

September 04, 2021

To,
National Stock Exchange of India Limited,
 Listing Department,
 Exchange Plaza,
 Bandra (E), Mumbai – 400 051

To,
BSE Limited,
 The Department of Corporate Services
 Phiroze Jeejeebhoy Towers, Dalal Street,
 Mumbai 400 001

Ref Symbol: **VASCONEQ**

Ref: **Scrip Code: 533156**

Dear Sir/Madam,

Subject: Notice of Annual General Meeting and Annual Report for Financial Year 2020-21

This is further to our letter dated September 01, 2021, where in the Company had informed that the 36th Annual General Meeting (AGM) of the Company is scheduled to be held on Tuesday, September 28, 2021 at 1130 hours in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

In terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice of the ensuing 36th AGM of the Company and the Annual Report for the year ended March 31, 2021 as circulated to the shareholders through electronic mode today.

The said Notice and Annual Report are also placed on the Company's website at <https://www.vascon.com/investors/annual-reports>

The Company has fixed Tuesday, September 21, 2021 as the cut-off date for the purpose of determining the members eligible to vote on all resolutions set out in the notice.

Brief Details about the 36th Annual General Meeting is as under:

Date and Time of AGM	Tuesday, 28 th September, 2021 at 1130 hours
Mode	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")
Web-link for participation through video conferencing	https://emeetings.kfintech.com
Cut-off date for e-voting	Tuesday, September 21, 2021
E-voting start date and time	Friday, September 24, 2021 9:00 AM (IST)
E-voting end date and time	Monday, September 27, 2021 5:00 PM (IST)
E-voting website	https://evoting.kfintech.com https://www.evoting.nsdl.com www.cdslindia.com

This is for your information and records.

For **Vascon Engineers Limited**



Vibhuti Dani
Company Secretary and Compliance Officer

THE POWER OF DESIGN AND BUILD

36th Annual Report 2020-21



VASCON


VASCON
Vascon Engineers Limited
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CORPORATE INFORMATION**Board of Directors****Mr. R. Vasudevan (w.e.f. 01.06.2021)**

Chairman Emeritus

Mr. V. Mohan

Chairman and Independent Director

Mr. Siddharth Vasudevan Moorthy

Managing Director

Dr. Santosh Sundararajan (w.e.f. 31.05.2021)

Whole Time Director and Group Chief Executive Officer

Mrs. Sowmya Aditya Iyer

Non Executive Director

Mr. K.G. Krishnamurthy

Independent Director

Mr. Mukesh Malhotra

Independent Director

Key Managerial Personnel**Dr. Santosh Sundararajan**

Chief Executive Officer

Mrs. Vibhuti Darshin Dani

Company Secretary and Compliance Officer

Mr. Somnath Biswas

Chief Financial Officer

Committees of Board of Directors**Audit Committee****Mr. V. Mohan**, Chairman**Mr. K. G. Krishnamurthy**, Member**Mr. Siddharth Vasudevan Moorthy**, Member**Mr. Mukesh Malhotra**, Member**Nomination & Remuneration Committee****Mr. K. G. Krishnamurthy**, Chairman**Mr. V. Mohan**, Member**Mrs. Sowmya Aditya Iyer**, Member**Mr. Mukesh Malhotra**, Member**Stakeholders Relationship Committee****Mr. K. G. Krishnamurthy**, Chairman**Mr. Siddharth Vasudevan Moorthy**, Member**Mr. V. Mohan**, Member**Mr. Mukesh Malhotra**, Member**Corporate Social Responsibility Committee****Mr. Siddharth Vasudevan Moorthy**, Chairman**Mr. V. Mohan**, Member**Mrs. Sowmya Aditya Iyer**, Member**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.

Website: www.vascon.com**CIN:** L70100PN1986PLC175750**Major Branch Locations****Uttar Pradesh**

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

Chennai

No. 81, Manokaran Street, South Boag Road,
T. Nagar, Chennai - 600017

Mumbai

Neelkanth Business Park, 'C' Wing
502, 5th Floor, Near Vidhyavihar, Bus Stop,
Nathani Road, Vidyavihar ONest), Mumbai 400 086.

