Directors and Members of the Committees was undertaken. Schedule IV of the Companies Act states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The policy is attached at Annexure D to Corporate Governance Report.

Accordingly, the evaluation of all the Directors individually and the Board as a whole including members of Committees was conducted based on the criteria and framework adopted by the Board. The contribution and impact of individual Directors and Committee Members was reviewed through a peer evaluation, on parameters such as level of engagement and participation, flow of information, independence of judgment, conflicts resolution and their contribution in enhancing the Board's overall effectiveness. None of the Independent Directors are due for reappointment.

During the year under review, the Independent Directors of the Company met on February 13, 2019, inter-alia, for:

i. Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.

ii. Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors.

iii. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

21. Appointment Of Directors And Remuneration Policy

The assessment and appointment of members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise and specific qualification required for the position. The potential Board member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

In accordance with Section 178(3) of the Companies Act, 2013, provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel and Senior Management. The **policy** is attached as an annexure to the Corporate Governance report.

22. Audit Committee

The composition of Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with rules issued thereunder and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Board of Directors consists of three Independent Directors and one Whole Time Director. The members of Audit Committee are financially literate and have experience in financial management. Since the Chairman of the Board is Executive, appointment of Chairman is done in each Meeting. Presently, the Committee comprises of Mr. V. Mohan, Independent Director, Mr. K. G. Krishnamurthy, Independent Director and Mr. Mukesh Malhotra, Independent Director and Mr. R. Vasudevan, Chairman of the Board. Mrs. Vibhuti Darshin Dani acts as Secretary of the Committee.

The Board has accepted all recommendations made by the Audit Committee during the year.

23. Business Risk Management

The Company has established a well documented and robust risk management framework under the provisions of Companies Act, 2013. Under this framework, risks are identified across all business process of the Company on continuous basis. Once identified, they are managed systematically by categorizing them. It has been identified as one of the Key enablers to achieve the Company's objectives. Increased competition, impact of recessionary trends on the award of jobs and man power attrition are some of the major risks faced in the industry. However, your company has adopted risk mitigation steps so as to protect the profitability of the business. It is hereby confirmed that there are no elements of risk which in the opinion of Board may threaten the existence of Companies.

24. Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, your Directors state that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. 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 March 31, 2019 and of the profit and loss of the company for that period;
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts on a going concern basis; and
5. The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. Secretarial Standards:

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meeting of Board of Directors' and 'General Meetings' respectively have been duly followed by the Company.

26. Related Party Transactions

All transactions entered into with Related Parties as defined under Section 2(76) of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, ("The Listing Regulations"), during the financial year were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

No material Related Party Transactions i.e. transactions exceeding 10% of the annual consolidate turnover as per the last audited financial statement, were entered during the year by your company.

There were no transactions with related parties which requires compliance under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Suitable disclosure as required by Indian Accounting Standards (IND AS 24) has been made in the notes forming part of Financial Statements. The particulars of Related Party transactions in prescribed form AOC-2 are attached herewith at **Anneuxure-II**.

27. Vigil Mechanism / Whistle Blower Policy

The Company has Whistle-Blower policy (Whistle-Blower/ Vigil Mechanism) to report concerns. Under this policy, provisions have been made to safeguard persons who use this mechanism from victimization.

An Independent member of Audit Committee is the Chief of Vigil Mechanism. The policy also provides access to the chairperson of the Audit Committee under certain circumstances. The details of the procedure are also available on the Company's website http://vascon.com/investor/services

28. Auditors

Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of the Company, hold office till the conclusion of the 34th Annual General Meeting of the Company. The Board has recommended the appointment of M/s Sharp & Tannan Associates, Chartered Accountants as the statutory auditors of the Company in their place, for a term of five consecutive years, from the conclusion of the 34th Annual General Meeting of the Company till the conclusion of the 39th Annual General Meeting of the Company, for approval of shareholders of the Company, based on the recommendation of the Audit Committee.

Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Mr. Kulbhushan D. Rane, of K.D. Rane & Associates, practicing Company Secretary was appointed to conduct the secretarial audit of the Company for FY 2019. The secretarial audit report for FY 2019 is attached as **"Annexure III".**

For FY 2020, based on the consent received from K.D. Rane & Associates, Practicing Company Secretary and on the recommendations of the Audit Committee, the Board has appointed K D Rane & Associates, Practicing Company Secretary, as Secretarial Auditor of the Company for FY 2020.

Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company maintains the cost audit records. Your Board has, on the recommendation of the Audit Committee, appointed Mrs. Varsha S. Limaye, Cost Accountants (Membership No.12358) as cost auditors of the Company for the FY 2020 at a remuneration of ₹ 2, 50,000/- (Rupees Two Lacs Fifty Thousand Only) plus service tax as may be applicable.

The provisions of section 148(1) Companies Act, 2013 are applicable to the Company and accordingly Company has maintained Cost records for the Financial year ended March 31, 2019

29. Board's Response on Auditors Qualification, Reservation Or Adverse Remark Or Disclaimer Made

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their report or by the Practicing Company Secretary in the secretarial audit report except:

Statutory Auditors comment on delay in payment of Statutory Dues in their Annexure to the Report:-

Reply: The Company is planning to liquidate some of its non-core assets. The Cash Flow shall enable the Company to pay dues..

30. Reporting of Frauds

During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

31. Significant and Material Orders Passed by the Courts/ Regulators

During FY 2019, there were no significant and/or material orders, passed by any Court or Regulator or Tribunal, which may impact the going concern status or the Company's operations in future.

32. Corporate Social Responsibility Initiatives

During the year under review, the Company has been recognised as CSR Champion of Sampoorna Pune because of contribution to the Digital Empowerment Track.

Vascon has been an early adopter of Corporate Social Responsibility initiatives. The Company works with Vascon Moorthy Foundation ('VMF') towards improving healthcare, supporting child education and many such activities for the welfare of the Society.

As per Section 135 of the Companies Act, 2013, the Company has a Corporate Social Responsibility (CSR) Committee of its Board of Directors. Our Corporate Social Responsibility Committee comprises Mr. R. Vasudevan, Chairman of the Committee, Mr. V. Mohan, Member and Ms. Sowmya Vasudevan Moorthy, Member.

During the year, the Committee monitored the implementation and adherence to the CSR policy. Our CSR policy provides a constructive framework to review and organize our social outreach programs in the areas of health, livelihood and education. The policy enables a deeper understanding of outcome focused social development through diverse collaborations.

Reasons for amount unspent

Though the Company could utilize more than 75% amount, Company cannot identify eligible activity/ies to spend balance amount of ₹ 2,86,022. The Company also spends actively in various communities and on social initiatives. These expenditures, while in the nature of CSR spend, do not qualify under Section 135 of the Companies Act 2013.

The Report on CSR activities of the Company is attached as "**Annexure IV**"

33. Information Required Under Sexual Harassment Of Women At Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability, etc. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy.

All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

The Company has in place an appropriate policy in accordance with prohibition of sexual harassment of women at workplace (Prevention, prohibition and redressal) Act, 2013 to prevent sexual harassment of its employees.

The necessary disclosure in terms of requirements of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 in this regards is given below:

a.	No. of complaints filed during the Financial Year	Nil
b.	No. of complaints disposed off during the Financial Year	Nil
c.	No. of complaints pending as on end of Financial Year	Nil

34. Transfer of unpaid and unclaimed amounts to Investor Education And Protection Fund ('IEPF')

Adhering to the various requirements set out in the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the

Company has during financial year 2018-19, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer i.e. November 15, 2018. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link https://vascon.com/investor/shares-information. The said details have also been uploaded on the website of IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Members may note that shares as well as dividend transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: www.iepf.gov.in or contact Karvy for lodging claim for refund of shares and/or dividend from the IEPF Authority.

35. Employees Stock Option Schemes

During the year under review, there were no material changes in the Employee Stock Option Scheme, 2017 of the Company except variation in price from existing price of ₹ 28 to ₹ 15. The Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the details as required under the said Regulations are available on website of the Company http://vascon.com/investor/services.

The applicable disclosures as stipulated under SEBI guidelines with regard are attached as "**Annexure V".**

36. Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **"Annexure VI"**.

In terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in said rules forms part of the annual report.

Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

37. Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company focuses on conservation of energy in its projects. Many of our projects are eco-friendly. One of our project (Windermere) is duly certified by IFBC- Pre-Certified Project issued by Indian green Building Council Company has also received another certificate- Eco housing Certificate with 5 star rating issued by Science and Technology.

We focus on preserving natural resources like trees, canals and other resources while designing the projects.

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

During the year under review, total Foreign Exchange Earnings and Outgo is as under:

(₹ In lakhs)

Particulars	FY 2019	FY 2018
Foreign Exchange Earning	307.32	Nil
Expenditure in Foreign Exchange	6.98	25.84

38. Extract of the Annual Return

The details forming part of the extract of the annual return in Form MGT-9 is attached as **"Annexure VII"**.

39. Acknowledgement

Your Directors would like to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from Financial Institutions, Banks, Government Authorities, Shareholders, Investors and Business Partners.

Yours Directors also wish to place on record the deep sense of appreciation for the committed services by the Company executives and staff.

For and on behalf of the Board of Directors

R. Vasudevan
Chairman

Place: Pune
Date: August 12, 2019

ANNEXURE I AOC - 1

Statement Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in prescribed FORM AOC-1 relating to Subsidiary, Associate and Jointly Controlled Companies

(₹ in Lakhs)

PART-A Subsidiary

Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreignsubsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
Almet Corporation Limited	No	NA	58.82	280.23	385.90	46.85	-	7.50	(8.34)	-	(8.34)	-	100%
Marathawada Realtors Private Limited	No	NA	39.22	609.59	728.09	79.28	-	0.92	(11.91)	-	(11.91)	-	100%
Marvel Housing Private Limited	No	NA	1.00	(11.30)	307.14	317.44	-	317.80	3.05	-	3.05	-	100%
Vascon Value Homes Private Limited	No	NA	1.00	(0.86)	1.30	1.16	-	-	(0.40)	0.10	(0.30)	-	100%
GMP Technical Solutions Private Limited	No	NA	1.49	6,205.01	14,759.61	8,553.11	-	17,157.24	(1,022.13)	-	(1,022.13)	-	85%
GMP Technical Solutions Middle East (FZE),	No	18.82	24.51	(240.79)	36.31	252.59	-	40.82	(59.35)	-	(59.35)	-	85%
Vascon EPC Limited	No	NA	1.00	-	1.00	-	-	-	-	-	-	-	100%

(₹ in Lakhs)

PART-B Associates and Joint Ventures

Name of associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/Loss for the year Considered in Consolidation	Profit/Loss for the year Not Considered in Consolidation
		No.	Amount of Investment in Associates/Joint Venture	Extend of Holding%					
Associates									
Mumbai Estate Private Limited	31.03.2018	99,999	10	44.44%	Significant influence due to % of Share Capital	Value of Investment Nil as per Equity Method of Accounting for Investments in Associates.	(55.45)	-	-
Jointly Controlled Entities									
Phoenix Ventures	31.03.2018	Not Applicable	200.00	50%	Joint Control over economic activity of the entity	-	782.04	(56.57)	-
Cosmos Premises Private Limited	31.03.2019	177,401	367.91	43.83%	Joint Control over economic activity of the entity		844.69	1.87	
Ajanta Enterprise	31.03.2018	Not Applicable	4,272.94	50%	Joint Control over economic activity of the entity		1,942.32	(108.42)	
Vascon Saga Construction LLP	Unaudited (First year of Incorporation)	Not Applicable	1.52	76.00%	Joint Control over economic activity of the entity		1.52	-	

For and on behalf of the Board of Directors

R. Vasudevan
Chairman

Place: Pune
Date: August 12, 2019

ANNEXURE-II FORM AOC-2

Pursuant to Clause (h) of sub-section(3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under fourth proviso thereto

1. Details of contracts or Arrangements or Transactions not at Arm's Length Basis: None

Sr. No	Particulars	Details
1	Name(s) of the related party and nature of relationship	**Not Applicable**
2	Nature of contracts/arrangement/transaction	
3	Duration of the contracts/arrangements or transaction	
4	Salient terms of the contracts or arrangements or transactions including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions	
6	Date of approval by Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General Meeting as required under the first proviso to Section 188	

2. Details of material contracts or arrangements or transactions at Arms Length basis: **Not Applicable**

Sr.No.	Name of Related Party	Nature of Transaction	Duration of Transaction	Transaction Value	% of Consolidated Revenue	Date of approved by Board of Directors	Advance Amount
NA	NA	NA	NA	NA	NA	Since these RPT's are in the ordinary course of business and are at arms length basis, approval of Board of Directors is not applicable. However, these are reported to Audit / Board at their Quarterly meetings.	Not Applicable

For and on behalf of the Board of Directors

R. Vasudevan
Chairman

Place: Pune
Date: August 12, 2019

ANNEXURE-III

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

[*Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies* (*Appointment and Remuneration of Managerial Personnel*) *Rules, 2014*]

To
The Members

Vascon Engineers Limited

Vascon Weikfield Chambers

Behind Hotel Novatel, Opposite Hyatt Hotel

Pune Nagar Road, Pune – 411014.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vascon Engineers Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2019 according to the provisions of:

(*i*) The Companies Act, 2013 (the Act) and the rules made thereunder;

(*ii*) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(*iii*) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(*iv*) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**;

(*v*) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

(*a*) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(*b*) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(*c*) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;

(*d*) The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;

(*e*) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;

(*f*) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(*g*) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and

(*h*) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**.

(vi) **I further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) Real Estate (Regulation and Development) Act, 2016;

(b) Maharashtra Real Estate (Regulation and Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosure on Websites) Rules, 2017; and

(c) Maharashtra Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1963.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India; and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, standards, etc., apart from:

(i) Issue and allotment of 11000 unlisted, secured, redeemable, non-convertible debentures having a face value of ₹ 1,00,000 (Rupees One Lakh only) each, on a private placement basis, for an aggregate amount of ₹ 110,00,00,000 (Indian Rupees One Hundred and Ten crores only) to Kotak Investment Advisors Ltd; and

(ii) Variation of terms of Vascon Engineers Limited Employees Stock Option Scheme 2017 - repricing of stock options granted to employees who are entitled to participate in the scheme.

Kulbhushan D Rane
FCS No.: 10022, C. P. No.: 11195

Place: Pune
Date: 12 August 2019

This report is to be read with my letter of even date which is Annexed as Annexure and forms and integral part of this report

Annexure to the Secretarial Audit Report

To
The Members

Vascon Engineers Limited

Vascon Weikfield Chambers

Behind Hotel Novatel, Opposite Hyatt Hotel

Pune Nagar Road, Pune – 411014.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Kulbhushan D Rane
FCS No.: 10022, C. P. No.: 11195

Place: Pune
Date: 12 August 2019

ANNEXURE IV
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   The Company concentrates on the health and education of the labourers and their children. To achieve this, we conduct medical check ups, immunization camps and run creches for the kids.

   The Board has approved the CSR Policy of the Company. It can be viewed at http://www.vascon.com/csr

   The Report on CSR activities of the Company is mentioned below in **Exhibit 1.**

2. The Composition of the CSR Committee:

   The CSR Committee was constituted by the Board of Directors at its meeting held on October 20, 2014 and it has been reconstituted by the Board on November 7, 2015 as below:

   - Mr. R. Vasudevan, Whole time Director,
   - Mr. V. Mohan, Member
   - Ms. Sowmya Vasudevan Moorthy, Member

3. Average net profit of the company for last three financial years:

   As per the Corporate Social Responsibility (CSR) Policy of the Company , eligible funds for CSR Activities for each financial year will be expended in the areas of Education, health, women empowerment through one or more trust. These CSR activities will be carried out through various programmes or projects as

Sr. No.	Year	Profit Before Tax
1	2015-2016	11,41,45,000
2	2016-2017	5,77,15,373
3	2017-2018	6,58,92,940
	Total	23,77,53,313
	Average Net Profit of three years	**7,92,51,104**

4. Details of CSR spent during the financial year:

Average net profit of the Company for the financial years 2015-16 to 2017-18	₹ 7,92,51,104
Prescribed CSR Expenditure (2% of the average net profit computed above)	Atleast Rs 15,85,022
Total amount spent of CSR activities for the Financial Year 2018-19	₹ 1,299,000
Amount unspent, if any	₹ 2,86,022

Manner in which the amount spent during the Financial Year 2018-19 is detailed below:

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1) Local Area or other 2) Specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or programwise (Amount in ₹)	Amount spent on the project (Amount in ₹)	Cumulative expenditure upto the Reporting Period (Amount in ₹)	Amount spend- Direct or through implementing Agency
1	Other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Economically Back ward	Pune (Maharashtra)	500,000	500,000	500,000 (Direct)	
2	Focusing on livelihood development and overall poverty alleviation	Environment	Pune (Maharashtra)	500,000	500,000	500,000 (Direct)	
3	Rural Education, infrastructure for schools, financial assistance to school children for cultural activities	Education	Pune (Maharashtra)	299000	299000	Fully through trust	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

   Though the Company could utilize more than 75% amount, Company cannot identify eligible activity/ies to spend balance amount of ₹ 2,86,022. The Company also spends actively in various communities and on social initiatives. These expenditures, while in the nature of CSR spend, do not qualify under Section 135 of the Companies Act 2013.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:**

   The implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Sd/-	Sd/-
Siddharth Vasudevan Moorthy	Vasudevan Ramamoorthy
Managing Director	Chairman, CSR Committee

EXHIBIT 1: CSR ACTIVITIES REPORT

Vascon Moorthy Foundation ('VMF') has successfully completed 11 years. The efforts have been taken for increasing the educational coverage through providing the formal as well as non formal education and Health to children who were deprived from educational opportunity. VMF also take care of better hygiene, safe drinking water facility, healthy environment and better living condition to improve the labourers' quality of life.

Activities undertaken by VMF during the year are as follows:

Preventive and Curative Health Camps:

In the year 2018-19, VMF focused on the preventive and curative health care of the construction workers, with the help of Pune Municipal Corporation and NGO. A total of 15 health checkup camps were held on all the sites in Pune. Total 1091 Workers were benefited from these camps. At this camp getting medicines, vitamins as well as iron supplements free of cost was rewarding for them. Construction industry is a hazardous industry, cuts and wounds are very common while working on sites. Total 807 workers were given T. T. vaccine. This will be an ongoing programme for every month. Anemia is one of the sever problem in women, during the health camp most of the female workers received iron and folic acid supplements at every site.

Immunization:

Immunization is important component to prevent the disease. Preventive Health Care is one of the major Components of the extensive Health Care Program implemented by VMF at all the construction sites. Due to continuous migration, laborers and their children are deprived of preventive health care program. 76 children received Polio, BCG, Triple Vaccine Hepatitis B, DPT, DT, Measles doses. Teams of Niramay NGO pulse polio immunization camp at Godrej greens site on 14th March and total 66 Children took Pulse polio vaccine in this camp. Also with Government organized pulse polio vaccine at Forest Edge and Windermere site, there are 41 children took pulse polio, Total 107 children from construction sites have been immunized in the year 2018-19. Parents of these children are convinced for immunization camps. The response to this camp was overwhelming. Doctors and the nursing staff built excellent rapport with the parents and gained their confidence.

Fire Safety Awareness Program:

VMF successfully organized Fire safety awareness program with the help of Safe Kid Foundation team. There were 252 laborers and 12 staff participated in this program. Mr. Sathe Coordinator of Safe kid Foundation, he using the material of short film and pamphlet were developed by Safe Kid Foundation and ensure correct understanding of the laborers. Safety of children is the primary duty of every parent. There is nothing worse for a parent than losing a child. With an aim of creating safer homes and protecting children from the risk of fire and burns and other common accidents, which occur at home.

We are grateful to Safe Kid Foundation team for their valuable time spent with our laborers.

HIV & AIDS Awareness Programme and testing:

Construction sites Laboures continuously keep wandering in the urban centers in search of work. This is considered to be a high risk population, as far as, HIV & AIDS is concerned. They have very little awareness about it and have many misconceptions about the illness. VMF staff covered almost all Sites in Pune city for the scientific HIV/AIDS awareness programme. They were also provided the addressee of the Anti Retroviral Treatment (ART) centers. After the HIV & AIDS Awareness programme, condom demonstration shown to male workers and condom distributed. In this year, we have collaboration with Soudamini NGO is an working with positive women and children. VMF organised Awareness and HIV testing camp at Forest Edge site, Tech Point site and Windermere site through Soudamini NGO and Total 293 workers have actively participation the awareness program but among these 105 workers were HIV tested. And all result is negative.

HPV Awareness program and camp:

Human Papilloma Virus (H.P.V) is one if the major cause to develop the cervical cancer in female. Most of the female did not show any symptoms for 15 to 20 years. There is very less awareness in females. But the screening test is available to detect cancer earlier. Visual inspection with acetic acid (VIA) is the name of the test.

VMF conducted HPV awareness and screening program for female workers at Godrej Green site, with the collaboration of Prayas NGO, which is special working for prevention of cervical cancer.

Medical officer Dr. Dilip Pardeshi (Ret. Deputy Health Officer, PMC) and team conducted awareness and screening for HPV. Around 65 female workers attended the awareness program, out of them 22 female tested for cervical cancer. Only one case detected who is developing cancer. Immediately treatment and procedure was done for this female.

Tetanus Toxicity Camp:

Most tetanus comes from soil, animal feces or dust. Puncture wounds are notable because tetanus-harboring dirt or dust collected on the sharp object can be driven into the body. The nail is simply the carrier of the bacteria into the body's blood stream. Total 208 male and female workers attended the program.

Also VMF conducted Dengue malaria awareness program at Godrej greens and Windermere site. There were 340 workers attend the awareness program as well as conducted oral cancer awareness program at Windermere site and in this program 159 workers attended the program.

Crèches, Day Care Centers on Construction Sites:

Since construction industry is hazardous, safety of children on construction sites is very important. Both the husband and wife work on the site and there is nobody to look after the children at home. If women stay at home they will lose out on opportunities to earn wages, which is important for them to earn their living. Vascon Moorthy Foundation runs 1 Day care centers at Windermere labour camp, and 1 with the help of Tara Mobile Crèches at Godrej Greens site labour camp to take care of children at crèches and women are assured that they have left their children at a safe place and can go to work with a calm mind. In crèches children get nutritional food, dry snacks, toys to play, animated movies for entertainment and of course they get pre primary formal education too.

MR vaccine awareness program and camp:

One of the vaccine camps, VMF organized Measles and Rubella vaccine camp for children with the help of Village health committee (PHC Fursungi) and Niramay NGO at Godrej Green's site, Forest Edge site and Windermere site. In this camp Village Health committee team and Niramay NGO Implemented the vaccine camp on site and during the camp discusses the benefits of MR vaccine with each parent individually. Firstly, we had conduct awareness program there were total 300 parents attended and 89 children immunized for Measles and Rubella vaccine on 3 sites.

Therefore, the measles and rubella vaccine camp was successfully implemented and no child was harmed, all the children were safe.

Education:

At Vascon Moorthy Foundation is preparing children to join nearby formal schools as early as possible and succeed in a mainstream academic setting. Moreover, with the enforcement of Right to Education Act, enrolment has been easy into formal school, especially for children of migrant families. In our site, 38 children are getting formal education.

Respectively, Forest Edge site 25 children, Godrej Greens site 09 children and Windermere site 04 children taken formal education from 1st std to 10th std in local PMC, and Z.P school during the academic year 2018-19.

<u>Summer Vacation Trip:</u>

Most of the children living on construction sites rarely have the opportunity to see life outside the construction grounds on which they live. Vascon Moorthy Foundation believes that providing children with opportunities for outings and exposure visits is very important, not only to enhance their education but also to let them have fun. This year a picnic to Peshwe Energy Park at Sarasbaug, Swargate was organised for the children where they enjoyed having refreshments and participated in various games. Total 29 children participated through the organised summer vacation trip.

<u>Child Right's:</u> The child is one of the most important assets of the Nation. All children and young people have a right of Education, Health, and Protection. VMF staff conducted "Child right's session" with children at Godrej Greens site. In this session we have aware to children about Survival rights, Development right, Protection rights and Participation rights.

<u>Star Site Competition for Best maintained Labour camp for workers.</u> VMF conducting Star site competition at all India level every year. The purpose of this competition is to motivate the site staff to provide the better hygiene, safe drinking water facility, healthy environment and better living condition to improve the laboures quality of life. VMF staff done the periodic visit to all the sites to guide the site regarding maintaining of labor camp.

In the year 2018-19 total 5 site Fulfilled the criteria of the competition and TNMCH, Chennai win the award of Star site competition, Windermere, Pune was first runner up and Everest Enclave, Lucknow was second runner up. Congratulations to all winning sites.

Ramya Siddharth Moorthy
Trustee

ANNEXURE – V: EMPLOYEES STOCK OPTION SCHEME

The details of stock options as on 31 March 2019 under the Vascon Employee Stock Option Scheme 2017 (‘**ESOS, 2017**’) is as under:

Sr. No.	Description	ESOS, 2017
1.	Total Options granted	1,60,00,000(25% in each year)
2.	Pricing formula	Intrinsic value
3.	Options vested as at 31 March 2019	40,00,000
4.	Total options exercised	40,00,000
5.	Total number of shares arising as a result of exercise of options	-
6.	Total Options lapsed	NIL
7.	Variation of terms of Options	Balance options were re-priced from ₹ 28 to ₹ 15 vide shareholders approval dated March 15, 2019
8.	Total Money realized by exercise of options	11,20,00,000
9.	Total number of options in force	1,20,00,000
10.	Employee-wise details of options granted during the year to:	
	Senior managerial Personnel	

Name	ESOS, 2017	
	Exercise Price	No. of Options
Santosh Sundararajan	₹ 28/-	40,25,000 (1006250 in each year)
Rajesh Mhatre	₹ 28/-	40,25,000 (1006250 in each year)

Sr. No.	Description	
11.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	

Name	No. of Options	
	Exercise Price	ESOS, 2017
Santosh Sundararajan	₹ 28/-	40,25,000 (1006250 in each year)
Rajesh Mhatre	₹ 28/-	40,25,000 (1006250 in each year)

Sr. No.	Description	ESOS, 2017
12.	Identified employees who were granted 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.	1. Dr. Santosh Sundararajan 2. Rajesh Mhatre
13.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 ‘Earnings Per Share	0.39
14.	The difference between the employee compensation cost computed under Intrinsic Value Method and the employee compensation cost that shall have been recognized if the Company had used the Fair Value Methods and its impact on profits and on EPS of the Company.	Accounted on the basis of Fair Value Method
15.	Weighted-average exercise prices and weighted-average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock	Exercise Price: ₹ 28/- Weighted Average fair value of the option: ₹ 14.58/-
16.	Description of the method and significant assumptions used during the year to estimate the fair values of options	Binomial Lattice Model
17.	Risk-free interest rate	6.70%
18.	Expected life	1 Year
19.	Expected volatility	68%
20.	Expected dividends	2%
21.	The price of the underlying share in market at the time of option grant	30.35

For and on behalf of the Board of Directors

R. Vasudevan
Chairman

Place: Pune
Date: August 12, 2019

ANNEXURE – VI :REMUNERATION OF MANAGERIAL PERSONNEL

ANNEXURTION OF MANAGERIAL PERSONNEL

Information in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1&2) The ratio of remuneration of each director to the median remuneration of the employees of the Company, the percentage increase in remuneration of each director, CEO, CFO and CS, for FY2019 and comparison of the remuneration of each Key Managerial Personnel (KMP) against the performance of the Company:

Name	Designation	Ratio of Remuneration to the Median Remuneration of Employees	% Increase (Decrease) in Remuneration During FY 2018
V. Mohan	Independent Director	**Not Applicable	-
R. Vasudevan	Chairman	31	(91.67)%
K. G. Krishnamurthy	Independent Director	**Not Applicable	-
Sowmya Moorthy	Non Executive Director	**Not Applicable	-
Mukesh Malhotra	Director	**Not Applicable	-
Siddharth Vasudevan Moorthy	Managing Director	83	73.38%
Santosh Sundararajan	CEO	109	-
M. Krishnamurthi*	CS	15	-
Mrs. Vibhuti Darshin Dani*	CS	3	17.15%
D. Santhanam	CFO	18	-

**Mr. M. Krishnamurthi retired as Company Secretary and Compliance Officer w.e.f 30.9.2019 and Mrs. Vibhuti Darshin Dani appointed as Company Secretary and Compliance Officer w.e.f. 1.10.2019*
*** No remuneration is paid to Non executive directors, except sitting fees for attending board meetings.*
KMPs includes our CEO, CFO and CS.
Remuneration does not include perquisite value of ESOS

3)	the number of permanent employees on the rolls of company	666 employees
4)	the percentage increase in the median remuneration of employees in the financial year	6.15%
5)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	An increase of 17.33% was given to employees during the year under review. There was an increase of 8.77% in the remuneration of Managerial Personnel.
6)	affirmation that the remuneration is as per the remuneration policy of the company	The remuneration paid/payable is as per the remuneration policy of the Company.

INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Details of Employees whose salary exceeds ₹ 1.02 crores

Name	Age	Designation	*Remuneration	Nature of Employment	Qualifications	Experience	Date of Commencement of Employment with the Company	Previous Employment	% of Equity Shares held	Any relation with Director
Dr. Santosh Sundararajan	42	Chief Executive Officer	40582518	Permanent	BE (Civil), MBA (Finance), CFA, PHD (Structural Design)	24	01.10.2007	Buro Engineers Singapore Pte Ltd.	4.57%	NA
Siddharth Vasudevan Moorthy	34	Managing Director	31455840	Permanent	Diploma (Civil), Bachelor in Applied Science (Construction Mgmt)	13	01.04.2011	Vascon Infra Ltd.	0.39	Son of Mr. R. Vasudevan and brother of Ms. Sowmya Moorthy
Rajesh Dilip Mhatre	42	Chief Executive Officer- Real Estate	14715000	Permanent	BE (Mechanical), MMS	18	01.02.2017	Lodha Ventures	0.53%	NA

Details of Top 10 Employees alongwith Key Managerial Personnel:

Name	Age	Designation	*Remuneration	Nature of Employment	Qualifications	Experience	Date of Commencement of Employment with this Company	Previous Employment	% of Equity Shares held	Any relation with Director
Dr. Santosh Sundararajan	42	Chief Executive Officer	40582518	Permanent	BE (Civil), MBA (Finance), CFA, PHD (Structural Design)	24	01.10.2007	Buro Engineers Singapore Pte Ltd.	4.57%	NA
Siddharth Vasudevan Moorthy	34	Managing Director	31455840	Permanent	Diploma (Civil), Bachelor in Applied Science (Construction Mgmt)	13	01.04.2011	Vascon Infra Ltd.	0.39	Son of Mr. R. Vasudevan and brother of Ms. Sowmya Moorthy
Rajesh Dilip Mhatre	42	Chief Executive Officer- Real Estate	14715000	Permanent	BE (Mechanical), MMS	18	01.02.2017	Lodha Ventures	0.53%	NA
D. Santhanam	57	Chief Financial Officer	6824736	Permanent	Graduate (Commerce), ACA	33	16.01.1989	Life Insurance Corporation of India	0.42%	NA
Somnath Biswas	52	President - Finance & Accounts	6791175	Permanent	Graduate (Science), ICWA	27	15.7.2011	Amby Valley Limited	0.21%	NA
S. Padmanabhan	57	Vice President - Projects	4497525	Permanent	BE (Civil)	35	24.09.2009	Rakindo Kovai Township Ltd	-	NA
Sanjay Muttepawar	49	Vice President - Projects	5156325	Permanent	Diploma (Civil), BE (Civil), MBA	26	01.03.2002	K. Raheja Engg. Services	0.13%	NA
Tanaji Atole	49	Vice President - Projects	5117850	Permanent	Diploma (Civil)	28	01.03.1996	Advance Construction Co. Pvt, Ltd.	0.16%	NA
Vivekanand Botre	41	Vice President – Projects	4874175	Permanent	Diploma (Civil)	21	07.10.2003	Devi Construction Company Private Limited	0.15%	NA
Navin Kumar Thakur	40	Assistant Vice-President-Marketing	5088075	Permanent	BE (Textile), Master (Management Studies)	15	02.08.2017	Kolte-Patil Developers Ltd	0.04%	NA

For and on behalf of the Board of Directors

R. Vasudevan
Chairman

Place: Pune
Date: August 12, 2019

Annexure VII
FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2018

Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. Registration & other details:

CIN	L70100PN1986PLC175750
Registration Date	01.01.1986
Name of the Company	Vascon Engineers Limited
Category of the Company	Company Limited by Shares
Sub-category of the Company	Indian Non-Government Company
Address of the Registered office & contact details	Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hotel Hyatt, Pune-Nagar Road, Pune-411014
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Karvy Fintech Private Limited** Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Telephone: +91 40 6716 2222 Facsimile: +91 40 2343 1551 E-mail: einward.ris@karvy.com Investor grievance id: einward.ris@karvy.com Website: www.karvy.com Contact Person: Mr. S V Raju, SEBI Registration No.: INR000000221

II. Principal business activities of the Company

Sr. No.	Name and description of main products / services	NIC code of the product/ service	% to total turnover of the Company
1	Engineering, Procurement and Construction (EPC)	43900	54
2	Real Estate Development	4100 - Construction of buildings	15
3	Manufacturing & BMS	25111	31

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	**Almet Corporation Limited** 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W),Mumbai-400083	U29290MH1960PLC059367	Subsidiary	100	2(87)(ii)
2	**GMP Technical Solutions Private Limited** 3rd Floor, Swastik Disa Business Park, Lbs Marg, Behind Wadhani Industrial Estate, Ghatkopar West,Mumbai-400086	U74999MH2003PTC142312	Subsidiary	85.00	2(87)(ii)
3	**GMP Technical Solutions Middle East** (FZE) P.O. Box 9134, Sharjah, (U.A.E.)	Foreign Company	Step Subsidiary	85.00	2(87)(ii)
4	**GMP Technical Services (LLC)** Dubai (Ceased to exist from July 12, 2017)	Foreign LLC	Step Subsidiary	85.00	2(87)(ii)
5	**Marathawada Realtors Private Limited** 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai -400083	U24110MH1984PTC034809	Subsidiary	100.00	2(87)(ii)
6	**Marvel Housing Private Limited** 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai -400083	U45200MH2005PTC154682	Subsidiary	100.00	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
7	**Vascon Value Homes Private Limited** Vascon Weikfield Chambers, Behind Hotel Novotel, Pune Nagar Road, Pune MH 411014	U45200PN2017PTC171989	Subsidiary	100.00	2(87)(ii)
8	**Vascon EPC Limited** Vascon Weikfield Chambers, Behind Hotel Novotel, Pune Nagar Road, Pune MH 411014	U70103PN2019PLC181214	Subsidiary	100.00	2(87)(ii)
9	**Mumbai Estate Private Limited** 401, Rajendra Chambers, 19, Nanabhai Lane, Fort, Mumbai	U45201MH2006PTC163672	Associates	44.44	2(6)
10	**Phoenix Ventures** 201, Phoenix, Bund Garden Road, Opp. Residency Club,Pune-411001	AOP	Joint Venture	50.00	2(6)
11	**Ajanta Enterprises** M/1, M/2, Clover Center, Moledina Road, Camp, Pune- 411001	AOP	Joint Venture	50.00	2(6)
12	**Cosmos Premises Private Limited** 201, Phoenix, Bund Garden Road, Opp. Residency Club,Pune-411001	U70100PN1997PTC133546	Joint Venture	43.83	2(6)
13	**Vascon Saga Construction LLP**	AAO-3913	Joint Venture	76.00	2(6)

IV. Shareholding Pattern (Equity share capital breakup as percentage of total equity)

(i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year as on 31-March-2018				No. of Shares held at the end of the year as on 31-March-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	51407827	-	51407827	29.52	51407827	-	51407827	28.86	(0.66)
b) Central Govt	-	-	-	-		-			
c) State Govt(s)	-	-	-	-		-			
d) Bodies Corp.	9599275	-	9599275	5.51	9599275	-	9599275	5.39	(0.12)
e) Banks / FI	-	-	-	-		-			
f) Any other	-	-	-	-		-			
Sub Total (A) (1)	**61007102**	**-**	**61007102**	**35.03**	**61007102**	**-**	**61007102**	**34.25**	**(0.78)**
(2) **Foreign**									
a) NRI Individuals	-	-	-	-		-	-	-	-
b) Other Individuals	-	-	-	-		-	-	-	-
c) Bodies Corp.	-	-	-	-		-	-	-	-
d) Any other	-	-	-	-		-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total (A)	**61007102**	**-**	**61007102**	**35.03**	**61007102**	**-**	**61007102**	**34.25**	**(0.78)**
1. Institutions									
a) Mutual Funds	-	-	-	-		-	-	-	-
b) Banks / FI (NBFC)	731774	-	731774	0.42	571777		571777	0.32	(0.10)
c) Central Govt	-	-	-	-					
d) State Govt(s)	-	-	-	-					
e) Venture Capital Funds	-	-	-	-					
f) Insurance Companies	-	-	-	-					
g) FIIs	818324	-	818324	0.47	0		0	0	(0.47)
h) Foreign Venture Capital Funds									
i) Others (FPIs)	135000	-	135000	0.08	200000		200000	0.11	0.03
Sub Total (B)(1):-	**1685098**	**-**	**1685098**	**0.96**	**771777**		**771777**	**0.43**	**(0.53)**

Category of Shareholders	No. of Shares held at the beginning of the year as on 31-March-2018				No. of Shares held at the end of the year as on 31-March-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
a) Bodies Corp.	37157093	100	37157193	21.34	34488033	100	34488133	19.36	(1.98)
i) Indian	-	-	-	-					
ii) Overseas	-	-	-	-					
b) Individuals	-	-	-	-					
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	30925778	2	30925780	17.76	33525175	2	33525177	18.82	1.06
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	41514557	0	41514557	23.84	46892522	0	46892522	26.32	2.48
c) Others (specify)									
HUF									
Non Resident Indians	1222178	-	1222178	0.70	999537	0	999537	0.56	(0.14)
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	624808	-	624808	0.36	448876	0	448876	0.25	(0.11)
Trusts									
Foreign Bodies - D R									
IEPF	0	0	0	0	3592	0	3592	0.00	0.00
Sub-Total (B)(2):-	**111444414**	102	**111444516**	**64.00**	**116357735**	102	**116357837**	**65.32**	1.32
Total Public (B)t	**113129512**	**102**	**113129614**	**64.97**	**117003338**	**102**	**117003440**	**65.68**	**0.71**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**174136614**	102	**174136716**	**100**	**178136614**	102	**178136716**	**100**	-

(II) Shareholding of Promoter as on March 31, 2019

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered*	No. of Shares	% of total shares of the Company	% Of Shares pledged/ encumbered*	
	Indian							
	Individuals/Hindu undivided Family							
1	Vasudevan Ramamoorthy	41897701	24.06	9.26	41897701**	23.52***	9.05***	(0.21)
2	Lalitha Vasudevan	8109538	4.66	Nil	8109538	4.55	Nil	(0.11)
3	Sowmya Vasudevan Moorthy	700294	0.40	Nil	700294	0.39	Nil	(0.01)
4	Siddharth Vasudevan Moorthy	700294	0.40	Nil	700294	0.39	Nil	(0.01)
	Any Other	-	-	-			-	-
5	Vatsalya Enterprises Private Limited	9078947	5.21	Nil	9078947	5.10	Nil	(0.11)
6	Bellflower Premises Private Limited	520328	0.30	Nil	520328	0.29	Nil	(0.01)
7	Vasumangal Constructions LLP	0	0	0	0	0	0	0

* The term 'encumbrance' has the same meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Shareholders listed above are disclosed as Promoters under Regulation 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as on 31 March 2016.

**Includes16130672 shares pledged to State Bank of India.

***The Change in percentage is due to increase in paid up capital on account of allotment of shares upon exercise of Employee Stock Option Scheme's.

(Iv) Change In Promoter's Shareholding (Please Specify, If there is no change)

Sl no	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Opening Balance	VASUDEVAN RAMAMOORTHY	28459617	16.34	31/03/2018			28459617	15.98
	Closing Balance				31/03/2019			28459617	15.98
2	Opening Balance	VASUDEVAN RAMAMOORTHY	13226969	7.60	31/03/2018			13226969	7.43
	Closing Balance				31/03/2019			13226969	7.43
3	Opening Balance	VASUDEVAN RAMMOORTHY	0	0.00	31/03/2018			211115	0.12
	Closing Balance				31/03/2019			211115	0.12
4	Opening Balance	VATSALYA ENTERPRISES PRIVATE LIMITED	9078947	5.21	31/03/2018			9078947	5.21
	Closing Balance				31/03/2019			9078947	5.10
5	Opening Balance	LALITHA VASUDEVAN	8109538	4.66	31/03/2018			8109538	4.66
	Closing Balance				31/03/2019			8109538	4.55
6	Opening Balance	SIDDHARTH VASUDEVAN MOORTHY	700294	0.40	31/03/2018			700294	0.40
	Closing Balance				31/03/2019			700294	0.39
7	Opening Balance	SOWMYA VASUDEVAN MOORTHY	700294	0.40	31/03/2018			700294	0.40
	Closing Balance				31/03/2019			700294	0.39
8	Opening Balance	BELLFLOWER PREMISES PRIVATE LIMITED	520328	0.30	31/03/2018			520328	0.30
	Closing Balance				31/03/2019			520328	0.29

V) Shareholding Directors and Key Managerial Personnel as on March 31, 2019

Sr. No.	Shareholding Directors And Key Managerial Personnel	Date	Reason	Shareholding at the Beginning of the year April 1, 2018		Cumulative Shareholding During The Year March 31, 2019	
				No. of Shares	% of total Share	No. of Shares	% of total Shares
1	**Name: V. Mohan, Independent Director**						
	At the beginning of the year	01.04.2018	Nil moment during the year	-	-	-	-
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		-	-	-	-
2	**Name: Vasudevan Ramamoorthy, Whole Time Director**						
	At the beginning of the year	01.04.2018	Nil moment during the year	41897701	24.06		
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019				41897701	23.52
3	**Name: K G Krishnamurthy, Independent Director**						
	At the beginning of the year	01.04.2018	Nil moment during the year	-	-	-	-
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		-	-	-	-

Sr. No.	Shareholding Directors And Key Managerial Personnel	Date	Reason	Shareholding at the Beginning of the year April 1, 2018		Cumulative Shareholding During The Year March 31, 2019	
				No. of Shares	% of total Share	No. of Shares	% of total Shares
4.	**Name: Sowmya Vasudevan Moorthy , Non Executive Director**						
	At the beginning of the year	01.04.2018	Nil moment during the year	700294	0.40		
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2019				700294	0.39
5.	**Name: Mukesh Satpol Malhotra, Independent Director**						
	At the beginning of the year	01.04.2018	Nil moment during the year	5525	0.00		
	Changes during the year	-					
	At the end of the year	31.03.2019				5525	0.00
6.	**Name: Siddharth Vasudevan Moorthy, Managing Director**						
	At the beginning of the year	01.04.2018	Nil moment during the year	700294	0.40		
	Changes during the year	-					
	At the end of the year	31.03.2019				700294	0.39
7.	**Name: Santosh Sundararajan , Chief Executive Officer**						
	At the beginning of the year	01.04.2018	-	7128143	4.09		
	Changes during the year	07.09.2018	Purchase (ESOP)	1006250		8134393	4.57
	At the end of the year	31.03.2019	-			8134393	**4.57**
8.	**Name: M. Krishnamurthi, Company Secretary & Compliance Officer (upto 30.09.2018)**						
	At the beginning of the year	01.04.2018	-	613000	0.35		
	Changes during the year	24.08.2018	Sale	2000		611000	0.34
		31.08.2018	Sale	5000		606000	0.34
		05.10.2018	Sale	4000		602000	0.34
	At the end of the year	31.03.2019	-			602000	0.34
9.	**Name: D. Santhanam, Chief Financial Officer**						
	At the beginning of the year	01.04.2018	Nil moment during the year	745692	0.43		
	At the end of the year	31.03.2019				745692	0.42
10.	**Name: Vibhuti Darshin Dani,** Company Secretary & Compliance Officer (w.e.f. 01.10.2018)						
	At the beginning of the year	01.04.2018	Nil moment during the year	-	-	-	-
	At the end of the year	31.03.2019		-	-	-	-

V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT.-

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,397,003,429	200,461,130	345,706,449	1,943,171,008
ii) Interest accrued but not due on borrowings		2,532,865		2,532,865
iii) Interest accrued due on borrowings		83,441,431		83,441,431
Total (i+ii+iii)	**1,397,003,429**	**286,435,426**	**345,706,449**	**2,029,145,304**
Change in Indebtedness during the financial year				
* Addition	650,549,502			650,549,502
* Reduction		26,770,144	170,872,533	197,642,677
Net Change	**650,549,502**	**(26,770,144)**	**(170,872,533)**	**452,906,825**
Indebtedness at the end of the financial year (Mar 19)				
i) Principal Amount	2,047,552,931	151,028,611	174,833,916	2,373,415,459
ii) Interest accrued but not due on borrowings		1,160,630		1,160,630
iii) Interest accrued due on borrowings		107,476,041		107,476,041
Total (i+ii+iii)	**2,047,552,931**	**259,665,282**	**174,833,916**	**2,482,052,129**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sn	Particulars Of Remuneration		Total Amount
	Particulars	**R. Vasudevan (₹ In Lakhs)**	**Siddharth Vasudevan (₹ In Lakhs)**
1	Gross salary	**10.00**	**314.55**
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		-
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others, please specify		
6	Total (A)	**10.00**	**314.55**
	Ceiling as per the Act		*

**Company is paying minimum remuneration permitted under the Act.*

B. Remuneration to other Directors

₹ in Lakhs

SN	Particulars of Remuneration		Name of Directors		
		V. Mohan	**K.G. Krishnamurthy**	**Mukesh Malhotra**	**Sowmya Moorthy**
1	Independent Directors				
	Fee for attending board committee meetings	0.50	1.00	1.25	1.25
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	**0.50**	**1.00**	**1.25**	**1.25**
	Total (B)=(1+2)	**0.50**	**1.00**	**1.25**	**1.25**
	Total Managerial Remuneration to Non executive Directors including Independent Directors	**0.50**	**1.00**	**1.25**	**1.25**
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A

C . REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ in Lakhs

S. N.	Particulars of Remuneration	Name of Key Managerial Personnel			
	Name	**Santosh Sundararajan**	**D. Santhanam**	**M. Krishnamurthi (upto 30.09.2018)**	**Vibhuti Darshin Dani (01.10.2018)**
	Designation	CEO	CFO	Company Secretary	Company Secretary
1	Gross salary	405.82	68.24	48.25	9.84
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	
	- as % of profit	-	-	-	
	- others, specify	-	-	-	
5	Others, please specify	-		-	
	Total	**405.82**	**68.24**	**48.25**	**9.84**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF FFENCES: N.A.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	N.A.				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	N.A.				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.				
Punishment					
Compounding					

For and on behalf of the Board of Directors

R. Vasudevan
Chairman

Place: Pune
Date: August 12, 2019

REPORT ON CORPORATE GOVERNANCE

Pursuant to the corporate governance requirements prescribed under the Companies Act, 2013 ("Act") and the SEBI Listing Regulations, the report containing the details of corporate governance systems and processes at Vascon Engineers Limited ('**Vascon'**) is as follows:

1. **Philosophy**

Since inception your Company has consciously adhered to the highest standards of governance long before they were legally mandated and which have become benchmarks for the industry.

The Company is committed to good corporate governance. The philosophy is to observe the highest level of ethics in all dealings, to ensure efficient conduct of the Company and help Company achieve its goals. It is not a discipline but is a culture that guides the Board, Management and Employees to function in the interest of Shareholders. The Company respects the rights of its shareholders to secure information on the performance of the Company. Its endeavor has always been to maximise the long term value to the shareholders of the Company.

This Report is prepared in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the details of Corporate Governance systems and processes.

2. **Board Of Directors**

A. **Composition**

Board of Vascon Engineers Ltd has an ideal composition of Executive and Non-Executive Directors and is in conformity with provisions of Companies Act, 2013 and also Regulation of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Composition of Board of Directors of Vascon Engineers Limited as on March 31, 2019 is as mentioned in Table A. As on 31st March, 2019, Company has 6 Directors. There are 3 Independent Directors on the Board of the Company.

The Directors of the Company have expertise in the fields of strategy, management, finance, operations, technology, human resource development and economics. The Board provides leadership, strategic guidance, objective and independent views to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. All Independent Directors have been appointed as per provisions of Companies Act, 2013 and Listing Regulations.

Table A

Sr. No	Name of the Director	DIN	Position	Status
1	R. Vasudevan	00013519	Chairman	Chairman (Promoter Executive)
2	Siddharth Vasudevan Moorthy	02504124	Director	Managing Director (Promoter)
3	V. Mohan	00071517	Director	Independent Non-Executive Director
4	K. G. Krishnamurthy	00012579	Director	Independent Non-Executive Director
5	Sowmya Vasudevan Moorthy	06470039	Director	Non-Executive Director (Promoter)
6	Mukesh Satpal Malhotra	00129504	Director	Independent Non-Executive Director

Table B gives the composition of Vascon's Board, their positions, relationship with other Directors, date of joining the Board, other Directorships and memberships of Committees held by each of them as on March 31, 2019

Name	Position	Date of Joining	Relationship with other Directors	Directorships U/S. 165 of the Companies Act, 2013		Committees membership	Committees Chairmanship	Directorship in other Listed entities
				Public Co's	Private Co's			
R. Vasudevan	Chairman	1.1.1986	Related to Sowmya Moorthy and Siddharth Moorthy	2	1	3	1*	-
Siddharth Vasudevan Moorthy	Managing Director	29.3.2018	Related to R. Vasudevan and Sowmya Moorthy	1	1	3	-	-
V. Mohan	Independent Director	6.3.2007	None	2	3	6*	1*	Talbros Automotive Components Limited (NED & ID)
K. G. Krishnamurthy	Independent Director	21.6.2006	None	7	1	9*	3*	1 Ajmera Realty & Infra India Limited (NED & ID) 2 Gruh Finance Limited (NED & ID)
Sowmya Vasudevan Moorthy	Director	31.3. 2015	Related to R. Vasudevan and Siddharth Vasudevan	1	-	3	-	-
Mukesh S. Malhotra	Independent Director	17.5.2016	None	2	7	2	1	-

**Includes CSR Committee Membership*

1. *Other Directorships are those, which are not covered under Section 165 of the Companies Act, 2013.*
2. *Membership/Chairmanship in Audit and Stakeholders Relationship Committees of all public limited companies, whether listed or not, including Vascon are considered. Membership/Chairmanship of foreign companies, private limited companies and companies under Section 8 of the Companies Act, 2013 has been excluded.*
3. *None of the Independent Directors serves as an Independent Director in more than seven listed companies.*
4. *Other than Sowmya Vasudevan Moorthy and Siddharth Vasudevan Moorthy, who is the daughter and son of our Chairman, Mr. R Vasudevan, none of our Directors on the Board are related to each other.*

Each Director of the Company informs the Company on an annual basis about the Directorships and Board Committee positions he occupies in other companies including Chairmanships and notifies changes during the term of their directorship in the Company.

B. Term Of Board Membership

The Board, on the recommendations of the Nomination and Remuneration Committee, considers the appointment and re-appointment of Directors. Section 149 of the Companies Act, 2013, provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of a special resolution by the shareholders of the Company.

However, the Independent Directors shall not retire by rotation.

Further the Board hereby confirms that all the Independent Directors fulfill the conditions as specified under Schedule V of SEBI(LODR), 2015 and further the Board also confirms that they are independent of the management.

Accordingly, all the Independent Directors of the Company were appointed as Independent Directors under Section 149 of the Companies Act, 2013, for a period of 5 years. The tenor of existing Independent Directors namely Mr. V. Mohan and Mr. K. G. Krishnamurthy is till the conclusion of 34th Annual General Meeting.

Section 152 of the Companies Act, 2013, states that one-third of the Board members other than Independent Directors who are subject to retire by rotation, shall retire every year and shall be eligible for re-appointment, if approved by the shareholders at their meeting. In view of the above, Mr. R. Vasudevan retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks re-appointment.

C. DIRECTORS' PROFILE

A brief resume of Directors, nature of their expertise in specific functional areas and names of companies in which they hold Directorships, Memberships/ Chairmanships of Board Committees, and shareholding in the Company are as below:

1. Brief Biography of Directors

Mr. R. Vasudevan holds a bachelor's degree in civil engineering from the University of Pune. He has also completed an 'Owner President' Management Program from the Harvard Business School. He has been a Director on the Board of our Company since January 1, 1986. He is responsible for the over-all management of our Company. He has over 35 years of experience in the construction industry.

Mr. Siddharth Vasudevan Moorthy is a Diploma Holder from Pune University. He has completed his Graduation in Bachelor of Applied Science in Construction Management with Honors from Singapore Institute of Management and Royal Melbourne Institute of Technology.

With his meticulous approach and enhanced experience of more than ten years in the areas of Project Execution, Quality, Technology, Process IT, Customer Relationship Management, Engineering Design and many other facets of the business, he has spearheaded the organizational growth. His steady work conviction & vision continues to drive the organization into a leadership position in the real estate and construction business.

Mr. V. Mohan is a fellow member of the Institute of Chartered Accountants of India. He is a practising chartered accountant with more than 31 years of experience in the areas of audit and assurance services, company law, tax planning, tax representations and foreign exchange regulations with V Sankar Aiyar and Company, Chartered Accountants, where he is a partner. He has been a director since March 6, 2007. He has been appointed as the Chairman of our Company by our Board since January 21, 2008.

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

Ms. Sowmya Vasudevan Moorthy holds bachelor's degree in business administration from Symbiosis International University, Pune and an advanced diploma in Interior Design from Raffles College of Higher Education, Singapore. She has over 4 years of experience in the interior design industry. She has been appointed as an Additional Director on the Board of our Company since March 31, 2015.

Mr. Mukesh Malhotra completed his schooling at The Bishop's School, Pune & then went on to complete his Bachelor of Engineering at the College of Engineering, Pune. He was appointed Managing Director of Weikfield

Products Co. (I) Pvt. Ltd. in 1994 and continues to hold that position. With his focus on International Trade, Mukesh has travelled to over 60 countries and 150 cities, thus giving him a broad appreciation and understanding of International business practices and economic scenarios.

The Company's products have received International Quality Awards from Europe and America. He is actively involved in the activities of MCCIA with a track record of over 25 years, having served as President, 2008-2010.

Mr. Mukesh Malhotra is a Founder Trustee of the Pune International Centre (PIC) a think tank on the lines of the India International Centre, and Vice Chairman of the Malhotra Weikfield Foundation, which provides Scholarships to students in Pure Sciences, and is setting up a state of the art Skill Development Institute with Swiss Collaboration.

He is an avid Vipassana Meditator since 1989. His hobbies and interests include music, ranging from Indian Classical to Western Pop, travel, International Cuisine, and he is a voracious reader.

2. Nature of relationship between Directors

Other than Ms. Sowmya Vasudevan Moorthy and Mr. Siddharth Vasudevan Moorthy, who are the children of Mr. R. Vasudevan, none of the other Directors on the Board are related to each other.

3. Directorships in companies suspended/ delisted

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

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

4. Arrangements with major shareholders, customers, suppliers or others

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

5. Service contracts entered into between our Company and our Directors:

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

D. Selection and Appointment of New Directors

Induction of a new member on the Board of Directors is the responsibility of the Nomination and Remuneration Committee, consisting entirely of Independent Directors. Considering the existing composition of the Board and requirement of new domain expertise, if any, the Nomination and Remuneration Committee reviews potential candidates. The assessment of members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise and specific qualification required for the position. The potential Board member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and the SEBI LODR Regulations. The Committee then places the details of shortlisted candidate who meet these criteria to the Board for its consideration. If the Board approves, the person is appointed as an Additional Director, subject to the approval of shareholders in the Company's General Meeting.

E. Familiarization Process for Independent Directors

The Familiarisation program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

To familiarize a new Independent Director with the Company, a kit containing informative documents about the Company like Annual Reports, Investor Presentations, recent Press Releases, Memorandum and Articles of Association, etc. is handed over to him/ her. Visits to various plant locations are also organized for the new Director to understand the Company's operations.

The Company believes that the Board be continuously empowered with the knowledge of latest developments in the Company's businesses, and the external environment affecting the Company and the industry as a whole. The periodic presentations on Company's business and performance updates, business strategy and risks involved are made.

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. At the quarterly Board meetings of the Company held during the financial year 2018-19, the Independent Directors have been updated on the developments in the Company and the Company's performance. The details of the familiarisation program for Independent Directors are available on the Company's website at www.vascon.com/investors/services

F. Chart setting out skills/expertise of Board of Directors

Your Company is in the Construction Business. Your Company while appointing a Director always ensure that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, architecture, business management, sales, marketing, corporate governance, technical operations or other disciplines related to your Company's business.

Sr. No	Skills/Expertise of BOD
1	Design of Residential, Commercial Office and Other Building.
2	Construction of Civil Structures and Modular Structures.

Sr. No	Skills/Expertise of BOD
3	Managing vast pool of Manpower and Other Resources.
4	Understanding market dynamics of the Real Estate Buildings.
5	Effectively managing Financial Resources of the Company.

G. Letter of Appointment

The Independent Directors on the Board of the Company, upon appointment, are given a formal appointment letter *inter alia* containing the term of appointment, roles, function, duties & responsibilities, code of conduct, disclosures, confidentiality, etc. The terms and conditions of the appointments of Independent Directors are available on the Company's website www.vascon.com/investors/services

H. Board Evaluation

The Board has carried out an annual evaluation of its own performance, as well as the working of its Committees. The Board worked with the Nomination and Remuneration Committee to lay down the criteria for the performance evaluation.

The contribution and impact of individual Directors were reviewed through a peer evaluation on parameters such as level of engagement and participation, flow of information, independence of judgment, conflicts resolution and their contribution in enhancing the Board's overall effectiveness. Where required, independent and collective action points for improvement put in place. The policy is attached as an **annexure B** to the Corporate Governance report.

6. Appointment of Directors and Remuneration Policy

The assessment and appointment of members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

In accordance with Section 178(3) of the Companies Act, 2013, and on recommendations of the Nomination & Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management.

Independent Directors and Non-Executive Directors may be paid sitting fees for attending board Meetings within the parameters prescribed by law. Independent Directors and Non-Executive Directors may be paid sitting fees for attending board Meetings within the parameters prescribed by law. The remuneration payable to Non-Executive Directors is decided by the Board of Directors. Nomination and Remuneration Committee while deciding the basis for determining remuneration to the eligible Non-Executive Directors takes into consideration various relevant factors , current market trend etc.

The policy is attached as an **Annexure A** to the Corporate Governance report.

Remuneration Paid to the Non - Executive Directors for FY 2019:

Sr. No.	Name of the Director	Salary and allowance	Sitting Fees Paid (in ₹)	Shareholding in the Company
1	V. Mohan	-	50,000	-
2	K. G. Krishnamurthy	-	100,000	-
3	Sowmya Vasudevan Moorthy	-	125,000	7,00,294
4	Mukesh S. Malhotra	-	125,000	5525

Remuneration Paid or Payable to the Executive Directors for FY 2019:

Sr. No.	Name of the Director	Salary and allowance (In Rs)	Perqui-sites (In Rs)	Retire-ment benefits (In Rs)	Shareholding in the Company
1	R. Vasudevan	10,00,000	-		4,16,86,586
2	Siddharth Vasudevan Moorthy	3,14,55,840	-	886980*	7,00,294

**Payable of at the time of retirement*

The tenure of office of Managing Director and Whole time Director is for 5 (Five) years from their respective date of appointments. It can be terminated by either party by giving one months' Notice in writing. There is no separate provision for payment of severance fees.

I. Board Meetings:

The Company plans and prepares the schedule of the Board and Board Committee meetings in advance to assist the Directors in scheduling their program. The schedule of meetings and their agenda are finalized in consultation with the Chairman and Directors of the Company. The agenda are pre-circulated with detailed notes, supporting documents and executive summaries.

Under Indian law, the Board of Directors must meet at least four times a year, with a maximum gap of four months between two Board meetings. Board of Vascon Engineers Limited met seven times during the financial year under review including a separate meeting of Independent Directors: on May 28, 2018, August 14, 2018, September 17, 2018, November 2, 2018, January 18, 2019 and February 13, 2019

The Company has a well-defined process of placing vital sufficient information before the Board such that the information earmarked as per the SEBI Listing Regulations are covered to the fullest extent.

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

Directors Attendance for FY 2019

Sr. No.	Name of the Director	Meetings held during year*	Number of Board Meetings Attended	Attendance in Last AGM held on September 17, 2018
1	R. Vasudevan	7	5	Present
2	Siddharth Vasudevan Moorthy	7	6	Present
3	V. Mohan	7	2	Absent
4	K. G. Krishnamurthy	7	5	Present
5	Sowmya Vasudevan Moorthy	7	5	Present
6	Mukesh Satpal Malhotra	7	6	Present

**Meeting held during the year includes a separate meeting of Independent Director*

J. Meeting Of Independent Directors

During FY2019, the Independent Directors of Vascon Engineers Limited met once in executive sessions without the presence of Executive Directors and other members of management.

During this session, the Independent Directors reviewed the performance of senior management, Independent and non-Independent Directors, including the Chairman and the Board as a whole. They also assessed the quality and adequacy of the information between the Company Management and the Board.

The Independent Directors also discussed the performance of the Company, agenda of meetings, strategy, risks, competition and succession planning for the Board and the senior management. The Lead Independent Director, with or without other Independent Directors, provides structured feedback to the Board about the key elements that emerge out of these executive sessions.

K. Annual General Meeting/ Extra Ordinary General Meeting/Postal Ballot:

LAST THREE ANNUAL GENERAL MEETINGS:

The details of last 3 Annual General Meetings held are as under:

Date and Time	Venue	Special Resolutions Passed
September 15, 2016 at 4.00 P.M.	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400001	1. Re-appointment of Mr. R. Vasudevan (DIN: 00013519) as Managing Director of the Company 2. To approve Re-classification of Promoters 3. Employees Stock Option Scheme, 2016 ('ESOS, 2016') 4. Grant of Employees stock options to the Employees equal to or more than 1%
September 28, 2017 at 3.30 P.M.	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400001	1. To divest/sale/slump sale/demerger of Non-Core Assets and/or Material Subsidiary 2. To amend the Articles of Association of the Company 3. To convert loan availed from ECL into Equity Shares upon event of Default 4. Shifting of Registered Office of the Company
September 17, 2018 at 3.30 P.M.	MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune – 411 014	1. Appointment Of Mr. Siddharth Vasudevan Moorthy As Managing Director Of The Company 2. Appointment Of Mr. R. Vasudevan As Whole Time Director (Executive Chairman) Of The Company

EXTRA-ORDINARY GENERAL MEETINGS/POSTAL BALLOTS:

SPECIAL RESOLUTION PASSED BY POSTAL BALLOT

Postal Ballot Procedure

During the year 2018-19, the company has conducted Postal Ballot in accordance with Section 110 of the companies act, 2013, read with Rule 22 of the companies (management and administration) Rules, 2014. the company has sent the Postal Ballot notice(s) together with Postal Ballot Form to the members of the company for seeking their approval to the business listed therein. the company has also provided its members with an e-voting facility through Karvy Fintech Private limited (Karvy), in accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of companies (Management and Administration) amendment Rules, 2015 and Regulation 44 of the SEBI listing Regulations, in order to enable them to exercise their voting rights by way of electronic means on the resolution(s) proposed through Postal Ballot(s). the company has complied with the procedure for Postal Ballot in terms of the provision of Section 110 of the companies act, 2013 read with Rule 22 of the companies (Management and Administration) Rules, 2014. Mrs. Savita Jyoti, Proprietress of M/s Savita Jyoti Associates, Practicing Company Secretaries, Secunderabad, was appointed as a scrutinizer for scrutinizing voting (both physical and e-voting) in a fair and transparent manner for both the postal ballot conducted by the company during the year.

The details of the resolution passed by way of postal ballot along with the voting pattern in respect of the Special Resolutions passed are mentioned below:

The Board of Directors approved the Postal Ballot notice dated January 18, 2019, containing the below mentioned resolution for the approval of the members, which was passed with the requisite majority on March 15, 2019.

a. Details of Resolution:

Item no. 1: Variation Of Terms Of Vascon Engineers Limited Employees Stock Option Scheme 2017 (ESOS 2017) - Repricing Of Stock Options Granted To Employees Who Are Entitled To Participate In The Scheme

Name of the Resolution	Votes in favour of the resolution		Votes against the resolution		Invalid Votes
	No	% of total number of valid votes cast	No	% of total number of valid votes cast	No
Variation Of Terms Of Vascon Engineers Limited Employees Stock Option Scheme 2017 (ESOS 2017) - Repricing Of Stock Options Granted To Employees Who Are Entitled To Participate In The Scheme	74266449	99.96	24380	0.0328	NIL

L. Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

1. Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, has issued Secretarial Standards on important aspects like Board meetings, General Meetings etc.

2. Ethics/ Governance Policies

At Vascon, we strive to conduct our business ethically. We follow the ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders.

We have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Code of Conduct for Prohibition of Insider Trading
- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Corporate Social Responsibility Policy
- Policy on Board Diversity
- Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- Policy for determining Material Subsidiaries
- Policy on fair Disclosure

3. Code of Business Conduct and Ethics and Ombuds person Procedure (Vigil Mechanism)

The Company has adopted a Code of Business Conduct and Ethics (the 'Code'), which applies to all its Directors and employees, its subsidiaries and affiliates. It is the responsibility of all Directors and employees to familiarize themselves with this Code and comply with its standards.

The Board and the senior management annually affirm compliance with the Code. A certificate of the Managing Director of the Company to this effect is enclosed as **Exhibit 1** to this chapter.

The Company has formulated an Whistle- Blower or Vigil mechanism under this Code to report concerns on, actual or suspected violations of the Code, which:

a) describes the Ombudsperson framework

b) takes into account procedures for investigation and communication of any report on any violation or suspected violation of the Code

c) accepts appeal against any decision; and

d) encourages the submission of complaint against any retaliation The Code of Business Conduct and Ethics and Ombudsperson procedure (whistle blower policy) is available on the Company's website: www.vascon.com/investors/services

An Independent Director is the Ombudsperson. The complaints and reports submitted to the Company and their resolution status are reported through the Ombudsperson to the Audit Committee and, where applicable, to the Board. During Financial Year 2018-2019, no personnel has been denied access to the Audit Committee.

4. Related Party Transactions

The Company has adequate procedures for purpose of identification and monitoring of related party transactions.

All transactions entered into with related parties during the financial year were in the ordinary course of business and on arm's length pricing basis. There were no transactions with related parties during the financial year which were in conflict with the interest of the Company.

All related party transactions are periodically placed before the Audit Committee and the Board for review and approval, as appropriate.

The Company has formulated a policy on materiality of and dealing with Related Party Transactions pursuant to the provisions of the Act and Regulation 23 of the Listing Regulations, which specify the manner of entering into Related Party Transactions. During the year under review, the Policy was also amended to align it in accordance with the changes made in the Listing Regulations based on the recommendations of the Uday Kotak Committee.

The Policy on Related Party Transactions has been hosted on the website of the Company and can be accessed through the web-link www.vascon.com/investors/services

5. Subsidiary Companies

The Audit Committee reviews the financial statements of the Material Subsidiary Company. 'GMP Technical Solutions Pvt. Ltd.' is a material subsidiary Company in terms of SEBI Listing Regulations. The Committee also reviews the investment made by the material subsidiary company, statement of all significant transactions and arrangements entered into by the subsidiary company and the status of compliances by the respective subsidiary company, on a periodic basis.

The minutes of the Board meeting of the material subsidiary company are placed before the Board of the Company for its review.

The Company has formulated a policy for determining material subsidiaries and it is available on the Company's website www.vascon.com/investors/services

6. Disclosure on Accounting Treatment

In the preparation of financial statements for FY 2019, there is no treatment of any transaction different from that prescribed in the Accounting Standards notified by the Government of India under the Companies (Accounts) Rules, 2014 prescribed under Section 133 of the Companies Act, 2013; guidelines issued by the Securities and Exchange Board of India; and other accounting principles generally accepted in India.

7. Management Disclosures

Senior management of the Company (Senior Director level and above, as well as certain identified key employees) make annual disclosures to the Board relating to all material financial and commercial transactions in which they may have personal interest, if any, and which may have a potential conflict with the interest of the Company. Transactions with key managerial personnel are listed in the financial section of this annual report under Related Party Transactions.

8. Prohibition on Insider Trading

The Company has a policy prohibiting Insider Trading in conformity with applicable regulations of the SEBI in India. Necessary procedures have been laid down for Directors, officers and employees for trading in the securities of the Company. The policy and procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure/ blackouts/quiet periods, when the Directors and employees are not permitted to trade in the securities of the Company, are intimated to all Directors and employees, in advance, whenever required.

9. Committee Meetings

Following are Committees Company has formed:

The Company has following Board Level Committees, namely:

I. Audit Committee,

II. Nomination and Remuneration Committee,

III. Stakeholders Relationship Committee,

IV. Corporate Social Responsibility Committee,

V. Asset Sale Committee

VI. Governing Council Committee

VII. Debenture Allotment Committee

I. Audit Committee:

Audit Committee was constituted on February 17, 2007 and reconstituted on 9.2.2017. It now comprises of 4 directors.

During the year the Audit committee met 4 times i.e.28th May, 2018, 14th August, 2018, 31st October, 2018 and 13th February 2019.

Given in the table below is the constitution of Committee and attendance records of the Members:

Name	Designation	No. of Meetings Attended
Mr. V. Mohan	Member	2
Mr. R. Vasudevan	Member	3
Mr. K. G. Krishnamurthy	Member	3
Mr. Mukesh Malhotra	Member	2

The Company Secretary Mrs. Vibhuti Dani acts as Secretary of the Audit Committee.

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

The Audit Committee has the following powers and responsibilities including but not limited to:

1. Supervise the financial reporting process.
2. Review the quarterly and annual financial results before placing them to the Board along with the related disclosures and filing requirements.
3. Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function.
4. Discuss with management, the Company's major policies with respect to risk assessment and risk management.

5. Hold discussions with statutory auditors on the nature, scope and process of audits and any views that they have about the financial control and reporting processes.
6. Ensure compliance with accounting standards and with listing requirements with respect to the financial statements.
7. Recommend the appointment and removal of external auditors and their remuneration.
8. Recommend the appointment of cost auditors.
9. Review the independence of auditors.
10. Ensure that adequate safeguards have been taken for legal compliance for both the Company and its other Indian as well as foreign subsidiaries.
11. Review the financial statements, in particular, investments made by all the subsidiary companies.
12. Review and approval of related party transactions.
13. Review the functioning of whistle-blower mechanism.
14. Review the implementation of applicable provisions of various acts.
15. Scrutiny of inter-corporate loans and investments.
16. Valuation of undertakings or assets of the Company, wherever it is necessary.
17. Evaluation of internal financial controls.
18. Review the suspected fraud as committed against the Company.
19. Recommendation for appointment, remuneration and terms of appointment of auditors of Listed Entity.
20. Reviewing the utilization of loans and/or advances from/ investment by the Holding Company in the subsidiary exceeding Rupees 100 crores or 10% of asset size of subsidiary, whichever is lower including the existing loans/ advances/investments existing as on the April 1, 2019.
21. Review of compliance with respect to provisions of SEBI(Prohibition of Insider Trading Code) 2015 atleast once a year.

II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on June 11, 2007 and was reconstituted on 9.2.2017. It now comprises of four directors.

During the year the Nomination and Remuneration Committee met 6 times i.e. 28th May, 2018, 14th August, 2018, 17th September, 2018, 2nd November, 2018, 18th January, 2019 and 13th February 2019.

The current composition of the Nomination and Remuneration Committee is as follows:

Name	Designation	No. of Meetings Attended
Mr. K. G. Krishnamurthy	Chairman	3
Mr. V. Mohan	Member	2
Ms. Sowmya V. Moorthy	Member	5
Mr. Mukesh Malhotra	Member	4

The Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

Terms of reference of the Nomination and Remuneration Committee ('NRC') are broadly as under:

The Committee has the following powers and responsibilities including but not limited to:

1. Examine the structure, composition and functioning of the Board, and recommend changes, as necessary, to improve the Board's effectiveness.
2. Formulate policies on remuneration of Directors, KMPs and other employees and on Board diversity.
3. Formulate criteria for evaluation of Independent Directors and the Board.
4. Assess the Company's policies and processes in key areas of corporate governance, other than those explicitly assigned to other Board Committees, with a view to ensure that the Company is at the forefront of good governance practices.
5. Regularly examine ways to strengthen the Company's organisational health, by improving the hiring, retention, motivation, development, deployment and behavior of management and other employees. In this context, the Committee also reviews the framework and processes for motivating and rewarding performance at all levels of the organisation, reviews the resulting compensation awards, and makes appropriate proposals for Board approval. In particular, it recommends all forms of compensation to be granted to the Executive Directors, KMPs and senior management of the Company.
6. Recommend to the Board, all remuneration, in whatever from, payable to senior management.
7. The NRC shall attend to any other responsibility as may be entrusted by the Board.

Framework for Performance Evaluation of Independent Directors and the Board

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance Evaluation of the Chairman and Non- Independent Directors was carried out by the Independent Directors. Further the Board hereby confirms that all the Independent Directors fulfill the conditions as specified under Schedule V of SEBI(LODR), 2015 and further the Board also confirms that they are independent of the management.

III. Stakeholders Relationship Committee:

The Shareholders Relationship Committee was constituted on June 11, 2007 and was again reconstituted on 9th February, 2017 to specially oversee and redress the issues pertaining to Investor Grievances.

During the year, the Stakeholders Relationship Committee met 4 times i.e.28th May, 2018, 14th August, 2018, 2nd November, 2018 and 13th February 2019.

The current composition of the Stakeholders Relationship Committee is as under:

Name	Designation	No. of Meetings Attended
Mr. K. G. Krishnamurthy	Chairman	2
Mr. R. Vasudevan	Member	3
Mr. V Mohan	Member	2
Mr. Mukesh Malhotra	Member	3

Mrs. Vibhuti Darshin Dani, Company Secretary & Compliance Officer of the Company acts as Secretary to the Stakeholders Relationship.

During the year Company received total 17 complaints from shareholders/investors and all the complaints were resolved. None of the complaints are pending as on date.

Terms of reference of the Stakeholders Relationship Committee are broadly as under:

The Committee has the following powers and responsibilities including but not limited to:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by Registrar and Share Transfer Agent
4. Review of the various measures and initiatives taken by the listed entity for reducing the Quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.

IV. Corporate Social Responsibility Committee (CSR Committee)

The CSR Committee comprises of 3 members namely: Mr. R. Vasudevan (Chairman), Mr. V. Mohan, and Ms. Sowmya Moorthy.

During the year the CSR Committee met 4 times i.e.28th May, 2018, 14th August, 2018, 2nd November, 2018 and 13th February 2019.

Terms of Reference of the Corporate Social Responsibility Committee are broadly as under:

1. Frame, review and recommend changes to the CSR Policy and / or associated activities of the Company.
2. Monitor the adherence by the Company with the CSR Policy.
3. Ensure that the Company is taking appropriate measures to undertake CSR activities as mentioned in the CSR Policy.
4. Review and recommend the amount of expenditure by the Company on the various CSR activities.
5. The CSR Committee shall have access to any internal information necessary to fulfill its oversight role. The CSR Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
6. Perform other activities related to this Charter as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

V. Asset Sale Committee

The overarching objects of the Asset Sale Committee are to identify and sell non-core assets.

The Asset Sale Committee comprises of members namely: Dr. Santosh Sundararajan, Mr. Rajesh Dilip Mhatre and Mr. Siddharth Vasudevan Moorthy.

During the year the Asset Sale Committee met once i.e. 13th February, 2019

Terms of Reference of the Asset Sale Committee are broadly as under:

- Overseeing the sale of the Company’s non-core assets and certain inventories in the asset management business area and accelerating this process as much as possible.
- Preparing and recommending proposed decisions regarding the sale of asset management activities and submitting them to the Board of Directors.
- Assessing whether the number of staff and other resources assigned to the phase-out are proportionate to the work involved in discontinuing the asset management activities and reporting the results of such assessment to the Board of Directors.

The Committee was dissolved vide Board Meeting dated May 28, 2019.

VI. Governing Council Committee

The objects of Governing Council are to focus on business and activities being carried on by the Company as a group.

The Governing Council comprises of members namely: Dr. Santosh Sundararajan, Mr. Rajesh Dilip Mhatre and Mr. Siddharth Vasudevan Moorthy.

Terms of Reference of the Asset Sale Committee are broadly as under:

- to monitor and implement the business plan and propose, monitor and implement any amendment as may be required in the Business Plan from time to time;
- to entering into any new contract or alteration of existing contract; and
- to approve budget
- to accord approval as per FAD policy

The Committee was dissolved vide Board Meeting dated May 28, 2019

VII. Debenture Allotment of Committee

The Debenture Allotment Committee was constituted for the purpose of allotment of Non-convertible Debentures amounting to ₹ 110 crores.

The Committee consists of Mr. R. Vasudevan, Mr. Siddharth Vasudevan Moorthy and Dr. Santosh Sundararajan.

The allotment of Debentures was completed on March 27, 2019.

The Committee was dissolved vide Board Meeting dated May 28, 2019

Other Disclosures:

a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large. The necessary details are provided in Annexure-II of Report of Board of Directors.

b. Details of Non-Compliance by the listed entity, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years: NIL

c. Details of establishment of Vigil Mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee: The Company has a whistle blower policy (Whistle Blower/Vigil Mechanism) to report concerns. Under this policy, provisions have been made to safeguard persons who use this mechanism from victimization.

An Independent Member of Audit Committee is the Chief of Vigil Mechanism. The policy also provides access to the Chairperson of the Audit Committee under certain circumstances. The details of the procedure are also available on Company's website www.vascon.com/investors/services

It is confirmed that no personnel has been denied access to the audit Committee.

d. Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements: The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation 2 of Regulation 46 of SEBI(Listing Obligations and Disclosure Requirements), 2015.

Your Company has complied with all the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable to your Company. Your Company has complied with all the requirements of corporate governance report as specified in sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations

e. The policy for determining material subsidiaries can be seen at www.vascon.com/investors/services

f. The policy for determining related party transactions can be seen at www.vascon.com/investors/services

g. Disclosure of commodity price risks and commodity hedging activities: The company may be affected by the variation in the prices of input commodities of its EPC and Real Estate Projects. The Company has not done any hedging transaction.

h. Company has adopted following requirements from Part E of Schedule II.

(i) Separate posts of Chairperson and Chief Executive Officer: The Company has appointed separate persons to the post of Chairperson and Chief Executive Officer.

(ii) Reporting of Internal Auditor: Internal Auditor M/s GKDJ and Associates reports directly to the audit Committee

i. **Certificate from PCS under Regulation V of SEBI(LODR), 2015**

Certificate from Mr. Kulbhushan Rane of M/s K. D. Rane and Associates confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI Board/MCA or any such statutory authority is attached to this report.

j. Total Fees for all services paid by the Listed Entity and its subsidiaries on a consolidated basis to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Particulars	M/s Deloitte Haskins and Sells LLP and their network entities
Fees for Audit and Relationship services	107.50 Lakhs
Other fees	1.04 Lakhs
Total	108.54 Lakhs

k. Disclosure in relation to the Sexual Harassment of Women at Work Place under Prevention , Prohibition and Redressal) Act, 2013

Sr. No.	No of complaints filed during the FY 2018-19	No of complaints disposed off during the FY 2018-19	No. of complaints pending as on end of FY 2018-19
1	-	-	-

l. Compliance Certificate of PCS:

Certificate from the Company's Secretarial Auditor Mr. Kulbhushan Rane of M/s K. D. Rane and Associates confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

10. Shareholders Means of Communication:

a) Quarterly and Annual Results:

Quarterly and annual results of the Company are published in widely circulated national newspapers such as Indian Express and the local vernacular daily, Loksatta.

These are made available on the Company's Website:

http://vascon.com/investors/_quarterly-financials_presentations

b) News Releases, Presentations, Etc.:

The Company has established systems and procedures to disseminate relevant information to its stakeholders, including shareholders, analysts, suppliers, customers, employees and the society at large.

c) Website: The primary source of information regarding the operations of the Company is the corporate website: www.vascon.com. All official news, releases and presentations made to institutional investors and analysts are posted here. It contains a separate dedicated Investors' section, where the information for shareholders are available.

d) Annual Report:

The Company's annual report containing, *interalia,* the Boards' Report, Corporate Governance Report, Management's Discussion and Analysis (MD&A) Report, Audited Standalone and Consolidated Financial Statements, Auditors' Report and other important information is circulated to members and others so entitled.

The annual report is also available on the website in a downloadable form.

e) Reminder to Investors:

Reminders to encash the unclaimed dividend on shares are sent to the relevant shareholders.

f) Compliances with Stock Exchanges:

The National Stock Exchange Ltd (NSE) and BSE Ltd. maintain separate online portals for electronic submission of information by listed companies. Various communications such as notices, press releases and the regular quarterly, half-yearly and annual compliances and disclosures are filed electronically on these online portals.

g) Designated Exclusive Email ID:

In terms of In terms of Regulation 6(2)(d) of the Listing Regulations, Vascon has designated an email exclusively for investor service: compliance.officer@vascon.com

11. Disclosures to the Members:

a) Policy for Prevention of Insider Trading:

The company has formulated and adopted the 'Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information' and the 'Code of Conduct for prevention of Insider Trading in Securities' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015

During the year, the Company has in accordance with the provisions of the SEBI(Prohibition of Insider Trading) (Amendment)Regulations, 2018 amended the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' by incorporating the 'Policy for determination of Legitimate purposes', forming part of the Code and also made amendments to the 'Code of Conduct for Prevention of Insider Trading in Securities of Vascon Engineers Limited'. These Codes are effective from 1st April, 2019.

The Code of Conduct for Prevention of Insider Trading in Securities of Vascon Engineers Limited has been formulated to regulate, monitor and ensure reporting of Trading by Designated Persons and their immediate relatives and Connected Persons designated on the basis of their functional role in the Company towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. The provisions of the Code are designed to prohibit identified Designated Persons and Connected Persons from trading in the Company's Securities when in possession of Unpublished Price Sensitive Information ("UPSI"). The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with Securities of the Company and cautions them of the consequences of violations.

The Company code is available on the Company's website www.vascon.com/investors/services

b) 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, 2019.

In terms of SEBI Listing Regulations, a declaration signed by the Managing Director is stated hereunder:

I hereby confirm that:

All Members of the Board and Senior Management Personnel of the Company have affirmed compliance with Vascon's Code of Conduct for the Financial Year 2018-19.

Sd/-

Managing Director

Pune
Date: 28th May, 2019

12. Shareholders Information:

a. Details of Annual General Meeting

34th Annual General Meeting of Vascon Engineers Limited

Venue: MonarQ Hall, Royal Orchids Hotel, Opp. Cerebrum IT Park, Kalyaninagar, Pune 411014

Date : September 23, 2019

Time : 1100 hours

Compliance Officer of the Company
Mrs. Vibhuti Darshin Dani
Company Secretary & Compliance Officer
T: +91-20-30562306
F: +91-20-26131071
Email: compliance.officer@vascon.com
Website www.vascon.com

b. Financial year

The Financial year is 1st April to 31st March.

c. Dividend Payment Date: As the Board has not recommended payment of dividend for the year 2018-19, the same isn't applicable.

d. Financial Results on Company's website:

The annual results of the Company are published in the newspapers in India, Indian Express and Loksatta 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.

e. Listing on Stock Exchange:

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

The annual listing fees for the year 2019-20 have been paid to both the Stock Exchanges. Following table indicates your Company's Stock Exchange codes:

National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	VASCONEQ
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	533156
ISIN	INE893I01013

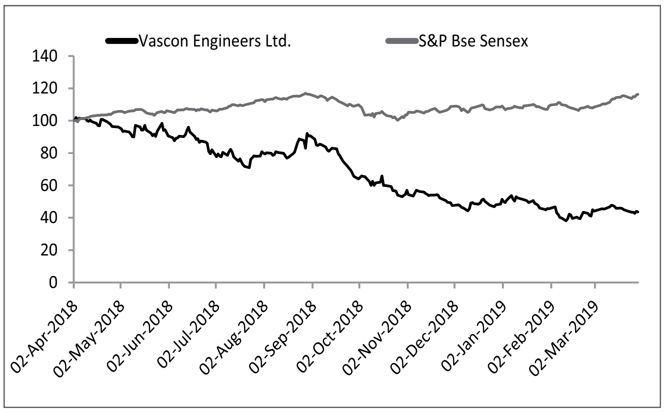
f. Master Price Data:

Month & Year	BSE		NSE	
	High	Low	High	Low
April/18	36.30	33.40	36.30	33.30
May/18	36.25	33.30	36.30	31.20
June/18	34.20	27.45	34.20	27.25
July/18	29.70	24.70	30.20	24.65
August/18	32.60	26.75	32.55	26.80
September/18	31.75	22.75	31.80	22.65
October/18	23.90	18.40	23.85	18.30
November/18	20.90	16.40	20.70	16.40
December/18	18.40	15.35	18.40	15.20
January/19	19.35	15.55	19.80	15.50
February/19	16.55	13.25	16.65	13.30
March/19	17.00	14.55	17.00	14.50

g. Share Price Chart:

F.Y. 2018-19

Comparison with Sensex



h. Plant Location

In view of the nature of business activities carried out by the Company, it doesn't have any manufacturing plant location. However, the details of major site location are mentioned elsewhere in the report.

i. Distribution of Shareholding of the Company as on 31st March, 2019:

No. of Equity shares held	Shareholders		Equity Shares held	
	No. of share holders	% to total	No. of share	% to Equity
1-5000	26106	66.96	51521030.00	2.89
5001- 10000	5713	14.65	49287930.00	2.77
10001- 20000	3154	8.09	50794230.00	2.85
20001- 30000	1289	3.31	34299160.00	1.93
30001- 40000	530	1.36	19456070.00	1.09
40001- 50000	581	1.49	28059580.00	1.58
50001- 100000	821	2.11	62629260.00	3.52
100001& Above	795	2.04	1485319900.00	83.38
Total	**38989**	**100.00**	**1781367160.00**	**100.00**

i. Shareholding Pattern of the Company as on 31st March, 2019

Category	Total Shares	% To Equity
PROMOTERS	51407827	28.86
RESIDENT INDIVIDUALS	60973407	34.23
BODIES CORPORATES	34488133	19.36
PROMOTERS BODIES CORPORATE	9599275	5.39
FOREIGN PORTFOLIO INVESTORS	200000	0.11
H U F	4042563	2.27
EMPLOYEES	15401729	8.65
BANKS	273131	0.15
CLEARING MEMBERS	448876	0.25
NON RESIDENT INDIANS	792556	0.44
INDIAN FINANCIAL INSTITUTIONS	172472	0.10
NON RESIDENT INDIAN NON REPATRIABLE	206981	0.12
NBFC	126174	0.07
IEPF	3592	0.002
Total	178136716	100.00

j. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity:

No instrument is outstanding for Conversion and/or allotment.

k. Investor Complaint

During the year total 17 complaints were received from shareholders/investors and all were resolved.

Investors' Complaint Status as on 31.3.2019

Particulars	No. of Complaints Received	No. of Complaints Resolved	No. of Complaints Pending
April 1, 2018 to June 30, 2018	-	-	-
July 1, 2018 to September 30, 2018	12	12	-
October 1, 2018 to December 31, 2018	4	4	-
January 1, 2019 to March 31, 2019	1	1	-

Due Dates for Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

In accordance with the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, dividend which remains unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund. ("IEPF").

The IEPF Rules mandate companies to transfer all shares in respect of which dividend hasn't been paid or claimed for seven consecutive years or more in the name of IEPF. The members whose dividend/shares are transferred to the IEPF Authority can claim their shares/dividend from the IEPF Authority by following the procedure as set out in the Rules.

In accordance with the said IEPF Rules and its amendments, the Company has sent notices to all the Shareholders whose shares were due for transfer to the IEPF Authority and also published newspaper advertisement in this regards. Thereafter, the shares were transferred to IEPF during the Financial Year 2018-19.