Goa

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

Coimbatore

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

Registrar & Share Transfer Agents**KFIN Technologies Private Limited**

Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District
Nanakramguda, Hyderabad 500032, Telangana, India
Toll free no. 1800-309-40001

Listed on

National Stock Exchange of India Limited (NSE)
BSE Limited (BSE)

Bankers & Lenders

State Bank of India
Union Bank of India
Kotak India Real Estate Fund-IX
ICICI Home Finance Company Ltd
JM Financial Credit Solutions Ltd
SBICAP Trustees Company Ltd
CSB Bank Ltd

Legal Advisors

M/s. Hariani & Company

Statutory Auditors

Sharp & Tannan Associates
Chartered Accountants
(FRN 109983W)
802, Lloyed Chambers, Dr. Ambedkar Road,
Opp. Ambedkar Bhavan, Pune-411 011

Tel +91 20 2605 2202

Fax +91 22 2605 2203

Email ID: pune.office@sharp-tannan.comWebsite: www.sharp-tannan.com

MESSAGE FROM CHAIRMAN EMERITUS



Dear Members,

I would not be wrong to say that events over the last one year have been unprecedented and, in many ways, disturbing. But each one of you has stood up to this crisis and shown exceptional attributes in shaping the metamorphosis of your Company.

Given this background, it is my pleasure to address you all on behalf of Vascon Engineers Limited on the closure of financial year 2020-21 of your company. India has showed tremendous potential in combating the pandemic, and the Indian economy has rebounded well in the second part of the current fiscal year.

The global economy have faced challenges in fiscal 2020-21 as a result of pandemic-related uncertainty. It was a 'tale of two halves,' with a steep decline in economic activity in the first half, followed by an impressive sequential rebound in the second half. The combination of fiscal and monetary measures by the Government and RBI announced in the early part of the year coupled with stellar Union Budget aided in not only softening the economic blow, but it also boosted consumer and industry confidence.

The construction sector faced multiple headwinds in terms of labour unavailability due to covid-19 induced disruption at the beginning of the year. However, phased unlocking process along with various slew of measures announced by the

Government aided in recovery in the second half of the fiscal year. The COVID-19 led crisis adversely affected economic growth, thus, the infrastructure sector growth is critical to ensure that the economy remains buoyant and the nation re-embark on the growth path of becoming a USD 5 trillion economy by 2025. The government's various policy measures to provide decisive impetus to all-around infrastructure development and aid economic recovery. Rapid urbanization, government-led infrastructure, smart cities, housing, healthcare, transportation, coupled with various policy reforms, increasing foreign investor spend and shared economy model to be the key drivers fuelling the overall growth in Indian Construction and Real Estate Industry. With strong track record of execution of EPC projects across verticals while maintaining high quality standards, Vascon is all set to capitalize on the growth opportunity ahead.

During these trying time, your Company's key focus was on resumption and scaling-up of execution while strengthening the balance sheet. We are happy to share, despite challenging times, we have made Debt repayment of Rs. 41 crores, with this now our Total Gross Debt at Rs. 214 crores as against Rs. 255 crores as on March'20, reflecting our commitment towards de-leveraging our balance sheet to improve the cash flow of the Company.

On execution front, our relentless focus was on resumption and scaling up of execution, during the financial year 2020-21, your Company witnessed month-on-month improvement in the execution levels. Our execution run-rate has improved from Rs. 93 crores in Q2FY21 to Rs. 135 crores in Q4FY21, which is the highest-ever run-rate for the quarter, enabling us to recover deficient incurred during the first half of the fiscal, resulting in delivering top-line similar to previous fiscal.

During the year, your Company received orders worth Rs. 584 crores with this total order book stands at Rs. 2,109 crores including internal EPC orders from real estate launches of Rs. 90 Crores; forming a healthy Order Book of 7x FY21 EPC revenues. Conscious efforts towards increasing government orders are reaping results, the share of Government orders improved to ~85% of the total order book as compare to ~15% in FY2019, providing visibility of faster execution while ensuring uninterrupted cash flow. The order book of the company remains robust providing strong visibility of EPC revenue growth for next 2-3 years.

On Real Estate Business, as the economy gradually moves towards recovery, the residential real estate sector also started witnessing positive momentum on the back of various

measures taken by the government. Pune & Mumbai market registered the significant improvement in the second half of FY21 primarily on account of, stable prices, low interest rates, reduction in stamp duty and government sops. The impact of Covid-19 was limited due to lower levels of unsold inventory. During the Financial year 2020-21, your Company intensified its focus on the liquidation of the unsold inventory. In FY21, your Company undertook new sale booking of 120,613 square feet amounting to a total sales value of Rs. 120 Crores, ably supported by the strong sales. The Company remains committed to excellence and delivering value for money to its customers at the core, we have a strong real estate launch pipeline of ~1.3 million square feet amounting to total sales value of Rs. 790 crores over next 2 years. Your Company continues to adopt a cautious approach towards the launch of new projects, we continue to monitor the market very closely and feel that time is not far away for pent up demand to catch up and your company is gearing up to exploit this opportunity.