Dividend Remitted during the year:

Financial Year	Date of Dividend declaration	Amount transferred to IEPF(in ₹)	Date of transfer to IEPF
2010-11	September 27, 2011	14,057	November 15, 2018

Details of Shares Transferred/Credited to IEPF

Pursuant to IEPF Rules, the details of Equity Shares transferred by the Company to the IEPF Authority are given as under:

Transfer during the Financial Year	No. of shares transferred to IEPF Authority
2018-19	3592

Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link www.vascon.com/investorservices . The said details have also been uploaded on the website of IEPF Authority and the same can be accessed through the link: www.iepf.gov.in

l. Commodity Price Risk or Hedging Transaction:

The Company may be affected by the variation in the prices of input commodities of its EPC and Real Estate Projects. At present Company doesn't have any imports and hence may not be affected by variation in foreign exchange rate of Indian Rupee. The Company hasn't done any hedging transaction.

m. Credit Rating

The Company's financial prudence is reflected in the strong credit ratings ascribed by Rating Agency as given below:

Instrument	Rating Agency	Rating	Outlook
Long Term Instrument	SMERA	BBB-	Stable
Short Term Instrument	SMERA	A3	NA

n. Dematerialization of Shares

As on 31st March, 2019, 99.99 percent of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's shares are regularly traded on BSE and NSE.

o. Share Transfer system

The Company's Share are covered under the compulsorily dematerialisation and are transferred through the depository system. The Board has delegated the authority for approving the transfer to Shareholders Relationship Committee. The Company obtained half yearly certificate from practising Company secretary as per Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 and the same is filed with Stock Exchanges.

p. Registrar and Transfer Agents and Share Transfer System:

(a) Karvy Fintech Private Limited

Karvy Selenium, Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Telephone: +91 40 6716 2222
Facsimile: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Investor grievance id: einward.ris@karvy.com
Website: www.karvy.com
Contact Person: Mr. S V Raju,
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 returned within a period of 15 days from the date of receipt of the document, provided the documents are valid and complete in all respects.

(b) Debenture Trustees:

The details of Debenture Trustees in terms of SEBI Circular Number CIR/IMD/DF/18/2013 dated October 29, 2013 are given as under:

(a) Vistra ITCL (India) Limited

CIN: U66020MH1995PLC095507
Registered Office: IL&FS Financial Centre
Plot C-22, G-Block, Bandra-Kurla Complex,
Bandra(E) Mumbai- 400 005
Phone: 022-26593535
Email Address: sanjay.dodti@vistra.com

(b) Axis Trustee Services Limited
CIN: U74999MH2008PLC182264
Registered Office: Axis House, Bombay Dyeing Mills Compound,
Pandhurang Budhkar Marg, Worli Mumbai – 400025
Contact NO . 022 – 62300435
Email: report@axistrustee.com

(c) Shareholders' Correspondence:

Ministry of Corporate Affairs ("MCA") has vide Circular No.17/ 2011 dated 21st April, 2011 allowed the service of documents on members by a company through electronic mode. Accordingly the Company proposes to send documents like Shareholders Meeting Notice/ other notices, audited financial statements, directors' report, auditors' report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their Depositories. Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated either with their Depositories or by writing to the company (by filling & sending the prepaid inland letter attached with the Annual Report).

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

Karvy Fintech Private Limited
Karvy Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032
Telephone: +91 40 6716 2222
Facsimile: +91 40 2343 1551
Investor grievance id: einward.ris@karvy.com
Website: www.karvy.com
Contact Person: Mr. S V Raju,
SEBI Registration No.: INR000000221

OR

VASCON ENGINEERS LIMITED
Mrs. Vibhuti Darshin Dani
Vascon Weikfield Chambers
Opp. Hyatt Hotel, B/h Hotel Novotel,
Pune-Nagar Road, Vimannagar, Pune – 411 014
Contact: 020-30562200
Fax: 02030562600
Website: www.vascon.com
Email: compliance.officer@vascon.com

ANNEXURE A : REMUNERATION POLICY

1. Purpose of this Policy:

Vascon Engineers Limited ("Vascon" or the "Company") has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the Act") and the provisions of Clause 49.

The purpose of this Policy is to establish and govern the procedure applicable:

a. To evaluate the performance of the members of the Board.

b. To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

c. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

2. Definitions:

Independent Director means a director referred to in Section 149(6) of the Act and the Clause 49, as amended from time to time.

Key Managerial Personnel (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

Nomination and Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Clause 49.

Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Clause 49 or the Accounting Standards shall have the meanings assigned to them in these regulations.

3. Composition of the Committee:

The composition of the Committee is / shall be in compliance with the Act, Rules made thereunder and the Clause 49, as amended from time to time.

4. Role of the Committee:

The Committee shall:

a. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;

b. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;

c. Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;

d. Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;

e. To devise a Policy on Board diversity.

5. Appointment and removal of Director, KMP and Senior Management:

i. **Appointment criteria and qualification:**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment. For the appointment of KMP (other than Managing / Whole-time Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole-time Director) or Senior Management, the Managing Director is authorised to identify and appoint a suitable person for such position. However, if the need be, the Managing

Director may consult the Committee / Board for further directions / guidance.

ii. Term:

The Term of the Directors including Managing / Whole-time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the Clause 49, as amended from time to time.

Whereas the term of the KMP (other than the Managing / Whole-time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

iii. Evaluation:

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment /continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. Framework for performance evaluation of Independent Directors and the Board is as per Annexure A to this Policy.

iv. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

6. Board Diversity

The Board of Directors shall have the optimum combination of Directors from different areas/fields of expertise and experience like Operations, Management, Quality Assurance, Finance, Sales and Marketing, Supply Chain, Research and Development, Human Resources etc., or as may be considered appropriate. The Board shall have at least one member who has accounting or related financial management expertise and at least three members who are financially literate.

At least one member of the Board should be a woman.

7. Remuneration of Managing / Whole-time Director, KMP and Senior Management:

The remuneration / compensation / commission, etc., as the case may be, to the Managing/ Whole time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder. Further, the Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole-time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

8. Remuneration to Non-executive / Independent Director:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive /Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.

FRAMEWORK FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD:

As per the provisions of SEBI LISTING Regulations, the Nomination and Remuneration Committee (the “Committee”) shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, in terms of SEBI Listing Regulations, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board’s self-evaluation framework (including all Committees of the Board and individual directors).

The Board is committed to assessing its own strength and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

i. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organise the evaluation process and act on its outcome;

ii. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:

- Knowledge to perform the role;
- Time and level of participation;
- Performance of duties and level of oversight; and
- Professional conduct and independence.

The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.

In terms of Section 134 of the Companies Act, 2013, the Directors’ Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

ANNEXURE B

Framework for Separate Meeting of Independent Directors

As required by the provisions of Schedule IV to the Act and the provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold atleast one meeting in a year, without the attendance of Non-Independent Directors and members of the Management.

The meeting shall:

1. Review the performance of Non-Independent Directors and the Board as a whole
2. Review the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors
3. Assess the Quality, Quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

This meeting could be held prior or after the Board Meeting. The Independent Directors are free to call such meeting at any point of time, as desired.

ANNEXURE C

Policy on Familiarisation Program of Independent Directors

OBJECTIVES:

The familiarization programme for Independent Directors is outlined herein pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The familiarization programme aims to provide Independent Directors with the Construction Industry and Real Estate scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, to update the Independent Directors on a continuous basis on significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Independent directors on the roles, responsibilities rights and duties under the Companies Act 2013 and other relevant legislations.

INDUCTION, TRAINING AND FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

To familiarize a new Independent Director with the Company, a kit containing informative documents about the Company like Annual Report, Investor Presentations, Memorandum and Articles of Association etc is handed over to him/her. The Company believes that the Board be continuously empowered with the knowledge of latest developments in the Company's businesses and the external environment affecting the Company as a whole.

All our directors are aware and are also updated as and when required, of their role, responsibilities & liabilities. The Company holds Board meetings at its Corporate Office and also if necessary, in locations, where it operates. Site / factory visits are sometimes organized at various locations for the Directors. The Board of Directors has complete access to the information within the Company. Presentations are made regularly to the Board / Nomination & Remuneration (N&R)/ Audit Committee (AC) (minutes of AC & N&R are circulated to the Board), where Directors get an opportunity to interact with Senior Managers. Presentations, inter alia, cover business strategies, management structure, HR policy, management development and succession planning, quarterly and annual results, budgets, treasury policy, review of Internal Audit, risk management framework, operations of subsidiaries and associates, etc. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when senior company personnel are asked to make presentations about performance to the Board. Such interactions also happen when these Directors meet senior management in Independent Company meetings and informal gatherings. Directors are also informed of the various developments in the Company through e-mails, newsletters, internal magazines, etc.

ANNEXURE D

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

Background:

SEBI (LODR), 2015 entered into between the Company and with BSE and NSE requires the Nomination and Remuneration Committee of the Board to lay down evaluation criteria for performance evaluation of Independent Directors.

Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of a particular director.

The Company has chosen to adopt the following Board Performance and evaluation Process:

Board of Directors

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by the Independent Directors are set below:

Board Composition and Quality	
1	The Board has appropriate expertise and experience to meet the best interests of the company
	The board has appropriate combination of industry knowledge and diversity (gender, experience, background)
	All the independent directors are independent in true letter and spirit i.e. whether the independent Director has given declaration of independence and they exercise their own judgement, voice their concerns and act freely from any conflicts of interests.
	Board members demonstrate highest level of integrity (including maintaining confidentiality and identifying, disclosing and managing conflicts of interests)
	The Board members spend sufficient time in understanding the vision, mission of the company and strategic and business plans, financial reporting risks and related internal controls and provides critical oversight on the same.
	The Board understands the legal requirements and obligations under which they act as a Board; i.e. bylaws, corporate governance manual etc. and discharge their functions accordingly.
	The Board has set its goals and measures its performance against them on annual basis.
	The Board has defined its stakeholders and has appropriate level of communication with them.
	The Board understands the line between oversight and management
	The board monitors compliances with corporate governance regulations and guidelines.
	An effective succession plan of board in place.
	The Board has the proper number of committees as required by legislation and guidelines, with well-defined terms of reference and reporting requirements.
Board Meetings and Procedures	
	The Annual Calendar of Board meetings is communicated well in advance and reviewed from time to time.
	The Board meeting agenda and related background papers are concise and provide information of appropriate quality and detail.
	The information is received by board members sufficiently in advance for proper consideration.
	Adequacy of attendance and participation by the board members at the board meetings.
	Frequency of Board Meetings is adequate.
	The facility for video conferencing for conducting meetings is robust
	Location of Board Meeting(As a good governance practice the Board meeting should be held at different places).
	The Board meetings encourage a high quality of discussions and decision making
	Openness to ideas and ability to challenge the practices and throwing up new ideas
	The amount of time spent on discussions on strategic and general issues is sufficient
	How effectively does the Board works collectively as a team in the best interest of the company
	The minutes of Board meetings are clear, accurate, consistent, complete and timely
	The actions arising from board meetings are properly followed up and reviewed in subsequent board meetings
	The processes are in place for ensuring that the board is kept fully informed on all material matters between meetings (including appropriate external information eg. emerging risks and material regulatory changes).
	Adequacy of the separate meetings of independent directors
	Appropriateness of secretarial support made available to the Board
	The Board members understand the terms and conditions of D & O insurance.
	All proceedings and resolutions of the Board are recorded accurately, adequately and on a timely basis

Board Development	
	Appropriateness of the induction programme given to the new board members.
	Timeliness and appropriateness of ongoing development programmes to enhance skills of its members
	Appropriate development opportunities are encouraged and communicated well in time
Board Strategy and Risk Management	
	The time spent on issues relating to the strategic direction and not day-today management responsibilities
	Engaging with management in the strategic planning process, including corporate goals, objectives and overall operating and financial plans to achieve them.
	The Board has developed a strategic plan / policies and the same would meet the future requirement of the Company.
	The Board has sufficient understanding of the risk attached with the business structure and the Board uses appropriate risk management framework and whether board reviewed and understood the risks provided in the internal audit report and the management is taken sufficient steps to mitigate the risk.
	The Board evaluates the strategic plan/ policies periodically to assess the Company's performance, considers new opportunities and responds to unanticipated external developments.
	The Risk management framework is subject to review
	Monitoring the implementation of the long term strategic goals.
	Monitoring the company's internal controls and compliance with applicable laws and regulations
	The adequacy of Board contingency plans for addressing and dealing with crisis situations.
	Appropriateness of effective vigil mechanism
	The Board focuses its attention on long-term policy issues rather than short term administrative matters
	The Board discusses thoroughly the annual budget of the Company and its implications before approving it
	The Board periodically reviews the actual result of the Company vis-à-vis the plan/ policies devised earlier and suggests corrective measures, if required.
Board and Management Relations	
	The Board sets the overall tone and direction of the Company
	The Board has approved comprehensive policies and procedures for smooth conduct of all material activities by Company
	The Board has a range of appropriate performance indicators that are used to monitor the performance of management
	The Board is well informed on all issues (short and long-term) being faced by the Company
	The Board adequately reviews proposed departures from the long-and short- term business plans of the Company before they take place
Succession Planning	
	The Board has a succession plan for the Chairperson and the Chief Executive Officer / Managing Director
	The Board reviews the existing succession plan and if appropriate, make necessary changes by taking into account the current conditions

Non-Executive Director

Some of the specific issues and questions that should be considered in a performance evaluation of a Non-Independent Director/WTD are as under:

General	
1	Qualifications: Whether the Director is professionally qualified or not?
2	Experience: Details of prior experience of the member, especially the experience relevant to the entity
3	Knowledge and Competency: i. Director has ability to remain focused at a governance level in Board/ Committee meetings ii. Director's contributions at Board / Committee meetings are of high quality and innovative
4	Fulfillment of Functions: Whether the person understands and fulfills the functions to him/her as assigned by the Board and the law
5	Ability to function as a team: Whether the Director is able to function as an effective team member?
6	Initiative: Whether Director is effective and successful in managing relationships with fellow Board members and senior management ?
7	Availability and Attendance: Whether the person is available for the meetings of the Board and attends the meeting timely and without delay?
8	Commitment: Whether the person is adequately committed to the Board and the entity?
Contribution:	
9	Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee
10	Director actively and successfully refreshes his/ her knowledge and skills and up to date with the latest developments in areas such as corporate governance framework, financial reporting and the industry and market conditions.
11	Director is able to present his/ her views convincingly yet diplomatically
12	Director listens and takes on Board the views of other members of Board
Personal Attributes	
13	Director has maintained high standard of ethics and Integrity

Independent Directors

Some of the specific issues and questions that should be considered in the performance evaluation of an Independent Director are as under:

1	Director upholds ethical standards of integrity and probity
2	Director exercises objective independent judgment in the best interest of Company
3	Director has effectively assisted the Company is implementing best corporate governance practice and then monitors the same
4	Director helps in bringing independent judgment during board deliberations on strategy, performance, risk management etc
5	Director keeps himself/ herself well informed about the Company and external environment in which it operates
6	Director acts within his authority and assists in protecting the legitimate interest of the Company, Shareholder and employees
7	Director maintains high level of confidentiality

Based on the above criteria, Board has to be assessed by giving a rating of Outstanding, Exceeds Expectation, Meets Expectation, Needs Improvement and Poor.

The process of evaluation shall be done by Independent Directors only. The performance of Committees of Board shall also be reviewed from time to time.

EXHIBIT-1

Declaration of the Managing Director on Compliance with Code of Business Conduct and Ethics

Vascon Engineers Limited has adopted a Code of Business Conduct and Ethics (‘the Code’) which applies to all employees and Directors of the Company, its subsidiaries and affiliates. Under the Code, it is the responsibility of all employees and Directors to familiarize themselves with the Code and comply with its standards.

I hereby certify that the Board members and senior management personnel of Vascon have affirmed compliance with the Code of the Company for the financial year 2018-19.

Siddharth Vasudevan Moorthy
Managing Director

Place Pune
Date: May 28, 2019

CEO AND CFO CERTIFICATE TO THE BOARD PURSUANT TO REGULATION 17(8) OF THE LISTING REGULATIONS

Date: May 28, 2019

To

The Board of Directors

Vascon Engineers Limited

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

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of Vascon Engineers Limited pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

   1. significant changes in internal control over financial reporting during the year;

   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting. : **N.A.**

Dr. Santosh Sundararajan	D. Santhanam
Chief Executive Officer	**Chief Financial Officer**

Certificate on Compliance with Corporate Governance requirements under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 by Vascon Engineers Limited

I have examined compliance by Vascon Engineers Limited ('the Company') with the requirements as stipulated under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations') relating to Corporate Governance requirements for the year ended on 31 March 2019.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations.

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

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

Kulbhushan D Rane
FCS No. 10022, CP No 11195

Place: Pune
Date: August 12, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) read with Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To:

The Members

Vascon Engineers Limited
Vascon Weikfield Chambers
Behind Hotel Novatel, Opposite Hyatt Hotel
Pune Nagar Road, Pune - 411014.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vascon Engineers Limited having CIN: L70100PN1986PLC175750 and having registered office at Vascon Weikfield Chambers, behind Hotel Novatel, opposite Hyatt Hotel, Pune Nagar Road, Pune - 411014 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2019, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Vasudevan Ramamoorthy	00013519	01/01/1986
2	Siddharth Vasudevan Moorthy	02504124	29/03/2018
3	Sowmya Vasudevan Moorthy	06470039	31/03/2015
4	Krishnamurthy Kulumani Gopalratnam	00012579	21/06/2006
5	V Mohan	00071517	06/03/2007
6	Mukesh Satpal Malhotra	00129504	17/05/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Kulbhushan D Rane
FCS No. 10022, CP No 11195

Place: Pune
Date: August 12, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview

Vascon Engineers Ltd, established in 1986, is one of the leading Construction Engineering Company in India with presence in Real Estate business having an asset light model and Clean Room Partition manufacturing business. With a strong track record of 33 years, your Company has created a number of projects of eminence and splendor on a timely basis. The Company has executed over 200 projects with construction area of over 50 mn Sq ft and is known for maintaining high quality standards and timely execution of projects. Your Company has a track record of successful & timely execution of Landmark projects such as Ruby Mills (Mumbai), Suzlon One Earth (Pune), Symbiosis College (Pune), IGI Airport Multilevel Car Parking (New Delhi), and many more.

Macro Economic Review

The Indian economy started the fiscal year 2018–19 with a healthy 8.2% growth in the first quarter on the back of domestic resilience. Growth eased to 7.3% in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

Indian economy is likely to sustain the rebound in FY2018–19 with growth projected to be in the range of 7.2% to 7.5% range and is estimated to remain upward of 7% for the year ahead. These projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. Together, these augur well for a healthy growth path for the economy.

With the key economic policies being on track, the government is likely to focus on faster policy implementation in the year ahead, with a greater focus on infrastructure development that will enhance growth in Indian Economy going forward.

(Source: Deloitte)

India's Civil Construction & Real Estate Sector

The Indian construction industry is expected to touch USD 1 trillion by 2025. India is believed to become third largest construction market globally by 2030, increasing its contribution to GDP ratio to 15%. Construction Industry is poised to become the largest employer by 2022, employing more than 75 million people.

Construction sector in India will remain buoyant due to increased demand from real estate and infrastructure projects. Government spending on Infrastructure development & upgradation has witnessed a strong growth in last 3-4 years and it is expected that USD 650 Billion will be required for urban infrastructure development over next 20 years.

Various Government Initiatives to Drive Growth

FDI Relaxation: The Central Government has permitted 100% FDI to attract more foreign investment through automatic route to support the development of townships, construction of residential & commercial premises, road or bridges, hotels, resorts, hospitals, educational institutes, recreational facilities, city and regional level infrastructure, townships. Also, it has raised the FDI Limit to 100% for real estate projects within Special Economic Zones (SEZs).

Urban Housing: The construction and housing sector has huge potential with rapid urbanization. As per the 2011 census, 31% of India's population lives in urban areas. This number is expected to rise to 50% by 2050, as a result of growing aspirations and opportunities in urban areas. The Ministry of Housing estimated a housing shortage of 19 mn houses in the urban area.

Government launched an initiative, 'Housing for All by 2022', or Pradhan Mantri Awas Yojana (PMAY, Urban and Grameen) with a target of building 20 million affordable houses for urban poor; providing a financial assistance of ₹ 2 trillion. As part of the initiative, the government granted infrastructure status to enable affordable projects to avail benefits such as lower borrowing rates, tax concessions (100 per cent tax immunity for developers) and increased private investment.

Increasing demand for housing is to be supported by the public and private sector investments in the construction of new residential buildings. In January 2019, the government allocated ₹ 1.0 trillion to construct affordable houses in the country by 2022. Also, under Smart Cities Scheme, 99 cities have been identified, with an outlay of USD 31.38 billion, the scheme is projected to impact 99 million urban population.

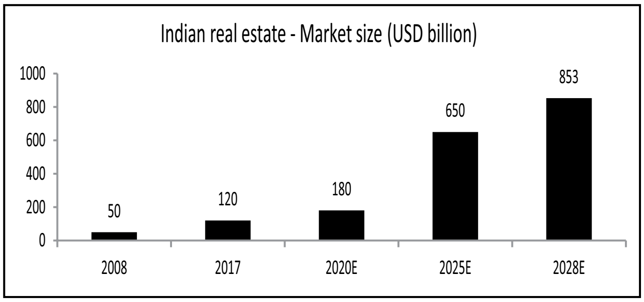
Others: With rapid urbanization, government impetus on infrastructure development has increased. Upgradation and opening of new airport, government aims to spend ₹ 250 billion for development of 20 plus airports over the next 5 years. Upgradation of healthcare services and hospital under Ayushman Bharat Scheme. Additionally, Government has enhanced focus on improving the infrastructure for education institutes under its control and approved the construction of permanent campuses for 7 IIMs for total cost of ₹ 38 billion by 2021. Government body, Higher Education funding agency (HEFA) has outlay a funding of ₹ 53 billion for several projects of IITs, IIMs, IISERs, IISc, NIT and 44 new KVs. Also, Indian

Railways is undertaking a ₹ 1 trillion station redevelopment program to upgrade 204 stations.

Infrastructure sector has been receiving intense push from the Government since the last couple of years in the form of providing financial support and implementing initiatives to boost its growth. With a strong track record of execution of EPC projects across the vertical with maintaining high quality standards and timely execution, Vascon is all set to capitalize on the growth opportunity ahead.

Real Estate Sector

Real Estate Sector is the second largest sector after agriculture, contributing 6-7 percent to the Indian Gross Domestic Product. Indian Real Estate sector is estimated to grow to USD 650 billion by 2025 and surpass USD 850 billion by 2028 and expected to touch USD 1 trillion by 2030, becoming third largest globally; presently, employs over 50 million people. Housing sector is expected to contribute around 13% to India's GDP by 2025.



Source: KPMG in India analysis, Assessing the Economic Impact of India's Real Estate,CREDAI - CBRE Report, September 2017

In the last few years, the central government introduced several landmark reforms such as RERA, GST, Insolvency and Bankruptcy Code, adoption of REITs, etc to build a healthy ecosystem with greater transparency, accountability and customer assurance, which created a short term disruption in the industry. During the year, implementation of RERA and liquidity back to de-monetization level helped in boosting the consumer confidence which led to gearing up the momentum.

In September 2018, Non- Banking Financial Companies' (NBFCs) got impacted by the liquidity shortage which impacted both demand and supply of real estate sector. To ease the liquidity situation, RBI eased bank exposure norms for NBFCs and pumped in liquidity of ₹ 650 billion in two tranches through its open market operation, providing some respite to the sector.

Calendar Year 2019, started on a positive note for the Real Estate sector. Government announced various incentives for buyers and developers in Interim Budget FY20, to boost growth. The benefit such as, extension of tax benefits by one year under 80-IBA Income Tax Act, 2 year exemption from levy of Tax on notional rent on unsold inventory, exemption of second home from capital gain, relieving second houses from income tax on notional rent, increasing the TDS threshold to ₹ 2.4 lakh and full tax rebate upto an income of ₹ 5 lakh will revive the demand for housing and provide more disposable income to buyers.

Also, to further improve the demand in the real estate sector, GST council slashed tax rate of under-construction houses from 12% to 5% without input tax credit; and affordable housing from 5% to 1% without input tax credit, effective from April 2019.

Government effort through policy reforms is expected to drive the growth in India Construction and Real Estate Industry. Vascon Engineers has prepared a comprehensive strategy to capture opportunity in both the EPC and Real Estate Development Business.

COMPANY PERFORMANCE

During the Financial Year 2018-19, the total turnover on consolidated basis was at ₹ 561.01 crores as against ₹ 578.51 crores in Financial Year 2017-18. EBITDA for FY18- 19 was reported at Rs 43.99 crores as compared to Rs 44.6 crores in FY17-18 with the Company reporting Profit After Tax of Rs 5.28 crores for FY18-19 against Rs 4.65 crores in FY17-18. Total Consolidated Debt as on 31st March 2019 is at Rs 263.33 crores with a Networth of ₹ 690.24 crores.

During FY2018-19, your Company raised ₹ 110 crore through private placement by issuing Non-convertible debentures at a coupon rate of 15.5% payable annually. The proceeds are utilized for the repayment of high cost debt and other operational requirement. This has helped your Company in effectively reducing the interest cost and improving near-term working capital requirement for the ongoing projects. During the year, the Company generated cash flow ₹ 50 Crores through liquidation of the non-core assets. The proceeds are used for working capital requirement for on-going projects.

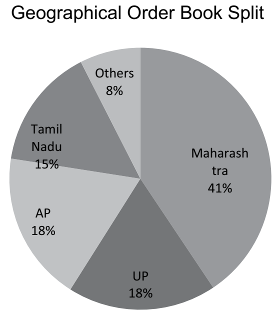
The key metrics of the year under review as per SEBI's regulations were as follows: debtors turnover ratio 2.60 times, interest coverage ratio 116.17 times, current ratio stood at 2.09 times, debt equity ratio at 0.37 times. The EBITDA and net profit margin stood at 8% and 1% respectively and return on net worth at 1%, for the year FY 2018-19

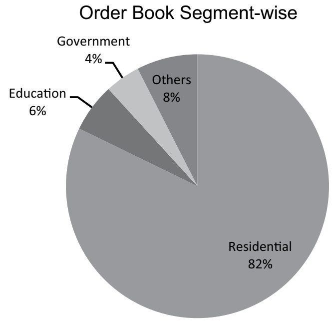
ENGINEERING PROCUREMENT & CONSTRUCTION

Your Company has received various EPC Contracts (Third Party Contracts) during the year under consideration exceeding a sum of over Rs 310 crores. The orders are from reputed developers and from various Government institutions. In addition to this, the EPC arm of your Company also received internal orders of around Rs 100 crores from its recently launched real estate projects. Total order book of your

Company stands at Rs 1,044 crores which includes the Third

Party contracts as well as internal order intake. In FY18-19, EPC segment contributed Rs 282.25 crores to consolidated revenues as against ₹ 248.55 in previous year.





REAL ESTATE

In FY18-19, Real Estate segment contributed Rs 81.20 crores to consolidated revenues as against ₹ 89.43 crores in previous year. With the adoption of Indian Accounting Standard 115 (Completion Contract Method), effective from 1st April 2018, FY19 figures are not comparable with previous period. Your Company did new sale bookings of 4,20,998 square feet amounting to a total sales value of Rs 272 crores in FY18-19 against new sale bookings of 246,867 square feet for a total sales value of Rs 197 crores for the full Financial Year 2017-18.

During the year, your Company successfully forayed into the affordable housing segment through the launch of Vascon Goodlife, Company's first ever value housing project in May 2018. The Company was also able to successfully launch and sell more than 50% flats of Forest County, Kharadi in Sep 2018 and Xotech Phase II, a residential project of 36 units of exclusive smart 2BHK, Hinjewadi, Pune in Oct 2018.

ONGOING PROJECTS:

Platinum Square – Ultramodern Boutique Offices in Pune

Commercial project with office size from 800 sq.ft. having total area of 0.09 msft in Vascon Weikfleld IT / Corporate park. It shares excellent connectivity to Pune International Airport, IT, ITES parks and many of Pune's prestigious hospitality landmarks.

Forest Edge – Residential Project in Kharadi, Pune

Spread over ~ 1.7 acres, will be developed as a modern residential development comprising of 2 BHK apartments, modelled as Health Tech Homes, one of its kind in Pune.

Forest County- Residential Project in Kharadi, Pune

Residential Project located in the most rapidly developing area of Pune – Kharadi. Launched two towers with 132 units comprises 2 and 3 BHK apartments with sizes of 1,150 sq.ft. to 1,685 sq.ft. The total saleable area of the project is 0.18 msft.

Windermere – A Signature Luxury Residential Project in Koregaon Park, Pune

Windermere is a thoughtfully designed, premium quality home at Koregaon Park, Pune. The total area of the site is 4.75 acres and will be developed in 2 phases. The project has total saleable area of around 0.42 msft, which will be developed in phases. The saleable area of phase 1 of the project is of 0.38 msft.

The quality apartment comprises apartments of 3,000 Sq.ft, 3,800 Sq.ft & 8,500 sq. ft with its own private swimming pool. The project has latest amenities such as renewable energy system, architectural design that ensure good ventilation and maximum natural light, water, conservation through maximum recycling organic waste management, rain water harvesting, etc. The Project is certified as platinum rating project from by 'The Indian green building council' (ICBG) green home the project is designed as a five star rated Eco – housing project.

Vascon Goodlife – First Ever Value Housing Project in Katvi, Talegaon

Spread across 10 acres of land, the project that offers 1RK, 1BHK and 2BHK homes aims at providing not just affordable, but value homes with a strong focus on nurturing learning and growth making it a first-of-its kind learning infrastructure in a residential project. The project boasts of amenities for all age groups, such as library, study rooms in each tower, online education room with computers

Xotech – Phase II, Hinjewadi, Pune

Residential Project amidst of IT Hub of the city with total saleable area of the project is 0.04 msft. The project comprises of 71 exclusive smart 2 BHK apartments, which intends to provide quality living and premium housing. The project is sprawled across 2 acres, offers over 85% of open space for a spacious, congestion free, living experience. Well surrounded by IT/BT companies, schools, colleges, bank, shopping arcades and Hotels. The project is developed with corner apartment which are vastu complaint to fit-in the criteria of new home buyers.

GMP TECHNICALS - CLEAN ROOM PARTITION BUSINESS

As a part of backward integration your Company had acquired GMP technical solutions, an integrated provider of engineering services, in August 2010. GMP is one of the largest manufacturers of Clean Room Partitioning Systems and Turnkey Solution Provider.

GMP had a CAGR of over 25% growth in the top line in the years after our acquisition. In FY18-19, your Company received an order from Tata Solutions Pvt. Ltd. to supply 1.24 lakh steel doors over a period of three years.

During the FY18-19, GMP Technicals contributed Rs 161.79 crores to consolidated revenues as against ₹ 203.27 crores in previous year.

STRENGTH, OPPORTUNITIES, STRATEGY

Your Company continues to focus on core business that is Engineering, Procurement & Construction (EPC) and Real Estate Development business. With the Government impetus on Infrastructure growth by Housing for all, modernization of railways, development of airports, smart cities, Vascon is well-prepared to capitalize on this growth opportunity both in EPC and Real Estate Segment.

Your Company continues to make efforts to improve the cash-flow through liquidation of non-core assets identified by the Company for the growth of EPC & Real Estate division. In this year, your Company have raised ₹ 110 crores through non-convertible debentures and generated cashflow of ₹ 50 crores through sales of identified asset. The proceeds are utilized for repaying high interest bearing debt and working capital requirement for ongoing project.

The Company will continue to focus on improving operational efficiencies and strengthening of Balance Sheet. It is committed towards cash flow generation through monetization of identified non-core assets to improve liquidity in business and achieve higher growth.

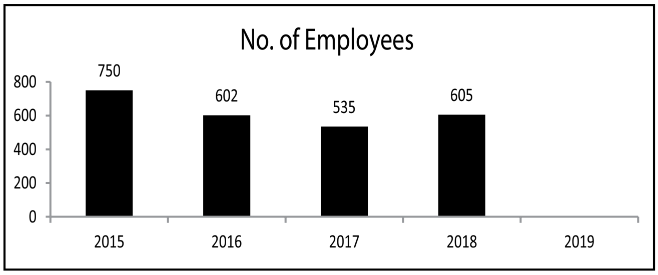
THREATS, RISKS, CONCERNS

In EPC business delay in projects execution, stall of projects due to non-payment by developers, steep cost escalation in inputs affects the execution of project and results in significant cost overrun.

In Real Estate business financing, uncertainty on monetary and fiscal policy, changes in government regulations, foreign direct investments, approval processes, environment clearances and legal hassles & proceedings affects the execution project and results in significant cost overrun.

HUMAN RESOURCES

With capital infusion in the Company, we required strengthening of our current team across functions with industry leaders to reap the large opportunities available in front of us. In addition to leadership position, we are building team across function and across levels of both business verticals. Finally, it has been imperative to have appropriate persons for each role for their contribution to the organisation is maximized.



INTERNAL CONTROL SYSTEM

The Company's internal control procedures ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations. The extensive audits are carried out throughout the year, across all functional areas and reports to the Audit

Committee of the Board of Directors.

RISK MANAGEMENT

The Company has developed a robust risk management framework. It has been identified as one of key enablers to achieve the company's objectives. Increased competition, pressures on cost and deliveries, forex & commodity price variations, impact of recessionary trends on the award of jobs and manpower attrition are some of the major risks faced by the Industry. The Company has however adopted risk mitigation steps right from pre-bid stage covering technical, procurement and financial risks. The measures such as advanced quantitative tools, global sourcing, standard operating procedures, and operational excellence initiatives have been implemented so as to protect the profitability of the business.

INDEPENDENT AUDITORS' REPORT

To The Members of Vascon Engineers Limited
Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements ("Financial Statements") of **Vascon Engineers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition –** ***Appropriateness of recognition, measurement, presentation and disclosures of revenues and other related balances*** The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. The Company performs various building, engineering and services construction contract works (projects) for a wide range of customers. The Company contracts in a variety of ways. Each project has a different risk profile based on its individual contractual and delivery characteristics. There is a significant judgement involved on auditor's part in assessing the range of factors that impact the Company's estimate of costs and revenue, and the potential impact on profit. Estimating total costs to complete during project life is complex and requires judgment. Typical cost estimates include labour, subcontractors, equipment, materials, and project overheads. Changes to these cost estimates could give rise to variances in the amount of revenue and profit/loss recognised. Refer Note 2.23 to the Financial Statements.	***Principal Audit Procedures*** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: o Evaluated the design of internal controls relating to implementation of the revenue accounting standard. o Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls with a focus on those related to the timing of revenue recognition. o Selected a sample of continuing and new contracts and performed the following procedures: • Read, analyzed and identified the distinct performance obligations in these contracts. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Evaluated and tested management's review and approval of revenue and cost forecasting. • Tested forecast costs for labour, subcontractors, equipment, materials, and project overheads by comparing to actual incurred spend and committed future contracts.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Overview of Financial Performance, Report of the Directors, Report on Corporate Governance and Management Discussion and Analysis, (collectively referred as "other information") but does not include the Financial Statements and our auditor's report thereon. Other information is expected to be made available to us after the date of this auditor's report.

Managements' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer note 30 to the financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Hemant M. Joshi
(Partner)
(Membership No. 38019)

Place: Pune
Date: May 28, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Vascon Engineers Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Managements' Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

Hemant M. Joshi
(Partner)
(Membership No. 38019)

Place: Pune
Date: May 28, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans and guarantees are held in the name of the Company as at the balance sheet date.

(ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie,* not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

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

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except for as given below:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates	Due Date	Date of Payment	Amount paid subsequently (Rs.)
Income Tax Act, 1961	Tax Deducted at Source (TDS)	17,744,152	April 2018 to August 2018	7th of the following month	30th April, 2019	17,744,152
Employee Provident Fund Act, 1952	Provident Fund	266,500	April 2018 to August 2018	15th of the following month	8th April, 2019, 9th April, 2019 and 9th May, 2019	240,480
Sales Tax Act	Sales Tax	463,199	April 2011 to March 2012	20th of every following month	-	-

(c) Details of dues of Income tax, Sales-tax, Service tax, Goods and Service tax, Customs Duty and Cess which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Finance Act, 1994	Service Tax	Service Tax Tribunal, Delhi	Jan - 07 to Dec - 07	1,413,354	530,008
		High Court, Bombay	Jan - 08 to Sept - 08	634,088	317,044
		CESTAT-Mumbai	April 2010 to March 2015	9,744,755	8,770,280
Sales Tax Act	Sales Tax / Value added tax / Central Sales Tax	Deputy Commissioner, Mumbai	Financial Year 2005-06 to 2014-15	118,101,698	113,907,510
		Commercial Tax Officer, Goa	2010-11	4,468,498	4,468,475

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and dues to debenture holders and there are no borrowings from government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loan have been applied for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune
Date: May 28, 2019

Balance Sheet as at March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
A **ASSETS**			
1 **Non-current assets**			
(a) Property, Plant and Equipment	3	3,352.11	3,517.32
(b) Capital work-in-progress		0.77	-
(c) Investment Property	4	1,903.23	2,000.56
(d) Other Intangible assets	3	27.63	-
(e) Intangible assets under development		-	127.20
(f) Financial Assets			
(i) Investments	5	16,882.45	16,772.04
(ii) Others Financial Assets	7	9,237.91	10,063.00
(g) Income Tax Assets (net)		1,755.02	2,783.67
(h) Deferred Tax Assets (net)	17	-	-
(i) Other non-current assets	8	1,199.69	2,176.73
Total Non - Current Assets		**34,358.81**	**37,440.52**
2 **Current assets**			
(a) Inventories	9	48,284.86	45,533.37
(b) Financial Assets			
(i) Investments	5	433.35	778.56
(ii) Trade receivables considered good - Unsecured	10	15,276.84	13,088.67
(iii) Cash and cash equivalents	11	3,324.56	2,031.24
(iv) Bank balances other than (iii) above	11	2,229.48	1,850.80
(v) Loans receivables considered good - Unsecured	6	6,114.72	7,526.39
(vi) Others Financial Assets	7	12,521.92	8,975.12
(c) Other current assets	8	1,490.49	2,168.26
Total Current Assets		**89,676.22**	**81,952.41**
Total Assets (1+2)		**124,035.03**	**119,392.93**
B **EQUITY AND LIABILITIES**			
1 **Equity**			
(a) Equity Share capital	12	17,813.67	17,413.67
(b) Other Equity	12.1	50,443.59	47,768.92
Equity attributable to owners of the Company (I)		**68,257.26**	**65,182.59**
LIABILITIES			
2 **Non-current liabilities**			
(a) Financial Liabilities			
(i) Borrowings	13	14,018.79	8,912.62
(ii) Other financial liabilities	14	1,745.49	2,402.45
Total Non - Current Liabilities		**15,764.28**	**11,315.07**
3 **Current liabilities**			
(a) Financial Liabilities			
(i) Borrowings	13	7,963.25	8,069.66
(ii) Trade and other payables			
- Total outstanding dues of micro enterprises and small enterprises	15	2.69	4.90
- Total outstanding dues of creditors other than micro enterprises and small enterprises	15	16,771.17	15,425.33
(iii) Other financial liabilities	14	3,224.62	8,681.48
(b) Provisions	16	1,471.27	1,168.39
(c) Other current liabilities	18	10,580.49	9,545.51
Total Current Liabilities		**40,013.49**	**42,895.27**
Total Equity and Liabilities (1+2+3)		**124,035.03**	**119,392.93**
Significant accounting policies	2		
See accompanying notes forming part of the financial statements.			

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

Hemant M. Joshi
Partner

Date : May 28, 2019
Place : Pune

For and on behalf of the Board of Directors

Siddharth Vasudevan
Managing Director
(DIN-02504124)

R Vasudevan
Chairman
(DIN-00013519)

Dr Santosh Sundararajan
Chief Executive Officer

Vibhuti Darshin Dani
Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Date : May 28, 2019
Place : Pune

Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	19	36,345.15	33,535.48
II	Other Income	20	2,879.51	2,406.01
III	**Total Income (I + II)**		**39,224.66**	**35,941.49**
IV	**EXPENSES**			
	(a) Cost of materials consumed	21.a	29,043.62	28,162.64
	(b) Purchases of Stock-in-trade		5.04	-
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	21.b	(1,978.48)	(3,217.99)
	(d) Employee benefit expense	22	4,365.34	4,644.82
	(e) Finance costs	23	2,235.49	1,936.37
	(f) Depreciation and amortisation expense	3 & 4	798.59	751.77
	(g) Other expenses	24	3,336.00	2,522.43
	Total Expenses (IV)		**37,805.60**	**34,800.04**
V	**Profit before tax (III - IV)**		**1,419.06**	**1,141.45**
VI	**Tax Expense**			
	(1) Current tax	17	1.20	-
	(2) Deferred tax	17	-	57.45
	(3) (Excess) / Short provision for tax of earlier years	17	(103.22)	(55.43)
	Total tax expense VI		**(102.02)**	**2.02**
VII	**Profit after tax (V - VI)**		**1,521.08**	**1,139.43**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit liabilities / (asset)		(31.61)	23.73
IX	**Total comprehensive income for the Year (VII + VIII)**		**1,489.47**	**1,163.16**
X	**Earnings per equity share**			
	(1) Basic	25	0.86	0.67
	(2) Diluted	25	0.86	0.66
Significant accounting policies **See accompanying notes forming part of the financial statements.**		2		

In terms of our report attached.
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Date : May 28, 2019
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Chief Financial Officer

Date : May 28, 2019
Place : Pune

Cash Flow Statement - Indirect Method

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Profit before tax for the year	1,419.06	1,141.45
Adjustments for:		
Finance costs	2,235.49	1,936.37
Dividends received from Joint Venture	(133.05)	(170.30)
(Gain)/ loss on Sale of Assets	4.79	(210.20)
Depreciation	798.59	751.77
Interest received	(901.09)	(667.09)
Expense recognised in respect of equity-settled share-based payments	878.53	1,471.54
Bad debts and other receivables, loans and advances written off	803.54	122.85
Provision for doubtful debts and advances	(638.32)	-
Provision / Creditors no longer required written back	(1,696.22)	(1,272.69)
Gain / (loss) on investments carried at fair value	14.63	0.22
Dividend received on investments carried at fair value through profit or loss	(42.09)	(47.89)
Commision (Net)	28.21	(18.82)
Miscellaneous income	(67.98)	-
	2,704.09	3,037.21
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(2,686.84)	(890.05)
(Increase)/decrease in amounts due from customers under construction	(3,179.07)	(4,144.14)
(Increase)/decrease in inventories	(1,886.29)	(3,359.09)
(Increase)/decrease in other financial assets	190.45	(373.54)
(Increase)/decrease in Financial asset Loans	1,411.67	4,591.64
(Increase)/decrease in other current and non current assets	1,654.62	(767.85)
Increase/(decrease) in other liabilities	1,441.00	(464.06)
Increase/(decrease) in trade and other payables	2,038.86	2,918.16
Increase/(decrease) in provisions	271.27	132.23
Cash generated from operations	1,959.76	680.52
Income tax refund received	1,257.99	207.01
Net cash generated by operating activities	**3,217.75**	**887.53**
Cash flows from investing activities		
Purchase of fixed assets including work in progress	(566.32)	(883.35)
Proceeds from disposal of Fixed assets	124.29	242.86
Dividends received from Joint Venture	133.05	170.30
Proceeds on redemption of Liquid Mutual Fund	372.68	(209.77)
Investment in Fixed deposits with Banks	(73.14)	141.20
(Payment) /Proceeds from Investment	(2.52)	8.32
Net cash (used in)/generated by investing activities	**(11.96)**	**(530.44)**
Cash flows from financing activities		
Proceeds from issue of Equity Shares	1,120.00	1,295.31
Repayment of borrowings	(12,431.95)	(2,672.11)
Proceeds from borrowings	12,611.02	3,094.92
Interest received	599.02	498.45
Finance cost including capitalized to qualifying assets	(3,287.41)	(3,561.06)
Net cash used in financing activities	**(1,389.32)**	**(1,344.00)**
Net increase in cash and cash equivalents	1,816.47	(987.39)
Cash and cash equivalents at the beginning of the year (Refer Note-11)	1,499.22	2,486.62
Cash and cash equivalents at the end of the year (Refer note -11)	**3,315.69**	**1,499.22**

Notes : Figures in brackets represent outflows

In terms of our report attached.
For Deloitte Haskins & Sells LLP
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Hemant M. Joshi
Partner

Date : May 28, 2019
Place : Pune

For and on behalf of the Board of Directors

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Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Date : May 28, 2019
Place : Pune

Statement of Changes in Equity

A. Changes in Equity

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the begining of the year	17,413.67	16,766.02
Issue of equity shares under employee share option plan	400.00	647.65
Balance at the end of the year	**17,813.67**	**17,413.67**

B. Changes in Other Equity

(₹ in Lakhs)

Particulars	Securities premium reserve	General reserve	Equity-settled employee benefits reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance at the beginning of the reporting year - As of April 01, 2017	52,620.95	1,537.50	229.55	1,250.00	(11,151.43)	44,486.57
Premium on Shares issued during the year	647.65	-	-	-	-	647.65
Transferred to General reserve	-	-	-	-	-	-
Amount recorded on Grant	-	-	1,471.54	-	-	1,471.54
Transferred to securities premium reserve on exercise	899.15	-	(899.15)	-	-	-
Shares Forfeited during the year	-	-	-	-	-	-
Other Comprehensive income for the year	-	-	-	-	23.73	23.73
Profit for the Year	-	-	-	-	1,139.43	1,139.43
Balance at the end of the reporting year - March 31, 2018	**54,167.75**	**1,537.50**	**801.94**	**1,250.00**	**(9,988.27)**	**47,768.92**

(₹ in Lakhs)

Particulars	Securities premium reserve	General reserve	Equity-settled employee benefits reserve	Capital Redemption Reserve	Retained earnings	Total
Balance at the beginning of the reporting Year - As of April 01, 2018	54,167.75	1,537.50	801.94	1,250.00	(9,988.27)	47,768.92
Premium on Shares issued during the year	720.00	-	-	-	-	720.00
Transferred to General reserve	-	-	-	-	-	-
Amount recorded on Grant	-	-	878.53	-	-	878.53
Transferred to securities premium reserve on exercise	605.60	-	(605.60)	-	-	-
Shares Forfeited during the year	-	-	-	-	-	-
Other Comprehensive income for the year	-	-	-	-	(31.61)	(31.61)
Transitional Adjustment on account of application of ind as 115 (Refer Note 42)	-	-	-	-	(413.33)	(413.33)
Profit for the Year	-	-	-	-	1,521.08	1,521.08
Balance at the end of the reporting Year - March 31, 2019	**55,493.35**	**1,537.50**	**1,074.87**	**1,250.00**	**(8,912.13)**	**50,443.59**

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

Hemant M. Joshi
Partner

Date : May 28, 2019
Place : Pune

For and on behalf of the Board of Directors

Siddharth Vasudevan
Managing Director
(DIN-02504124)

R Vasudevan
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Chief Executive Officer

Vibhuti Darshin Dani
Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Date : May 28, 2019
Place : Pune

Notes forming part of the financial statements

1. Corporate Information

Vascon Engineers Limited (the “Company”) was incorporated on January 1, 1986 and is engaged in the business of Engineering, Procurement and Construction services (EPC) and Real Estate Development. The shares of the Company are listed on National Stock Exchange of India Limited & BSE Limited.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is ‘Vascon Weikfield chambers, Behind Novotel Hotel, Opposite Hyatt Hotel, Pune Nagar Road, Pune - 411014’.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorise for issue on May 28, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.01 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.02 Basis of preparation and presentation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments and equity settled employee stock options which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year.

2.03 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax liabilities and provisions and contingent liabilities.

Impairment of investments

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews recognition of deferred tax at the end of each reporting period. The policy for the same has been explained under Note 2.10

Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Company has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Company using market-observable inputs.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report the management of the Company findings every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in note 26.

2.04 Revenue Recognition / Cost Recognition

Revenue is measured at the fair value of the consideration received or receivable.

a) Construction contracts

Revenue from fixed price construction contracts is recognised on the Percentage Of Completion Method (POCM). The stage of completion is determined by survey of work performed / completion of physical proportion of the contract work determined by technical estimate of work done / actual cost incurred in relation to total estimated contract cost, as the case may be. The estimate of total contract cost has been made at the time of commencement of contract work and reviewed and revised, by the technical experts, from time to time during period in which the contract work is executed. Future expected loss, if any, is recognised immediately as expenditure. In respect of unapproved revenue recognised, an adequate provision is made for possible reductions, if any. Contract revenue earned in excess of billing has been reflected as unbilled revenue under the head "Other Current Assets" " and billing in excess of contract revenue has been reflected as Unearned Revenue under the head "Other Current Liabilities" in the Balance Sheet.

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

b) Real estate development

Revenue from real estate projects is recognised on 'Completed contract method' of accounting as per IND AS 115, When

- the seller has transfered to the buyer all significant risk and rewards of ownership and seller retains no effective control of the real estate to a degree usally associated with owner ship.

- The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction.

- No significant uncertianty exists regardging the amount of consideration that will be derived from real estate sales;and

- It is not unreasonable to expect ultimate collection of revenue from buyers.

The Company has applied the modified retrospective approach to its real estate residential contracts with effect from April 1, 2018, Refer note 42 for impact.

c) <u>Interest Income</u> – Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d) <u>Dividend Income</u> – Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

e) <u>Rental Income</u> - 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.

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

g) 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.

2.05 Cost of contruction / Development

Cost of construction/Development (Including cost of land) incurred is charged to statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not received Occuancy/Completion certificate is carried over as construction work in progress. Costs incurred for projects which have received Occupancy/ Completion ceritificate is carried over as completed Finished Properties

2.06 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

<u>**Operating Lease**</u>

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Finance Lease

Assets held under finance leases are initially recognized as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss.

2.07 Foreign Currency

The functional currency of the Company is Indian rupee.

Initial Recognition

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.

Conversion

Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

2.08 Borrowing Costs

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

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

2.09 Employee benefits

a) Short-term Employee Benefits -

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

b) Post Employment Benefits -

(1) Defined Contribution Plan:

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

(2) Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

• service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

• net interest expense or income; and

• remeasurement.

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with LIC of India for future payment of gratuity to the eligible employees.

c) Other Long-term Employee Benefits -

Compensated Absences: The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Such benefits are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees.

Share-based Payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognized, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Companies best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognized in employee benefits expense.

2.10 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.11 Property, Plant and Equipment

Property plant & equipment are stated at cost of acquisition or construction where cost includes amount added/deducted on revaluation less accumulated depreciation / amortization and impairment loss, if any. All costs relating to the acquisition and installation of fixed assets are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

Depreciation on tangible property plant & equipment has been provided on written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of plant and machinery, in whose case the life of the assets has been assessed based on the technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The Company has based on technical advice considered the useful life of the plant and machinery to be 6-15 years which is different from the useful life specified in Schedule II to the Companies Act, 2013.

Property Plant & Equipment individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition. Depreciation on assets acquired/purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition / till the date of sale/discard.

The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

If significant events or market developments indicate an impairment in the value of the tangible asset, management reviews the recoverability of the carrying amount of the asset by testing for impairment. The carrying amount of the asset is compared with the recoverable amount, which is defined as the higher of the assets fair value less costs to sell and its value in use. To determine the recoverable amount on the basis of value in use, estimated future cash flows are discounted at a rate which reflects the risk specific to the asset. If the net carrying amount exceeds the recoverable amount, an impairment loss is recognised. When estimating future cash flows, current and expected future inflows, technological, economic and general developments are taken into account. If an impairment test is carried out on tangible assets at the level of a cash-generating unit, an impairment loss is recognised, taking into account the fair value of the assets. If the reason for an impairment loss recognised in prior years no longer exists, the carrying amount of the tangible asset is increased to a maximum figure of the carrying amount that would have been determined had no impairment loss been recognised.

2.12 Investment Properties

The Company has elected to continue with the carrying value for all of its investment property as recognized in its Initial GAAP financial statements as deemed cost at the transition date. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are states at cost less accumulated depreciation and accumulated impairment loss, if any.

2.13 Intangible Assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on written down value method over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.14 Goodwill

Business combinations are accounted for using the acquisition method. The purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair market values. Any excess purchase price over the fair market value of the net assets acquired, including identified intangibles, is recorded as goodwill. Preliminary purchase price allocations are made at the date of acquisition and finalized when information needed to affirm underlying estimates is obtained, within a maximum allocation period of one year. Goodwill is subject to impairment testing at least annually. In addition, goodwill is tested more frequently if a change in circumstances or the occurrence of events indicates that potential impairment exists.

2.15 Impairment

Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction.

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted – effective interest rate for purchased, or originated credit impaired financial assets). The Company estimates cash flows by considering all contractual term of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

2.16 Inventories

a) Stock of Materials

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

b) Development Work

Stock of Units in completed projects and work in progress are valued at lower of cost and net realisable value. Cost is aggregate of land cost, materials, contract work, direct expenses, provisions and apportioned borrowing cost.

c) Stock of Trading Goods

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

2.17 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial guarantee contracts:

These are initially measured at their fair values and, are subsequently measured at the higher of the amount of loss allowance determined or the amount initially recognised less, the cumulative amount of income recognised.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Company recognises equity instrument at proceeds received net of direct issue costs.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.18 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.19 Critical Accounting Judgments and key sources of estimation, uncertainty

The preparation of financial statements and related notes in accordance with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and revenues and expenses.

Actual results could differ from those estimates due to those uncertainties on which assumptions are based. Estimates and assumptions are reviewed annually in order to verify they still reflect the best available knowledge of the Company's operations and of other factors deriving from actual circumstances. Changes, if any, are immediately accounted for in the income statement.

The present economic context, whose effects are spread into some businesses in which the Group operates, determined the need to make assumptions related to future development with a high degree of uncertainty. For this reason, it is not possible to exclude that, in the next or in subsequent financial years, actual results may differ from estimated results. These differences, at present unforeseeable and unpredictable, may require adjustments to book values. Estimates are used in many areas, including accounting for non-current assets, deferred tax assets, bad debt provisions on accounts receivable, inventory obsolescence, employee benefits, contingent liabilities and provisions for risks and contingencies.

2.20 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.21 Current/Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle

- It is held primarily for the purpose of trading

- It is expected to be realized within 12 months after the date of reporting period, or

- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading

- It is due to be settled within 12 months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period Current liabilities include the current portion of long term financial liabilities.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

2.22 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

2.23 Fair Value Measurement

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- in the principle market for the asset or liability

- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities

- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR.

2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

3) Debt instruments, derivatives and equity instruments at Fair Value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

4) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognized in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

5) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. If the hybrid contract contains a host that is a financial asset within the scope of IND AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in IND AS 109 to the entire hybrid contract. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

2.24 Recent accounting pronoucements

Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits',

in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

2.25 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.

2.26 Investments

Long Term Investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary in the value of these investments. Current investments are carried at lower of the cost and fair value.

2.27 Associates and joint ventures

Associates and joint ventures are accounted for under the equity method at cost at the date of acquisition. In subsequent periods, the carrying amount is adjusted up or down to reflect the Company's share of the comprehensive income of the investee. Any distributions received from the investee and other changes in the investees equity reduce or increase the carrying amount of the investment. If the losses of an associate or joint venture attributable to the Company equal or exceed the value of the interest held in this associate or joint venture, no further losses are recognised unless the Company incurs an obligation or makes payments on behalf of the associate or joint venture. If there are any indications of impairment in the investments in associates or joint ventures, the carrying amount of the relevant investment is subject to an impairment test. If the reason for an impairment loss recognised in prior years no longer exists, the carrying amount of the investment is increased to a maximum figure of the share of net assets in the associate or joint venture.

2.28 Non-current assets held for sale and discontinued operations

Non-current assets are classified separately in the balance sheet as held for sale if they are available for sale in their present condition and the sale is highly probable. Assets that are classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. Liabilities classified as directly related to non-current assets held for sale are disclosed separately as held for sale in the liabilities section of the balance sheet. For discontinued operations, additional disclosures are required in the Notes, as long as the requirements for classification as discontinued operations are met.

2.29 Segment Reporting

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

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

Notes forming part of the financial statements

Note No. 3 - Property , Plant and Equipment and Intangible Assets

(₹ in Lakhs)

Particulars	I. Property, Plant and Equipment							II. Intangible assets
	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Lease Hold Improvements	Total	Softwares
Gross carrying value								
As at April 1, 2018	66.06	7,350.64	498.97	214.19	598.92	338.88	9,067.66	464.64
Additions	-	455.80	2.43	55.34	100.95	-	614.52	78.23
Disposals	-	(203.22)	(9.26)	(61.98)	-	-	(274.46)	-
As at March 31, 2019 (A)	66.06	7,603.22	492.14	207.55	699.87	338.88	9,407.72	542.87
Accumulated depreciation								
As at April 1, 2018	38.16	4,352.03	394.68	164.18	543.04	58.25	5,550.34	464.64
Additions	1.21	502.68	28.63	25.12	74.31	18.71	650.66	50.60
Disposals	-	(94.32)	(8.43)	(42.62)	-	-	(145.38)	-
As at March 31, 2019 (B)	39.37	4,760.38	414.87	146.68	617.35	76.96	6,055.61	515.24
Net carrying value as at March 31, 2019 (A) - (B)	**26.69**	**2,842.84**	**77.27**	**60.87**	**82.52**	**261.92**	**3,352.11**	**27.63**
Gross carrying value								
As at April 1, 2017	319.55	6,801.10	454.33	199.60	536.58	337.10	8,648.26	435.82
Additions	-	603.99	44.64	14.59	62.34	1.78	727.34	28.82
Disposals	(253.49)	(54.45)	-	-	-	-	(307.94)	-
As at March 31, 2018 (A)	**66.06**	**7,350.64**	**498.97**	**214.19**	**598.92**	**338.88**	**9,067.66**	**464.64**
Accumulated depreciation								
As at April 1, 2017	88.19	3,883.95	359.30	147.10	510.05	36.43	5,025.02	435.82
Additions	6.24	507.08	35.38	17.08	32.99	21.82	620.59	28.82
Disposals	(56.27)	(39.00)	-	-	-	-	(95.27)	-
As at March 31, 2018 (B)	**38.16**	**4,352.03**	**394.68**	**164.18**	**543.04**	**58.25**	**5,550.34**	**464.64**
Net carrying value as at March 31, 2018 (A) - (B)	**27.90**	**2,998.61**	**104.29**	**50.01**	**55.88**	**280.63**	**3,517.32**	**-**

Notes forming part of the financial statements

Note No. 4 - Investment Property

(₹ in Lakhs)

Description of Assets	
Gross carrying value *	
As at April 1, 2018	2,490.73
Additions	-
Disposals	-
As at March 31, 2019 (A)	**2,490.73**
Accumulated depreciation	490.17
As at April 1, 2018	-
Charge for the year	97.33
Reversals/ Disposals during the year	-
As at March 31, 2019 (B)	**587.50**
Net carrying value as at March 31, 2019 (A) - (B)	**1,903.23**
Gross carrying value *	
As at April 1, 2017	2,490.73
Additions	-
Disposals	-
As at March 31, 2018 (A)	**2,490.73**
Accumulated depreciation	
As at April 1, 2017	387.80
Charge for the year	102.37
As at March 31, 2018 (B)	**490.17**
Net carrying value as at March 31, 2018 (A) - (B)	**2,000.56**

The Company's investment properties consist of commercial properties in India. Management determined that the investment properties consist of only one class of asset i.e. office spaces based on the nature, characteristics and risks of the property.

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

Fair valuation (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment Property	3,114.56	3,114.56

The best evidence of fair value is current prices in an active market for similar properties.The market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer.

Notes forming part of the financial statements

Note No. 5 - Investment

A. Non Current Investment **(₹ in Lakhs)**

Particular		As at March 31, 2019	As at March 31, 2018
A.	**COST**		
	Unquoted Investments (all fully paid)		
	Investments in Equity Instruments of Subsidiaries		
	Almet Corporation Limited	1,475.66	1,475.66
	58,824 (March 31, 2018: 58,824) Equity Shares of ₹ 100/- Each Fully Paid		
	Marathawada Realtors Private Limited	2,251.06	2,251.06
	39,216 (March 31, 2018: 39,216) Equity Shares of ₹ 100/- Each Fully Paid		
	Marvel Housing Private Limited	1.00	1.00
	10,000 (March 31, 2018: 10,000) Equity Shares of ₹ 10/- Each Fully Paid		
	GMP Technical Solutions Private Limited	4,602.71	4,602.71
	12,689 (March 31, 2018: 12,689) Equity Shares of ₹ 10/- Each Fully Paid		
	Vascon Value Homes Private Limited	1.00	1.00
	10000 (March 31,2018: 10000) Equity shares of ₹ 10/- Each fully paid		
	Vascon EPC Limited	1.00	-
	10000 (March 31,2018: Nil) Equity shares of ₹ 10/- Each fully paid		
		8,332.43	**8,331.43**
	Investments in Equity Instruments of associates		
	Mumbai Estates Private Limited	10.00	10.00
	99,999 (March 31, 2018: 99,999) Equity Shares of ₹ 10 /- Each Fully Paid		
		10.00	**10.00**
	Investments in Equity Instruments of joint ventures - jointly controlled entities		
	Cosmos Premises Private Limited	367.91	367.91
	177,401 (March 31, 2018: 177,401) Equity Shares of ₹ 10/- Each Fully Paid		
	Vascon Engineers Ltd Wll (Qatar) - 49% stake	0.01	0.01
	Phoenix Venture	200.00	200.00
	Investment in Partnership Firm - Ajanta Enterprises	4,272.94	4,272.94
	VASCON Construction Saga LLP	1.52	-
		4,842.38	**4,840.85**
	INVESTMENTS CARRIED AT COST [A]	**13,184.81**	**13,182.28**
B.	**INVESTMENTS CARRIED AT AMORTISED COST**		
	Investments in Redeemable Non-Cumulative Preference Shares of Subsidiary		
	GMP Technical Solutions Private Limited	921.90	814.00
	0.001% 1,044,793 (March 31, 2018: 1,044,793) Redeemable Non-Cumulative Preference Shares of ₹ 100 each		
	Investment in Government or trust securities		
	7 Years National Savings Certificate		
		0.20	0.20
	INVESTMENTS CARRIED AT AMORTISED COST [B]	**922.10**	**814.20**
	Investments Carried at:		

Notes forming part of the financial statements

(₹ in Lakhs)

Particular	As at March 31, 2019	As at March 31, 2018
C. Designated as Fair Value Through Profit and Loss		
Quoted Investments		
Investments in Equity Instruments - Corporation Bank Limited	0.29	0.31
1,000 (March 31,2018: 1,000) Equity shares of ₹ 10/- Each fully paid		
Total Aggregate Quoted Investments	**0.29**	**0.31**
Unquoted Investments (all fully paid)		
Investments in debentures of Ascent Hotels Private Limited	2,750.00	2,750.00
Optionally Convertible Redeemable Debenture 6,726,396 of face Value ₹10/- each		
Investments in Equity Instruments of structured entities		
The Saraswat Co Operative Bank Ltd	0.25	0.25
2,500 (March 31, 2018: 2,500) Equity Shares Of ₹10/- Each Fully Paid		
Sahyadri Hospitals Limited	25.00	25.00
250,000 (March 31, 2018: 250,000) Equity Shares Of ₹10/- Each Fully Paid		
	2,775.25	**2,775.25**
INVESTMENTS CARRIED AT FVTPL [C]	**2,775.54**	**2,775.56**
TOTAL INVESTMENTS [A] + [B] + [C]	**16,882.45**	**16,772.04**

B. Current Investment

(₹ in Lakhs)

Particular	As at March 31, 2019	As at March 31, 2018
Designated as Fair Value Through Profit and Loss		
Unquoted Investments (all fully paid)		
Investments in Equity Instruments of structured entities		
Sita Lakshmi Mills Limited	234.00	234.00
806,000 (March 31, 2018: 806,000) Equity Shares of ₹ 50/- Each Fully Paid		
Total Unquoted Investments	**234.00**	**234.00**
Quoted Investments		
Investments in Mutual Funds	199.35	544.56
HSBC Cash Fund		
Units 7220.0910 (March 31, 2018: 9152.297) , NAV ₹ 1,861.5797(March 31, 2018: ₹ 1729.9739) each		
Reliance Liquid Fund - Treasury Plan		
Units 1423.5910 (March 31, 2018: 9109.253), NAV ₹ 4,561.8889 (March 31, 2018: ₹ 4,239.9424) each		
Total Quoted Investments	**199.35**	**544.56**
TOTAL CURRENT INVESTMENTS	**433.35**	**778.56**

Notes forming part of the financial statements

Note No. 6 - Loans receivable considered good - Unsecured

Current **(₹ in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
a) Loans and Advances to Employees		
- Unsecured, considered good	487.08	478.60
b) Loans to related parties (Refer Note 33)		
- Unsecured, considered good	895.52	2,408.19
c) Other Loans		
- Unsecured, considered good	4,732.12	4,639.60
TOTAL	**6,114.72**	**7,526.39**

Note No. 7 - Others

A. Non - Current **(₹ in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
a) Security Deposits		
- Unsecured	807.30	736.01
- Doubtful	25.00	35.00
Less: Allowance for Credit Losses	(25.00)	(35.00)
b) Bank deposits with more than 12 months maturity	-	305.55
c) Project Advances	8,430.61	9,021.44
TOTAL	**9,237.91**	**10,063.00**

B. Current **(₹ in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
a) Security Deposits - Unsecured	430.36	496.74
b) Interest accrued on deposits	65.78	57.62
c) Project Advances	1,524.96	1,224.96
d) Other Recoverable (JV Partner share)	233.80	107.84
e) Amounts due from customers		
- Gross amount due from customer (Unbilled)	12,750.15	8,507.20
- Less : Related Advance Payments received	(2,483.13)	(1,419.24)
	10,267.02	7,087.96
TOTAL	**12,521.92**	**8,975.12**

Note No. 8 - Other non-current and current assets

A. Non Current **(₹ in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Balances with goverment authorities (other than income taxes)	1,199.69	2,118.77
(b) Prepaid Rent	-	57.96
TOTAL	**1,199.69**	**2,176.73**

B. Current **(₹ in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Advances to suppliers	1,271.05	1,849.86
(b) Prepaid Expenses	206.27	317.80
(c) Travel Advance	13.17	0.60
TOTAL	**1,490.49**	**2,168.26**

Notes forming part of the financial statements

Note No. 9 - Inventories (Valued at lower of cost or net realisable value) **(₹ in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Building materials / tools	3,617.26	3,885.54
(b) Projects under Development	30,883.30	32,159.07
(c) Completed Units	13,784.30	9,488.75
Total Inventories at the lower of cost and net realisable value	**48,284.86**	**45,533.37**

Note No. 10 - Trade receivables considered good - Unsecured

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding for a period exceeding six months from the date they are due		
(a) Unsecured, considered good	8,381.55	8,857.10
(b) Doubtful	846.39	1,514.33
Less: Allowance for Credit Losses	(846.39)	(1,514.33)
	8,381.55	8,857.10
Others		
(a) Unsecured, considered good	5,577.12	2,897.81
(b) Doubtful		
Less: Allowance for Credit Losses		
Retention (Accrued but not due)		
(a) Unsecured, considered good	3,124.66	2,514.70
(b) Doubtful	388.81	359.19
Less: Allowance for Credit Losses	(388.81)	(359.19)
	3,124.66	2,514.70
Less: Related Unearned Receivables	(1,806.49)	(1,180.94)
TOTAL	**15,276.84**	**13,088.67**

Notes:

1. The company records receivables on account of ‘ EPC contracts ‘ and ‘ Development sales’ in the normal course of business and classify the same as “trade receivable”.
2. The average credit period on EPC contracts is 60 days. No Interest is charged on trade recivables.
3. Trade receivables includes receivables from related parties and amount due from directors or other officers of the company either severally or jointly with any other person or any trade or other receivables due from firm or private companies in which any director is a partner, a director or member (Refer Note 33).
4. The concentration of credit risk is limited due to the fact that customer base is large and unrelated.
5. The Company does not provide for expected credit loss allowance development sales and receivables from related parties as the Company does not expect any loss on these sales. There is no historical credit loss experience and the Company does not expect any loss on these trade receivables.
6. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables from EPC contracts based on a provision matrix. The provision matrix takes into account historical credit losses experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. In addition the Company provides for expected credit loss based on case to case basis.

Provision Matrix - EPC Sales

Age of receivables	% of receivables
0-1 Year	-
1-2 year	20.00%
2-3 years	35.00%
3 years and above	38.50%

Notes forming part of the financial statements

Age of receivables **(₹ in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
EPC:		
Less than 1 year	3,821.84	3,015.00
1-2 year	1,605.80	1,997.46
2-3 year	356.96	947.29
More than 3 year	4,072.80	3,649.01
Less :- Expected Credit Loss	(1,235.20)	(1,873.52)
Total	**8,622.20**	**7,735.24**
Development Sales Receivables	3,644.55	2,987.64
Receivables from Related Parties (Refer Note No. 33)	3,010.09	2,365.80
TOTAL	**15,276.84**	**13,088.68**

Movement in the expected credit loss allowance is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	1,873.52	2,121.19
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	124.67	119.24
Utilization / Reversals	(762.99)	(366.90)
Balance at end of the year - March 31, 2019	**1,235.20**	**1,873.52**

Note No. 11 - Cash and Bank Balances **(₹ in Lakhs)**

	Particulars	As at March 31, 2019	As at March 31, 2018
A)	**Current Cash and bank balances**		
(a)	Unrestricted Balances with banks	3,061.99	1,107.66
(b)	Cheques, drafts on hand	-	-
(c)	Cash in hand	142.86	135.98
(d)	Balances with banks in deposit accounts with original maturity of less than 3 months	119.71	787.60
Cash and Cash equivalent as per balance sheet		**3,324.56**	**2,031.24**
Bank Overdraft		8.87	532.02
Total Cash and cash equivalent as per statement of cash flows		**3,315.69**	**1,499.21**
B)	**Other Bank Balances**		
(a)	Balances with banks in deposit accounts with original maturity more than 3 months	146.03	305.15
(b)	In earmarked accounts		
-	Balances held as margin money or security against borrowing, guarantee and other commitments *	2,083.45	1,545.49
-	Unpaid dividend account	-	0.16
Total Other Bank Balances		**2,229.48**	**1,850.80**

* Represents margin money against various guarantees and letters of credit issued by bank on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.

Notes forming part of the financial statements

Note No. 12 - Share Capital **(₹ in Lakhs)**

Share Capital	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
* Equity shares of ₹ 10 each with voting rights	264,130,000	26,413.00	264,130,000	26,413.00
* Preference Share of ₹ 10 each without voting rights	5,000,000	500.00	5,000,000	500.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	178,136,716	17,813.67	174,136,716	17,413.67

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

Note No. 12.1 - Equity Share Capital (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year. **(₹ in Lakhs)**

Particulars	Number of Shares	Equity share capital
Issued and Paid up Capital at April 1, 2017	167,660,186	16,766.02
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	6,476,530	647.65
Balance at March 31, 2018	**174,136,716**	**17,413.67**
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	4,000,000	400.00
Balance at March 31, 2019	**178,136,716**	**17,813.67**

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
R. Vasudevan	41,897,701	23.52	41,897,701	24.86
Vatsalya Enterprises Private Limited	9,078,947	5.10	9,078,947	5.42
Shamyak Investment Pvt Ltd (formerly - Amrit Petroleum Private Limited)	8,783,273	4.93	8,783,273	5.84

The shares under ESOP - 2017 totalling to 40,00,000 was allotted on 14/09/2018 and got trading approval from BSE and NSE. On receiving the approval, the shares were credited on 17/09/2018, to the demat account of employees.

(iii) As at 31 March, 2019, 1,20,000 shares (As at 31 March, 2018, 1,60,00,000 shares) were reserved for issuance as follows:

Particulars	No. of shares	
	As at March 31, 2019	As at March 31, 2018
Outstanding employee stock options granted / available for grant	12,000,000	16,000,000

Notes forming part of the financial statements

Note No. 12.1 - Other Equity (₹ in Lakhs)

Particulars	Reserves and Surplus					
	Securities premium reserve	General reserve	Equity-settled employee benefits reserve	Capital Redemption Reserve	Retained Earnings	TOTAL
Balance at the beginning of the reporting year - As of April 01, 2017	52,620.95	1,537.50	229.55	1,250.00	(11,151.43)	**44,486.57**
Premium on Shares issued during the year	647.65	-	-	-	-	**647.65**
Amount recorded on Grant	-	-	1,471.54	-	-	**1,471.54**
Transferred to securities premium reserve on exercise	899.15	-	(899.15)	-	-	**-**
Other Comprehensive income for the year	-	-	-	-	23.73	**23.73**
Profit for the Year	-	-	-	-	1,139.43	**1,139.43**
Balance at the end of the reporting year - March 31, 2018	**54,167.75**	**1,537.50**	**801.94**	**1,250.00**	**(9,988.27)**	**47,768.92**

Particulars	Reserves and Surplus					
	Securities premium reserve	General reserve	Equity-settled employee benefits reserve	Capital Redemption Reserve	Retained earnings	TOTAL
Balance at the beginning of the reporting Year - As of April 01, 2018	54,167.75	1,537.50	801.94	1,250.00	(9,988.27)	**47,768.92**
Premium on Shares issued during the year	720.00	-	-	-	-	**720.00**
Amount recorded on Grant	-	-	878.53	-	-	**878.53**
Transferred to securities premium reserve on exercise	605.60	-	(605.60)	-	-	-
Other Comprehensive income for the year	-	-	-	-	(31.61)	**(31.61)**
Transitional Adjustment on account of application of ind as 115 (Refer Note 41)	-	-	-	-	(413.33)	**(413.33)**
Profit for the Year	-	-	-	-	1,521.08	**1,521.08**
Balance at the end of the reporting Year - March 31, 2019	**55,493.35**	**1,537.50**	**1,074.87**	**1,250.00**	**(8,912.13)**	**50,443.59**

Note No. 13 - Borrowings

A. Non Current Borrowings (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Measured at amortised cost		
A. Secured Borrowings:		
(a) Fully Redeemable Debentures	10,945.00	-
(b) Term Loan from Financial Institution	1,666.13	6,765.68
(c) Long term maturities of Finance Lease Obligations	41.66	12.49
Total Secured Borrowings	**12,652.79**	**6,778.17**
B. Unsecured Borrowings - at amortised Cost		
(a) Public Deposits	2.00	43.00
(b) Inter Corporate Deposits	-	1,000.00
(c) Loans from related parties	-	95.55
Total Unsecured Borrowings	**2.00**	**1,138.55**
Total Borrowings carried at Amortised Cost [A] + [B]	**12,654.79**	**7,916.72**
Measured at FVTPL		
A. Secured Borrowings:		
2114 (March 31,2018: 6861) Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures 5864 of ₹ 1 lakhs each (Refer Note 40)	1,364.00	995.90
Total Borrowings carried at FVTPL	**1,364.00**	**995.90**
Total Non-Current Borrowings	**14,018.79**	**8,912.62**

Notes forming part of the financial statements

B. Current Borrowings (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Secured Borrowings		
Cash Credit from Banks *	6,452.96	6,182.79
Total Secured Borrowings	**6,452.96**	**6,182.79**
B. Unsecured Borrowings		
(a) From Banks (Bank overdraft)	8.87	532.02
(b) Loans from related parties	110.00	-
(c) Loans from other parties	1,391.42	1,354.83
Total Unsecured Borrowings	**1,510.29**	**1,886.85**
Total Current Borrowings	**7,963.25**	**8,069.66**

* Cash Credit from State Bank of India ranging from 9 % -15.50 % is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other entities including a wholly owned subsidiary, corporate guarantee of other Companies including a wholly owned subsidiary and personal guarantee of the Managing Director of the Company.

13.1 Disclosure regarding long term borrowings

(₹ in Lakhs)

Name of the lender	Outstanding amount	Current Maturities	Long Term			Total Long Term Borrowings	Rate of interest	Nature of security
			Apr 20 to Mar 21	Apr 21 to Mar 22	Apr 22 to Mar 23			
I. Secured								
a) Kotak India Real Estate Fund	10,945.00	-	3,666.67	3,666.67	3,611.66	10,945.00	15.50%	1. Sole & Exclusive mortgage on the identified unsold units with 1.40 lacs sq.ft. of Saleable area, including 2 villas of the project & Personal Guarantee of the Promoter 2. Sole & Exclusive first charge on the Project development rights both Vascon and Land Owners under Development Agreement 3. Hypothecation on 100% receivable from the Project, which includes both vascon's and Land Onwer's shares. 4. Escrow account on cash flow from the sales collected from the project 5. Post dated cheques from for the repayment amount of principle and interest
b) JM Financial Credit Soution Limited	1,666.02	-	777.60	888.42	-	1,666.02	15.05%	Secured by way of registered mortgage on the land admesuring approximately 9.9 acres along with approx saleable are of 0.61 MMSFT in Project Good Life located at Talegaon Pune and also escrow of receivable generated from Project Goodlife and secured by way of personal guarantee of Promoter

Notes forming part of the financial statements

(₹ in Lakhs)

Name of the lender	Outstanding amount	Current Maturities	Long Term			Total Long Term Borrowings	Rate of interest	Nature of security
			Apr 20 to Mar 21	Apr 21 to Mar 22	Apr 22 to Mar 23			
c) Zero Coupon,Rupee denominated,Unrated,unlisted,secured, Non Convertiable Debetures of ₹ 1,00,000/- each (Refer Note 40)	2,114.00	750.00	1,364.00	-	-	1,364.00	-	Pledge of shares of GMP Technical Solution Pvt Ltd (Subsidiary)
from financial institution								
Daimler Financial Services India Pvt Ltd	47.55	5.89	6.55	35.11	-	41.66	10.65%	Hypothecation of Vehicle financed by lender
II. Unsecured								
a) Public deposits (accepted for a period of 400 days)	199.00	197.00	2.00	-	-	2.00	12.50%	Not Applicable
b) Inter corporate loans								
Yester Investment Pvt Ltd	1,000.00	1,000.00	-	-	-	-	12.00%	Not Applicable
c) Loans and advances from related parties								
- Subsidiaries								
Almet Corporation Limited	83.33	83.33	-	-	-	-	9.00%	Not Applicable
Marathawada Realtors Private Limited	8.41	8.41	-	-	-	-	9.00%	Not Applicable
Total	**16,063.31**	**2,044.63**	**5,816.82**	**4,590.20**	**3,611.66**	**14,018.68**		

* Interest accrued and due on borrowings as on 31st Mar, 2019 disclosed under other current liabilities (Refer Note 14)

Notes forming part of the financial statements

Note No. 14 - Other Financial Liabilities

A. Non - Current **(₹ in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Commitment and other deposits	1,745.49	2,402.45
Other Non-Current Financial Liabilities	**1,745.49**	**2,402.45**

B. Current

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Current maturities of long-term debt	2,038.75	7,382.50
(b) Current maturities of finance lease obligations	5.89	11.41
(c) Interest accrued but not due on borrowings	11.61	25.33
(d) Interest accrued but due on borrowings	1,074.76	834.42
(e) Unpaid dividends *	-	0.16
(f) Short term Deposits	-	-
(f) Creditors for capital supplies/services	25.61	346.58
(g) Others	68.00	81.08
Total other financial liabilities	**3,224.62**	**8,681.48**

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

Note No. 15 - Trade Payables **(₹ in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payable for goods & services dues to Micro, Small and Medium Enterprises (Refer Note 34)	2.69	4.90
Trade payable for goods & services dues to creditors other than Micro, Small and Medium Enterprises	16,771.17	15,425.33
Total trade payables	**16,773.86**	**15,430.23**

Note No. 16 - Provisions

Current **(₹ in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Provision for employee benefits		
1) Compensated absences	623.62	493.74
2) Gratuity (Refer Note 31)	715.96	560.72
(b) Other Provisions		
Taxation	131.69	113.93
Total Provisions	**1,471.27**	**1,168.39**

Notes forming part of the financial statements

Note No. 17 - Current Tax and Deferred Tax

(a) Income Tax Expense **(₹ in Lakhs)**

Particulars	Continuing Operations	
	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Current Tax:		
Current Income Tax Charge	1.20	-
Adjustments in respect of prior years	(103.22)	2.02
Deferred Tax		
In respect of current year origination and reversal of temporary differences	-	-
Total Tax Expense recognised in profit and loss account	**(102.02)**	**2.02**

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	As at March 31, 2019	As at March 31, 2018
	Amount	Amount
Profit Before tax from Continuing Operations	1,419.45	1,141.45
Income Tax using the Company's domestic Tax rate @ 34.61%	491.27	395.18
Effect of Tax Rates in Foreign Jurisdictions	-	-
Reduction in Tax Rate	-	-
Tax Effect of :		
- Non deductible Expenses	-	-
- Tax - Exempt income	43.33	(260.72)
- Capital Gains	-	-
- Current Year Losses for which no deferred Tax Asset is recognised	-	-
- Recognition of Tax Effect of Previously unrecognised tax losses	(534.60)	(134.46)
Deferreed tax assets on temporary differences	-	57.45
Changes in recognised deductible temporary differences	-	-
Changes in estimates related to prior years	(102.02)	(55.43)
Unrecognised MAT Credit	-	-
Income Tax recognised In P&L from Continuing Operations (Effective Tax Rate)	**(102.02)**	**2.02**

Particulars	For the year ended 31 March, 2019	For the Year ended 31 March 2018
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment	483.82	574.68
	483.82	574.68
Tax effect of items constituting deferred tax assets		
Employee Benefits	463.63	362.33
Carry forward Tax Loss	20.19	212.35
	483.82	574.68
Net Tax Asset (Liabilities)	**-**	**-**

Notes forming part of the financial statements

Note - 18: Other Liabilities

Other Current Liabilities

(₹ in Lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
a.	Advances received from customers		
	- Gross amount due to customers	9,278.70	4,763.44
	- Less : Related Unbilled Revenues	(2,483.13)	(1,419.24)
		6,795.57	3,344.20
b.	Amount due to customers under construction contracts		
	- Gross amount due to customers (Unearned)	2,969.78	2,677.70
	- Less : Related Debtors	(1,806.49)	(1,180.94)
		1,163.29	1,496.76
c.	Statutory dues		
	- taxes payable (other than income taxes)	2,621.63	4,704.55
Total Other Liabilities		**10,580.49**	**9,545.51**

Note No. 19 - Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue recognized / sales		
- Contract revenue	28,059.27	24,581.13
- Sale of unit	7,935.46	7,871.35
- Trading sales	2.60	7.04
- Other sales (Includes maintenance charges of soceity,Hire charges, Scrap Sales)	272.31	266.45
Other operating income		
- Rent earned	200.69	56.20
- Share of profit / (loss) from Partnership firms (net)	(125.18)	753.31
Total Revenue from Operations	**36,345.15**	**33,535.48**

Note No. 20 - Other Income

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Interest Income		
	On Financial Assets at Amortised Cost	901.09	667.09
(b)	Dividend received on investments carried at fair value through profit or loss	42.09	48.37
	Liquid Mutual fund units		
(c)	Dividend Income	133.05	170.30
(d)	Provisions / Creditors no longer required written back	1,696.22	1,272.69
(e)	Profit on sale of capital assets (Net of loss on assets sold / scrapped / written off)	-	210.20
(f)	Miscellaneous Income	107.06	37.37
Total Other Income		**2,879.51**	**2,406.01**

Note No. 21.a - Cost of materials consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Contract	20,770.33	18,079.73
Development	6,994.76	8,353.41
Incidental borrowing cost incurred attributable to qualifying assets	1,278.53	1,729.50
Cost of materials consumed	**29,043.62**	**28,162.64**

Note : Consumption includes excess / shortages on physical count, write off of obsolete items etc.

Notes forming part of the financial statements

Note No. 21.b - Changes in inventories of finished goods, work-in-progress and stock-in-trade (₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Closing balance of projects under development :		
Completed Units	13,784.30	9,488.63
Projects under Development	30,883.30	32,159.07
	44,667.60	**41,647.71**
Opening balance of projects under development:		
Completed Units	1,266.64	1,530.80
Projects under Development	40,381.19	36,898.90
Add- Transitional Adjustment on account of application of Ind AS 115 (refer Note 41)	1,041.29	-
	42,689.12	**38,429.70**
Net (increase) / decrease	**(1,978.48)**	**(3,217.99)**

Note No. 22 - Employee Benefits Expense (₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salaries and wages, including bonus (Refer Note 31)	3,290.35	3,024.81
(b) Contribution to provident and other funds	148.27	118.43
(c) Share based payment transactions expenses	878.53	1,471.54
(d) Staff welfare expenses	48.19	30.05
Total Employee Benefit Expense	**4,365.34**	**4,644.82**

Note No. 23 - Finance Cost (₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest expense	3,325.31	3,583.57
(b) Other borrowing cost	188.73	82.29
	3,514.04	**3,665.87**
Less: Amounts included in the cost of qualifying assets	(1,278.55)	(1,729.50)
Total finance costs	**2,235.49**	**1,936.37**

Note No. 24 - Other Expenses (₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Repairs to buildings	104.72	18.25
(b) Power & Fuel oil consumed	77.20	66.82
(c) Rent including lease rentals	428.57	327.79
(d) Repairs and maintenance - Others	88.04	81.38
(e) Rates and taxes	58.38	74.02
(f) Insurance charges	54.41	53.55
(g) Bad debts and other receivables, loans and advances written off	803.54	122.85
(h) Provision for doubtful debts and advances	(638.32)	-
(i) *Loss on asset sold /scrabbed /written off*	4.79	-
(j) Auditors remuneration and out-of-pocket expenses		
(1) As Auditors	85.00	60.00
(2) For Taxation matters	-	2.00
(3) Other services	-	-
(k) Other expenses		
(1) Legal and other professional costs	809.27	904.38
(2) Advertisement, Promotion & Selling Expenses	840.98	253.08
(3) Travelling and Conveyance Expenses	131.20	118.63
(4) Postage and telephone	49.49	49.43
(5) Printing and stationery	67.03	30.21

Notes forming part of the financial statements

(₹ in Lakhs)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
(6)	Brokerage / commission	146.37	81.29
(7)	Donations	5.97	58.49
(8)	Corporate Social Responsibility Expenditure *(Refer Note 39)*	12.99	-
(9)	Bank charges	84.22	108.76
(10)	Hire Charges Paid	12.01	1.42
(11)	Miscellaneous Expenses	110.14	109.87
(12)	(loss) on investments carried at fair value through profit or loss	-	0.22
Total Other Expenses		**3,336.00**	**2,522.43**

Note No. 25 - Earning Per share

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Per Share	Per Share
Basic Earnings per share (₹)	0.86	0.67
Diluted Earnings per share (₹)	0.86	0.66

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit for the year attributable to owners of the Company	1,521.08	1,139.44
Weighted average number of equity shares	176,690,141	169,107,639
Earnings per share - Basic (₹)	0.86	0.67

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the Stock options for the respective periods. Anti-dilutive effect, if any, has been ignored.

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit for the year attributable to owners of the Company	1,521.08	1,139.44
Weighted average number of equity shares used in the calculation of Basic EPS	176,690,141	169,107,639
Employee Stock Option Plans	705,320	2,155,370
Weighted average number of equity shares used in the calculation of Diluted EPS	177,395,460	171,263,009
Earnings per share - Dilutive (₹)	0.86	0.66

Notes forming part of the financial statements

Note No. - 26 Fair Value

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financials instruments

(₹ in Lakhs)

Particulars	Carrying amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Non - Current Assets				
(i) Investments	14,106.91	13,996.17	14,106.91	13,996.17
(ii) Others Financial Assets	9,237.91	10,063.00	9,237.91	10,063.00
Current Assets				
(i) Trade receivables	15,276.84	13,088.67	15,276.84	13,088.67
(ii) Cash and cash equivalents	3,324.56	2,031.24	3,324.56	2,031.24
(iii) Bank balances other than (ii) above	2,229.48	1,850.80	2,229.48	1,850.80
(iv) Loans	6,114.72	7,526.39	6,114.72	7,526.39
(v) Others Financial Assets	12,521.92	8,975.12	12,521.92	8,975.12
Financial assets measured at fair value through Statement of Profit & Loss				
(a) Current investments	433.35	778.56	433.35	778.56
(b) Non Current investments quoted	0.29	0.31	0.29	0.31
(b) Non Current investments unquoted	2,775.25	2,775.25	2,775.25	2,775.25
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Non - Current Liabilities				
(i) Borrowings	12,654.79	7,916.72	12,654.79	7,916.72
(ii) Other financial liabilities	1,745.49	2,402.45	1,745.49	2,402.45
Current Liabilities				
(i) Borrowings	7,963.25	8,069.66	7,963.25	8,069.66
(ii) Trade and other payables	16,773.86	15,430.23	16,773.86	15,430.23
(iii) Other financial liabilities	3,224.62	8,681.11	3,224.62	8,681.11
Financial liabilities measured at fair value through Statement of Profit & Loss				
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	1,364.00	995.90	1,364.00	995.90

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds) is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credit rated instrument.