Your Company remains to focus on accelerating the execution of the order book, ably supported by the robust order book, leading to better capacity utilization and better margin for EPC business going forward. With potential and proficient team your

Company will be able to withstand the storm and up-rise strong towards the success. The company's strong roots will enable it to re-gain the momentum and shine towards the growth path.

I would like to take this opportunity to thank our employees, management team and Board of Directors who have worked hard to see the current transformation.

As you know, I have stepped out of the Board but am continuing to be Chairman Emeritus and will play a mentoring role in seeing through the steps taken to bring your Company to its past glory.

I want to place on record my sincere appreciation to all our shareholders and other stakeholders for your continued faith, trust, encouragement and support. I will oversee and mentor the young team so that in the next couple of years, Company rewards all shareholders and stakeholders.

Thank You

R. VASUDEVAN

REPORT OF BOARD OF DIRECTORS

Dear Members,

On behalf of the Board of Directors ('the Board'), it is our pleasure to present the 36th Annual Report of the Company alongwith the Audited Financial Statements (standalone and consolidated) and Auditors Report for the Financial Year ended March 31, 2021.

CIRCULATION OF ANNUAL REPORTS IN ELECTRONIC FORM

The Ministry of Corporate Affairs ("MCA") through circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 read with Securities Exchange Board of India ("SEBI") Circulars dated May 12, 2020 and January 15, 2021 have provided an option to companies to conduct Annual General Meeting ("AGM") during the calendar year 2021 through Video Conferencing or Other Audio Visual Means ("VC/OAVM") and send the financial statements including Directors Report, Auditors Report and other documents attached therewith through email. Accordingly, this report is being sent through electronic mode to those shareholders whose email addresses are registered with the Company's, Registrar and Share Transfer Agent viz KFin Technologies Private Limited/ Depository Participants.

1. Financial Highlights

Table 1 gives the financial highlights of the Company for FY2021 as compared to the previous financial year, on consolidated and standalone basis.

(Rs.in lakhs)

Particulars	Consolidated		Standalone	
	FY2021	FY2020	FY2021	FY2020
Net Sales /Income from Business Operations	50577.16	52091.58	35722.68	36599.59
Other Income	1241.07	1996.86	1123.00	1723.99
Total Income	51818.23	54088.44	36845.68	38323.97
Profit /(loss)before Interest and Depreciation	(98.27)	7386.35	(514.38)	6230.49
Less Interest	2680.35	1905.36	2451.33	1551.48
Profit /(loss)before Depreciation	(2778.62)	5480.99	(2965.71)	4679.01
Less Depreciation and amortization	1208.05	1498.63	721.61	864.55
Profit / (loss) after depreciation and Interest	(3986.67)	3982.36	(3687.32)	3814.47
Exceptional Item				
Less Current Income Tax	1.15	8.03	-	-
Less Previous year adjustment of Income Tax	(0.58)	1.95	0.16	-
Less Deferred Tax	40.93	(1.47)	-	-
Net Profit after Tax	(4028.17)	3973.85	(3687.48)	3814.47
Remeasurement of Benefit liabilities/(Assets)	(25.89)	94.38	(111.01)	162.88
Income Tax relating to items that will not be reclassified to profit & loss account	(21.24)	17.30	-	-
Total Comprehensive Income	(4075.30)	4085.51	(3798.49)	3977.35
Less Minority share of profits / losses	63.35	7.35	-	-
Dividend (including Interim if any and final)		-	-	-
Total Comprehensive Income after Minority Interest and Dividend	(4138.65)	4078.16	-	3977.55
Earnings per share (Basic)	(2.27)	2.22	(2.05)	2.14
Earnings per Share (Diluted)	(2.27)	2.21	(2.05)	2.13

Notes: FY2021 represents fiscal year 2020-21, from 1 April 2020 to 31 March 2021, and analogously for FY2020 and other such labeled years.

2. COVID-19

The Covid -19 pandemic has emerged as a global challenge. 2020-21 was a highly volatile and challenging year. Covid-19 changed almost every aspect of human lives in ways never imagined. The economic toll from the pandemic was unprecedented. Operational challenges mounted due to restricted movements. As the Covid-19 cases continued to rise exponentially, the economy declined sharply.