The Company maintain policies and procedure to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Notes forming part of the financial statements

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Security deposit paid are evaluated by the Company based on parameters such as interest rate non performance risk of the customer. The fair value of the Company's security deposit paid are determined by estimating the incremental borrowing rate of the borrower (primarily the landlords). Such rate has been determined using discount rate that reflects the average interest rate of borrowing taken by similar credit rate companies where the risk of non performance risk is more than significant.

(c) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(d) The fair value of the Company's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting year. The own non performance risk as at the reporting was assessed to be insignificant.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed , either directly or indirectly.

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data.

The following table presents the assets and liabilities measured at fair value on recurring basis at March 31, 2019 and March 31, 2018.

Particulars	Level 1	Level 2	Level 3
March 31, 2019			
Investment in mutual funds	199.35	-	-
Equity	0.29	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	1,364.00
March 31, 2018			
Investment in mutual funds	544.56	-	-
Equity	0.31	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	995.90

During the year ended Mar 31, 2019, there were no transfer between Level 1 and Level 2 fair value measurement and no transfer into and out of Level 3 fair value measurement.

Note No. 27 - Financial Instruments and Risk Review

Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 50%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Notes forming part of the financial statements

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	24,026.68	24,376.18
Trade Payables	16,773.86	15,430.23
Less : Cash and Cash Equivalents	5,554.03	3,882.04
Net Debt	**35,246.51**	**35,924.36**
Equity	68,257.26	65,182.96
Total Capital	**68,257.26**	**65,182.96**
Capital and Net Debt	**103,503.77**	**101,107.32**
Gearing Ratio	**34%**	**36%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2019 and Year Ended March 31, 2018.

Financial Risk Management Framework

Vascon Engineers Limited is exposed primarily to credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade payables and borrowings. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial asset represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 43,085.62 lakhs and ₹ 39,289.99 lakhs as of March 31, 2019 and March 31, 2018 respectively. Trade receivables are typically unsecured and are derived from revenue earned from Development and EPC customers. Credit risk is managed by the Company by continuously monitoring the recovery status of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Company uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Company's exposure to customers is diversified and some customer contributes more than 10% of outstanding accounts receivable as of March 31, 2019 and March 31, 2018, however there was no default on account of those customer in the past. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Before accepting any new customer, the Company uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The Company performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than 1 year.

Notes forming part of the financial statements

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting year is as follows.

Movement in the expected credit loss allowance: (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	1,873.52	2,121.19
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	124.67	119.24
Utilization / Reversals	(762.99)	(366.90)
Balance at the end of the year	**1,235.20**	**1,873.52**

ii) Liquidity Risk

a) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b) Maturities of financial liabilities

The following tables detail the remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	March 31, 2019		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	16,773.86	-	-
Other Financial Liabilities	2,474.62	1,744.73	-
Working capital demand loans / Term loans	7,963.25	12,654.68	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	750.00	1,364.00	-

Particulars	March 31, 2018		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	15,430.23	-	-
Other Financial Liabilities	3,812.11	2,402.45	-
Working capital demand loans / Term loans	8,069.66	7,916.72	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	4,869.00	995.90	-

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or having economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

Note No. 28 - Share Based Payments

Employee stock option scheme (ESOS) - 2015

The ESOS was approved by Board of Directors of the Company on 11th August 2015 and thereafter by the share holders on 29th September 2015. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of ₹ 20/- per share. The maximum exercise period is 1 year from the date of vesting.

Notes forming part of the financial statements

Number of options granted , exercised , cancelled / lapsed during the financial year are as follows :

Particulars	FY 2018-19	FY 2017 - 18
Options granted, beginning of the year	-	76,530
Granted during the year	-	-
Exercised during the year	-	(76,530)
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	-
Weighted Average remaining life	-	-

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Binomial lattice option pricing model, considering the expected weighted average term of the options to be 1 year from the date of vesting, an expected dividend rate on the underlying equity shares, a risk free rate and weighted average volatility in the share price. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price after eliminating the abnormal price fluctuations.

Employee stock option scheme (ESOS) - 2016

The ESOS was approved by Board of Directors of the Company on 17th May 2016 and thereafter by the share holders on 15th September 2016. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of ₹ 20/- per share. The maximum exercise period is 1 year from the date of vesting.

Number of options granted , exercised , cancelled / lapsed during the financial year are as follows :

Particulars	FY 2018-19	FY 2017 - 18
Options granted, beginning of the year	-	6,400,000
Granted during the year	-	-
Exercised during the year	-	(6,400,000)
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	-
Weighted Average remaining life	-	-

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Binomial lattice option pricing model, considering the expected weighted average term of the options to be 1 year from the date of vesting, an expected dividend rate on the underlying equity shares, a risk free rate and weighted average volatility in the share price. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price after eliminating the abnormal price fluctuations.

Employee stock option scheme (ESOS) - 2017

The ESOS was approved by Board of Directors of the Company on 10th Aug 2017 and thereafter by the share holders on 15th September 2017. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of ₹ 28/- per share. The maximum exercise period is 4 year from the date of vesting i.e 30th Sept 2017.

The ESOS granted on 10th August 2017, was repriced on 15th March 2019, at a predetermined rate of ₹ 15/- per share.The maximum exercise period is 4 year from the date of vesting i.e 30th Sept 2017.

Number of options granted , exercised , cancelled / lapsed during the financial year are as follows :

Particulars	FY 2018-19	FY 2017 - 18
Options granted, beginning of the year	16,000,000	-
Granted during the year	-	16,000,000
Exercised during the year	4,000,000	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	-
Weighted Average remaining life	3.42	4.42

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Binomial lattice option pricing model, considering the expected weighted average term of the options to be 1 year from the date of vesting, an expected dividend rate on the underlying equity shares, a risk free rate and weighted average volatility in the share price. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price after eliminating the abnormal price fluctuations.

Notes forming part of the financial statements

The inputs used in the measurement of the fair values at grant date of the share-based payment plans were as follows.

Particulars	Employee Share Purchase Plan
	ESOS - 2017
Share price at grant date (₹ per share)	29.55
Exercise price (₹ per share)	15
Expected volatility	68.00%
Expected life / Option Life	4 Year from the date of vesting
Expected dividends yield	2%
Risk-free interest rate (based on government bonds)	6.70%

Note No. 29 - Disclosures under Ind AS 17

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Details of leasing arrangements		
As Lessee		
Finance Lease		
The Company has entered into finance lease arrangements for certain vehicles which provide the Company an option to purchase the assets at the end of the lease period. The average lease term is 5 years (prior Year: 5 Years)		
Reconciliation of minimum lease payments		
Future minimum lease payments		
not later than one year	10.67	13.34
later than one year and not later than five years	46.40	13.19
later than five years	-	-
	57.07	26.52
Less: Unmatured finance charges	9.52	2.62
	47.55	23.90
Present value of minimum lease payments payable		
not later than one year	5.89	11.41
later than one year and not later than five years	41.66	12.49
later than five years	-	-
	47.55	23.90
Included in the financial statements as:		
- Current maturities of finance lease obligations	5.89	11.41
- Non Current Borrowings	41.66	12.49
	47.55	23.90
Operating Lease		
The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 1 to 15 years and may be renewed for a further period of 5 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 to 10% every 2 years.		
Future Non-Cancellable minimum lease commitments		
not later than one year	275.10	261.08
later than one year and not later than five years	231.04	204.26
later than five years	-	-
	506.14	465.34
Expenses recognised in the Statement of Profit and Loss	360.65	232.00

Notes forming part of the financial statements

Note No. 30 - Contingent liabilities and commitments

(₹ in Lakhs)

Contingent liabilities (to the extent not provided for)		As at March 31, 2019	As at March 31, 2018
Contingent liabilities			
(a)	Disputed demands for Income Tax	-	603.15
(b)	Disputed demands for Service Tax	117.92	117.92
(c)	Disputed demands for Value Added Tax & Other	1,227.20	720.46
(d)	Performance and financial guarantees given by the Banks on behalf of the Company	9,496.00	9,397.33
(e)	Corporate guarantees given for other companies / entities and mobilization	14,254.70	16,040.16
(f)	Claims against the Company not acknowledged as debt	3,018.28	2,982.48

(i) The Creditors of the Company have filed a civil suit claiming of ₹ 100.67 lakhs (Previous year ₹ 102.86 lakhs) as amount due to them, which claims the Company is disputing.

(ii) Short Levy of Stamp Duty including Penalty due to misclassification of conveyance deed as development agreement amounting to ₹ 46.66 lakhs (Previous year ₹ 8.67 lakhs) with Joint District Registrar & Collector of Stamps , Pune.

(iii) One of the labour supplier has filed a criminal complaint in Additional Magistrate Court, Dadar, Mumbai, for recovery of his dues for ₹ 3.95 lakhs (Previous year - ₹ 3.95 lakhs).

(iv) One of the customer has filed arbitration proceeding against the Company for loss on account of wastage i.e. excess consumption of cement and steel, loss on account of escalation of cement and steel, additional cost incurred for completing the balance work, loss for rectifying defective work, refund of amount in VAT and excess duty, loss of reputation and liquidated damages and interest, amounting to ₹ 2,867 lakhs (Previous year - ₹ 2,867 lakhs).

(v) In earlier years Vascon Dwelling Private Limited (Merged Company) has entered into agreement for sale in respect of plot of land admeasuring 5,016.95 sq mtrs for a consideration of ₹ 376.27 lakhs.

In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land.

As per the conditional sale the company has to obtain clear enforceable title within 18 months of the execution of the agreement.

In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 87.80 lakhs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 3 lakhs per month from the date of breach till the date of curing the breach.

(vi) In earlier years Vascon Dwelling Private Limited (Merged Company) has transferred Development rights in respect of plot of land admeasuring 3,940 sq mtrs for a consideration of ₹ 295.50 lakhs

In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land.

As per the conditional sale the company has to obtain clear enforceable title and to obtain certain permission/clearance within 18 months of the execution of the agreement.

In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 68.95 lakhs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 2.35 lakhs per month from the date of breach till the date of curing the breach.

(vii) In earlier years Vascon Dwelling Private Limited (Merged Company) has entered into agreement for sale in respect of plot of land admeasuring 11,377 sq mtrs for a consideration of ₹ 853.35 lakhs

The company is under obligation to obtain tentative layout approval from corporation, which is subject to new Development Plan to be issued by the corporation.

In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 100 lakhs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and right to claim damages.

In respect of the above three agreement to sale of plots the company has recognised the sales amounting to ₹ 1,525.12 lakhs and profit of ₹ 659.67 lakhs. As on date of the balance sheet the company has not received any notice from the purchaser/transferee for termination of the agreement or claiming any interest/compensation.

Notes forming part of the financial statements

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

(h) The levy of Maharashtra Value Added Tax (MVAT) in respect of Real Estate Development sales has been subject to considerable legislative amendments, litigation and administrative action. During the pendency of special leave petition before the Hon'ble Supreme Court against the earlier Hon'ble Mumbai High Court decision, a decision has been pronounced by the Hon'ble Mumbai High Court and the matter has not reached finality.

The Industry, accounting and legal fraternity is examining the implications of the decisions and the way the liability will be worked out under various options provided. In view of such uncertainties, the management has been advised that in the present scenario it is difficult to correctly determine MVAT liability payable in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010. The Company is currently in process of ascertaining the exact applicability of these pronouncements, contractual ability to collect MVAT from past customers and the mechanism of collection of MVAT in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010.

For Development projects and according to the facts:

Pending final decision and interim stay granted by the Hon'ble High Court of Bombay in case of MCHI, the Company , has in case of certain development projects, neither collected nor paid Maharashtra Value Added Tax and in case of certain development projects, has paid Maharashtra Value Added Tax

Particulars	(₹ in Lakhs)	
	As at 31 March, 2019	As at 31 March, 2018
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	283.57	1,609.62

Note No. 31 - Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized ₹ 125.42 lakhs for Provident Fund contributions (March 31, 2018 : ₹ 99.46 lakhs) and ₹ 22.86 lakhs (March 31, 2018 : ₹ 18.69 lakhs) towards ESIC in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Defined benefit plans – as per actuarial valuation on 31st Mar, 2019

(₹ in Lakhs)

Particulars	Funded Plan	
	Gratuity	
	2019	2018
Service Cost		
Current Service Cost	79.25	63.15
Past service cost and (gains)/losses from settlements	-	76.00
Net interest expense	43.18	29.20
Components of defined benefit costs recognised in profit or loss	122.42	168.36
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	(0.72)	0.70
Actuarial gains and loss arising from changes in financial assumptions	3.61	8.02
Actuarial gains and loss arising from experience adjustments	18.05	(6.94)
Actuarial gains and loss arising from demographic adjustments	10.67	(25.51)
Others (describe)	-	-
Components of defined benefit costs recognised in other comprehensive income	31.61	(23.73)
Total	**154.03**	**144.63**

Notes forming part of the financial statements

(₹ in Lakhs)

Particulars		Funded Plan Gratuity 2019	Funded Plan Gratuity 2018
I.	**Net Asset/(Liability) recognised in the Balance Sheet as at 31st March**		
1.	Present value of defined benefit obligation as at 31st March	741.56	585.27
2.	Fair value of plan assets as at 31st March	25.61	24.56
3.	Surplus/(Deficit)	(715.96)	(560.72)
4.	Current portion of the above	715.96	560.72
5.	Non current portion of the above	25.61	24.56
II.	**Change in the obligation during the year ended 31st March**		
1.	Present value of defined benefit obligation at the beginning of the year	(585.27)	(451.05)
2.	Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3.	*Expenses Recognised in Profit and Loss Account*		
	- Current Service Cost	(79.25)	(63.15)
	- Past Service Cost	-	(76.00)
	- Interest Expense (Income)	(45.05)	(30.30)
4.	*Recognised in Other Comprehensive Income*		
	Remeasurement gains / (losses)		
	- Actuarial Gain (Loss) arising from:		
i.	Demographic Assumptions	(10.67)	25.51
ii.	Financial Assumptions	(3.61)	(8.02)
iii.	Experience Adjustments	(18.05)	6.94
5.	Benefit payments	0.34	10.81
6.	Others (Specify)		
7.	**Present value of defined benefit obligation at the end of the year**	**(741.56)**	**(585.27)**
III.	**Change in fair value of assets during the year ended 31st March**		
1.	Fair value of plan assets at the beginning of the year	24.56	6.62
2.	Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3.	*Expenses Recognised in Profit and Loss Account*		
	- Expected return on plan assets	1.88	1.10
	- Mortality Charges and Taxes	(1.21)	(1.66)
4.	*Recognised in Other Comprehensive Income*		
	Remeasurement gains / (losses)		
	- Actual Return on plan assets in excess of the expected return	0.72	(0.70)
5.	Contributions by employer (including benefit payments recoverable)	-	20.00
6.	Benefit payments	(0.34)	(0.81)
7.	**Fair value of plan assets at the end of the year**	**25.61**	**24.56**
IV.	**The Major categories of plan assets (As % of Total Plan Assets)**		
	Funds Managed By Insurer	100%	100%
V.	Actuarial assumptions		
1.	Discount rate	7.60%	7.70%
2.	Expected rate of return on plan assets	7.70%	6.80%
3.	Attrition rate	7.50%	7.50%

Maturity Profile of Defined Benefit Obligation:

For the Year Ended March 31, 2019	Expected Benefit Payment Rounded to the nearest thousand (in ₹)
2020	26,093,000
2021	6,167,000
2022	8,072,000
2023	6,956,000
2024	8,667,000
2025-2029	50,790,000

Sensitivity analysis for each significant actuarial assumption is required to be given, (illustration for medical inflation given below. Company needs to provide for others)

Notes forming part of the financial statements

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Defined Benefit Obligation	707.20	552.07	780.09	623.17

B. Effect of 1 % change in the assumed Salary Escalation Rate	1% Increase		1% Decrease	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Defined Benefit Obligation	767.27	612.23	717.32	560.43

C. Effect of 1 % change in the assumed Withdrawal Rate	1% Increase		1% Decrease	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Defined Benefit Obligation	744.34	587.89	738.53	582.38

VIII. Experience Adjustments:	Year Ended	
	2019	2018
	Gratuity	
1. Defined Benefit Obligation	(741.56)	(585.27)
2. Fair value of plan assets	25.61	24.56
3. Surplus/(Deficit)	(715.96)	(560.72)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	18.05	-6.94
5. Experience adjustment on plan assets [Gain/(Loss)]	(0.50)	0.52

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note No. 32 - Significant estimates and assumptions

Estimates and Assumptions

The preparation of the Company’s financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assests or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes will be reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset’s performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicaly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 31.

Notes forming part of the financial statements

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Company has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Note 33 : Related Party Transactions

I Names of related parties

1. Subsidiaries
    - Marvel Housing Private Limited
    - GMP Technical Solution Private Limited
    - Almet Corporation Limited
    - Marathawada Realtors Private Limited
    - GMP Technical Solutions Middle East (FZE)
    - Vascon Value Homes Private Limited
    - Vascon EPC Limited
2. Joint Ventures
    - Phoenix Ventures
    - Cosmos Premises Private Limited
    - Ajanta Enterprises
    - Vascon Saga Constructions LLP
    - Vascon Qatar WLL
3. Associates
    - Mumbai Estate Private Limited
4. Key Management Personnel
    - Mr. R. Vasudevan
    - Mr. Siddarth Vasudevan
    - Dr Santosh Sundararajan
    - Ms.Sowmya Vasudevan Murti
    - Mr. D.Santhanam
    - Mr.M.Krishnamurthi *(Retired w.e.f. 30.09.2018)*
    - Ms.Vibhuti Darshin Dani *(appointed w.e.f 1.10.2018)*
    - Mr. Rajesh Mhatre
    - Mr.Mukesh Malhotra
5. Relatives of Key Management Personnel
    - Mrs. Lalitha Vasudevan
    - Mrs. Thangam Moorthy
    - Mrs. Lalitha Sundararajan
    - Mrs Shilpa Shivram
    - Mrs. Sailaxmi Santhanam Mudaliar
    - Ms Mathangi Krishnamuthy

Notes forming part of the financial statements

- Ms Aishwarya Santhanam
- Mrs K Jeyanthy

6. Establishments where in which individuals in serial number (4) and (5) exercise significant Influence
   - Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)
   - Vastech Consultants Private Limited
   - Vastech consultants and engineers LLP
   - Vatsalya Enterprises Private Limited
   - Bellflower Premises Private Limited
   - Cherry Construction Private Limited
   - Stresstech Engineers Pvt Ltd.
   - Syringa Engineers Private Limited (Formerly known as Syringa Properties Private Limited)
   - Vascon Infrastructure Limited
   - Venus Ventures
   - Seraphic Design Private Limited
   - Sira Assets LLP
   - D. Santanam (HUF)
   - M krishnamurthi (HUF)

II Related party transactions

(₹ in Lakhs)

		As at March 31, 2019	As at March 31, 2018
(a)	**Sales and work**	**1,963.93**	**969.05**
	Joint Ventures		
	Phoenix Ventures	183.08	655.20
	Ajanta Enterprises	1,402.30	157.00
	Total	**1,585.38**	**812.20**
	Key management Personnel		
	Mr. R. Vasudevan	312.00	46.80
	Dr Santosh Sundararajan	17.75	110.05
	Total	**329.75**	**156.85**
	Enterprise where KMP & Relatives of KMP significant influence		
	Cherry Constructions Private Limited.	48.80	-
	Total	**48.80**	**-**
(b)	**Interest Income/commission Received**	**438.15**	**516.42**
	Subsidiaries		
	Interest		
	GMP Technical Solutions Private Limited	107.90	95.28
	Commission		
	GMP Technical Solutions Private Limited	20.04	23.11
	Total	**127.94**	**118.38**
	Joint Venture		
	Ajanta Enterprises	177.16	227.74
	Cosmos Premises Private Limited - Dividend Received	133.05	170.30
	Total	**310.21**	**398.04**

Notes forming part of the financial statements

(₹ in Lakhs)

		As at March 31, 2019	As at March 31, 2018
(c)	**Interest Expense /commission Paid**	**206.83**	**100.30**
	Subsidiaries		
	Interest		
	Almet Corporation Limited	7.50	7.53
	Marathawada Realtors Private Limited	0.93	1.17
	Commission		
	GMP Technical Solutions Private Limited	48.25	4.29
	Total	**56.68**	**12.98**
	Joint Venture		
	Ajanta Enterprises	25.89	-
	Total	**25.89**	**-**
	Enterprise where KMP & Relatives of KMP significant influence		
	D Santhanam- HUF	1.25	1.25
	Flora Facilities Private Limited	106.59	80.69
	Sira Assets LLP	10.81	-
	Total	**118.65**	**81.94**
	Relatives of Key Management Personnel		
	Mr. Siddarth Vasudevan	1.38	1.38
	Ms. Sailaxmi Santhanam Mudaliar	0.74	0.50
	Ms. Aishwarya Santhanam Mudaliar	1.00	1.00
	Total	**3.11**	**2.88**
	Key Management Personnel		
	D Santhanam	2.50	2.50
	Total	**2.50**	**2.50**
(d)	**Purchase of Goods / Work/Rent**	**963.67**	**608.85**
	Subsidiaries		
	Marvel Housing Private Limited.	321.55	205.86
	GMP Technical Solution Pvt Ltd	300.05	66.29
	Total	**621.59**	**272.15**
	Joint Venture		
	Ajanta Enterprises	1.39	-
	Total	**1.39**	**-**
	Enterprise where KMP & Relatives of KMP significant influence		
	Rent		
	Flora Facilities Private Limited	231.84	205.47
	Works		
	Stresstech Engineers Private Limited	80.37	80.08
	Vastech Consultants & Engineers LLP	28.48	51.15
	Total	**340.68**	**336.70**
(e)	**Receiving of Services**	**1,032.07**	**2,422.03**
	Subsidiaries		
	Key Management Personnel		
	Mr R Vasudevan		
	a) Short term benefits	10.00	120.00
	b) Post Employment benefits*	-	0.22
	Dr Santosh Sundararajan		
	a) Short term benefits	405.83	405.83
	b) Post Employment benefits*	0.22	0.22
	c) Share based payments	-	1,158.97

Notes forming part of the financial statements

(₹ in Lakhs)

		As at March 31, 2019	As at March 31, 2018
	Mr. D.Santhanam		
	a) Short term benefits	68.25	68.25
	b) Post Employment benefits*	0.22	0.22
	c) Share based payments	-	87.00
	Mr. Siddharth Vasudevan		
	a) Short term benefits	314.56	203.95
	b) Post Employment benefits*	0.22	0.22
	Mr. Rajesh Dilip Mhatre		
	a) Short term benefits	147.15	147.15
	b) Post Employment benefits*	0.22	0.22
	c) Share based payments	-	50.46
	Ms. Vibhuti Darshin Dani		
	a) Short term benefits	4.92	-
	b) Post Employment benefits*	0.11	-
	Mr.M.Krishnamurthi		
	a) Short term benefits	29.22	58.45
	b) Post Employment benefits*	0.11	0.22
	c) Share based payments	-	87.00
	Total	**981.01**	**2,388.34**
	*Post employement benefit represents contribution to provident fund. As Gratuity expenses is based on actuarial valuations, the same cannot be computed for individual employees and hence not included		
	Enterprise where KMP & Relatives of KMP significant influence		
	Flora Facilities Private Limited	17.16	14.61
	Vastech Consultants Private Limited	33.60	19.05
	AISWARYA SANTHANAM MUDALIAR	0.30	0.04
	Total	**51.07**	**33.70**
(f)	**Share of Profit from AOP/Firm**	**-**	**812.79**
	Joint Ventures		
	Phoenix Ventures	-	7.24
	Ajanta Enterprises	-	805.56
	Total	**-**	**812.79**
(g)	**Share of Loss from AOP/Firm**	**125.17**	**-**
	Joint Ventures		
	Ajanta Enterprises	68.61	-
	Phoenix Ventures	56.56	-
	Total	**125.17**	**-**
(h)	**Reimbursement of expenses**	**53.56**	**4.31**
	Joint Ventures		
	Ajanta Enterprises	52.06	-
	Phoenix Ventures	0.90	-
	Total	**52.96**	**-**
	Enterprise where KMP & Relatives of KMP significant influence		
	Flora Facilities Private Limited	0.60	2.94
		0.60	**2.94**
	Key Management Personnel		
	Dr Santosh Sundararajan	-	0.46
	M. Krishnamurthi	-	0.46
	D Santhanam	-	0.46
	Total	**-**	**1.37**

Notes forming part of the financial statements

(₹ in Lakhs)

		As at March 31, 2019	As at March 31, 2018
(i)	**Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit**	**1,121.34**	**874.04**
	Subsidiaries		
	Marvel Housing Private Limited	117.50	70.00
	Marathawada Realtors Private Limited	3.80	2.53
	VASCON EPC LIMITED	1.00	-
	Almet Corporation Limited	-	3.58
	Total	**122.30**	**76.11**
	Joint Ventures		
	Phoenix Ventures	47.39	22.80
	Ajanta Enterprises	551.65	-
	Total	**599.04**	**22.80**
	Enterprise where KMP & Relatives of KMP significant influence		
	Stresstech Engineers Private Limited	-	22.14
	Flora Facilities Private Limited	400.00	400.00
	Total	**400.00**	**422.14**
	Key Management Personnel		
	Mr. R. Vasudevan	-	352.98
	Total	**-**	**352.98**
(j)	**Finance availed /Received back(including equity contributions in cash or in kind)**	**2,808.32**	**1,222.70**
	Subsidiary		
	Marvel Housing Private Limited	293.59	70.00
	Total	**293.59**	**70.00**
	Joint Ventures		
	Phoenix Venture	210.57	112.31
	Ajanta Enterprises	1,799.16	-
	Total	**2,009.74**	**112.31**
	Enterprise where KMP & Relatives of KMP significant influence		
	Flora Facilities Private Limited	50.00	688.90
	SIRA ASSETS LLP	110.00	-
	Venus Ventures	-	1.49
	Total	**160.00**	**690.39**
	Relatives of Key Management Personnel (Through Fixed Deposit)		
	Sailaxmi Santhanam Mudaliar(Through Fixed Deposit)	5.00	-
	Total	**5.00**	**-**
	Key Management Personnel		
	Mr. R. Vasudevan	340.00	350.00
	Total	**340.00**	**350.00**
(k)	**Outstanding corporate / bank guarantees given**	**3,650.00**	**4,150.00**
	Subsidiaries		
	GMP Technical Solution Private Limited	3,650.00	4,150.00
	Total	**3,650.00**	**4,150.00**
(l)	**Outstanding as on**		
	A) Receivable to Vascon Engineers Limited	**7,087.56**	**7,879.14**
	Subsidiaries	**109.45**	**231.90**
	a) Trade Recivable		
	GMP Technical Solution Private Limited	43.15	23.11
	Total	**43.15**	**23.11**
	b) Loans & Advances / Project Advances		
	Marvel Housing Private Limited	66.30	208.80
	Total	**66.30**	**208.80**

Notes forming part of the financial statements

(₹ in Lakhs)

		As at March 31, 2019	As at March 31, 2018
	Joint Ventures	**3,467.18**	**4,064.34**
	a) Trade Receivable		
	Phoenix Ventures	1,078.52	1,679.32
	Ajanta Enterprises	1,493.14	185.63
	Total	**2,571.66**	**1,864.95**
	b) Loans & Advances		
	Phoenix Ventures	3.01	177.82
	Total	**3.01**	**177.82**
	c) Balance in current accounts		
	Phoenix Ventures	347.65	404.22
	Ajanta Enterprises	544.86	1,617.34
	Total	**892.50**	**2,021.57**
	Associates	**2,563.00**	**2,563.00**
	a) Loans & Advances (Including deposits and trade advances)		
	Mumbai Estate Private Limited	2,563.00	2,563.00
	Total	**2,563.00**	**2,563.00**
	Enterprise where KMP & Relatives of KMP significant influence	**919.15**	**1,014.62**
	a) Trade Receivable		
	Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	97.30	157.30
	Cherry Constructions Private Limited.	312.34	338.26
	Total	**409.65**	**495.56**
	b) Loans & Advances (Including deposits and trade advances)		
	Vastech Consultants Private Limited	-	9.55
	Flora Facilities Private Limited	125.00	125.00
	Venus Ventures	384.50	384.50
	Total	**509.50**	**519.05**
	Key Management Personnel	**28.79**	**5.28**
	a) Trade Receivable		
	Mr. R. Vasudevan	4.73	1.10
	Mr.Santosh Sundararajan	24.06	4.18
	Total	**28.79**	**5.28**
	B) Receivable from Vascon Engineers Limited	**1,721.37**	**1,808.83**
	Subsidiaries	**685.75**	**712.12**
	a) Trade Payable		
	Marvel Housing Private Limited	85.08	26.51
	GMP Technical Solution Pvt Ltd	503.72	582.19
	Total	**588.80**	**608.70**
	b) Loans & Advances		
	Almet Corporation Limited	88.38	90.11
	Marathawada Realtors Private Limited	8.58	13.32
	Total	**96.96**	**103.42**
	Joint Venture		
	a) Trade Payable		
	Ajanta Enterprises	5.28	3.63
	Total	**5.28**	**3.63**
	a) Loans & Advances		
	Ajanta Enterprises	23.30	-
	Cosmos Premises Private Limited	50.00	50.00
	Total	**73.30**	**50.00**

Notes forming part of the financial statements

(₹ in Lakhs)

		As at March 31, 2019	As at March 31, 2018
	Key Management Personnel	**165.00**	**20.34**
	c) For Deposit Received		
	Mr. R Vasudevan	145.00	-
	D Santhanam	20.00	20.00
	Total	**165.00**	**20.00**
	d) Expenses reimbursement		
	D Santhanam	-	0.34
	Total	**-**	**0.34**
	Enterprise where KMP & Relatives of KMP significant influence	**764.04**	**999.73**
	a) Trade Payable		
	Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	23.65	31.59
	Stresstech Engineers Private Limited	36.53	34.31
	Vastech Consultants & Engineers LLP	49.00	62.58
	Vastech Consultants Private Limited	33.02	31.73
	D. Santhanam HUF	0.13	0.13
	Aiswarya Santhanam Mudaliar	-	0.04
	Total	**142.33**	**160.38**
	b) Loans/(Advances)		
	Flora Facilities Private Limited	491.97	829.35
	Sira Assets LLP	119.73	-
	Total	**611.71**	**829.35**
	c) Deposit Received		
	D. Santhanam HUF	10.00	10.00
	Total	**10.00**	**10.00**
	Relatives of Key Management Personnel	**28.00**	**23.00**
	a) Deposits Recd.		
	Mr. Siddarth Vasudevan	11.00	11.00
	Mrs. Sailaxmi Santhanam Mudaliar	9.00	4.00
	Ms.Aishwarya Santhanam	8.00	8.00
	Total	**28.00**	**23.00**
	Notes:-		
	i) Related party relationships are as identified by the Company on the basis of information available and accepted by the auditors.		
	ii) No provision have been made in respect of receivable from related party as at March 31, 2019		

34 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 **(₹ in Lakhs)**

	Particulars	March 31, 2019	March 31, 2018
(i)	Principal amount remaining unpaid to MSME suppliers as on	2.69	4.90
(ii)	Interest due on unpaid principal amount to MSME suppliers as on	9.69	8.53
(iii)	The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	Nil	Nil
(iv)	The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	1.16	1.13
(v)	The amount of interest accrued and remaining unpaid as on	9.69	8.53
(vi)	The amount of interest due and payable to be disallowed under Income Tax Act, 1961	1.16	1.13

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes forming part of the financial statements

35 Disclosure under Regulation 34(3) of the SEBI (Listing and Disclosure Requirements) Regulations, 2015

Loans and advances in the nature of loans given to subsidiaries, associates, firms / companies in which directors are interested:

(₹ in Lakhs)

Name of the party	Relationship	Amount outstanding as at March 31, 2019	Maximum balance outstanding during the year
Marvel Housing Private Limited	Subsidiary	-	208.80
		(208.80)	(208.80)

Note: Figures in bracket relate to the previous year.

- 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 Investment by loanee in share of parent or subsidiary where Company made loan or advances in the nature of loan.

36 The company enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 ('regulation'). The pricing of such domestic transactions will need to comply with Arm's length principle under the regulations. These regulations, inter alia, also required the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income tax authorities.

The Company has undertaken necessary steps to comply with the regulations. The management is of the opinion that the domestic transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

37 Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard (Ind AS) 108 on operating segment as notified under the Companies (Indian Accounting Standards) Rules, 2015.

38 Disclosure of particulars of contract revenue **(₹ in Lakhs)**

	March 31, 2019	March 31, 2018
Contract Revenue Recognized during the year	28,059.27	24,581.13
Contract costs incurred during the year	20,770.33	18,079.73
Recognized Profit	7,288.94	6,501.40
Advances received for contracts in progress	(3,055.75)	(1,682.57)
Retention money for contracts in progress	3,513.47	2,873.89
Gross amount due from customer for contract work (assets)	9,387.00	5,581.86
Gross amount due to customer for contract work (liability)	1,465.57	2,494.58

39 Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013 (the Act), a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediatelly preceding three financial years on Corporate Social Responsibility (CSR) Activity. A CSR Committe has been formed by the company to undertake CSR activities on 09/11/2016 pursuant to the requirement of the Act.

a. Gross amount required to be spent by the Company during the year - ₹ 15.85 lakhs

b. Amount spent during the year on:

(₹ in Lakhs)

CSR Activities	In Cash	Yet to be paid in cash	Total
	₹	₹	₹
i) Construction/acquisition of any asset	-	-	-
ii) Purpose other than (i) above	12.99	-	12.99

40 The Company renegotiated the terms with debenture holders and agreed for full and final payment of ₹ 3,865 lakhs towards Zero coupon, rupee denominated unrated unlisted secured non-convertible debentures of ₹ 4,865 lakhs. The terms of debenture deed were earlier negotiated on March 30, 2018 wherein the settlement was agreed at ₹ 5,865 lakhs. Accordingly, the Company paid an instalment of ₹ 1,000 lakhs on April 30, 2018 as per the initially negotiated terms. Subsequent to September 30, 2018, the Company further paid an instalment of ₹ 500 lakhs on October 30, 2018 , ₹ 500 lakhs on November 30, 2018 and ₹ 750 lakhs on January 2019 as per the renegotiated terms and balance outstanding as on March 31,2019 is ₹ 2,114 lakhs

During the Previous financial year, the company renegotiated and agreed for full and final payment of ₹ 5,864 lakhs towards Zero coupon, rupee denominated unrated unlisted secured non convertabe debentures of ₹ 6,861 Lakhs.

41 The Company has applied the modified retrospective approach to its real estate residential contracts that were not completed as of April 1, 2018 and has given impact of adoption of Ind AS 115 by debit to retained earnings as at the said date by ₹ 413 lakhs.

Notes forming part of the financial statements

Due to the application of Ind AS 115 for the Year ended March 31, 2019 Revenue from Operations is higher by ₹ 1,011 lakhs (including impact of Ind AS 115 on share of profit from partnership firm, which has also applied modified retrospective approach), Construction Expenses / Cost of materials consumed including cost of land is higher by ₹ 1041 lakhs and net profit after tax is lower by ₹ 13 Lakhs (Including impact of Ind AS 115 on share of profit from partnership firm, which has also applied modified retrospective approach). Similarly, the basic and diluted EPS for the year are ₹ 0.86 instead of ₹ 0.87 per share. These changes are due to recognition of revenue based on satisfaction of performance obligation (at a point in time), as opposed to the previously permitted percentage of completion method. Accordingly, the comparatives have not been restated for the year ended March 31, 2019 and hence not comparable with previous year figures.

For and on behalf of the Board of Directors

Siddharth Vasudevan
Managing Director
(DIN-02504124)

R Vasudevan
Chairman
(DIN-00013519)

Dr Santosh Sundararajan
Chief Executive Officer

Vibhuti Darshin Dani
Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Date : May 28, 2019
Place : Pune

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VASCON ENGINEERS LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **VASCON ENGINEERS LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which includes the Group's share of profit / loss in its associate and its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associate and joint ventures referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group as at March 31, 2019, and their Consolidated Profit, Consolidated Total Comprehensive Income, their Consolidated Cash Flows and Consolidated Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition:** ***Appropriateness of recognition, measurement, presentation and disclosures of revenues and other related balances*** The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. The Company performs various building, engineering and services construction contract works (projects) for a wide range of customers. The Company contracts in a variety of ways. Each project has a different risk profile based on its individual contractual and delivery characteristics. There is a significant judgement involved on auditor's part in assessing the range of factors that impact the Company's estimate of costs and revenue, and the potential impact on profit. Estimating total costs to complete during project life is complex and requires judgment. Typical cost estimates include labour, subcontractors, equipment, materials, and project overheads. Changes to these cost estimates could give rise to variances in the amount of revenue and profit/loss recognised. Refer Note 2.07 to the Consolidated Financial Statements.	***Principal Audit Procedures*** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: **o** Evaluated the design of internal controls relating to implementation of the revenue accounting standard. **o** Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls with a focus on those related to the timing of revenue recognition. **o** Selected a sample of continuing and new contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Evaluated and tested management's review and approval of revenue and cost forecasting. • Tested forecast costs for labour, subcontractors, equipment, materials, and project overheads by comparing to actual incurred spend and committed future contracts.

Information other than the Financial Statements and Auditor's Report thereon

The Parent's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Overview of Financial Performance, Report of the Directors, Report on Corporate Governance and Management Discussion and Analysis, (collectively referred as "other information") but does not include the Consolidated Financial Statements and our auditor's report thereon. Other information is expected to be made available to us after the date of this auditor's report.

Managements' Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance including Other Comprehensive Income, Consolidated Cash flows and Consolidated Statement of Changes in Equity of the Group including its Associate and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associate and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group, its associate and joint ventures are responsible for assessing the ability of the Group, its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information within Group and its associate and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statement of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 3 subsidiaries whose financial statements reflect total assets of Rs. 1,018 lakhs as at March 31, 2019, total revenues of Rs. Nil and net cash inflows amounting to Rs. 1 lakh for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of Rs. 223 lakhs as at March 31, 2019, total revenues of Rs. Nil and net cash inflows amounting to Rs. 4 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of Rs. Nil for the year ended March 31, 2019, as considered in the Consolidated Financial Statements, in respect of 1 associate and 1 joint venture whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries, associate and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

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

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group, its associate and joint ventures. Refer note no 30 to the Consolidated Financial Statements.

ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-1000018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune
Date: May 28, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **VASCON ENGINEERS LIMITED** (hereinafter referred to as "Parent") and its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, as of that date.

Managements' Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 4 subsidiary companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Hemant M. Joshi
(Partner)
(Membership No. 38019)

Place: Pune
Date: May 28, 2019

Consolidated Balance Sheet as at March 31, 2019

(₹ in Lakhs)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
Assets			
Non Current Assets			
Property, Plant and Equipment	3	6,828.19	7,187.12
Capital work-in-progress		0.77	-
Goodwill on Consolidation		2,661.25	2,661.25
Investment Property	4	1,903.23	2,000.56
Other Intangible assets	3	33.32	9.84
Intangible Assets under development	3	-	127.20
Financial Assets			
Investments	5	7,841.10	7,785.12
Loans	6	882.90	825.04
Others Financial Assets	7	9,995.46	10,952.39
Income Tax Assets (net)		1,945.83	3,697.11
Deferred Tax Assets (net)	17	716.73	718.19
Other Non Current Assets	8	1,731.48	2,703.91
Total Non - Current Assets		34,540.26	38,667.73
Current Assets			
Inventories	9	50,022.60	47,153.39
Financial Assets			
Investments	5	433.35	778.56
Trade Receivables	10	20,167.14	20,557.90
Cash and cash equivalents	11	4,711.57	2,558.98
Bank balances other than (iii) above	11	2,499.64	3,024.01
Loans	6	6,166.66	7,421.10
Others Financial Assets	7	12,729.21	9,490.94
Other Current Assets	8	1,803.44	2,530.55
Total Current Assets		98,533.61	93,515.43
Total Assets		133,073.87	132,183.16
Equity and Liabilities			
Equity			
Equity Share Capital	12 & 12.1	17,813.67	17,413.67
Other Equity	12.2	51,210.33	49,392.53
Equity attributable to owners of the Company		69,024.00	66,806.20
Non Controlling Interest	12.3	935.48	1,093.48
Total Equity		69,959.48	67,899.68
Non Current Liabilities			
Financial Liabilities			
Borrowings	13	14,022.41	9,095.34
Other financial liabilities	14	1,896.73	2,407.45
Other Liabilities	18	11.17	15.17
Total Non - Current Liabilities		15,930.31	11,517.96
Current Liabilities			
Financial Liabilities			
Borrowings	13	9,276.21	11,158.04
Trade and other payables			
-Total outstanding dues oF micro enterprises and small enterprises	15	2.69	4.90
-Total outstanding dues of creditors other than micro enterprises and small enterprises	15	20,164.08	19,275.90
Other financial liabilities	14	3,132.20	8,857.59
Provisions	16	1,884.01	1,533.27
Other Current Liabilities	18	12,724.89	11,935.82
Total Current Liabilities		47,184.08	52,765.52
Total Equity and Liabilities		133,073.87	132,183.16

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

R Vasudevan
Chairman
(DIN-00013519)

Siddharth Vasudevan
Managing Director
(DIN-02504124)

Dr Santosh Sundararajan
Chief Executive Officer

Hemant M. Joshi
Partner

Vibhuti Darshin Dani
Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Date : May 28, 2019
Place : Pune

Date : May 28, 2019
Place : Pune

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Note No	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	19	52,411.48	54,058.06
Other Income	20	3,689.68	3,793.34
Total Income		**56,101.16**	**57,851.40**
Cost of materials consumed	21.a	40,177.65	40,229.64
Purchases of stock-in-trade		5.04	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.b	(1,853.89)	(2,060.23)
Excise duty on sale of goods		-	151.29
Employee benefit expense	22	7,225.68	7,687.48
Finance costs	23	2,631.51	2,528.17
Depreciation and amortization expense	3 & 4	1,341.72	1,431.64
Other expenses	24	6,147.81	7,382.99
Total expenses		**55,675.52**	**57,350.98**
Profit before tax		425.64	500.42
Less: Tax Expense			
Current Tax	17	3.15	8.54
MAT credit entitlement		-	-
Deferred Tax	17	(2.05)	82.24
Excess/ (short) provision for tax of earlier years	17	(103.22)	(55.43)
		(102.12)	35.35
Profit after tax		527.76	465.07
Other Comprehensive Income			
Items that will not be recycled to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		(62.90)	75.16
- Income tax relating to items that will not be reclassified to profit or loss		8.71	(17.17)
		(54.19)	57.99
Total Comprehensive Income for the year		**473.56**	**523.06**
Total comprehensive income for the year attributable to:			
Owners of the Company		**631.55**	**620.62**
Non controlling interests		**(157.99)**	**(97.56)**
Earnings per equity share of face value of ₹ 10 each			
Basic	25	0.39	0.34
Diluted	25	0.39	0.33
Significant accounting policies See accompanying notes forming part of the financial statements.	2		

In terms of our report attached.
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Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Date : May 28, 2019
Place : Pune

Date : May 28, 2019
Place : Pune

Consolidated Cash Flow Statement for the year ended March 31, 2019

(₹ in Lakhs)

	PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before Taxation	425.64	500.42
	Adjustments for :-		
	- Depreciation / amortisation expenses	1,341.72	1,431.64
	- Finance Cost	2,631.52	2,528.17
	- Dividend on investments carried at FVTPL	(42.09)	(48.37)
	- Net Expense recognised in respect of equity-settled share-based payments	878.53	1,471.54
	- Prepaid Rent	59.95	78.62
	- Interest income	(1,072.47)	(777.87)
	- Deferred Revenue	(4.00)	(4.00)
	- Provision for doubtful debt and advances	30.29	593.88
	- Bad debts and other receivables, loans and advances written off	1,009.00	1,521.47
	- Provision no longer required wriitten back	(1,924.97)	(2,499.63)
	- Share of Profits from Joint Venture	(54.48)	82.96
	- Net loss (gain) arising on financial Liabilities designated as at FVTPL	-	900.22
	- (Profit) Loss on Sale of Property, Plant & Equipment (net)	55.93	(361.31)
	Operating Profit before working capital changes	**3,334.57**	**5,417.74**
	Adjustments for (increase)/ decrease in operating assets		
	Inventories before capitalisation of borrowing cost	(2,004.02)	(2,578.74)
	Trade receivables	(648.54)	(2,115.17)
	Amount due from / to Customer	(3,651.17)	(4,018.51)
	Loans (Non Current)	(57.85)	3,357.09
	Others Financial Assets (Non Current)	956.94	(613.69)
	Other assets (Non Current)	912.48	(846.27)
	Loans (Current)	1,254.44	1,322.51
	Others Financial Assets (Current)	(142.35)	275.34
	Other assets (Current)	727.10	(219.32)
	Adjustments for (increase)/ decrease in operating liabilities		
	Current trade payables	1,810.03	3,124.66
	Provisions	270.38	208.78
	Other Non Current liabilities	(510.73)	(1,078.85)
	Other current liabilities	1,511.20	(1,213.23)
	Cash generated from operations	3,762.48	1,022.34
	Income tax refund received	1,869.11	(22.82)
	Net Cash flow from operating activities	**5,631.59**	**999.52**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets including capital work in progress	(1,385.81)	(794.81)
	Proceeds on disposal of fixed assets	226.39	794.78
	Payments / Proceeds from Investments	40.59	48.37
	Investments / Proceeds from fixed deposits with banks	524.38	792.83
	Investments / Proceeds from liquid mutual funds	345.21	(248.34)
	Net Cash genereated / (used) in investing activities	**(249.24)**	**592.83**

Statement of changes in equity for the year ended March 31, 2019

a) Change in Equity

(₹ in Lakhs)

Particular	As at March 31, 2019	As at March 31, 2018
Balance at the begining of the year	17,413.67	16,766.02
Issue of equity shares under employee share option plan	400.00	647.65
Balance at the end of the year	**17,813.67**	**17,413.67**

b) Changes in Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus						Equity Attributable to the shareholders of the Company	Non Controlling Interests	Total Equity
	Capital Redemption Reserve	Securities premium reserve	Equity-settled employee benefits reserve	General reserve	Foreign Currency Translation Reserve	Retained earnings			
Balance at the beginning of the reporting year - As of April 01, 2017	**1,377.50**	**52,620.95**	**229.55**	**1,537.50**	**2.66**	**(9,115.44)**	**46,652.72**	**1,191.04**	**47,843.76**
Premium on Shares issued during the year	-	647.65	-	-	-	-	647.65	-	647.65
Amount recorded on grants	-	-	1,471.54	-	-	-	1,471.54	-	1,471.54
Transferred to securities premium account on exercise	-	899.15	(899.15)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	562.63	562.63	(102.70)	459.93
Other Comprehensive income for the year	-	-	-	-	-	57.99	57.99	5.14	63.13
Balance at the end of the reporting year - March 31, 2018	**1,377.50**	**54,167.75**	**801.94**	**1,537.50**	**2.66**	**(8,494.82)**	**49,392.53**	**1,093.48**	**50,486.01**

(₹ in Lakhs)

Particulars	Reserves and Surplus						Equity Attributable to the shareholders of the Company	Non Controlling Interests	Total Equity
	Capital Redemption Reserve	Securities premium reserve	Equity-settled employee benefits reserve	General reserve	Foreign Currency Translation Reserve	Retained earnings			
Balance at the beginning of the reporting year - As of April 01, 2018	**1,377.50**	**54,167.75**	**801.94**	**1,537.50**	**2.66**	**(8,494.82)**	**49,392.53**	**1,093.48**	**50,486.01**
Transitional Adjustment on account of application of Ind AS 115 (Refer Note 42)						(413.33)	(413.33)		(413.33)
Premium on Shares issued during the year	-	720.00	-	-	-	-	720.00	-	720.00
Amount recorded on grants	-	-	878.53	-	-	-	878.53	-	878.53
Transferred to securities premium account on exercise	-	605.60	(605.60)	-	-	-	-	-	-
Foreign Exchange Difference	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	685.75	685.75	(154.61)	531.14
Other Comprehensive income for the year	-	-	-	-	-	(54.20)	(54.20)	(3.39)	(57.59)
Consolidated Adjustment	-	-	-	-	-	1.05	1.05	-	1.05
Balance at the end of the reporting Year - March 31, 2019	**1,377.50**	**55,493.35**	**1,074.87**	**1,537.50**	**2.66**	**(8,275.55)**	**51,210.33**	**935.48**	**52,145.81**

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

Hemant M. Joshi
Partner

Date : May 28, 2019
Place : Pune

For and on behalf of the Board of Directors

R Vasudevan
Chairman
(DIN-00013519)

Siddharth Vasudevan
Managing Director
(DIN-02504124)

Dr Santosh Sundararajan
Chief Executive Officer

Vibhuti Darshin Dani
Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Date : May 28, 2019
Place : Pune

(₹ in Lakhs)

	PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceed from issue of Equity shares	1,120.00	1,295.31
	Repayment of Long term borrowing	(12,241.36)	-
	Proceeds from Loan term borrowing	12,611.02	2,952.81
	Proceed / repayment from/to Short term borrowing	(1,239.85)	(3,166.29)
	Interest Income received	1,072.47	777.87
	Finance cost including capitalised to qualifying assets	(3,910.05)	(4,257.68)
	Net Cash genereated / (used) in financing activities	**(2,587.77)**	**(2,397.98)**
D	**NET CASH INFLOW / (OUTFLOW) (A+B+C)**	**2,794.58**	**(805.63)**
	Cash and cash equivalents at the beginning of the year	1,908.12	2,713.75
	Cash and cash equivalents at the end of the year	4,702.70	1,908.12
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**2,794.58**	**(805.63)**

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

Hemant M. Joshi
Partner

Date : May 28, 2019
Place : Pune

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Chief Executive Officer

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Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Date : May 28, 2019
Place : Pune

Notes forming part of Consolidated Financial Statements

1 **Corporate Information**

Vascon Engineers Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") are engaged in the business of Engineering, Procurement and Construction services (EPC), Real Estate Development and Manufacturing of Clean Room Partitions. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is ' Vascon Weikfield chambers , Behind Novotel Hotel , Opposite Hyatt Hotel, Pune Nagar Road, Pune - 411014'.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorise for issue on May 28, 2019.

2 **Significant Accounting Policies**

2.01 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.02 Basis of preparation and presentation

The financial statements of the Group have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments and equity settled employee stock options which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year.

2.03 Basis of consolidation

The Group consolidates all entities which are controlled by it.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over the entity. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except otherwise stated. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The following companies are considered in the Consolidated Financial Statements:

Name of the Company	Relationship	Country of Incorporation or Residence	Voting Power %	
			As at March 31, 2019	As at March 31, 2018
Marvel Housing Private Limited	Subsidiary	India	100%	100%
Vascon Value Homes Private Limited	Subsidiary	India	100%	100%
Vascon EPC Limited	Subsidiary	India	100%	-
GMP Technical Solutions Private Limited	Subsidiary	India	85%	85%
GMP Technical Solutions Middle East (FZE) (wholly owned subsidiary of GMP Technical Solutions Private Limited)	Step down Subsidiary	UAE (Sharjah)	85%	85%
Almet Corporation Limited	Subsidiary	India	100%	100%
Marathawada Realtors Private Limited	Subsidiary	India	100%	100%
Vascon Construction Saga LLP	Joint Venture	India	76%	-
Phoenix Ventures	Joint Venture	India	50%	50%
Cosmos Premises Private Limited	Joint Venture	India	43.83%	43.83%
Ajanta Enterprises	Joint Venture	India	50%	50%
Mumbai Estate Private Limited	Associates	India	44.44%	44.44%

2.04 Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

2.05 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.04 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

2.06 Use of estimates

The preparation of consolidated financial statements, in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of goodwill, useful lives of Property, plant and equipment and valuation of deferred tax assets and provisions and contingent liabilities.

Impairment of Goodwill

The Group estimate the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows were developed using internal forecasts. The discount rate used for the CGU's represented the weighted- average cost of capital based on the historical market returns of comparable companies.

Useful lives of property, plant and equipment

The Group reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.13

Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Group has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Group using market-observable inputs.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report the management of the Group findings every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in note 26.

2.07 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

1. Construction Contracts

Revenue from fixed price construction contracts is recognised on the Percentage Of Completion Method (POCM). The stage of completion is determined by survey of work performed / completion of physical proportion of the contract work determined by technical estimate of work done / actual cost incurred in relation to total estimated contract cost, as the case may be. The estimate of total contract cost has been made at the time of commencement of contract work and reviewed and revised, by the technical experts, from time to time during period in which the contract work is executed. Future expected loss, if any, is recognised immediately as expenditure. In respect of unapproved revenue recognised, an adequate provision is made for possible reductions, if any. Contract revenue earned in excess of billing has been reflected as unbilled revenue under the head “Other Current Financial Assets” “ and billing in excess of contract revenue has been reflected as Unearned Revenue under the head “Other Current Liabilities” in the Balance Sheet.

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

2. Real estate development

Revenue from real estate projects is recognised on ‘Completed contract method’ of accounting as per IND AS 115, When

- The seller has transfered to the buyer all significant risk and rewards of ownership and seller retains no effective control of the real estate to a degree usally associated with owner ship.
- The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction.
- No significant uncertianty exists regardging the amount of consideration that will be derived from real estate sales;and
- It is not unreasonable to expect ultimate collection of revenue from buyers.

3. Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude Goods and Service tax.

4. Share of Profit/Loss from Partnership firm/ Association of Person is recognised as income during the relevant period on the basis of accounts made-up audited or unaudited as the case may be and allocation made by the firm/AOP in accordance with the Deed of Partnership/AOP Agreement.

5. Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

6. Dividend income from investments is recognized when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

7. 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.

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

9. Profit on sale of investment is recorded upon transfer of title by the Group. It is determined as the difference between the sale price and the then carrying amount of the investment.

2.08 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Finance Lease

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss.

2.09 Foreign Currencies

The functional currency of the Group is the Indian Rupee whereas the functional currency of foreign subsidiaries is the AED.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

2.10 Borrowing Costs

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

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.11 Government Grants and Export Incentive

(i) Government grants in respect to manufacturing units located in developing regions

The Group is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions

The Group accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities.

(ii) Government grants in respect of additional Capital Expenditure

Government grants whose primary condition is that the entity should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognized as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

(iii) Export Benefits

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.12 Employee benefits

a) Short-term Employee Benefits -

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

b) Post Employment Benefits -

1. Defined Contribution Plan:

   Payments to defined contribution retirement benefit schemes viz. Group's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

2. Defined Benefit Plan:

   For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

   Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

   - service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
   - net interest expense or income; and
   - remeasurement.

Gratuity:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Group has taken a Group Gratuity cum Life Assurance Scheme with LIC of India for future payment of gratuity to the eligible employees.

c) Other Long-term Employee Benefits -

Compensated Absences:

The Group provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Such benefits are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation. The Company has taken a policy with LIC of India for future payment of compensated absences encashment to its employees.

Share-based Payments:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognized, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Companies best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognized in employee benefits expense.

2.13 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the consolidated statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred Incomes taxes:

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends and has ability to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognises interest levied and penalties related to income tax assessments in Finance cost.

2.14 Property Plant and Equipment (PPE)

Property plant & equipment are stated at cost of acquisition or construction where cost includes amount added/deducted on revaluation less accumulated depreciation / amortization and impairment loss, if any. All costs relating to the acquisition and installation of PPE are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

Machinery spares which can be used only in connection with an item of PPE and use of which, as per technical assessment, is expected to be irregular, are capitalised and depreciated as part of PPE.

Depreciation on tangible property plant & equipment has been provided on written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of plant and machinery, in whose case the life of the assets has been assessed based on the technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The Group has based on technical advice considered the useful life of the plant and machinery to be 15 years which is different from the useful life specified in Schedule II to the Companies Act, 2013.

PPE individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition. Depreciation on assets acquired/purchased, sold/ discarded during the year is provided on a pro-rata basis from the date of each addition / till the date of sale/discard.

The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

If significant events or market developments indicate an impairment in the value of the tangible asset, management reviews the recoverability of the carrying amount of the asset by testing for impairment. The carrying amount of the asset is compared with the recoverable amount, which is defined as the higher of the assets fair value less costs to sell and its value in use. To determine the recoverable amount on the basis of value in use, estimated future cash flows are discounted at a rate which reflects the risk specific to the asset. If the net carrying amount exceeds the recoverable amount, an impairment loss is recognised. When estimating future cash flows, current and expected future inflows, technological, economic and general developments are taken into account. If an impairment test is carried out on tangible assets at the level of a cash-generating unit, an impairment loss is recognised, taking into account the fair value of the assets. If the reason for an impairment loss recognised in prior years no longer exists, the carrying amount of the tangible asset is increased to a maximum figure of the carrying amount that would have been determined had no impairment loss been recognised.

2.15 Investment Properties

The Group has elected to continue with the carrying value for all of its investment property as recognized in its Initial GAAP financial statements as deemed cost at the transition date. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are states at cost less accumulated depreciation and accumulated impairment loss, if any.

2.16 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.17 Impairment

(i) Financial assets (other than at fair values)

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction.

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted – effective interest rate for purchased, or originated credit impaired financial assets). The Group estimates cash flows by considering all contractual term of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

(ii) Non-financial assets

(a) Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

(b) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

2.18 Inventories

a) Stock of Materials, etc.

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

b) Development Work

Stock of Units in completed projects and work in progress are valued at lower of cost and net realisable value. Cost is aggregate of land cost, materials, contract work, direct expenses, provisions and apportioned borrowing cost.

c) Stock of Trading Goods

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

2.19 Financial Instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognized by the Group are recognized at the proceeds received net off direct issue cost.

Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when a Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.20 Earning per share (EPS)

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.21 Critical Accounting Judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements and related notes in accordance with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and revenues and expenses.

Actual results could differ from those estimates due to those uncertainties on which assumptions are based. Estimates and assumptions are reviewed annually in order to verify they still reflect the best available knowledge of the Group's operations and of other factors deriving from actual circumstances. Changes, if any, are immediately accounted for in the income statement.

The present economic context, whose effects are spread into some businesses in which the Group operates, determined the need to make assumptions related to future development with a high degree of uncertainty. For this reason, it is not possible to exclude that, in the next or in subsequent financial years, actual results may differ from estimated results. These differences, at present unforeseeable and unpredictable, may require adjustments to book values. Estimates are used in many areas, including accounting for non-current assets, deferred tax assets, bad debt provisions on accounts receivable, inventory obsolescence, employee benefits, contingent liabilities and provisions for risks and contingencies.

2.22 Segment Reporting

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

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

2.2 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Group.

2.24 Current / Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to sold or consumed in normal operating cycle

- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

Current liabilities include the current portion of long term financial liabilities.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Group has identified 12 months as its operating cycle.

2.25 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

2.26 Fair Value Measurement

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- In the principle market for the asset or liability

- In the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities

- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) **Financial Assets - Debt Instruments at amortized cost**

   After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR.

2) **Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)**

   Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

3) **Debt instruments, derivatives and equity instruments at Fair Value through Profit or Loss (FVTPL)**

   FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

4) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognized in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

5) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. If the hybrid contract contains a host that is a financial asset within the scope of IND AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in IND AS 109 to the entire hybrid contract. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

2.27 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders.

2.28 Recent accounting pronouncements

Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee’s incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with

accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits',

in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

2.29 Investments

Long Term Investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary in the value of these investments. Current investments are carried at lower of the cost and fair value.

2.30 Associates and joint ventures

Associates and joint ventures are accounted for under the equity method at cost at the date of acquisition. In subsequent periods, the carrying amount is adjusted up or down to reflect the Group's share of the comprehensive income of the investee. Any distributions received from the investee and other changes in the investees equity reduce or increase the carrying amount of the investment. If the losses of an associate or joint venture attributable to the Group equal or exceed the value of the interest held in this associate or joint venture, no further losses are recognised unless the Group incurs an obligation or makes payments on behalf of the associate or joint venture. If there are any indications of impairment in the investments in associates or joint ventures, the carrying amount of the relevant investment is subject to an impairment test. If the reason for an impairment loss recognised in prior years no longer exists, the carrying amount of the investment is increased to a maximum figure of the share of net assets in the associate or joint venture.

2.31 Non-current assets held for sale and discontinued operations

Non-current assets are classified separately in the balance sheet as held for sale if they are available for sale in their present condition and the sale is highly probable. Assets that are classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. Liabilities classified as directly related to non-current assets held for sale are disclosed separately as held for sale in the liabilities section of the balance sheet. For discontinued operations, additional disclosures are required in the Notes, as long as the requirements for 0classification as discontinued operations are met.

Notes forming part of Consolidated Financial Statements

Note No. 3 - Property Plant and Equipments and Intangible assets

(₹ in Lakhs)

Particulars	I. Tangible assets								II. Intangible assets	
	Leasehold Improvements	Land	Premises	Plant & Machinery	Furniture & Fixtures	Motor Vehicle	Office Equipment's	Total	Softwares	Development Expenditure
Gross Carrying Value										
As at April 1, 2018	357.89	440.02	3,391.58	13,266.61	760.22	324.05	597.14	19,137.51	565.64	
Additions	-	-	0.66	951.17	4.42	55.34	100.94	1,112.53	79.07	-
Disposals	-	-	11.78	909.78	72.52	66.16	-	1,060.24	10.42	
As at Mar 31, 2019	357.89	440.02	3,380.46	13,308.00	692.12	313.23	698.08	19,189.80	634.29	-
Accumulated depreciation										
As at April 1, 2018	75.65	-	1,866.49	8,618.38	609.30	239.30	541.26	11,950.38	555.81	
Additions	18.91	-	124.77	894.03	41.73	35.40	74.31	1,189.15	55.24	
Disposals	-	-	10.37	657.04	63.95	46.56	-	777.92	10.08	
As at Mar 31, 2019	94.56	-	1,980.89	8,855.37	587.08	228.14	615.57	12,361.61	600.97	-
Net carrying value as at Mar 31, 2019								6,828.19	33.32	-
Gross Carrying Value										
As at April 1, 2017	383.20	440.02	4,188.47	12,912.53	755.60	327.08	534.67	19,541.57	536.69	
Additions	1.78	-	29.87	689.19	46.58	14.59	62.48	844.49	28.95	127.20
Disposals	27.09	-	826.76	335.10	41.97	17.63	-	1,248.55	-	
As at March 31, 2018	357.89	440.02	3,391.58	13,266.62	760.21	324.04	597.15	19,137.51	565.64	127.20
Accumulated depreciation										
As at April 1, 2017	56.92	-	2,033.53	7,894.44	589.75	221.37	508.27	11,304.28	518.86	
Additions	22.10	-	147.85	1,003.07	53.41	32.91	32.99	1,292.33	36.94	
Disposals	3.37	-	314.88	279.12	33.86	14.99	-	646.22	-	
As at March 31, 2018	75.65	-	1,866.50	8,618.39	609.30	239.29	541.26	11,950.39	555.80	-
Net carrying value as at Mar 31, 2018								7,187.12	9.84	127.20

Note No. 4 - Investment Property

(₹ in Lakhs)

Description of Assets	Buildings
Gross carrying value *	
As at April 1, 2018	2,490.73
Additions	-
Disposals	-
As at Mar 31, 2019 (A)	**2,490.73**
Accumulated depreciation	
As at April 1, 2018	490.17
Charge for the year	97.33
Reversals/ Disposals during the year	-
As at March 31, 2019 (B)	**587.50**
Net carrying value as at March 31, 2019 (A) - (B)	**1,903.23**

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Description of Assets	Buildings
Gross carrying value *	
As at April 1, 2017	2,490.73
Additions	-
Disposals	-
As at March 31, 2018 (A)	**2,490.73**
Accumulated depreciation	
As at April 1, 2017	387.80
Charge for the year	102.37
Reversals/ Disposals during the year	-
As at March 31, 2018 (B)	**490.17**
Net carrying value as at March 31, 2018 (A) - (B)	**2,000.56**

The Company's investment properties consist of commercial properties in India. Management determined that the investment properties consist of only one class of asset i.e. office spaces based on the nature, characteristics and risks of the property.

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

Fair valuation

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment Property	3,114.56	3,114.56

The best evidence of fair value is current prices in an active market for similar properties.The market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer

Note No. 5 : Investment

A. Non Current Investment

(₹ in Lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
A.	**COST**		
I.	**Unquoted Investments (all fully paid)**		
	Investments in Equity Instruments of joint ventures - jointly controlled entities		
	Cosmos Premises Private Limited	590.89	536.41
	177,401 (March 31, 2018: 177,401) Equity Shares of Rs. 10/- Each Fully Paid		
	Vascon Engineers Ltd Wll (Qatar)	0.01	0.01
	Phoenix Venture	200.00	200.00
	Ajanta Enterprises	4,272.94	4,272.94
	VASCON Construction Saga LLP	1.52	
	INVESTMENTS CARRIED AT COST [A]	5,065.36	5,009.36
B.	**INVESTMENTS CARRIED AT AMORTISED COST**		
	Investment in Government or trust securities		
	7 Years National Savings Certificate	0.20	0.20
		0.20	0.20
	INVESTMENTS CARRIED AT AMORTISED COST [B]	0.20	0.20
C.	**Designated as Fair Value Through Profit and Loss**		
	Quoted investments		
	Investments in Equity Instruments - Corporation Bank Limited	0.29	0.31
	Total Aggregate Quoted Investments	0.29	0.31
	Unquoted Investments(all fully paid)		
	Investments in Equity Instruments of structured entities		
	The Saraswat Co-Op Bank Limited	0.25	0.25
	2,500 (March 31, 2018: 2,500) Equity Shares Of Rs.10/- Each Fully Paid		

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Sahyadri Hospital Limited	25.00	25.00
250,000 (March 31, 2018: 250,000) Equity Shares Of Rs.10/- Each Fully Paid		
	25.25	25.25
Investments in debentures		
Investments in debentures of Ascent Hotels Private Limited	2,750.00	2,750.00
Optionally Convertible Redeemable Debenture 6,726,396 (March 31, 2017: 6,726,396) of face Value Rs.10/- each		
	2,750.00	2,750.00
INVESTMENTS CARRIED AT FVTPL [C]	2,775.54	2,775.56
TOTAL INVESTMENTS [A] + [B] + [C]	**7,841.10**	**7,785.12**

B. Current Investment

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Designated as Fair Value Through Profit and Loss		
I. Unquoted Investments (all fully paid)		
Sita Lakshmi Mills Limited	234.00	234.00
806,000 (March 31, 2018: 806,000) Equity Shares of Rs 50/- Each Fully Paid		
Total Unquoted Investments	234.00	234.00
Quoted Investments		
Investment in Mutual Funds	199.35	544.56
HSBC Cash Fund - Growth Direct Plan		
Units 7220.0910 (March 31, 2018: 9152.297) , NAV ₹ 1,861.5797(March 31, 2018: ₹ 1729.9739) each		
Reliance Liquid Fund - Treasury Plan		
Units 1423.5910 (March 31, 2018: 9109.253), NAV ₹ 4,561.8889 (March 31, 2018: ₹ 4,239.9424) each		
Total Quoted Investments	199.35	544.56
TOTAL CURRENT INVESTMENTS	**433.35**	**778.56**

Note No. 6 : Loans

A. Non Current Loans

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Loans and Advances to Employees		
- Unsecured, considered good	20.71	23.50
b) Other Loans		
- Unsecured, considered good	862.19	801.54
Total	**882.90**	**825.04**

Notes forming part of Consolidated Financial Statements

B. Current Loans

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Loans and Advances to Employees		
- Unsecured, considered good	539.02	582.11
b) Loans to related parties (Refer Note 33)		
- Unsecured, considered good	895.52	2,199.39
c) Other Loans		
- Unsecured, considered good	4,732.12	4,639.60
TOTAL	**6,166.66**	**7,421.10**

Note No. 7 : Other Financial Assets

A. Non - Current

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortised cost		
a) Security Deposits		
- Unsecured		
Considered good	901.17	852.55
Considered doubtful	25.00	35.00
Less: Allowance for Credit Losses	(25.00)	(35.00)
	901.17	852.55
b) Bank deposits with more than 12 months maturity	83.44	491.47
c) Project Advances	8,976.34	9,566.94
d) Interest accrued on deposits	34.51	41.43
TOTAL	**9,995.46**	**10,952.39**

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortised cost		
a) Security Deposits - Unsecured	430.36	508.03
b) Interest accrued on deposits	116.93	167.81
c) Project Advances	1,524.96	1,224.96
d) Other Recoverable	376.94	406.04
e) Amounts due from customers under construction contracts		
- Gross amount due from customer	12,763.15	8,603.34
- Less : Related Advance Payments received	(2,483.13)	(1,419.24)
	10,280.02	7,184.10
TOTAL	**12,729.21**	**9,490.94**

Note No. 8 : Other Non Current and Current Assets

A. Non current

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Balances with government authorities (other than income taxes)	1,631.60	2,544.09
b) Prepaid Rent	99.88	159.82
TOTAL	**1,731.48**	**2,703.91**

Notes forming part of Consolidated Financial Statements

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Advances to suppliers	1,451.85	2,163.88
b) Prepaid Expenses	339.02	366.67
c) Travel Advance	12.57	-
TOTAL	**1,803.44**	**2,530.55**

Note No. 9 : Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Building materials / Tools	4,900.92	4,926.89
b) Projects under Development	31,355.85	32,631.62
c) W.I.P/ Finished Goods	454.08	578.67
d) Completed Projects	13,311.75	9,016.21
Total Inventories at the lower of cost or net realisable value	**50,022.60**	**47,153.39**

Note No. 10 : Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding for a period exceeding six months from the date they are due		
(a) Unsecured, considered good	10,315.61	12,109.52
(b) Doubtful	2,552.56	2,743.10
Less: Allowance for Credit Losses	(2,552.56)	(2,743.10)
	10,315.61	12,109.52
Others		
(a) Unsecured, considered good	7,696.96	5,259.52
(b) Doubtful	-	-
Less: Allowance for Credit Losses	-	-
	7,696.96	5,259.52
Retention (Accrued but not due)		
(a) Unsecured, considered good	4,117.82	4,661.84
(b) Doubtful	388.81	359.19
Less: Allowance for Credit Losses	(388.81)	(359.19)
	4,117.82	4,661.84
(Less) : Related Unearned Receivables	(1,963.25)	(1,472.98)
Total	**20,167.14**	**20,557.90**

Notes:

1. The Group records receivables on account of goods sold or services rendered in the normal course of business and classify the same as “trade receivable”.
2. The normal credit period allowed by the Group ranges from 30 to 60 days.
3. Trade receivables includes receivables from related parties and amount due from directors or other officers of the Group either severally or jointly with any other person or any trade or other receivables due from firm or private companies in which any director is a partner, a director or member (Refer Note 33).
4. The concentration of credit risk is limited due to the fact that customer base is large and unrelated.
5. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit losses experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
EPC:		
Less than 1 year	3,956.02	3,160.93
1-2 year	1,609.97	2,143.80
2-3 year	379.03	993.28
More than 3 year	4,224.72	3,649.01
Less :- Expected Credit Loss	(1,235.20)	(1,873.52)
Total	8,934.54	8,073.50
Development Sales Receivables	3,770.64	3,242.00
	-	-
Receivables from Related Parties	2,110.09	1,787.18
Clean Room & BMS (GMP) Sales Receivables	7,056.30	8,683.98
Less :- Expected Credit Loss *	(1,704.43)	(1,228.76)
Total	5,351.87	7,455.22
TOTAL	**20,167.14**	**20,557.90**

* The Group performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than six months.
Movement in the expected credit loss allowance is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the period / year	3,102.30	3,315.45
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	600.32	153.73
Utilization / Reversals	(762.99)	(366.89)
Balance at end of the year - March 31, 2019 / 2018	2,939.63	3,102.29

Note No. 11 : Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
A) Current Cash and bank balances		
a) Unrestricted Balances with banks	3,833.18	1,407.05
b) Cash on hand	149.79	142.82
c) Balances with banks in deposit accounts with original maturity of less than 3 months	728.60	1,009.11
Cash and cash equivalent as per balance sheet	**4,711.57**	**2,558.98**
Bank Overdraft	8.87	650.85
Total Cash and cash equivalent as per statement of cash flows	**4,702.70**	**1,908.13**
B) Other bank balances		
a) Balances with banks in deposit accounts with original maturity more than 3 months	146.03	527.00
b) In earmarked accounts		
- Balances held as margin money or security against borrowing, gurantee and other commitments*	2,353.61	2,496.85
- Unpaid dividend account	-	0.16
Total Other Bank Balances	**2,499.64**	**3,024.01**

* Represents margin money against various guarantees and letters of credit issued by bank on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.

Notes forming part of Consolidated Financial Statements

Note No. 12 - Equity Share Capital

Equity share capital	As at March 31, 2019		As at March 31, 2018	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
Authorised:				
Equity shares of Rs 10 each with voting rights	264,130,000	26,413.00	264,130,000	26,413.00
Preference Share of Rs. 10 each without voting rights	5,000,000	500.00	5,000,000	500.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	178,136,716	17,813.67	174,136,716	17,413.67

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

Note No. 12.1 - Equity Share Capital

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

(₹ in Lakhs)

Particulars	Number of Shares	Equity share capital
Issued and Paid up Capital at April 1, 2017	**167,660,186**	**16,766.02**
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	6,476,530	647.65
Balance at March 31, 2018	**174,136,716**	**17,413.67**
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	4,000,000	400.00
Balance at March 31, 2019	**178,136,716**	**17,813.67**

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
R. Vasudevan	41,897,701	23.52	41,897,701	24.06
Vatsalya Enterprises Private Limited	9,078,947	5.10	9,078,947	5.21
Amrit Petroleum Private Limited	8,783,273	4.93	8,783,273	5.04

The shares under ESOP - 2017 totalling to 40,00,000 was allotted on 10/08/2018 and got trading approval from BSE and NSE. On receiving the approval, the shares were credited on 17/09/2017, to the demat account of employees.

(iii) As at 31 March, 2019, 1,20,00,000 shares (As at 31 March, 2018, 1,60,00,000 shares) were reserved for issuance as follows:

Particulars	No. of shares	
	As at March 31, 2019	As at March 31, 2018
Outstanding employee stock options granted / available for grant	12,000,000	16,000,000

Notes forming part of Consolidated Financial Statements

Note No. 12.2 : Other Equity **(₹ in Lakhs)**

	Particulars	As at March 31, 2019	As at March 31, 2018
a)	**Capital Redemption Reserve**		
	Opening Balance	1,377.50	1,377.50
		1,377.50	1,377.50
b)	**Securities Premium Reserve**		
	Opening Balance	54,167.75	52,620.95
	Premium on Shares Issued during the year	720.00	647.65
	Transferred on account on exercise of share based payment	605.60	899.15
		55,493.35	54,167.75
c)	**Equity-settled employee benefits reserve**		
	Opening Balance	801.94	229.55
	Amount recorded on grants during the year	878.53	1,471.54
	Transferred to securities premium account on exercise	(605.60)	(899.15)
		1,074.87	801.94
d)	**General Reserve**		
	Opening Balance	1,537.50	1,537.50
		1,537.50	1,537.50
e)	**Foreign Currency Translation Reserve**		
	Opening Balance	2.66	2.66
		2.66	2.66
f)	**Retained Earnings**		
	Opening Balance	(8,494.82)	(9,115.44)
	Transitional Adjustment on account of application of Ind AS 115 (Refer Note 43)	(413.33)	-
	Profit for the year	685.75	562.63
	Other Comprehensive income	(54.20)	57.99
	Consolidation Adjustment*	1.05	-
		(8,275.55)	(8,494.82)
	* Consolidation adjustment represent impact of change in unaudited financials to audited financials of two of the Subsidiaries		
		51,210.33	**49,392.53**

Note No. 12.3: Non Controlling Interest

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	1,093.48	1,191.04
Profit / (Loss) for the year	(154.61)	(102.70)
Other Comprehensive Income	(3.39)	5.14
	935.48	**1,093.48**

Notes forming part of Consolidated Financial Statements

Note No. 13 : Borrowings

A. Non Current Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Measured at amortised cost*		
A. Secured Borrowings:		
a) Fully Redeemable Debentures	10,945.00	-
b) Term Loans		
From Financial Institution	1,666.02	6,765.68
c) Long term maturities of finance lease obligations	41.66	265.25
Total Secured Borrowings	12,652.68	7,030.93
B. Unsecured Borrowings - at amortised Cost		
a) Public Deposits	2.00	43.00
b) Inter corporate deposits	3.73	1,025.51
Total Unsecured Borrowings	5.73	1,068.51
Total Borrowings carried at Amortised Cost [A] + [B]	12,658.41	8,099.44
Measured at FVTPL		
2114 (March 31,2018: 6861) Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures 5864 of ₹ 1 lakhs each (Refer Note 42)	1,364.00	995.90
Total Borrowings carried at FVTPL	1,364.00	995.90
Total Borrowings	**14,022.41**	**9,095.34**

B. Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Secured Borrowings		
a) Cash Credit From Banks	7,765.92	8,557.12
b) Bank Overdrafts Facility	-	595.24
	7,765.92	9,152.36
B. Unsecured Borrowings		
a) From Banks (Bank overdraft)	8.87	650.85
b) Loans from related parties	110.00	-
c) Loans from other parties	1,391.42	1,354.83
	1,510.29	2,005.68
Total Borrowings	**9,276.21**	**11,158.04**
Cash Credit from State Bank of India @ 9 % to 15.40 % is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other entities including a wholly owned subsidiary, corporate guarantee of other Companies including a wholly owned subsidiary and personal guarantee of the Managing Director of the Company.	6,452.96	6,182.79
Cash credit from Axis Bank @ 13%, Secured by hypothecation of present and future current assets of the Subsidiary (GMP Technical Solutions Pvt Ltd) and equitable mortgage of Subsidiary's (GMP Technical Solutions Pvt Ltd) factory land and building (Unit I & Unit II) situated at Baddi and Corporate Guarantee of Holding Compnay.	-	901.70
Cash credit from Bank of Baroda @ 15.15%, Secured by hypothecation of present and future current assets of the Subsidiary (GMP Technical Solutions Pvt Ltd) and equitable mortgage of Subsidiary's (GMP Technical Solutions Pvt Ltd) office at Ghatkopar and Corporate Guarantee of Holding Compnay.	1,312.95	1,471.83
Bank Overdraft from Axis Bank @ 9%, Secured by Lien with Fixed Deposit	-	595.24

Notes forming part of Consolidated Financial Statements

13.1 Disclosure regarding Non Current Borrowings **(₹ in Lakhs)**

Name of the lender	Outstanding amount	Current Maturities	Long Term				Rate of interest	Nature of security
			2019-20	2020-21	2021-22	Total		
I. Secured Loan								
a) Kotak India Real Estate Fund	10,945.00	-	3,666.67	3,666.67	3,611.66	10,945.00	15.50%	1. Sole & Exclusive mortgage on the identified unsold units with 1.40 lacs sq.ft. of Saleable area, including 2 villas of the project & Personal Guarantee of the Promoter 2. Sole & Exclusive first charge on the Project development rights both Vascon and Land Owners under Devlopment Agreement 3. Hypothecation on 100% receivable from the Project, which includes both vascon's and Land Onwer's shares. 4. Escrow account on cash flow from the sales collected from the project 5. Post dated cheques from for the repayment amount of principal and interest
b) JM Financial Credit Soution Limited	1,666.02	-	777.60	888.42	-	1,666.02	15.05%	Secured by way of registered mortgage on the land admesuring approximately 9.9 acres along with approx saleable area of 0.61 MMSFT in Project Good Life located at Talegaon Pune and also escrow of receivable generated from Project Goodlife and secured by way of personal guarantee of Promoter
c) Zero Coupon, Rupee denominated,Unrated, unlisted,secured, Non Convertible Debentures of Rs.1,00,000/- each (Refer Note 42)	2,114.00	750.00	1,364.00	-	-	1,364.00	0.00%	Pledge of shares of one of it's subsidiary company
From Financial Institutions								
Daimler Financial Services India Pvt Ltd	47.55	5.89	6.55	35.11	-	41.66	10.65%	Hypothecation of Vehicle financed by lender
II. Unsecured Loan								
A. Public deposits (accepted for a period of 400 days)	199.00	197.00	2.00	-	-	2.00	12.50%	Not Applicable
B. Inter corporate loans								
Yester Investment Pvt Ltd	1,000.00	1,000.00	-	-	-	-	12.00%	Not Applicable
Flora Facilities Pvt Ltd	3.73	-	3.73	-	-	3.73	16.50%	Not Applicable
	15,975.30	**1,952.89**	**5,820.55**	**4,590.20**	**3,611.66**	**14,022.41**		

Notes forming part of Consolidated Financial Statements

Note No. 14 : Other Financial Liabilities

A. Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Financial Liabilities Measured at Amortised Cost		
Commitment and other deposits	1,896.73	2,407.45
Other Non-Current Financial Liabilities	**1,896.73**	**2,407.45**

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Current maturities of long term debt (Refer Note 13.1)	1,947.00	7,382.50
b) Current maturities of finance lease obligations (Refer Note 13.1)	5.89	128.70
c) Interest accrued but not due on borrowings	11.61	25.33
d) Interest accrued but due on borrowings	1,069.55	826.54
e) Unpaid dividends *	-	0.16
f) Creditors for capital supplies/services	25.61	346.58
g) Others (Joint Partner Share)	72.54	147.78
Total other financial liabilities	**3,132.20**	**8,857.59**

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

Note No. 15 : Trade and other payables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of Micro, Small and Medium Enterprises	2.69	4.90
Total outstanding dues to creditors other than Micro, Small and Medium Enterprises	20,164.08	19,275.90
Total trade payables	**20,166.77**	**19,280.80**

Note No. 16 : Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Provision for employee benefits		
1) Compensated absences	793.86	692.69
2) Gratuity (Refer Note 31)	958.46	726.34
	1,752.32	1,419.03
b) Others		
Taxation (Net of Advance Tax)	131.69	114.24
	131.69	114.24
TOTAL	**1,884.01**	**1,533.27**

Notes forming part of Consolidated Financial Statements

Note No. 17 : Current Tax and Deferred Tax

(a) Income Tax Expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax:		
Current Income Tax Charge	3.15	8.54
Adjustments in respect of prior years	(103.22)	(55.43)
Deferred Tax		
In respect of current year origination and reversal of temporary differences	(2.05)	82.24
Total Tax Expense recognised in profit and loss account	**(102.12)**	**35.35**

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before Tax	**425.63**	**500.42**
Income Tax using the Company's domestic Tax rate @ 34.61%	147.31	173.20
Effect of :		
Income that are exempt from taxation	24.47	(260.72)
Expenses that are non deductible in determining taxable profit	364.77	248.08
Unused tax losses and tax offsets not recognised as deferred tax assets	(534.60)	(139.78)
Different tax rate of subsidiaries	-	(12.23)
Adjustments recognised in the current year in relation to the current tax of prior years	(102.02)	(55.43)
Deferred tax assets recognised on temporary differences	(2.05)	82.24
Income Tax recognised In P&L	**(102.12)**	**35.36**

(c) Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of Fixed Assets	427.96	518.82
Effects of reameasuring Financials instruments, Financial guarntee Commission and OCI under IND AS	1.34	1.34
Tax effect of items constituting deferred tax liability	429.30	520.16
<u>Tax effect of items constituting deferred tax asset</u>		
Provision for compensated absences and gratuity	463.63	362.33
Disallowance u/s 40a / Provision for Doubtful debts & Advances	603.75	603.75
MAT Credit Entitlement	9.18	9.18
Effects of reameasuring Financials instruments, Financial guarntee Commission and OCI under IND AS	48.98	48.98
Unabsorbed depreciation carried forward and brought forward business losses	20.49	214.11
Tax effect of items constituting deferred tax asset	1,146.03	1,238.35
Net Deferred Tax Asset / (Liability)	716.73	718.19

Note No. 18 : Other Liabilities

A. Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Deferred Revenue		
- Deferred Government grant related to assets	11.17	15.17
Total	**11.17**	**15.17**

Notes forming part of Consolidated Financial Statements

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Advances received from customers		
- Gross amount due to customers	10,807.40	6,116.69
- Less : Related Unbilled Revenues	(2,483.13)	(1,419.24)
	8,324.27	4,697.45
b. Amount due to customers under construction contracts		
- Gross amount due to customers	3,456.49	3,521.47
- Less : Related Debtors	(1,963.25)	(1,472.98)
	1,493.24	2,048.49
c. Statutory dues		
- taxes payable (other than income taxes)	2,903.38	5,185.88
e. Deferred Revenue		
- Deferred Government grant related to assets	4.00	4.00
Total Other Current Liabilities	**12,724.89**	**11,935.82**

Note No. 19 : Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue recognised / sales (gross)		
- Contract Revenue	28,059.27	24,667.77
- Sale of Unit/Land	7,935.46	7,871.35
- Trading Sales & Other Sales	2.60	7.04
- Manufacturing Sales	15,878.80	20,260.79
- Other sales (Includes maintenance charges of soceity,Hire charges,Scrap Sales)	272.31	266.45
Other Operating Income		
- Rent / Compensation / Maintenance	200.69	56.20
- Share of profit / (loss) from Joint Venture	62.35	928.46
Total Revenue from Operations	**52,411.48**	**54,058.06**

Note No. 20 : Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Interest income on Financial Assets at Amortised Cost	1,072.47	777.87
b) Dividend received on investments carried at fair value through profit or loss in Liquid Mutual fund units	42.09	48.37
c) Provision / Creditors no longer required written back	1,924.97	2,499.63
d) Profit on sale of capital assets (Net of loss on assets sold / scrapped / written off)	-	372.45
e) Bad Debts Recovered	363.55	-
f) Foreign exchange gain	-	63.01
g) Miscellaneous income	286.60	32.01
Total Other Income	**3,689.68**	**3,793.34**

Notes forming part of Consolidated Financial Statements

Note No. 21.a : Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Contract	20,750.46	18,063.90
Development	6,994.76	8,353.41
Cost of Material Consumed	11,153.90	12,082.83
Incidental borrowing cost incurred attributable to qualifying assets	1,278.53	1,729.50
Total cost of materials consumed	**40,177.65**	**40,229.64**

Note No. 21.b : Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Closing balance of projects under development :		
Finished goods	454.08	578.67
Work-in-progress	44,667.60	41,647.83
	45,121.68	42,226.50
Opening balance of projects under development:		
Finished goods	578.67	1,736.57
Work-in-progress	41,647.83	38,429.70
Add- Transitional Adjustment on account of application of Ind AS 115 (refer Note 43)	1,041.29	
	43,267.79	40,166.27
Net (increase) / decrease	(1,853.89)	(2,060.23)

Note No. 22 : Employee benefit expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Salaries and wages, including bonus	5,816.69	5,717.35
b) Contribution to provident and other funds	306.47	301.68
c) Share based payment transactions expenses	878.53	1,471.54
d) Staff Welfare & Other Expenses	223.99	196.91
Total Employee Benefit Expense	**7,225.68**	**7,687.48**

Note No. 23 : Finance costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Interest expense	3,635.82	4,074.17
b) Other borrowing costs	274.22	183.50
	3,910.04	4,257.67
Less : Amounts included in the cost of qualifying assets	1,278.53	1,729.50
Total Finance Costs	**2,631.51**	**2,528.17**

Notes forming part of Consolidated Financial Statements

Note No. 24 : Other expenses

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a)	Stores and spares consumed	296.09	303.41
b)	Power & Fuel oil consumed	306.52	297.14
c)	Rent including lease rentals	622.98	543.35
d)	Repairs to buildings	107.47	38.01
e)	Repairs to Plant & Machinery	62.75	60.36
f)	Repairs and maintenance - Others	113.84	104.55
g)	Rates & Taxes	95.06	142.44
h)	Insurance charges	76.59	80.47
i)	Bad debts and other receivables, loans and advances written off	1,009.00	1,521.47
j)	Provision For Doubtful Debt And Advances	30.29	593.88
k)	Loss on Sale of Fixed Assets	55.93	-
l)	Auditors remuneration and out-of-pocket expenses		
	1) As Auditors	107.50	76.47
	2) For Taxation matters	-	2.00
	3) Other services	1.04	-
m)	Other Expenses		
	1) Legal and other professional costs	1,142.98	1,055.64
	2) Advertisement, Promotion & Selling Expenses	854.58	397.61
	3) Travelling and Conveyance Expenses	437.35	458.32
	4) Postage and telephone	113.65	124.39
	5) Printing and stationery	112.36	75.81
	6) Brokerage / commission	120.36	81.29
	7) Donations	18.96	61.49
	8) Bank charges	84.43	108.76
	9) Hire Charges Paid	12.01	1.42
	10) Foreign exchange gain / loss (net)	7.57	0.09
	11) Miscellaneous Expenses	358.50	354.40
n)	Net gain/(loss) arising on financial assets designated as at FVTPL	-	900.22
Total Other Expenses		**6,147.81**	**7,382.99**

Note 25: Disclosures under Ind AS 33

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic Earnings per share (Amount In Rupees)	0.39	0.34
Diluted Earnings per share (Amount In Rupees)	0.39	0.33

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for the year	527.76	465.07
Add: Loss attributable to Non - Controlling Interest	(154.61)	(102.70)
Profit for the year attributable to owners of the Company (A)	682.37	567.77
Weighted average number of equity shares (B)	176,690,141	169,107,639
Earnings per share from continuing operations - Basic (Amount In Rupees) (A / B)	0.39	0.34

Notes forming part of Consolidated Financial Statements

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the Stock options for the respective periods. Anti-dilutive effect, if any, has been ignored.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit / (loss) for the year used in the calculation of basic earnings per share	682.36	567.77
Weighted average number of equity shares used in the calculation of Basic EPS	176,690,141	169,107,639
Employee Stock Option Plans	705,320	2,155,370
Weighted average number of equity shares used in the calculation of Diluted EPS	177,395,460	171,263,009
Earnings per share from continuing operations - Dilutive (Amount In Rupees)	0.39	0.33

Note No. - 26 Fair Value

Set out below is the comparison by class of the carrying amounts and fair value of the Group's financials instruments

(₹ in Lakhs)

Particulars	Carrying amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Non - Current Assets				
(i) Investments	5,065.56	5,009.56	5,065.56	5,009.56
(ii) Loans	882.90	825.05	882.90	825.05
(iii) Others Financial Assets	9,995.46	10,952.40	9,995.46	10,952.40
Current Assets				
(i) Trade receivables	20,167.14	20,557.90	20,167.14	20,557.90
(ii) Cash and cash equivalents	4,711.57	2,558.97	4,711.57	2,558.97
(iii) Bank balances other than (ii) above	2,499.63	3,024.01	2,499.63	3,024.01
(iv) Loans	6,166.66	7,421.10	6,166.66	7,421.10
(v) Others Financial Assets	12,729.21	9,490.93	12,729.21	9,490.93
Financial assets measured at fair value through Statement of Profit & Loss				
(a) Current investments	433.35	778.56	433.35	778.56
(b) Non Current investments quoted	0.29	0.31	0.29	0.31
(c) Non Current investments unquoted	2,775.25	2,775.25	2,775.25	2,775.25
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Non - Current Liabilities				
(i) Borrowings	12,658.41	8,099.44	12,658.41	8,099.44
(ii) Other financial liabilities	1,896.73	2,407.45	1,896.73	2,407.45
Current Liabilities				
(i) Borrowings	9,276.21	11,158.04	9,276.21	11,158.04
(ii) Trade and other payables	20,166.77	19,280.80	20,166.77	19,280.80
(iii) Other financial liabilities	3,132.20	8,857.58	3,132.20	8,857.58
Financial liabilities measured at fair value through Statement of Profit & Loss				
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	1,364.00	995.90	1,364.00	995.90

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes forming part of Consolidated Financial Statements

The Group determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds) is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Group and in case of financial assets is the average market rate of similar credit rated instrument.