In the midst of Covid-19, Company concentrated on business continuity. The Company committed itself to protecting the work force with extremely strict protocols, social distancing regulations, enabling and encouraging Work from Home to the maximum extent possible.

To beat this pandemic, after the announcement of the launch of Covid-19 vaccine by the Government, your Company also initiated vaccination drive for employees and their immediate family.

Company has been actively focusing on improving on-site facilities to create safe working environment for workforce. Your Company has been working on making the supply chain more efficient as lockdown restrictions are eased. These measures not only keep the Company in tiding over the impact of Covid-19 but also make it more efficient in the long run.

3. Business Performance

The total standalone sales for FY 2021 are Rs 36,845.68 lakhs as compared to Rs. 38,323.97 lakhs for FY 2020. The Company made a PAT of Rs. (3,687.32) lakhs in FY 2021 compared to Rs. 3,814.47 lakhs in FY 2020.

4. Consolidated Results

The turnover of the Company was Rs 51,818.23 lakhs in Financial Year 2021 against Rs. 54,088.44 lakhs in FY 2020. Loss after tax before Minority Interest for Financial Year 2021 was Rs. 4,028.17 lakhs as compared to Profit after tax before Minority Interest was Rs. 3,973.85 lakhs in FY 2020.

5. Business Operations & Future Outlook

The year under review has been one of the most challenging years both for your Company and its stakeholders and clients. The COVID-19 pandemic outbreak which began in the middle of March 2020 continued to impact the economy throughout the financial year 2020-21. The year was full of uncertainties with slowdown in activities on the ground. The world was introduced to the new normal of lockdowns, containment zones, work from home with restricted movements of people and goods. The impact of the pandemic led to closure of almost all the Company's offices, business and recovery touch points and completely stalled the field operations from the last week of March 2020. Operations gradually resumed in mid-May at our sites functional at Pan-India. Your Company has been strictly adhering to lockdown announcements in accordance with the directives issued by the Central, State Government and Local Administration

Your 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.

During the year under review, despite weak economy on account of Global Pandemic Covid-19, your company has received EPC orders worth Rs. 584 crores from reputed developers and from Government of Uttar Pradesh. Total Order book stands at 2109 crores which includes third party contracts as well as internal order intake. Despite the disruption caused due to Covid-19 pandemic, your Company delivered performance in-line to the last year in the EPC segment. EPC segment contributed 297.32 Crores to consolidated revenues as against Rs. 255.54 Crores in previous year.

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.

6. Credit Rating:

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

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

The outlook for long term facilities has been revised from Negative to Stable. The outlook on short term facilities was reaffirmed at A3.

7. Transfer to Reserves

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

8. Dividend

Owing to the continuing uncertainty created by the second wave of Covid -19 pandemic in India, the Board of Directors has deemed it prudent not to declare dividend for the year under review.

9. Share Capital

The Company had allotted 40,00,000 Equity Shares at Rs. 10 each fully paid up on February 26, 2021 under Employees 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 .

The total paid-up share of the Company is Rs.1,82,13,67,160 consisting of 18,21,36,716 equity shares of Rs. 10 each fully paid up on the date of this Report.

Board of Directors of the Company in its Board meeting dated August 14, 2021 had approved allotment of 40,00,000 Equity shares, the final listing of Equity shares is in process.

Upon listing of shares, the total paid-up capital of the Company will be 1861367160 consisting of 186136716 shares of Rs.10/- each.

9A. Amendment in Terms and Condition of Non-Convertible Debentures

On account of Global pandemic Covid-19, there has been amendment in existing terms and conditions of Debenture Trust Deed executed for Unlisted, Unquoted, Unrated Non-Convertible Debentures by making amendment in the Repayment Schedule

10. Fixed Deposits

During the year under review, the Company has foreclosed the Fixed Deposits. The details of the same areas under:

Sr. No.	Particulars	Amount (in Rs.)
1.	Amount accepted during the year	None
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

11. 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.

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

There are no material changes and commitments affecting the financial position of the Company which had occurred between the end of the financial year and the date of this report.

13. 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.

14. Subsidiaries, Associates and Joint Ventures

During the year under review, there were no changes with respect to Subsidiaries, Associates and Joint Ventures except M/s Vascon EPC Limited is in the process of Striking off. The list of subsidiaries and associates of your Company as on March 31, 2021 forms a part of MGT-7 the draft of which can be accessed from Company's website <https://www.vascon.com/investors/services>.

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.

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 on demand in electronic form. These will also be available on our website at <https://www.vascon.com/investors/balancesheet>

15. 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.

16. 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 Auditor of the Company confirming compliance with the conditions of corporate governance is attached to the report on corporate governance.

17. Awards and Recognitions:

Awards/Recognitions received by the Company during the year are as under:

1. Third Fastest Growing Construction company at the 18th construction work Global Award
2. 15th Employer Branding Awards 2020-2021 for "Managing Health at Work" organized by World HRD Congress
3. CSR Excellence Award at 12th Realty+ Conclave Excellence Awards 2021
4. Best Facility Award 2020-21 for Best Innovation by Credai Pune Metro

18. 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.

19. Board of Directors and Key Management Personnel

Appointment/Re-appointment of Directors

Chairman of the Board of Directors

1. Elevation of Mr. Vasudevan Ramamoorthy as Chairman Emeritus of the Company

Mr. Vasudevan Ramamoorthy (DIN: 00013519) has been elevated as Chairman Emeritus of the Company and ceased to be Executive Chairman and Whole Time Director of the Company w.e.f. June 01, 2021.

The Board has placed on record its deep appreciation of the contribution and valuable services rendered by Mr. Vasudevan Ramamoorthy during his tenure as Executive Chairman of the Board since 2018.

2. Appointment of Mr. V. Mohan as Chairman of the Board

In light of Mr. Vasudevan Ramamoorthy relinquishing his office as Executive Chairman of the Board of Directors of the Company and upon recommendation of the Nomination and Remuneration Committee of the Board, the Board at its meeting held on May 31, 2021 appointed Mr. V. Mohan as the Chairman of the Board.

Mr. V. Mohan continues to be an Independent Director of the Company.

Appointment/Re-appointment of Directors

1. Re-appointment of Mr. Mukesh Malhotra (DIN: 00129504) as Independent Director for a second term

Mr. Mukesh Malhotra (DIN: 00129504) was appointed as an Independent Director of the Company from May 17, 2016 to May 16, 2021. Based on the performance evaluation, contributions during his first term of office to the Company, background and experience, the recommendation of Nomination and Remuneration Committee, the Board approved the re-appointment of Mr. Mukesh Malhotra for the second term of five years commencing from May 17, 2021 to May 16, 2026, subject to approval of the shareholders in the ensuing Annual General Meeting.

2. Appointment of Dr. Santosh Sundararajan (DIN: 00015229) as Whole Time Director and Group CEO

During the year under review, your Board has appointed Dr. Santosh Sundararajan (DIN: 00015229) as an Additional Director (Whole Time Director and Group CEO) with effect from May 31, 2021 subject to approval of shareholders in the ensuing Annual General Meeting.

Your Board upon recommendation of nomination and remuneration committee, considered his expertise, wide industry experience and financial acumen for recommending his appointment. Pursuant to the provisions of the Companies Act, 2013, he is liable to retire by rotation.

Dr. Santosh Sundararajan has confirmed his eligibility and willingness to accept the office of the Director of your Company, if confirmed by the Members at the ensuing AGM. In the opinion of your Directors, Dr. Santosh Sundararajan has requisite qualifications and experience and therefore, your Directors recommend that the proposed resolution relating to the appointment of Dr. Santosh Sundararajan be passed with the requisite majority. Dr. Santosh Sundararajan's profile forms part of this Annual Report.

3. Retirement by Rotation of Mr. Siddharth Vasudevan Moorthy (DIN: 02504124)

As per Section 152 of the Companies Act, 2013, Mr. Siddharth Vasudevan Moorthy, Managing Director of the Company (DIN: 02504124) retires by rotation at the forthcoming 36th Annual General Meeting of the Company.

The brief profile of Mr. Siddharth Vasudevan Moorthy is covered under the Report of Corporate Governance which forms a part of this report. Mr. Siddharth Vasudevan Moorthy is not debarred or disqualified from holding the office of Director by virtue of SEBI Order or any other authority pursuant to BSE Circular pertaining to enforcement of SEBI Orders regarding appointment of Directors by Listed Companies.

Declaration by Independent Directors

All the Independent Directors of the Company have given their respective declarations/disclosures under Section 149(7) of the Companies Act, 2013 ('Act') and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and have confirmed that they fulfill the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant proficiency, expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management of the Company. In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs, Manesar ('IICA'). The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption.