The Group maintain policies and procedure to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Group internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Security deposit paid are evaluated by the Group based on parameters such as interest rate non performance risk of the customer. The fair value of the Group’s security deposit paid are determined by estimating the incremental borrowing rate of the borrower (primarily the landlords). Such rate has been determined using discount rate that reflects the average interest rate of borrowing taken by similar credit rate companies where the risk of non performance risk is more than significant.

(c) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(d) The fair value of the Group’s interest bearing borrowing received are determined using discount rate that reflects the entity’s borrowing rate as at the end of the reporting period. The own non performance risk as at the reporting was assessed to be insignificant.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed , either directly or indirectly.

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data.

The following table presents the assets and liabilities measured at fair value on recurring basis at March 31, 2019 and March 31, 2018.

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3
March 31, 2019			
Investment in mutual funds	199.35	-	-
Equity	0.29	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	2,114.00
March 31, 2018			
Investment in mutual funds	544.56	-	-
Equity	0.31	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	5,864.90

During the year ended March 31, 2019, there were no transfer between Level 1 and Level 2 fair value measurement and no transfer into and out of Level 3 fair value measurement.

Notes forming part of Consolidated Financial Statements

Note No. - 27 Financial Instruments and Risk Review

Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 20% and 45%. The Group includes within net debt, interest bearing loans and borroings, trade and other payables, less cash and cash equivalents, excluding discountinued operations.

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	25,251.50	20,253.38
Trade Payables	20,166.79	19,280.80
Less : Cash and Cash Equivalents	7,211.20	5,582.98
Net Debt	**38,207.09**	**33,951.20**
Equity	69,024.00	66,806.20
Total Capital	**69,024.00**	**66,806.20**
Capital and Net Debt	**107,231.09**	**100,757.40**
Gearing Ratio	**36%**	**34%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

Financial Risk Management Framework

Vascon Engineers Limited is exposed primarily to credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables. None of the financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial asset represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 49,706.49 lakhs and ₹ 48,546.66 lakhs as of March 31, 2019 and March 31, 2018 respectively. Trade receivables are typically unsecured and are derived from revenue earned from Development, EPC and manufacturing customer. Credit risk is managed by the Group by continuously monitoring the recovery status of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

Notes forming part of Consolidated Financial Statements

The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Group's exposure to customers is diversified and some customer contributes more than 10% of outstanding accounts receivable as of March 31, 2019 and March 31, 2018, however there was no default on account of those customer in the past. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Before accepting any new customer, the Group uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

Movement in the expected credit loss allowance:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the period year	3,102.29	3,315.45
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	600.33	153.73
Utilization / Reversals	(762.99)	(366.90)
Balance at the end of the year	2,939.63	3,102.29

ii) Liquidity Risk

a) Liquidity risk management

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b) Maturities of financial liabilities

The following tables detail the remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

(₹ in Lakhs)

Particulars	31-Mar-19		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	20,166.76	-	-
Other Financial Liabilities	3,132.20	1,896.73	-
Working capital demand loans / Term loans	9,276.20	12,658.41	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	1,364.00	-

(₹ in Lakhs)

Particulars	31-Mar-18		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	19,280.80	-	-
Other Financial Liabilities	8,857.58	2,407.45	-
Working capital demand loans / Term loans	11,158.04	8,099.44	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	995.90	-

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or having economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels

Notes forming part of Consolidated Financial Statements

iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Singapore Dollar, Great Britain Pound, Japanese Yen against the respective functional currencies of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows.

1) **Foreign currency exposures hedged by derivatives - ₹ Nil (Previous Year - ₹ Nil)**

2) **Details of Foreign currency exposures that are not hedged by derivative instrument or otherwise :**

Particulars	Currency	Amount in foreign currency (in Lakhs)		Equivalent amount (₹ in Lakhs)	
		For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
	BHD	-	0.12	-	20.69
	EURO	0.09	-	6.98	-
	GBP	-	0.02	-	1.37
	USD	0.42	1.08	29.32	70.63
Trade Receivables	EURO	1.10	1.99	85.46	160.14
	USD	8.51	11.64	589.92	757.45
AXIS Mumbai USD EEFC A/C - 913020041819734	USD	-	-	-	-
Bank of Baroda EEFC A/C - 137802000001204	USD	-	-	-	-
Bank of Mahrashtra- EEFC A/c - Mahim - 60146271615	USD	-	-	-	-

Foreign Curreny Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in USD, EUR and JPY exchange rates, with all other variables held constant, the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lakhs)

For the year ended	Currency	Change in Rate	Effect on Pre Tax Profit
March 31, 2019	USD	+10%	54.64
	USD	-10%	(54.64)
	EURO	+10%	9.24
	EURO	-10%	(9.24)
March 31, 2018	USD	+10%	68.73
	USD	-10%	(68.73)
	EURO	+10%	16.01
	EURO	-10%	(16.01)
	GBP	+10%	0.14
	GBP	-10%	(0.14)
	BHD	+10%	(2.07)
	BHD	-10%	2.07

In Management's opinion, the sensitivity analysis is unresprestative of the inhernet foreign exchange risk because the exposure at the end of the reporting year does not affect the exposure during the year.

Notes forming part of Consolidated Financial Statements

Note No - 28: Share Based Payments

Employee stock option scheme (ESOS) - 2015

The ESOS was approved by Board of Directors of the Company on 11th August 2015 and thereafter by the share holders on 29th September 2015. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 20/- per share. The maximum exercise period is 1 year from the date of vesting.

Number of options granted , exercised , cancelled / lapsed during the financial year are as follows :

Particulars	FY 2018-19	FY 2017-18
Options granted, beginning of the year	-	6,400,000
Granted during the year	-	-
Exercised during the year	-	(6,400,000)
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	-
Weighted Average remaining life	-	-

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Binomial lattice option pricing model, considering the expected weighted average term of the options to be 1 year from the date of vesting, an expected dividend rate on the underlying equity shares, a risk free rate and weighted average volatility in the share price. The Group's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price after eliminating the abnormal price fluctuations.

Employee stock option scheme (ESOS) - 2016

The ESOS was approved by Board of Directors of the Group on 17th May 2016 and thereafter by the share holders on 15th September 2016. A compensation committee comprising of independent directors of the Group administers the ESOS plan. Each option carries with it the right to purchase one equity share of the Group. All options have been granted at a predetermined rate of Rs. 20/- per share. The maximum exercise period is 1 year from the date of vesting.

Number of options granted , exercised , cancelled / lapsed during the financial year are as follows :

Particulars	FY 2018-19	FY 2017-18
Options granted, beginning of the year	-	6,400,000
Granted during the year	-	-
Exercised during the year	-	(6,400,000)
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	-
Weighted Average remaining life	-	-

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Binomial lattice option pricing model, considering the expected weighted average term of the options to be 1 year from the date of vesting, an expected dividend rate on the underlying equity shares, a risk free rate and weighted average volatility in the share price. The Group's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price after eliminating the abnormal price fluctuations.

Employee stock option scheme (ESOS) - 2017

The ESOS was approved by Board of Directors of the Company on 10th Aug 2017 and thereafter by the share holders on 15th September 2017. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 28/- per share. The maximum exercise period is 4 year from the date of vesting i.e 30th Sept 2017.

Number of options granted , exercised , cancelled / lapsed during the financial year are as follows :

Particulars	FY 2018-19	FY 2017-18
Options granted, beginning of the year	16,000,000	-
Granted during the year	-	16,000,000
Exercised during the year	4,000,000	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	-
Weighted Average remaining life	3.42	4.42

Notes forming part of Consolidated Financial Statements

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Binomial lattice option pricing model, considering the expected weighted average term of the options to be 1 year from the date of vesting, an expected dividend rate on the underlying equity shares, a risk free rate and weighted average volatility in the share price. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price after eliminating the abnormal price fluctuations.

The inputs used in the measurement of the fair values at grant date of the share-based payment plans were as follows.

Particulars	Employee Share Purchase Plan
	ESOS - 2017
Share price at grant date	29.55
Exercise price	15
Expected volatility	68.00%
Expected life / Option Life	4 Year from the date of vesting
Expected dividends yield	0%
Risk-free interest rate (based on government bonds)	6.70%

Note 29: Disclosures under Ind AS 17

30 Details of leasing arrangements

As Lessee

<u>Finance Lease</u>

30.1 The Group has entered into finance lease arrangements for certain vehicles which provide the Group an option to purchase the assets at the end of the lease period. The average lease term is 5 years (prior Year: 5 Years)

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Reconciliation of minimum lease payments		
Future minimum lease payments		
not later than one year	10.67	172.21
later than one year and not later than five years	46.40	304.31
	57.07	476.52
Less: Unmatured finance charges	9.52	82.57
	47.55	393.95
Present value of minimum lease payments payable		
not later than one year	5.89	128.70
later than one year and not later than five years	41.66	265.25
	47.55	393.95
Included in the financial statements as:		
- Current Borrowings	5.89	128.70
- Non Current Borrowings	41.66	265.25
	47.55	393.95

<u>Operating Lease</u>

30.2 The Group has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 1 to 95 years and may be renewed for a further period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 to 10% every 2 years.

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Future Non-Cancellable minimum lease commitments		
not later than one year	399.11	335.97
later than one year and not later than five years	411.53	216.89
later than five years	89.96	101.86
	900.60	654.72
Expenses recognised in the Statement of Profit and Loss	493.36	374.16

Note - 30: Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

(₹ in Lakhs)

		As at 31 March, 2019	As at 31 March, 2018
Contingent liabilities			
(a)	Disputed demands for Income Tax	44.36	1,786.37
(b)	Disputed demands for Service Tax / Excise Duty	153.97	153.97
(c)	Disputed demands for Value Added Tax	2,323.40	1,036.76
(d)	Performance and financial guarantees given by the Banks on behalf of the Group	12,149.07	11,950.72
(e)	Corporate guarantees given for other companies / entities and mobilization	7,677.50	8,022.65
(f)	Custom Duty on Export obligation	4.93	-
	The Company has imported Goods under the Export Promotion Capital Goods Scheme (EPCG), of the Government of India, at the concessional rates of duty with an obligation to fulfill the specified exports. Failure to meet this export obligation within the stipulated timeframe as per Foreign trade policy would result in payment of the aggregate differential duty saved as mentioned below along with interest there on. The company is confident of meeting the obligation.		
(g)	Claims against the Group not acknowledged as debt	3,701.41	3,154.60
	(i) The Creditors of the Company have filed a civil suit claiming of ₹ 783.81 lakhs (Previous year ₹ 274.99 lakhs) as amount due to them, which claims the Company is disputing.		
	(ii) Short Levy of Stamp Duty due to misclassification of conveyance deed as development agreement amounting to ₹ 46.66 lakh (Previous year ₹ 8.67 lakh) with Joint District Registrar & Collector of Stamps , Pune.		
	(iii) One of the labour supplier has filed a criminal complaint in Additional Magistrate Court, Dadar, Mumbai, for recovery of his dues for ₹ 3.94 lakhs (Previous year - ₹ 3.94 lakhs).		
	(iv) One of the customer has filed arbitration proceeding against the Company for loss on account of wastage i.e. excess consumption of cement and steel, loss on account of escalation of cement and steel, additional cost incurred for completing the balance work, loss for rectifying defective work, refund of amount in VAT and excess duty, loss of reputation and liquidated damages and interest, amounting to ₹ 2,867.00 lakhs (Previous year ₹ 2,867.00 lakhs).		
	(v) In earlier years Vascon Dwelling Private Limited (Merged Company) has entered into agreement for sale in respect of plot of land admeasuring 5,016.95 sq mtrs for a consideration of ₹ 376.27 Lacs. In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land. As per the conditional sale the company has to obtain clear enforceable title within 18 months of the execution of the agreement. In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 87.80 Lacs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 3.00 Lacs per month from the date of breach till the date of curing the breach.		

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31 March, 2019	As at 31 March, 2018
(vi) In earlier years Vascon Dwelling Private Limited (Merged Company) has transferred Development rights in respect of plot of land admeasuring 3,940 sq mtrs for a consideration of ₹ 295.50 Lacs . In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land. As per the conditional sale the company has to obtain clear enforceable title and to obtain certain permission/clearance within 18 months of the execution of the agreement. In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 68,95,000/- along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 2,35,000/- per month from the date of breach till the date of curing the breach.		
(vii) In earlier years Vascon Dwelling Private Limited (Merged Company) has entered into agreement for sale in respect of plot of land admeasuring 11,377 sq mtrs for a consideration of ₹ 853 lakhs. The company is under obligation to obtain tentative layout approval from corporation, which is subject to new Development Plan to be issued by the corporation. In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 100 lakhs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and right to claim damages. In respect of the above three agreement to sale of plots the company has recognised the sales amounting to ₹ 153 lakhs and profit of ₹ 660 lakhs. As on date of the balance sheet the company has not received any notice from the purchaser/transferee for termination of the agreement or claiming any interest/compensation.		
(g) In respect of a development project, as per the terms of land purchase agreement with a land vendor, an additional amount equivalent to 40% of sale proceeds will required to be paid in the event the FSI availed is in excess of 580000 Sq ft. Since such event has not occurred till the date of balance sheet, no provision is required for this additional cost.		
(h) The levy of Maharashtra Value Added Tax (MVAT) in respect of Real Estate Development sales has been subject to considerable legislative amendments, litigation and administrative action. During the pendency of special leave petition before the Hon'ble Supreme Court against the earlier Hon'ble Mumbai High Court decision, a decision has been pronounced by the Hon'ble Mumbai High Court and the matter has not reached finality. The Industry, accounting and legal fraternity is examining the implications of the decisions and the way the liability will be worked out under various options provided. In view of such uncertainties, the management has been advised that in the present scenario it is difficult to correctly determine MVAT liability payable in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010. The Group is currently in process of ascertaining the exact applicability of these pronouncements, contractual ability to collect MVAT from past customers and the mechanism of collection of MVAT in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010.		
For Development projects and according to the facts: Pending final decision and interim stay granted by the Hon'ble High Court of Bombay in case of MCHI, the Company , has in case of certain development projects, neither collected nor paid Maharashtra Value Added Tax and in case of certain development projects, has paid Maharashtra Value Added Tax		

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	283.57	1,609.62

Note 31 : Employee benefits

(a) Defined Contribution Plan

The Group makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Group is required to contribute a specified percentage of payroll cost to fund the benefits. The Group has recognized Rs.246.07 Lakhs for Provident Fund contributions (March 31, 2018 : Rs.237.93 Lakhs) and Rs 50.47 Lakhs towards ESIC (March 31, 2018 : Rs.61.35 Lakhs) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Group are in accordance with rules framed by the Government from time to time.

(b) Defined Benefit Plans:

Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Group makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Defined benefit plans – as per actuarial valuation on 31st March, 2019

(₹ in Lakhs)

Particulars	Funded Plan	
	Gratuity	
	2019	2018
Service Cost		
Current Service Cost	112.09	89.00
Past service cost and (gains)/losses from settlements	-	83.87
Net interest expense	55.91	42.30
Components of defined benefit costs reconised in profit or loss	168.00	215.17
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amunt included in net interest expense)	6.22	2.02
Actuarial gains and loss arising form changes in financial assumptions	44.29	(17.80)
Actuarial gains and loss arising form experience adjustments	9.36	(24.22)
Actuarial gains and loss arising from demographic adjustments	3.03	(35.17)
Componenets of defined benefit costs recognised in other comprehensive income	62.90	(75.17)
Total	**230.90**	**140.00**
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	1,001.39	777.37
2. Fair value of plan assets as at 31st March	42.94	51.02
3. Surplus/(Deficit)	(958.46)	(726.34)
4. Current portion of the above	958.46	726.34
5. Non current portion of the above	42.94	51.02
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	(777.37)	(671.51)
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	(112.09)	(96.87)
- Past Service Cost	-	(76.00)
- Interest Expense (Income)	(59.82)	(45.74)
4. Recognised in Other Comprehensive Income		

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	Particulars	Funded Plan	
		Gratuity	
		2019	2018
	Remeasurement gains / (losses)		
	- Actuarial Gain (Loss) arising from:		
	i. Demographic Assumptions	(3.03)	35.17
	ii. Financial Assumptions	(44.29)	17.80
	iii. Experience Adjustments	(9.36)	24.22
5.	Benefit payments	4.57	35.56
6.	Others (Specify)	-	-
7.	**Present value of defined benefit obligation at the end of the year**	**(1,001.39)**	**(777.37)**
III.	**Change in fair value of assets during the year ended 31st March**		
1.	Fair value of plan assets at the beginning of the year	51.02	55.73
2.	Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3.	*Expenses Recognised in Profit and Loss Account*	-	-
	- Expected return on plan assets	1.88	1.10
	- Mortality Charges and Taxes	(1.21)	(1.66)
4.	*Recognised in Other Comprehensive Income*	-	-
	Remeasurement gains / (losses)		
	- Actual Return on plan assets in excess of the expected return	(4.18)	1.41
	- Others (specify)	-	-
5.	Contributions by employer (including benefit payments recoverable)	-	20.00
6.	Benefit payments	(4.57)	(25.57)
7.	**Fair value of plan assets at the end of the year**	**42.94**	**51.01**
IV.	The Major categories of plan assets		
	Funds Managed By Insurer	100%	100%

Maturity Profile of Defined Benefit Obligation:

Year Ending March 31	Expected Benefit Payment Rounded to the nearest thousand (in Rs.)
2020	301.44
2021	98.58
2022	115.24
2023	109.21
2024	113.71
2025-2029	771.22

A. Effect of 1 % change in the assumed discount rate

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
Defined Benefit Obligation	1213.88	1,313.53	739.66	820.03

B. Effect of 1 % change in the asumed Salary Escalation Rate

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
Defined Benefit Obligation	1313.61	1,212.81	813.83	743.92

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

C. Effect of 1 % change in the assumed Withdrawal Rate

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
Defined Benefit Obligation	1259.34	1,265.67	784.85	765.89

V. Experience Adjustments :

	Period Ended	
	2019	2018
	Gratuity	
1. Defined Benefit Obligation	1,001.39	777.37
2. Fair value of plan assets	42.94	51.02
3. Surplus/(Deficit)	(958.46)	(726.34)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	9.36	(24.22)
5. Experience adjustment on plan assets [Gain/(Loss)]	40.18	(25.30)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 32 : Significant estimates and assumptions

Estimates and Assumptions

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acgrouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assests or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes will be reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicaly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 31.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from

Notes forming part of Consolidated Financial Statements

observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Group has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee group, fair value of share price of the investee group on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Note 33 : Related Party Transactions

I Names of related parties

1. Joint Ventures
   - Phoenix Ventures
   - Cosmos Premises Private Limited
   - Ajanta Enterprises
   - Vascon Saga Constructions LLP
   - Vascon Qatar WLL
2. Associates
   - Mumbai Estate Private Limited
3. Key Management Personnel
   - Mr. R. Vasudevan
   - Mr. Siddarth Vasudevan
   - Dr Santosh Sundararajan
   - Mr. D.Santhanam
   - Mr. M.Krishnamurthi *(Retired w.e.f. 30.09.2018)*
   - Ms.Vibhuti Darshin Dani *(appointed w.e.f 1.10.2018)*
   - Mr. Rajesh Mhatre
   - Mr.Ajay Mehta (w.e.f 28.05.2018)

   Other Directors
   - Mr.Mukesh Malhotra
   - Mr.V. Mohan
   - Mr.K. G. Krishnamurthy
   - Ms.Sowmya Vasudevan
4. Relatives of Key Management Personnel
   - Mrs. Sailaxmi Santhanam Mudaliar
   - Ms Aishwarya Santhanam
5. Establishments where in which individuals in serial number (4) and (5) exercise significant Influence
   - Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)
   - Vastech Consultants Private Limited
   - Vastech consultants and engineers LLP
   - Vatsalya Enterprises Private Limited
   - Bellflower Premises Private Limited
   - Cherry Construction Private Limited
   - Stresstech Engineers Pvt Ltd.
   - Syringa Engineers Private Limited (Formerly known as Syringa Properties Private Limited)
   - Vascon Infrastructure Limited
   - Venus Ventures
   - Seraphic Design Private Limited
   - Sira Assets LLP
   - D. Santanam (HUF)
   - M krishnamurthi (HUF)

Notes forming part of Consolidated Financial Statements

II Related party transactions

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Sales and work	**1,963.93**	**969.05**
Joint Ventures		
Phoenix Ventures	183.08	655.20
Ajanta Enterprises	1,402.30	157.00
Total	**1,585.38**	**812.20**
Key management Personnel		
Mr. R. Vasudevan	312.00	46.80
Dr Santosh Sundararajan	17.75	110.05
Total	**329.75**	**156.85**
Enterprise where KMP & Relatives of KMP significant influence		
Cherry Constructions Private Limited.	48.80	-
Total	**48.80**	**-**
Interest Income/commission Received	**310.21**	**398.04**
Joint Venture		
Ajanta Enterprises	177.16	227.74
Cosmos Premises Private Limited - Dividend Received	133.05	170.30
	310.21	**398.04**
Interest Expense /commission Paid	**150.16**	**87.31**
Joint Venture		
Ajanta Enterprises	25.89	-
Total	**25.89**	**-**
Enterprise where KMP & Relatives of KMP significant influence		
D Santhanam- HUF	1.25	1.25
Flora Facilities Private Limited	106.59	80.69
Sira Assets LLP	10.81	-
Total	**118.65**	**81.94**
Relatives of Key Management Personnel		
Mr. Siddarth Vasudevan	1.38	1.38
Ms. Sailaxmi Santhanam Mudaliar	0.74	0.50
Ms. Aishwarya Santhanam Mudaliar	1.00	1.00
Total	**3.11**	**2.88**
Key Management Personnel		
D Santhanam	2.50	2.50
Total	**2.50**	**2.50**
Purchase of Goods / Work/Rent	**342.08**	**336.70**
Joint Venture		
Ajanta Enterprises	1.39	-
Total	**1.39**	**-**
Enterprise where KMP & Relatives of KMP significant influence		
Rent		
Flora Facilities Private Limited	231.84	205.47
Works		
Stresstech Engineers Private Limited	80.37	80.08
Vastech Consultants & Engineers LLP	28.48	51.15
Total	**340.68**	**336.70**

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Receiving of Services	**1,111.35**	**2,422.03**
Key Management Personnel		
Mr R Vasudevan		
a) Short term benefits	10.00	120.00
b) Post Employment benefits*	-	0.22
Dr Santosh Sundararajan	-	-
a) Short term benefits	405.83	405.83
b) Post Employment benefits*	0.22	0.22
c) Share based payments	-	1,158.97
Mr. D.Santhanam	-	-
a) Short term benefits	68.25	68.25
b) Post Employment benefits*	0.22	0.22
c) Share based payments	-	87.00
Mr. Siddharth Vasudevan	-	-
a) Short term benefits	314.56	203.95
b) Post Employment benefits*	0.22	0.22
Mr. Rajesh Dilip Mhatre	-	-
a) Short term benefits	147.15	147.15
b) Post Employment benefits*	0.22	0.22
c) Share based payments	-	50.46
Ms. Vibhuti Darshin Dani	-	-
a) Short term benefits	4.92	-
b) Post Employment benefits*	0.11	-
Mr.M.Krishnamurthi	-	-
a) Short term benefits	29.22	58.45
b) Post Employment benefits*	0.11	0.22
c) Share based payments	-	87.00
Mr. Ajay Mehta	-	-
a) Short term benefits	79.28	-
Total	**1,060.28**	**2,388.34**
*Post employement benefit represents contribution to provident fund. As Gratuity expenses is based on actuarial valuations, the same cannot be computed for individual employees and hence not included		
Enterprise where KMP & Relatives of KMP significant influence		
Flora Facilities Private Limited	17.16	14.61
Vastech Consultants Private Limited	33.60	19.05
AISWARYA SANTHANAM MUDALIAR	0.30	0.04
Total	**51.07**	**33.70**
Share of Profit from AOP/Firm	**-**	**812.79**
Joint Ventures		
Phoenix Ventures	-	7.24
Ajanta Enterprises	-	805.56
Total	**-**	**812.79**
Share of Loss from AOP/Firm	**125.17**	**-**
Joint Ventures		
Ajanta Enterprises	68.61	**-**
Phoenix Ventures	56.56	-
Total	**125.17**	**-**

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Reimbursement of expenses	**53.56**	**4.31**
Joint Ventures		
Ajanta Enterprises	52.06	-
Phoenix Ventures	0.90	-
Total	**52.96**	**-**
Enterprise where KMP & Relatives of KMP significant influence		
Flora Facilities Private Limited	0.60	**2.94**
	0.60	**2.94**
Key Management Personnel		
Dr Santosh Sundararajan	-	0.46
M. Krishnamurthi	-	0.46
D Santhanam	-	0.46
Total	**-**	**1.37**
Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	**999.04**	**797.92**
Joint Ventures		
Phoenix Ventures	47.39	22.80
Ajanta Enterprises	551.65	-
Total	**599.04**	**22.80**
Enterprise where KMP & Relatives of KMP significant influence		
Stresstech Engineers Private Limited	-	22.14
Flora Facilities Private Limited	400.00	400.00
Total	**400.00**	**422.14**
Key Management Personnel		
Mr. R. Vasudevan	-	352.98
Total	**-**	**352.98**
Finance availed /Received back(including equity contributions in cash or in kind)	**2,514.74**	**1,152.70**
Joint Ventures		
Phoenix Venture	210.57	112.31
Ajanta Enterprises	1,799.16	-
Total	**2,009.74**	**112.31**
Enterprise where KMP & Relatives of KMP significant influence		
Flora Facilities Private Limited	50.00	688.90
SIRA ASSETS LLP	110.00	-
Venus Ventures	-	1.49
Total	**160.00**	**690.39**
Relatives of Key Management Personnel (Through Fixed Deposit)		
Sailaxmi Santhanam Mudaliar(Through Fixed Deposit)	5.00	-
Total	**5.00**	**-**
Key Management Personnel		
Mr. R. Vasudevan	340.00	350.00
Total	**340.00**	**350.00**
Outstanding as on		
A) Receivable to Vascon Engineers Limited	**6,978.11**	**7,647.24**
Joint Ventures	**3,467.18**	**4,064.34**
a) Trade Receivables		
Phoenix Ventures	1,078.52	1,679.32
Ajanta Enterprises	1,493.14	185.63
Total	**2,571.66**	**1,864.95**

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
b) Loans & Advances		
Phoenix Ventures	3.01	177.82
Total	**3.01**	**177.82**
c) Balance in current accounts		
Phoenix Ventures	347.65	404.22
Ajanta Enterprises	544.86	1,617.34
Total	**892.50**	**2,021.57**
Associates	**2,563.00**	**2,563.00**
a) Loans & Advances (Including deposits and trade advances)		
Mumbai Estate Private Limited	2,563.00	2,563.00
Total	**2,563.00**	**2,563.00**
Enterprise where KMP & Relatives of KMP significant influence	**919.15**	**1,014.62**
a) Trade Receivable		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	97.30	157.30
Cherry Constructions Private Limited.	312.34	338.26
Total	**409.65**	**495.56**
b) Loans & Advances (Including deposits and trade advances)		
Vastech Consultants Private Limited	-	9.55
Flora Facilities Private Limited	125.00	125.00
Venus Ventures	384.50	384.50
Total	**509.50**	**519.05**
Key Management Personnel	**28.79**	**5.28**
a) Trade Receivable		
Mr. R. Vasudevan	4.73	1.10
Mr.Santosh Sundararajan	24.06	4.18
Total	**28.79**	**5.28**
B) Receivable from Vascon Engineers Limited	**1,035.62**	**1,096.70**
Joint Venture	**78.58**	**53.63**
a) Trade Payable		
Ajanta Enterprises	5.28	3.63
Total	**5.28**	**3.63**
a) Loans & Advances		
Ajanta Enterprises	23.30	-
Cosmos Premises Private Limited	50.00	50.00
Total	**73.30**	**50.00**
Key Management Personnel	**165.00**	**20.34**
c) For Deposit Received		
Mr. R Vasudevan	145.00	-
D Santhanam	20.00	20.00
Total	**165.00**	**20.00**
d) Expenses reimbursement		
D Santhanam	-	0.34
Total	**-**	**0.34**
Enterprise where KMP & Relatives of KMP significant influence	**764.04**	**999.73**
a) Trade Payable		
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	23.65	31.59
Stresstech Engineers Private Limited	36.53	34.31
Vastech Consultants & Engineers LLP	49.00	62.58
Vastech Consultants Private Limited	33.02	31.73
D. Santhanam HUF	0.13	0.13
Aiswarya Santhanam Mudaliar	-	0.04
Total	**142.33**	**160.38**

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
b) Loans/(Advances)		
Flora Facilities Private Limited	491.97	829.35
Sira Assets LLP	119.73	-
Total	**611.71**	**829.35**
c) Deposit Received		
D. Santhanam HUF	10.00	10.00
Total	**10.00**	**10.00**
Relatives of Key Management Personnel	**28.00**	**23.00**
a) Deposits Recd.		
Mr. Siddarth Vasudevan	11.00	11.00
Mrs. Sailaxmi Santhanam Mudaliar	9.00	4.00
Ms.Aishwarya Santhanam	8.00	8.00
Total	**28.00**	**23.00**

Notes:-

i) Related party relationships are as identified by the Company on the basis of information available and accepted by the auditors.

ii) No provision have been made in respect of receivable from related party as at March 31, 2019

Note 34 : Disclosure of additional information as required by the Schedule III

a) As at and for the year ended March 31, 2019 :

(₹ in Lakhs)

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount
Parent								
Vascon Engineers Limited	89%	62,153.05	288%	1,521.08	58%	(31.61)	315%	1,489.47
Subsidiaries								
Vascon Value Homes Private Limited	0%	0.14	0%	(0.30)	0%	-	0%	(0.30)
Vascon EPC Limited	0%	1.00	0%	-	0%	-	0%	-
Marvel Housing Private Limited	0%	(10.30)	1%	3.47	0%	-	1%	3.47
GMP Technical Solutions Private Limited	8%	5,299.81	-166%	(876.10)	35%	(19.19)	-189%	(895.31)
Almet Corporation Limited	0%	339.06	-2%	(8.35)	0%	-	-2%	(8.35)
Marathawada Realtors Private Limited	1%	648.82	-2%	(11.91)	0%	-	-3%	(11.91)
Joint Ventures								
Cosmos Premises Private Limited	1%	590.89	10%	54.48	0%	-	12%	54.48
Vascon Construction Saga LLP	0%	1.52	0%	-	0%		0%	-
Non Controlling Interest	1%	935.49	-29%	(154.61)	6%	(3.39)	-33%	(157.99)
Total	100%	69,959.48	100%	527.76	100%	(54.19)	100%	473.56

Notes forming part of Consolidated Financial Statements

b) As at and for the year ended March 31, 2018 :

(₹ in Lakhs)

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount
Parent								
Vascon Engineers Limited	87%	59,449.42	245%	1,139.80	41%	23.73	222%	1,163.53
Subsidiaries								
Marvel Housing Private Limited	0%	(14.97)	9%	39.97	0%	-	8%	39.97
GMP Technical Solutions Private Limited	9%	6,195.11	-125%	(581.94)	50%	29.12	-106%	(552.81)
Almet Corporation Limited	1%	347.41	-3%	(13.18)	0%	-	-3%	(13.18)
Marathawada Realtors Private Limited	1%	660.73	-3%	(14.48)	0%	-	-3%	(14.48)
Joint Ventures								
Cosmos Premises Private Limited	0%	168.50	-1%	(2.40)	0%	-	0%	(2.40)
Non Controlling Interest	2%	1,093.48	-22%	(102.70)	9%	5.14	-19%	(97.56)
Total	100%	67,899.68	100%	465.07	100%	57.99	100%	523.06

Note No. 35 - Investment in Joint Arrangements

(a) Details of Material Joint Ventures

Details of each of the Company's joint ventures at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights held by the Company (%)		Quoted (Y/N)
			31-Mar-19	31-Mar-18	
Ajanta Enterprises	Real Estate	Pune	50%	50%	N
Phoenix Ventures	Real Estate	Pune	50%	50%	N
Cosmos Premises Private Limited	Hospitality	Goa	44%	44%	N
Vascon Construction Saga LLP	EPC	Bangalore	76%	-	N

All of the above Joint Ventures are accounted for using the equity method in these financial statements.

Summarised financial information in respect of Ajanta Enterprise is set out below.

(₹ in Lakhs)

Particulars	31-Mar-19	31-Mar-18
Current assets	7,262.78	5,349.58
Non-current assets	1,877.84	2,793.33
Current liabilities	6,382.73	4,126.03
Non-current liabilities	472.72	-
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	178.13	273.23
Current financial liabilities (excluding trade and other payables and provisions)	3,805.90	3,237.06
Non-current financial liabilities (excluding trade and other payables and provisions)	472.72	-
Revenue	575.84	7,398.57
Profit (loss) for the year	(216.84)	1,621.55
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(216.84)	1,621.55
Dividends received from the joint venture during the year	-	-
The above profit (loss) for the year includes the following:		
Depreciation and amortisation	34.05	17.57
Interest income	-	-
Interest expense	11.86	5.86
Income tax expense (income)	15.31	832.89

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Ajanta Enterprise recognised in the consolidated financial statements.

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	31-Mar-19	31-Mar-18
Net assets of Ajanta Enterprise	2,285.17	4,016.88
Proportion of the Company's ownership interest in Ajanta Enterprise	50%	50%
Receivables / (Payable) from / to Partners	(255)	(71)
Goodwill	3,953.24	3,953.24
Carrying amount of the Company's interest in Ajanta Enterprise *	**4,841.10**	**5,890.28**

* Includes Partner's Fixed and Current Capital

Summarised financial information in respect of Phoenix Venture is set out below.

(₹ in Lakhs)

Particulars	31-Mar-19	31-Mar-18
Current assets	740.31	1,438.48
Non-current assets	833.37	833.78
Current liabilities	1,527.82	1,929.18
Non-current liabilities	-	9.26
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	191.76	103.35
Current financial liabilities (excluding trade and other payables and provisions)	347.51	173.23
Non-current financial liabilities (excluding trade and other payables and provisions)	-	9.26
Revenue	184.25	454.70
Profit (loss) for the year	(113.15)	(35.43)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(113.15)	(35.43)
Dividends received from the joint venture during the year	-	-
The above profit (loss) for the year includes the following:		
Depreciation and amortisation	-	-
Interest income	-	-
Interest expense	2.86	57.42
Income tax expense (income)	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Phoenix Venture recognised in the consolidated financial statements.

(₹ in Lakhs)

Particulars	31-Mar-19	31-Mar-18
Net assets of Phoenix Venture	45.87	333.82
Proportion of the Company's ownership interest in Phoenix Venture	50%	50%
Receivables from Partners	524.71	615.13
Carrying amount of the Company's interest in Phoenix Venture *	**547.65**	**782.04**

* Includes Partner's Fixed and Current Capital

Summarised financial information in respect of Cosmos Premises Private Limited is set out below.

(₹ in Lakhs)

Particulars	31-Mar-19	31-Mar-18
Current assets	1,279.04	970.08
Non-current assets	1,207.17	1,585.39
Current liabilities	428.84	620.22
Non-current liabilities	29.90	32.08
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	997.68	547.05
Current financial liabilities (excluding trade and other payables and provisions)	133.09	438.40
Non-current financial liabilities (excluding trade and other payables and provisions)	11.18	16.07

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	31-Mar-19	31-Mar-18
Revenue	2,121.88	1,946.07
Profit (loss) for the year	483.17	399.63
Other comprehensive income for the year	-	-
Total comprehensive income for the year	483.17	399.63
Dividends received from the joint venture during the year	170.30	170.30
The above profit (loss) for the year includes the following:		
Depreciation and amortisation	124.42	156.14
Interest income	-	-
Interest expense	(0.14)	6.49
Income tax expense (income)	182.61	168.08

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Cosmos Premises Private Limited recognised in the consolidated financial statements.

(₹ in Lakhs)

Particulars	31-Mar-19	31-Mar-18
Net assets of the Cosmos Premises Private Limited	2,027.47	1,903.17
Proportion of the Company’s ownership interest in Cosmos Premises Private Limited	44%	44%
Capital Reserve	297.75	297.75
Carrying amount of the Company’s interest in Cosmos Premises Private Limited	**590.89**	**536.41**

Summarised financial information in respect of Vascon Construction Saga LLP is set out below.

(₹ in Lakhs)

Particulars	31-Mar-19
Current assets	-
Non-current assets	-
Current liabilities	-
Non-current liabilities	-
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	2.00
Current financial liabilities (excluding trade and other payables and provisions)	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-
Revenue	-
Profit (loss) for the year	-
Other comprehensive income for the year	-
Total comprehensive income for the year	-
Dividends received from the joint venture during the year	-
The above profit (loss) for the year includes the following:	
Depreciation and amortisation	-
Interest income	-
Interest expense	-
Income tax expense (income)	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Cosmos Premises Private Limited recognised in the consolidated financial statements.

(₹ in Lakhs)

Particulars	31-Mar-19
Net assets of the Vascon Construction Saga LLP	2.00
Proportion of the Company’s ownership interest in Vascon Construction Saga LLP	76%
Capital Reserve	-
Carrying amount of the Company’s interest inVascon Construction Saga LLP	**1.52**

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

36 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	Particulars	March 31, 2019	March 31, 2018
(i)	Principal amount remaining unpaid to MSME suppliers as on	2.69	4.90
(ii)	Interest due on unpaid principal amount to MSME suppliers as on	9.69	8.53
(iii)	The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	Nil	Nil
(iv)	The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	1.16	1.13
(v)	The amount of interest accrued and remaining unpaid as on	9.69	8.53
(vi)	The amount of interest due and payable to be disallowed under Income Tax Act, 1961	1.16	1.13

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

37 The group enters into “domestic transactions” with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 (‘regulation’). The pricing of such domestic transactions will need to comply with Arm’s length principle under the regulations. These regulations, inter alia, also required the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income tax authorities.

The group has undertaken necessary steps to comply with the regulations. The management is of the opinion that the domestic transactions are at arm’s length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

38 Segment information has been presented in the Annexed Statements as permitted by Indian Accounting Standard (Ind AS) 108 on operating segment as notified under the Companies (Indian Accounting Standards) Rules, 2015.

39 Disclosure of particulars of contract revenue

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Contract Revenue Recognized during the year	28,059.27	24,581.13
Contract costs incurred during the year	20,770.33	18,079.73
Recognized Profit	7,288.94	6,501.40
Advances received for contracts in progress	(3,055.75)	(1,682.57)
Retention money for contracts in progress	3,513.47	2,873.89
Gross amount due from customer for contract work (assets)	9,387.00	5,581.86
Gross amount due to customer for contract work (liability)	1,465.57	2,494.58

40 As per Section 135 of the Companies Act, 2013 (the Act), a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediatelly preceding three financial years on Corporate Social Responsibility (CSR) Activity. A CSR Committe has been formed by the company to undertake CSR activities on 09/11/2016 pursuant to the requirement of the Act.

a. Gross amount required to be spent by the Company during the year - ₹ 15.85 lakhs

b. Amount spent during the year on:

(₹ in Lakhs)

CSR Activities	In Cash	Yet to be paid in cash	Total
	₹	₹	₹
i) Construction/acquisition of any asset	0	0	0
ii) Purpose other than (i) above	12.99	0	12.99

41 The financial statements of subsidiaries, joint ventures and associates used in the consolidation are drawn upto the same reporting dates as of the company.

Following Subsidiaries along with Joint Ventures and Associates have not been audited for the year ended March 31, 2019 as of balance sheet date by other auditors, same have been consolidated on the basis of the accounts as certified by the management.

Mumbai Estate Private Limited (Associate)
GMP Technical Solutions Middle East (FZE)
Marvel Housing Private Limited
Vascon EPC Limited
Vascon Construction Saga LLP

Notes forming part of Consolidated Financial Statements

42 The Company renegotiated the terms with debenture holders and agreed for full and final payment of ₹ 3,865 lakhs towards Zero coupon, rupee denominated unrated unlisted secured non-convertible debentures of ₹ 4,865 lakhs. The terms of debenture deed were earlier negotiated on March 30, 2018 wherein the settlement was agreed at ₹ 5,865 lakhs. Accordingly, the Company paid an instalment of ₹ 1,000 lakhs on April 30, 2018 as per the initially negotiated terms. Subsequent to September 30, 2018, the Company further paid an instalment of ₹ 500 lakhs on October 30, 2018 , ₹ 500 lakhs on November 30, 2018 and ₹ 750 lakhs on January 2019 as per the renegotiated terms and balance outstanding as on March 31,2019 is ₹ 2,114 lakhs

During the Previous financial year, the company renegotiated and agreed for full and final payment of ₹ 5,864 lakhs towards Zero coupon, rupee denominated unrated unlisted secured non convertabe debentures of ₹ 6,861 Lakhs.