The Independent Directors of the Company are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

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)

The following persons have been designated as the Key Managerial Personnel pursuant to Sections 2(51) and 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- Dr. Santosh Sundararajan, Whole time Director and Group Chief Executive Officer
- Mrs. Vibhuti Darshin Dani, Company Secretary and Compliance Officer
- Mr. Somnath Biswas, Chief Financial Officer

20. Meetings:

The Company Secretary, in consultation with the Chairman of the Company and Chairman of the respective Board Committees, prepares the agenda and supporting documents for discussion at each Board meeting and Committee meetings, respectively. The Board and the Audit Committee meet in executive session, at least four times during a financial year, mostly at quarterly intervals inter alia to review quarterly financial statements and other items on the agenda. Additional meetings are held, if deemed necessary, to conduct the business. . During the Financial year 2020-21, 8 meetings of Board of Directors were held (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.

21. 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 except Mr. Mukesh Malhotra whose first term as Independent Director expired on May 16, 2021 and is reappointed as Independent Director for a second term of five years subject to approval of shareholders.

During the year under review, the Independent Directors of the Company met on February 03, 2021, 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.

The Meetings were conducted in an informal manner without the presence of the Whole-time Director(s), the Non-Executive Non-Independent Directors.

22. 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, Regulation 9(4) of the Listing Regulations 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 also placed on Company's website at <https://www.vascon.com/investors/services> and also attached as an annexure to the Corporate Governance report.

23. 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 Requirement) 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. Presently, the Committee comprises of Mr. V. Mohan, Independent Director and Chairman, Mr. K. G. Krishnamurthy, Independent Director and Mr. Mukesh Malhotra, Independent Director and Mr. Siddharth Vasudevan Moorthy, Managing Director.

Mrs. Vibhuti Darshin Dani acts as Secretary of the Committee.

Changes in Committee:

- Mr. Vasudevan Ramamoorthy ceased to be a Member of the Audit Committee consequent to his elevation as Chairman Emeritus w.e.f. June 01, 2021
- Mr. Siddharth Vasudevan Moorthy, Managing Director was appointed as Member of Audit Committee

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

24. 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.

25. 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 alongwith 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, 2021 and of the 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.

26. Secretarial Standards:

The Directors states 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.

27. 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 consolidated 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 **Annexure-II**.

28. 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 <https://www.vascon.com/investors/services>

29. Auditors

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, M/s Sharp and Tannan Associates, Chartered Accountants have been appointed as Statutory Auditors of the Company for a period of 5 years from the conclusion of 34th Annual General Meeting.

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 2021. The secretarial audit report for FY 2021 is attached as "**Annexure III**". As per Regulation 24A of SEBI Listing Regulations, a listed Company is required to annex a secretarial Audit Report of its material unlisted subsidiary to its Annual Report. In line of the same, the Secretarial Audit Report of M/s GMP Technical Solutions Private Limited issued by Mr. Kulbhushan D Rane for FY 2021 is placed at **Annexure- III** of this Report.

For FY 2021-2022, 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 2022.

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 2022 at a remuneration of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand Only) plus taxes as may be applicable.

30. 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 for the financial year ended March 31, 2021.

The Report of the Secretarial Audit in Form MR-3 for the financial year ended March 31, 2021 is enclosed as **Annexure-III** to this Report. Further pursuant to amendments under SEBI Listing Regulations and SEBI Circular dated February 08, 2021, a report on Secretarial Compliance as required under Regulation 24A is submitted to Stock Exchanges as obtained from Mr. Kulbhushan D Rane, Practicing Company Secretary of the Company for the Financial Year 2020-21. As per Regulation 24A of SEBI Listing Regulations, a listed Company is required to annex a secretarial Audit Report of its material unlisted subsidiary to its Annual Report. In line of the same, the Secretarial Audit Report of M/s GMP Technical Solutions Private Limited issued by Mr. Kulbhushan D Rane for FY 2021 is placed at **Annexure- III** of this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

31. Reporting of Frauds

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013, neither the Statutory Auditors nor the Secretarial Auditor has reported any incident of fraud during the year under review.

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

During FY 2020-21, 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.

33. Corporate Social Responsibility Initiatives

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. Siddharth Vasudevan Moorthy, Chairman of the Committee, Mr. V. Mohan, Member and Ms. Sowmya Aditya Iyer, 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.

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

The CSR Policy of the Company is hosted on the Company's website at the weblink: <https://www.vascon.com/investors/services>

34. 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 complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Prevention of Sexual Harassment Act to redress complaints received regarding sexual harassment.

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

35. 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 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.

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: <http://iepf.gov.in/IEPFA/refund.html> or contact Karvy for lodging claim for refund of shares and/or dividend from the IEPF Authority.