43 The Group has applied the modified retrospective approach to its real estate residential contracts that were not completed as of April 1, 2018 and has given impact of adoption of Ind AS 115 by debit to retained earnings as at the said date by Rs. 413 lakhs.

Due to the application of Ind AS 115 for the Year ended March 31, 2019 Revenue from Operations is higher by Rs. 1,011 lakhs (including impact of Ind AS 115 on share of profit from partnership firm, which has also applied modified retrospective approach), Construction Expenses / Cost of materials consumed including cost of land is higher by Rs. 1,024 lakhs and net profit after tax is lower by Rs. 13 Lakhs (Including impact of Ind AS 115 on share of profit from partnership firm, which has also applied modified retrospective approach).

For and on behalf of the Board of Directors

R Vasudevan
Chairman
(DIN-00013519)

Siddharth Vasudevan
Managing Director
(DIN-02504124)

Dr Santosh Sundararajan
Chief Executive Officer

Vibhuti Darshin Dani
Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Date : May 28, 2019
Place : Pune

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Annexure referred to in Note 38 of the notes forming part of consolidated financial statements

Disclosure of particulars of segment reporting as required by Indian Accounting Standard (Ind AS) 108

Information about primary business segments

(₹ in Lakhs)

Particulars	EPC		Real Estate Development		Manufacturing & BMS		Unallocable		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue										
Total Sales including eliminations	28,225.31	24,854.61	8,044.32	7,957.99	16,178.85	20,327.08	-	-	52,448.48	53,139.68
External sales	28,225.31	24,854.61	8,044.32	7,957.99	15,878.80	20,260.79	-	-	52,148.44	53,073.39
Less: Eliminations	-	-	-	-	(300.05)	(66.29)	-	-	(300.05)	(66.29)
Other operating income	-	-	75.51	809.51	-	-	187.54	175.16	263.05	984.66
Total Revenue	28,225.31	24,854.61	8,119.83	8,767.50	16,178.85	20,327.08	187.54	175.16	52,711.53	54,124.35
Result										
Segment result	5,730.31	4,900.05	576.76	1,209.42	(527.12)	14.31	-	-	5,779.95	6,123.77
Unallocated expenditure net of unallocated income							(3,795.28)	(3,873.04)	(3,795.28)	(3,873.04)
Operating profit							(3,795.28)	(3,873.04)	1,984.67	2,250.73
Interest expenses							(2,631.52)	(2,528.18)	(2,631.51)	(2,528.17)
Interest and dividend income							1,072.47	777.87	1,072.47	777.87
Income taxes							102.13	(35.35)	102.13	(35.35)
Profit after tax							(5,252.20)	(5,658.70)	527.76	465.07
Other information										
Segment assets	33,518.07	25,289.29	73,405.23	65,946.08	13,963.49	17,210.64	12,187.08	23,737.13	133,073.87	132,183.14
Segment liabilities	17,434.42	13,493.65	26,718.85	20,189.39	6,763.38	7,734.29	13,133.22	23,959.61	64,049.87	65,376.94
Capital expenditure	692.75	757.59	-	-	498.85	115.84	-	-	1,191.60	873.43
Depreciation and amortization	477.54	481.72	43.47	44.52	524.80	660.70	295.91	244.69	1,341.72	1,431.64

Notes :

The business group/Segment comprise of the following

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

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

Segment assets and liabilities represents assets and liabilities in respective segments. Invetsments, Tax related assets and other assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as “Unallocable”

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

EPC	Vascon Engineers Limited, Vascon EPC Limited, Vascon Saga Constructions LLP
Real Estate Development	Vascon Engineers Limited, Marvel Housing Private Limited, Vascon Value Homes Private Limited
	Almet Corporation Limited, Marathwada Realtors Private Limited
	Ajanta Enterprises, Phoenix Ventures,Mumbai Estate Private Limited, Cosmos Premises Private Limited
Manufacturing & BMS	GMP Technical Solutions Private limited, GMP Technical Servicers (FZE)

VASCON

Vascon Engineers Limited

Registered and Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune - Nagar Road, Pune-411014.

Tel No.: +91 20 3056 2200, **Fax No.:** +91 20 30562600.

Contact Person: Mrs. Vibhuti Darshin Dani, Company Secretary and Compliance Officer

E-mail: compliance.officer@vascon.com, **Website:** www.vascon.com.

Corporate Identity Number: L70100PN1986PLC175750

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of Members of Vascon Engineers Limited will be held at MonarcQ Hall, Royal Orchid Hotels, Opposite Cerebrum IT Park, Kalyaninagar, Pune – 411 014, on Monday,23rd day of September, 2019 at 1100 hours to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:

a) the Audited Financial Statement of the Company for the Financial Year ended March 31, 2019, together with the reports of the Board of Directors and Auditors thereon; and

b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2019 together with reports of Auditors thereon.

2. To appoint a Director in place of Mr. Vasudevan Ramamoorthy (DIN: 00013519), who retires by rotation and being eligible offers himself for re-appointment.

3. TO APPOINT STATUTORY AUDITORS OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 141,142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Sharp & Tannan Associates, Chartered Accountants (Registration No. 109983W), be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 39th Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. RE-APPOINTMENT OF MR. V. MOHAN (DIN:00071517) AS NON-EXECUTIVE INDEPENDENT DIRECTOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Articles of Association of the Company, Mr. V. Mohan (DIN: 00071517), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time in respect of whom Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years from this Annual General Meeting and whose office shall not be liable to retire by rotation".

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto

5. RE-APPOINTMENT OF MR. K. G. KRISHNAMURTHY (DIN: 00012579) AS NON-EXECUTIVE INDEPENDENT DIRECTOR

To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Articles of Association of the Company, Mr. K. G. Krishnamurthy (DIN: 00012579), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time in respect of whom Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years from this Annual General Meeting and whose office shall not be liable to retire by rotation".

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto

6. APPROVAL FOR PAYMENT OF REMUNERATION TO MR. SIDDHARTH VASUDEVAN MOORTHY AS MANAGING DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, approval of the board of directors and subject to the provisions of sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Articles of Association of the Company, approval of the members be and is hereby accorded for payment of remuneration to Mr. Siddharth Vasudevan Moorthy as the Managing Director of the Company w.e.f. 1st April 2018 for a period of five years, by way of salary, perquisites and amenities as given below:

A. Basic Salary: Rs. 15,00,000/- per month in the slab of Rs. 15, 00,000/- to Rs. 25,00,000/-

B. LTA: One Month's Basic Salary

C. Rent Free Furnished Accommodation or housing allowance at the rate of 50% of the Basic Salary per month.

D. Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.

E. Use of Company's Car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.

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

G. Contribution to Provident 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 additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company, including the above remuneration, with liberty to pay such net profits of the Company, in one or more instalments entirely at the discretion of the Board.

FURTHER RESOLVED THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Siddharth Vasudevan Moorthy, the remuneration by way of salary, perquisites, commission or any other allowances as specified above in accordance with the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration for a period not exceeding three years.

FURTHER RESOLVED THAT pursuant to Regulation 17(6)(e)(ii) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, approval of the members be and is hereby for payment of aggregate annual remuneration to Mr. Siddharth Vasudevan Moorthy along with other executive promoter Directors exceeding 5% of net profits of the Company.

FURTHER RESOLVED THAT the terms and conditions with respect to remuneration of the Managing Director may be altered and varied from time to time within aforesaid limit by the Board, in its discretion and as it deems fit.

FURTHER RESOLVED THAT Mrs. Vibhuti Darshin Dani, Company Secretary and Compliance Officer and/or Mr. D. Santhanam, Chief Financial Officer and/or Mr. Santosh Sundararajan, Chief Executive Officer and/or any one Director of the Company be and is hereby authorized to do all necessary things including filing requisite forms with Registrar of Companies, Pune."

7. APPROVAL FOR PAYMENT OF REMUNERATION TO MR. VASUDEVAN RAMAMOORTHY AS WHOLE TIME DIRECTOR(EXECUTIVE CHAIRMAN) OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, approval of the board of directors and subject to the provisions of sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Articles of Association of the Company, approval of the members be and is hereby accorded for payment of remuneration to Mr. Vasudevan Ramamoorthy as the Whole time Director of the Company designated as Executive Chairman w.e.f. 1st April 2018 for a period of five years, by way of salary, perquisites and amenities as given below:

A. Basic Salary: Rs. NIL

B. LTA: Ten Lakhs per year.

C. Suitable Rent Free Furnished Accommodation

D. Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.

E. Use of Company's Car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.

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

FURTHER RESOLVED THAT in addition to the aforesaid salary, the said Executive Chairman be and is hereby entitled to additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company, including the above remuneration, with liberty to pay such net profits of the Company, in one or more instalments entirely at the discretion of the Board.

FURTHER RESOLVED THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Vasudevan Ramamoorthy, the remuneration by way of salary, perquisites, commission or any other allowances as specified above in accordance with the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration for a period not exceeding three years.

FURTHER RESOLVED THAT pursuant to Regulation 17(6)(e)(ii) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, approval of the members be and is hereby for payment of aggregate annual remuneration to Mr. Vasudevan Ramamoorthy along with other executive promoter Directors exceeding 5% of net profits of the Company.

FURTHER RESOLVED THAT the terms and conditions with respect to remuneration of the Executive Chairman may be altered and varied from time to time within aforesaid limit by the Board, in its discretion and as it deems fit.

FURTHER RESOLVED THAT Mrs. Vibhuti Darshin Dani, Company Secretary and Compliance Officer and/or Mr. D. Santhanam, Chief Financial Officer and/or Mr. Santosh Sundararajan, Chief Executive Officer and/or any one Director of the Company be and is hereby authorized to do all necessary things including filing requisite forms with Registrar of Companies, Pune.

8. ACCEPTANCE OF UNSECURED FIXED DEPOSIT

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

"**RESOLVED THAT** pursuant to the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to invite/ accept/ renew from time to time unsecured fixed deposits from members of the Company, on such terms and conditions as the Board of Directors may think proper and beneficial for the Company, up to a limit not exceeding 10% of the aggregate paid-up share capital, free reserves and securities premium account of the Company, as prescribed under Rule 3(4)(a) of the Companies (Acceptance of Deposits) Rules, 2014.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to formulate the Scheme, to file necessary forms and to do compliances as required under the Companies Act, 2013, the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any.

9. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR FINANCIAL YEAR 2017-18, 2018-19 AND 2019-20

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration paid/payable to Ms.Varsha S. Limaye, Cost Accountant, (Firm Registration No. 12358), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18, 2018-19 and 2019-20 amounting to ` 2,50,000 (Rupees Two Lakh Fifty Thousand Only) per annum as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified by the members."

10. TO CONVERT LOAN AVAILED FROM JM FINANCIALS CREDIT SOLUTIONS LTD INTO EQUITY SHARES UPON THE EVENT OF DEFAULT

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62(3) and other applicable provisions of the Companies Act, 2013 including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company for signing the loan agreement, inter alia, containing the following clause of conversion:-

"If the Company defaults in repayment of principal amounts of the Loan of an amount of Rs. 35 crores granted by JM Financial Credit Solutions Ltd ("Loan") or interest thereon or any combination thereof as per the repayment schedule, then, the Lender shall have the right but not the obligation to convert at their option the outstanding amount of loan into fully paid up equity shares of the Company, at par or as per the SEBI guidelines/ Applicable Law and in the manner specified in a notice in writing to be given by the Lender to the Company."

RESOLVED FURTHER THAT the Board of Directors shall take necessary steps for issuing certified copy of the resolution and taking all steps as and when required for acting upon the resolution on occurrence of event of default for conversion of loan of Lender into paid up equity of the company.

Registered and Corporate Office
Vascon Weikfield Chambers
Behind Hotel Novotel, Opposite Hyatt Hotel,
Nagar Road, Pune-411014.
Tel: +91 (20) 30562 100/ 200
Fax: +91 +91 20 30562600.

By order of the board of Directors

Sd/-
Vibhuti Darshin Dani
Company Secretary and Compliance Officer

Place: Pune
Date: August 12, 2019

Notes:

1. The Statement pursuant to section 102(1) of the Companies Act, 2013 in respect of the special business set out in the Notice, is annexed hereto.
2. A member entitled to attend and vote at the AGM 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. The instrument of proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

7. The annual report for the financial year 2018-19 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. www.vascon.com. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2018-19, free of cost, upon sending a request to the Company Secretary.

   In case any member is desirous to receive communication from the Company in electronic form, they may register their email address with their depository participant or send their consent at compliance.officer@vascon.com along with their folio no. and valid email address for registration.

8. Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice. The detailed instructions for e-voting are given as a separate attachment to this notice.

9. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready.

10. Members are requested to kindly bring their copy of the Annual Report with them at the AGM, as no extra copy of Annual Report would be made available at the AGM. Members/proxies should also bring the attached Attendance Slip, duly filled and hand it over at the entrance to the venue.

11. Members are requested to intimate immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar and Transfer Agent, M/s. Karvy Fintech Private Limited if the shares are held by them in physical form.

12. In terms of the Circular No. CIR/MRD/DP/10/2013 dated 21 March 2013 issued by the Securities and Exchange Board of India, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), NEFT, etc. for making cash payments like dividend etc. to the members.

    Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding securities in physical form may send a request updating their bank details, to the Registrar and Transfer Agent, M/s. Karvy Fintech Private Limited.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent, M/s. Karvy Fintech Private Limited.

14. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to the Registrar and Share Transfer Agent (RTA) of the Company. Further, members desirous of cancelling/varying nomination pursuant to the Rule 19 (9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH- 14, to the RTA of the Company. These forms will be made available on request.

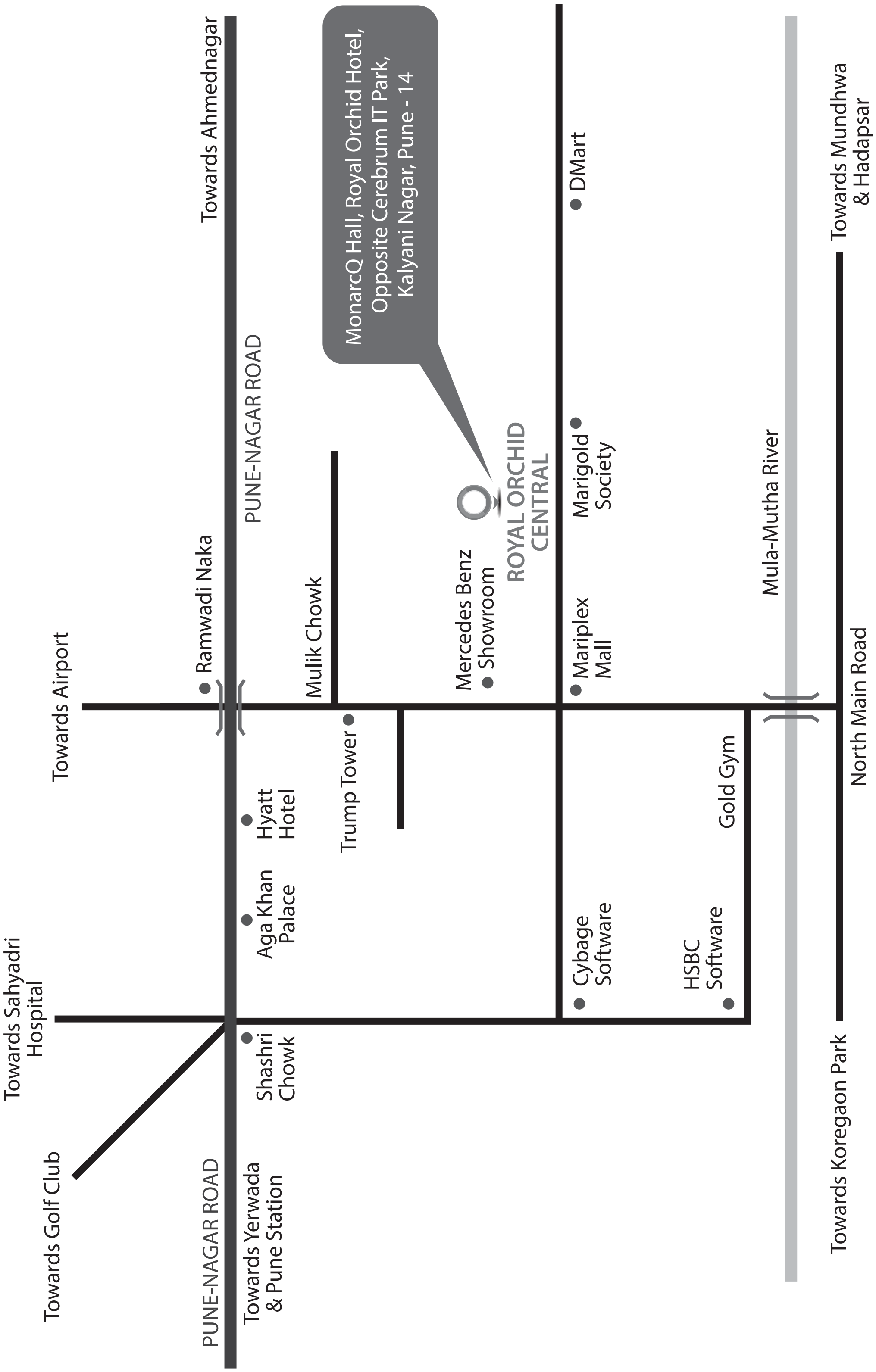
15. All documents referred to in the accompanying Notice and Statement pursuant Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 34th Annual General Meeting of the Company.

By Order of the Board

Place: Pune
Date: August 12, 2019

Vibhuti Darshin Dani
Company Secretary and Compliance Officer

MAP: AGM VENUE



ANNEXURE TO NOTICE OF AGM

ITEM NO. 2

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 26(4) and Regulation 36(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meeting

Particulars	R. Vasudevan	V. Mohan	K. G. Krishnamurthy
Designation	Promoter – Whole Time Director	Non Executive - Independent Director	Non Executive -Independent Director
DIN	00013519	00071517	00012579
Date of Birth	July 26, 1952 (67 years)	May 6, 1951 (68 years)	April 29, 1956 (63 Years)
Date of First Appointment	January 1, 1986	March 6, 2007	June 6, 2006
Qualifications	BE (Civil)	Chartered Accountant	Architect
Resume	Mr. R. Vasudevan holds a bachelor's degree in Civil Engineering from the University of Pune. He has also completed an 'Owner President' Management Program from the Harward Business School. He is responsible for the overall management of our Company. He has over 35 years of experience in the Construction Company.	Mr. V. Mohan is a fellow member of the Institute of Chartered Accountants of India. He is a practising chartered accountant with more than 35 years of experience in the areas of audit and assurance services, company law, tax planning, tax representations and foreign exchange regulations. He is one of the partners with V Sankar Aiyar and Company, Chartered Accountants, where he is a partner..	Mr. K. G. Krishnamurthy is the Managing Director & CEO of HDFC Property Ventures Limited (HPVL). Prior to that, he was employed with HDFC as Senior General Manager -Technical Services. He has advised international and domestic real estate funds having an aggregate corpus of INR 71 billion. He has vast experience of over three decades in real estate and has been widely consulted by the industry on real estate matters. He has offered his services to the Asian Development Bank - to develop a housing package for Project Affected Persons under Karnataka Urban Infrastructure Project and to the USAID to build-up a mortgage market in Sri Lanka. Mr. Krishnamurthy is a graduate from IIT Kharagpur with a Management Degree from Jamnalal Bajaj Institute of Management, Mumbai.
Expertise in Specific Functional Areas	He is instrumental to introduce the JDA model of real estate development and this unique innovation in Real Estate industry has helped the company to grow to this size and stature. The EPC and Real Estate Business requires special skill set for timely execution of projects and monitoring on continuous basis. Mr. R. Vasudevan possesses these special skills due to which the Company has grown tremendously.	Audit and Assurance services, Company Law, Tax Planning, Tax Representations and Foreign Exchange Regulations	Vast experience of over three decades in real estate and has been widely consulted by the industry on real estate matters. He has offered his services to the Asian Development Bank - to develop a housing package for Project Affected Persons under Karnataka Urban Infrastructure Project and to the USAID to build-up a mortgage market in Sri Lanka.
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	1. Vascon EPC Limited 2. Vasumangal Constructions LLP	1. Talbros Automotive Components Limited	1. Ajmera Realty & Infra India Limited 2. Gruh Finance Limited 3. New Consolidated Construction Company Limited 4. HDFC Investments Ltd 5. HDFC Venture Capital Limited 6. Shriram Properties Ltd

Memberships / Chairmanships of committees of other public companies	**Vascon Engineers Ltd** 1. Audit Committee: Member 2. Stakeholders Relationship Committee : Member 3. Corporate Social Responsibility Committee : Chairman 4. Debentures Allotment Committee : Member Any other Company: **NIL**	**Vascon Engineers Limited** 1. Audit Committee: Member 2. Nomination and Remuneration Committee: Member 3. Stakeholders Relationship Committee: Member 4. Corporate Social Responsibility: Member **Talbros Automotive Components Limited** 1. Audit Committee: Chairperson 2. Stakeholders Relationship Committee: Member 3. Nomination and Remuneration Committee: Member	**Vascon Engineers Limited** 1. Audit Committee: Member 2. Nomination and Remuneration Committee: Chairman 3. Stakeholders Relationship Committee: Chairman **Gruh Finance Ltd:** 1. Stakeholders Relationship Committee: Member **HDFC Investment Ltd:** 1. Audit Committee: Member 2. Corporate Social Responsibility: Member 3. Nomination and Remuneration Committee: Member **New Consolidated Construction Company Ltd:** 1. Audit Committee: Member 2. Remuneration Committee: Member **Shriram Properties Limited:** 1. Stakeholders Relationship Committee: Chairman 2. Nomination and Remuneration Committee: Member **HDFC Venture Capital Limited:** 1. Corporate Social Responsibility: Member
Number of shares held in the Company (as on August 12, 2019)	42428701	NIL	NIL
Remuneration	10.00 lakhs p.a.	Being a Non-Executive Independent Director he receives remuneration by way of sitting fees for attending meetings of the Board	Being a Non-Executive Independent Director he receives remuneration by way of sitting fees for attending meetings of the Board
Terms of Appointment / Reappointment	Appointed for a period of five years from 1.4.2018	He was first appointed as Director on March 06, 2007 and later he was appointed as Independent Director. He is proposed to be reappointed as Independent for further period of 5 years.	He was first appointed as Director on June 21, 2006 and later he was appointed as Independent Director. He is proposed to be reappointed as Independent for further period of 5 years.
Relationship with other Directors	He is the father of Mr.Siddharth Vasudevan Moorthy and Ms. Sowmya Vasudevan Moorthy	NIL	NIL

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 3 to 10 of the accompanying Notice dated August 12, 2019

Item no 3:

In accordance with the provisions of Companies Act, 2013 read with Rules, appointment of Statutory Auditor requires approval of members. Based on the recommendation of Audit Committee, the Board of Directors have proposed appointment of M/s Sharp & Tannan Associates, Chartered Accountants as Statutory Auditor for a period of 5 years in place of M/s Deloitte Haskins & Sells LLP pursuant to Section 139 of the Companies Act, 2013 and rules framed thereunder, which makes it mandatory for rotation of Statutory Auditors.

The appointment of M/s Sharp & Tannan Associates, Chartered Accountants shall be effective from the conclusion of 34th AGM for a period of 5 years.(i.e. conclusion of 39th Annual General Meeting)

The proposed fee payable to the Statutory Auditor : Fourty Five lakhs plus applicable taxes. The revised fees is based on the fees structure of Incoming Auditor based on estimated time to be spent on Audit.

Considering the credentials and knowledge of the Auditor, Board finds their appointment suitable for the Company.

The brief profile of M/s Sharp & Tannan is as under:

M/s Sharp & Tannan Associates was constituted on1st July, 1976 having firm registration no as FRN 109983W. The headquarters of the firm is at Mumbai. It has group offices at Pune, Baroda, Ahmedabad, Goa, Bangalore, Hyderabad, Chennai, New Delhi, and Kolkatta.

The core area of practice is Statutory Audit, Internal Audit, Tax Audit, Enterprise Risk Advisory, Legal Compliance Management System, Transaction Advisory etc.

None of the Directors or Key Managerial Personnel of the Company or any of their relatives are in anyway, concerned or interested, financially or otherwise in the said resolution except to their holding in the Fixed Deposits of the Company.

The Board recommends the Resolution at Item No. 3 for approval by the Members.

Item No.4:

At the Annual General Meeting of the Company held on September 15, 2014, the members of the Company had appointed Mr. V. Mohan (DIN: 00071517) as Independent Director of the Company to hold office upto the conclusion of 34th Annual General Meeting of the Company.

Brief profile of Mr. V Mohan and information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of re-appointment of Mr. V Mohan is mentioned in Annexure which forms part of this notice.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of performance evaluation, has recommended re-appointment of Mr. V. Mohan as an Independent Director for a second term of 5 (five) years, on the Board of the Company.

The Board based on performance evaluation and as per the recommendation of Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. V. Mohan would be beneficial to the Company and it is desirable to continue his services as an Independent Director of the Company not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

The Company has received declaration from Mr. V Mohan to the effect that he meets the criteria of independence as provided under section 149(6) of Companies Act, 2013 read with rules framed thereunder and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. V Mohan is not debarred or disqualified from being appointed or continuing as Director of the Company by Securities Exchange Board of India (SEBI)/ Ministry of Corporate Affairs (MCA) or any other Statutory Authority.

In the opinion of the Board, Mr. Mohan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Mr. Mohan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company on any working excluding Saturday and Sunday. The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. V. Mohan as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. V. Mohan as an Independent Director, for the approval by the shareholders of the Company. Except Mr. V. Mohan, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 4.

Item No.5:

At the Annual General Meeting of the Company held on September 15, 2014, the members of the Company had appointed Mr. K. G. Krishnamurthy (DIN: 00012579) as Independent Director of the Company to hold office upto the conclusion of 34th Annual General Meeting of the Company.

Brief profile of Mr. K. G. Krishnamurthy and information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of re-appointment of Mr. K. G. Krishnamurthy is mentioned in Annexure which forms part of this notice.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of performance evaluation, has recommended re-appointment of Mr. K. G. Krishnamurthy as an Independent Director for a second term of 5 (five) years, on the Board of the Company.

The Company has received declaration from Mr. K. G. Krishnamurthy to the effect that he meets the criteria of independence Director as provided under section 149(6) of Companies Act, 2013 read with rules framed there under and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. K. G. Krishnamurthy is not debarred or disqualified from being appointed or continuing as Director of the Company by Securities Exchange Board of India (SEBI)/ Ministry of Corporate Affairs (MCA) or any other Statutory Authority.

The Board based on performance evaluation and as per the recommendation of Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. K. G. Krishnamurthy would be beneficial to the Company and it is desirable to continue his services as an Independent Director of the Company not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

In the opinion of the Board, Mr. K. G. Krishnamurthy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Mr. K. G. Krishnamurthy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company on any working excluding Saturday and Sunday. The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. K. G. Krishnamurthy as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. K. G. Krishnamurthy as an Independent Director, for the approval by the shareholders of the Company. Except Mr. K. G. Krishnamurthy, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 5.

Item No.6 and 7:

The shareholders appointed Mr. Siddharth Vasudevan Moorthy and Mr. Vasudevan Ramamoorthy as Managing Director and Executive Chairman respectively of the Company and approved their remuneration with effect from April 01, 2018 for a period of five years, at the 33rd Annual General Meeting held on 17 September 2018. There was inadequacy of profits during financial year 2018-19 in respect of the payment of remuneration to Mr. Siddharth Vasudevan Moorthy and Mr. Vasudevan Ramamoorthy as approved by the shareholders at the 33rd Annual General Meeting. The situation of inadequacy of profits/or loss cannot be ruled out in the subsequent financial years during the currency of tenure of Mr. Siddharth Vasudevan Moorthy and Mr. Vasudevan Ramamoorthy as Managing Director and Executive Chairman respectively of the Company. Hence the Board of the Company thought it fit for complying with the relevant provisions of Section II of Part II of Schedule V to the Companies Act 2013 for payment of remuneration to a managerial person whenever there is a loss or inadequate profit by passing a special resolution and making necessary disclosures.

As per regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, approval of the shareholders by special resolution in a general meeting would be required if the annual remuneration (fees or compensation) exceeded the limits prescribed under that regulation. Since the remuneration to be paid to Mr. Siddharth Vasudevan Moorthy and Mr. R Vasudevan (both executive directors who are promoters of the Company) is exceeding five per cent of the net profits of the Company, the Board of the Company thought it fit and appropriate to seek the approval of the shareholders by passing a special resolution.

Information as required under clause (iv) of the second proviso under item (B) of Section II of Part II of Schedule V to the Act:

I. General information:

(1) Nature of industry: EPC and Real Estate Industry

(2) Date or expected date of commencement of commercial production: working for more than 30 years

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA

(4) Financial performance based on given indicators: Excellent, The turnover and gross profit for 2018-19 was:

Turnover: 36,345.15 Lakhs and Gross Profit : 1419.06 Lakhs

(5) Foreign investments or collaborations, if any.NA

II. Information about the appointee:

(1) Background details:

a. **Mr. Siddharth Vasudevan Moorthy** (Age: 33 Years) is a Diploma holder from Pune University. He has completed his Graduation in Bachelor of Applied Science in Construction Management with Honors from Singapore Institute of Management and Royal Melbourne Institute of Technology. With his meticulous approach and enhanced experience of more than ten years in the areas of Project Execution, Quality, Technology, Process IT, Customer Relationship Management, Engineering Design and many other facets of the business, he has spearheaded the organizational growth. His steady work conviction& vision continues to drive the organization into a leadership position in the real estate and construction business. He has been conferred with Times of India – Real Estate Icons of Pune – Mr. Siddharth Vasudevan Moorthy and Femina Pune's Most powerful 2018-19 awards.

He was first appointed on the Board on 29th March, 2018.

He has attended 6 Meetings of the Company held during the Financial Year ended March 31, 2019. He holds 700294 shares as on March 31, 2019.

He is also a Director on the Board of

1. GMP Technical Solutions Private Limited.
2. Vascon EPC Ltd
3. Ecostruct Contractors Private Limited

He is also a Member in Audit, Nomination and Remuneration Committee of GMP Technical Solutions Private Limited.

b. **Mr. Vasudevan Ramamoorthy:** Mr. R. Vasudevan (Age: 67 years) holds a bachelor's degree in Civil Engineering from the University of Pune. He has also completed an 'Owner President' Management Program from the Harward Business School. He has been a Promoter Director on the Board of the Company since January 1, 1986. He is responsible for the overall management of our Company. He has over 35 years of experience in the Construction Company.

Mr. R Vasudevan has been instrumental in bringing the company from scratch to the position of eminence over the last 30 years. He has been our director since January 1, 1986. He is instrumental to introduce the JDA model of real estate development and this unique innovation in Real Estate industry has helped the company to grow to this size and stature. The EPC and Real Estate Business requires special skill set for timely execution of projects and monitoring on continuous basis. Mr. R. Vasudevan possesses these special skills due to which the Company has grown tremendously. The Nomination and Remuneration Committee has recommended appointment of Mr. R. Vasudevan as Executive Chairman of the Company on March 29, 2018 and the Board also has approved the same on March 29, 2018

He has been awarded several awards for his contribution in the field of construction and Real Estate Industry. 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) honoured and felicitated Mr. R. Vasudevan as a distinguished alumni. He has also been felicitated with Life Time Achievement Award of the Year at 9th Realty Plus Award Event. He was also conferred Real Estate Achiever Award of the Year Award from Realty Leaders Summit & Awards 2018.

He has attended 5 Meetings of the Company held during the Financial Year ended March 31, 2019. He holds 41897701 shares as on March 31, 2019.

He is also a Director on the Board of

1. Vascon EPC Ltd
2. Ascent Hotels Private Limited
3. Uday Gujar Foundation
4. Vasumangal Constructions LLP

He is also a Member in Audit, Stakeholders Relationship Committee, Corporate Social Responsibility Committee of Vascon Engineers Ltd.

He doesn't hold membership in any other committees of other Companies.

(2) Past remuneration:

a. The remuneration of **Mr. Siddharth Vasudevan Moorthy** is as under:

A. Basic Salary: Rs. 15,00,000/- per month in the slab of Rs. 15, 00,000/- to Rs. 25,00,000/-

B. LTA: One Month's Basic Salary

C. Rent Free Furnished Accommodation or housing allowance at the rate of 50% of the Basic Salary per month.

D. Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.

E. Use of Company's Car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.

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

G. Contribution to Provident Fund and payment of Gratuity, other retirement benefits and leave encashment as per the Rules of the Company.

In addition to the aforesaid salary, the said Managing Director be and is hereby entitled to additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company.

b. The remuneration of **Mr. Vasudevan Ramamoorthy** is as under:

i. Basic Salary: NIL

ii. LTA: Rs. 10,00,000 per year.

iii. Suitable Rent Free Furnished Accommodation

iv. Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.

v. Use of Company's Car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax

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

In addition to the aforesaid salary, the said Executive Chairman be and is hereby entitled to additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company.

(3) Recognition or awards: The Company has won several prestigious awards in the field of Construction, Real Estate. Projects. The details of the same are covered in Directors Report.

(4) Job profile and his suitability:

a. **Mr. Siddharth Vasudevan Moorthy**, Managing Director of the Company has meticulous approach and enhanced experience of more than ten years in the areas of Project Execution, Quality, Technology, Process IT, Customer Relationship Management, Engineering Design and many other facets of the business, he has spearheaded the organizational growth. He is responsible for overall management of the Company.

b. **Mr. Vasudevan Ramamoorthy**, Whole Time Director of the Company with his enriched experience in construction industry has guided overall growth of the Company for more than 3 decades.

In the present complex and challenging business environment, there is a continuing need to formulate competitive strategies and review the business on ongoing basis. This necessitates his involvement for strategic directions.

(5) Remuneration proposed: There is no change in the terms of appointment and remuneration of the above mentioned Managerial Personnel as was approved by the Members at the 33rd AGM. The approval is sought as required under the Companies (Amendment) Act, 2017 applicable w.e.f. 12 September 2018.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): The executive remuneration in the Industry has increased manifold. The Nomination and Remuneration Committee of Directors of the Company constituted by the Board in terms of the Act and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, perused remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of aforesaid Managerial Personnel and other relevant factors while determining their remuneration at the time of their appointments in 2018.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Mr. Siddharth Vasudevan Moorthy is the promoter and Executive Director of the Company. Mr. Siddharth Vasudevan Moorthy is the son of Mr. Ramamoorthy Vasudevan and brother of Ms. Sowmya Vasudevan Moorthy. Apart from this, he is not related to any other Director and Key Managerial Personnel of the Company, as defined under the Act.

III. Other information:

(1) Reasons of loss or inadequate profits: Mr. Siddharth Vasudevan Moorthy and Mr. Vasudevan Ramamoorthy were given the remuneration within the prescribed limits but due to subdued market conditions coupled with rise in costs on account of various external factors, net profit of the Company witnessed decline resulting in the profits of the Company being inadequate for the payment of the remuneration payable to Mr. Siddharth Vasudevan Moorthy, Managing Director and Mr. Vasudevan Ramamoorthy, Executive Chairman as per their terms of appointment.

(2) Steps taken or proposed to be taken for improvement: Various steps has been taken by the Company for improving liquidity eg. number of EPC contracts, new projects launched under Real Estate Regulatory Authority.

(3) Expected increase in productivity and profits in measurable terms: The Company experts to grow more than in double digits in the next few years.

IV. Disclosures:

The following disclosures are also mentioned in the under the Corporate Governance Report attached to the financial statement:

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc.of all the directors:

(ii) Details of fixed component and performance linked incentives along with the performance criteria:

(iii) Service contracts, notice period, severance fees:

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Vasudevan Ramamoorthy, Mr. Siddharth Vasudevan Moorthy and Ms. Sowmya Vasudevan Moorthy are concerned or interested, financially or otherwise in the resolution set out in Item no. 6 & 7 of the Notice. Mr. Siddharth Vasudevan Moorthy is the Son of Mr. R. Vasudevan and brother of Ms. Sowmya Moorthy.

The Board commends the Special Resolution set out at Item No. 6 and 7of the Notice for approval by the members.

Item No.8:

By virtue of Section 73 read with the Companies (Acceptance of Deposits) Rules, 2014, approval of members by way of ordinary resolution is a prerequisite to accept or renew unsecured fixed deposit by your Company and thus member's approval is sought for accepting unsecured deposit from members. Further the Companies Act, 2013 provides that the deposits raised in terms of provisions of the previous Act shall be repaid as per the term of respective deposit, which is being complied by your Company.

None of the Directors or Key Managerial Personnel of the Company or any of their relatives are in anyway, concerned or interested, financially or otherwise in the said resolution except to their holding in the Fixed Deposits of the Company.

The Board recommends the Resolution at Item No. 8 for approval by the Members.

Item No.9:

In accordance with the provisions of Section 148 of the Companies Act and the Company (Audit and Auditors) Rules, 2014 as amended from time to time, the Company is required to appoint a cost auditor to audit the cost records of the Company.

On the recommendation of the Audit Committee, Board of Directors have approved appointment of Ms. Varsha Limaye, Cost Accountant as Cost auditor of the Company for the F.Y. 2017-18, F.Y. 2018-19 and F.Y. 2019-20 at a remuneration of Rs. 250,000/-(Rupees Two Lakhs Fifty Thousand Only) per annum plus applicable tax. In accordance with the provisions of Section 148 of the Companies Act read with the Company (Audit and Auditors), Rules, 2014, the remuneration of the cost auditor is required to be ratified by the members subsequently in accordance with the provisions of the Act and Rules. Accordingly ratification by the members is sought for the remuneration paid/payable to the Cost Auditor for the respective financial years.

None of the Directors or Key Managerial Personnel of the Company or any of their relatives are in anyway, concerned or interested, financially or otherwise in the said resolution.

The Board recommends the Resolution at Item No. 9 for approval by the Members.

Item No. 10:

In terms of provisions of section 180(1)(c) of the Companies Act, 2013 shareholders of the Company have accorded approval to the Board of Directors of the Company to borrow money upto Rs. 1000 Crores by passing a special resolution in the Annual General meeting of the Company held on September 29, 2015.

In line with regulatory changes in the recent past and pursuant to section 62(3) of the Companies Act, 2013 and other applicable provisions & rules framed thereunder, Company has been advised to pass special resolution to enable banks/Financial Institutions (hereinafter referred to as Lender's) to convert the outstanding principal and interest into Equity shares at the option of lenders upon such terms and conditions as may be deemed appropriate by Board and at a price determined in accordance with SEBI (Regulations) applicable at the time of conversion.

Accordingly, Board recommends the resolution to enable the lenders in terms of Lending Arrangements entered to convert outstanding amount of loan into Equity Shares

As per the Loan Agreement executed with Lenders, Lenders shall have right to convert outstanding amount of Loan into Equity shares in the event of default i.e. Event of Default in payment of Principal or Interest.

Section 62(3) of the Companies Act, 2013, requires to obtain the approval of shareholders by special resolution, for the conversion of the loan (including interest thereon) into equity shares of the company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financial or otherwise in the above resolution except to the extent of their respective share holding in the Company to the same extent as that of every other member of the Company.

The Board recommends the Resolution at Item No. 10 for approval by the Members.

Registered and Corporate Office
Vascon Weikfield Chambers,
Behind Hotel Novotel, Opposite Hyatt Hotel
Nagar Road, Pune-411014.
Tel: +91 (20) 30562 100/ 200
Fax: +91 +91 20 30562600.

Place: Pune
Date: August 12, 2019.

By order of the board of Directors

Vibhuti Darshin Dani
Company Secretary and Compliance Officer

Notes

VASCON

Vascon Engineers Limited

Registered and Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune - Nagar Road, Pune-411014.
Tel No.: +91 20 3056 2200, **Fax No.:** +91 20 30562600.
Contact Person: Mrs. Vibhuti Darshin Dani, Company Secretary and Compliance Officer
E-mail: compliance.officer@vascon.com, **Website:** www.vascon.com.
Corporate Identity Number: L70100PN1986PLC175750

ATTENDANCE SLIP

Folio No./DP ID and Client ID:
No. of Shares:

Name and address of First/Sole Member: ______________________________

____

I, hereby record my presence at the 34th Annual General Meeting of the Company to be held on Monday, 23rd day of September, 2019 at 1100 hours at MonarcQ Hall, Royal Orchid Hotels,Opposite Cerebrum IT Park, Kalyaninagar, Pune – 411 014

______________________________ ______________________________

Name of the Member/Proxy (Block Letters) Signature of the Member/Proxy

Notes:

a. Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting
b. Member/Proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
c. Member/Proxy should bring his/her copy of the Annual Report for reference at the meeting.

VASCON

Vascon Engineers Limited

Registered and Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune - Nagar Road, Pune-411014.

Tel No.: +91 20 3056 2200, **Fax No.:** +91 20 30562600.

Contact Person: Mrs. Vibhuti Darshin Dani, Company Secretary and Compliance Officer

E-mail: compliance.officer@vascon.com, **Website:** www.vascon.com.

Corporate Identity Number: L70100PN1986PLC175750

Form No. MGT-11 **PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Day, Date & Time **:** Monday, 23rd September, 2019 at 1100 hours

Venue of the Meeting: MonarcQ Hall, Royal Orchid Hotels,Opposite Cerebrum IT Park, Kalyaninagar, Pune – 411 014

Please fill attendance slip and hand it over at the entrance of the meeting venue

Name	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No	

*Applicable for investors holding shares in Electronic form.

I/We, being the member(s) of Vascon Engineers Limited, as my/our Proxy to attend vote (for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on September 23, 2019 at 11.00 hours and at any adjournment thereof) in respect of such resolutions as are indicated below;

1) ______________________of ______________________ having e-mail id ______________________ or failing him

2) ______________________of ______________________ having e-mail id ______________________ or failing him

3) ______________________of ______________________ having e-mail id ______________________

** I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Affix Revenue Stamp

Signature of Member

Signature of 1st proxy holder

Signature of 2nd proxy holder

Signature of 3rd proxy holder

Sr. No.	Resolutions	No. of Shares Held	For	Against	Abstain
1.	Consider and adopt: a. Audited Financial Statement, Reports of the Board of Directors and Auditors b. Audited Consolidated Financial Statement				
2.	To appoint a Director in place of Mr. Vasudevan Ramamoorthy (DIN: 00013519), who retires by rotation and being eligible offers himself for re-appointment.				
	SPECIAL BUSINESS:				
3.	To appoint Statutory Auditors of the Company				
4.	Re-appointment of Mr. V. Mohan (DIN:00071517) As Non-Executive Independent Director				
5.	Re-appointment of Mr. K. G. Krishnamurthy (DIN: 00012579) As Non-Executive Independent Director				
6.	Approval for Payment of Remuneration to Mr. Siddharth Vasudevan Moorthy as Managing Director of the Company				
7.	Approval for payment of Remuneration to Mr. Vasudevan Ramamoorthy as Whole Time Director(Executive Chairman) of the Company				
8.	Acceptance of Unsecured Fixed Deposit				
9.	Ratification of Remuneration of Cost Auditor for F.Y. 2017-18, 2018-19 and 2019-20				
10.	To convert Loan availed from JM Financials Credit Solutions Ltd into equity shares upon the Event of Default				

** This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the “For” or “Against” column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write “Abstain” across the boxes against the Resolution.

____

Signature (s) of Member(s)

Notes:

1. The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns “For” or “Against” as appropriate.
7. Appointing a proxy doesn’t prevent a member from attending a meeting in person if he/she wishes. When a member appoints a proxy and both member and proxy attend the meeting, proxy will stand automatically revoked.
8. Undated proxy forms will not be considered.

Notes

Notes

VASCON

Registered & Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune-Nagar Road, Pune - 14.

Tel.: +91 20 3056 2100/200/300 I **Fax:** +91 20 3056 2600 I **Web:** www.vascon.com I **CIN:** L70100PN1986PLC175750