36. Employees Stock Option Schemes

During the year under review, your company has allotted 40,00,000 shares under Employees Stock Option Scheme, 2017.

Your Company has further allotted 40,00,000 shares under Employees Stock Option Scheme, 2017 on August 14, 2021, the final listing of shares is in process.

The Company has received a certificate from the Statutory Auditors of the company that the scheme is being implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014 ("SBEB Regulations") and amendments thereof. The certificate is available for inspection by the members In electronic mode the details is required to be disclosed under the SBEB Regulations can be accessed from companies website <https://www.vascon.com/investors/services>

37. 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 V".

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.

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

The Company is engaged in to construction sectors the Company thus focuses on conservation of energy in its projects. Many of our projects are eco-friendly. One of our project (Windermere) is duly certified by IGBC-Pre-Certified Project issued by Indian green Building Council. Company has also received another certificate-Ecohousing 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 on a consolidated basis is as under:

(Rs. In lakhs)

Particulars	FY 2021	FY2020
Foreign Exchange Earning	2071.01	0
Expenditure in Foreign Exchange	214.86	38.56

39. Extract of the Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of Annual Return as at March 31, 2021 on its website at www.vascon.com. By virtue of amendment to Section 92(3) of the Companies Act, 2013 the company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board Report.

40. 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

Sd/-
Siddharth Moorthy
Managing Director

Sd/-
Mukesh Malhotra
Non Executive Director

Place: Pune
Date: August 21, 2021

ANNEXURE-I FORM 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 foreign subsidiaries	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	190.73	318.76	69.21	-	7.79	(80.48)	(1.15)	(81.63)	-	100%
Marathwada Realtors Private Limited	No	NA	39.22	65.88	210.71	105.61	-	0.59	(435.19)	0.73	(434.46)	-	100%
Marvel Housing Private Limited	No	NA	1.00	(23.28)	110.18	132.46	-	302.02	(11.93)	2.58	(9.35)	-	100%
Vascon Value Homes Private Limited	No	NA	1.00	(1.45)	1.51	1.96	-	-	(0.39)	0.10	(0.29)	-	100%
GMP Technical Solutions Private Limited	No	NA	1.49	6,665.19	14,530.86	7,864.18	-	15,419.44	402.82	(43.62)	359.20	-	85%
GMP Technical Solutions Middle East (FZE),	No	19,7178	24.51	(281.99)	30.16	287.64	-	-	(18.01)	-	(18.01)	-	85%
Vascon EPC Limited*	No	NA	1.00	-	1.00	-	-	-	-	-	-	-	100%

(* under the process of strike off)

PART-B Associates and Joint Ventures										(₹ in Lakhs)
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	31.03.2019	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	31.03.2020	Not Applicable	200.00	50%	Joint Control over economic activity of the entity	-	561.67	7.02	-	
Cosmos Premises Private Limited	31.03.2019	162,500	337.00	43.83%	Joint Control over economic activity of the entity		830.11	180.47		
Ajanta Enterprise	31.03.2020	Not Applicable	4,272.94	50%	Joint Control over economic activity of the entity		(62.69)	3,448.72		
Vascon Construction Saga LLP	Unaudited	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

Sd/-
Siddharth Moorthy
Managing Director

Sd/-
Mukesh Malhotra
Non Executive Director

Place: Pune
Date: August 21, 2021

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 subsection (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under fourth proviso thereto

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

Sr. No.	Particulars	Details
1	Name(s) of the Related Party and the nature of relationship	Not Applicable
2	Nature of contract/ arrangement/transaction	
3	Duration of the contract/arrangement/transaction	
4	Salient Terms of the contracts or arrangements or transactions	
5	Justification for entering into such contacts or arrangements or transactions	
6	Date of approval by Board	
7	Amount paid as advances, if any	
8	Date on which 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 Arm's Length Basis : Not Applicable

Sr. No	Name of the Related Party	Nature of transaction	Duration of transaction	Transaction Value	% of Consolidated Revenue	Date of approval by Board of Directors	Advance Amount
NA	NA	NA	NA	NA	NA	NA	NA

For and behalf of the Board of Directors

Sd/-
Siddharth Moorthy
Managing Director

Sd/-
Mukesh Malhotra
Non Executive Director

Place: Pune
Date: August 21, 2021

ANNEXURE-III**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

[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 2021 ('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 2021 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 ('SBEB Regulations');
 - (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 (Not applicable to the Company during the Audit Period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

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, 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 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 the Company:

- (i) Varied the terms of Vascon Engineers Limited Employees Stock Option Scheme 2017 for repricing the Exercise Price of 80,00,000 Employee Stock Options granted to eligible employees who are entitled to participate in the Scheme to Rs. 10 per share, (earlier Rs. 15 per share); and
- (ii) Approved for adoption and implementation of 'Vascon Engineers Limited Employees Stock Options Scheme 2020' ('ESOS-2020'), and to create, issue, offer and grant/allot, from time to time and in one or more tranches, such number of options under the ESOS – 2020 to subscribe to such number of equity shares which would give rise to issue of equity shares of the Company but not exceeding 1,60,00,000 equity shares of the face value of ₹10/- (Rupees Ten only) each at such price or prices, and on such terms and conditions, as may be determined by the Board of the Company in accordance with the provisions of ESOS - 2020 and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations.

Kulbhushan D Rane

FCS No.: 10022, C. P. No.: 11195

Place: Pune

Date: 28 June 2021

UDIN: F010022C000532423

This report is to be read with my letter of even date which is annexed as Annexure and forms an 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: 28 June 2021

ANNEXURE-III**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

[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

GMP Technical Solutions Private Ltd
309-316, Swastic Disa Business Park
Opp Wadhani Industrial Estate
LBS Marg, Ghatkoper (W)
Mumbai – 400086.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GMP Technical Solutions Private Ltd (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 2021 ('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 2021 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder (Not applicable to the Company during the Audit Period);
- (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 Company being an unlisted public company, none of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were applicable to it during the Audit Period.

I have also examined compliance with the applicable clauses of the Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation: The Company did not appoint Company Secretary and Chief Financial Officer as required under section 203 of the Act read with rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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: passing of special resolution under subsection (3) of section 186 of the Act for exceeding the limits specified under subsection (2) of that section.

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

Place: Pune
Date: 13 August 2021
UDIN: F010022C000782651

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

Annexure to the Secretarial Audit Report

To:
The Members

GMP Technical Solutions Private Ltd
309-316, Swastic Disa Business Park
Opp Wadhani Industrial Estate
LBS Marg, Ghatkoper (W)
Mumbai – 400086.

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: 13 August 2021
UDIN: F010022C000782651

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. Vascon has been an early adopter of corporate social responsibility initiatives. The company works with Vascon Moorthy Foundation towards improving healthcare supporting child education and many other activities for the welfare of the society.

The Report on CSR activities of the Company conducted with Vascon Moorthy Foundation 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 May 31, 2021 as below:

- Mr. Siddharth Vasudevan Moorthy, Managing Director and Chairman of the Committee
- Mr. V. Mohan, Member
- Mrs. Sowmya Aditya Iyer, Member

3. Web link where composition of CSR committee and CSR policy approved by the board disclosed on the website of the company <https://www.vascon.com/investors/services>

4. Details of impact assessment of CSR projects carried out in pursuance of sub rule (3) of Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 if applicable: **Not Applicable**

5. Details of amount available for set off in pursuance of sub rule (3) of Rule 7 of Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required to be set off for the financial year, if any: **NIL**

6. **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

(Amount in Lakhs)

Sr. No.	Year	Profit Before Tax
1	2017-2018	1141.45
2	2018-2019	1419.06
3	2019-2020	3814.47
	Total	6374.98
	Average Net Profit of 3 years	2124.99

7. Details of CSR spent during the financial year:

Average net profit of the Company for the financial years 2017-18 to 2019-20	2124.99 lakhs
Prescribed CSR Expenditure (2% of the average net profit computed above)	42.50 Lakhs
Outstanding to be spent of previous financial year	NIL
Total amount spent of CSR activities for the Financial Year 2020-21	100 Lakhs
Amount unspent, if any	NIL

Manner in which the amount spent during the Financial Year 2020-21 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 program wise (Amount in Lakhs)	Amount spent on the project (Amount in Lakhs)		Cumulative expenditure upto the Reporting Period (Amount in Lakhs)	Amount spent: Direct or through Implementing Agency
					Direct	Overhead		
1	Promoting Health care including preventive health care	Ashoka Institute of Medical Science and Research	Nashik, Maharashtra	100.00	100.00	-	100.00	through Implementing Agency

8.

- a. 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: NA

Total amount spent for the financial year (Rs. In lakhs)	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
100.00	Not Applicable				

- b. Details of CSR amount spent against ongoing projects for Financial Year 2021:

There are no ongoing projects.

Sr. No.	Name of the Project	Items from the list of activities in Schedule VII	Local Area (Yes/No)	Location of the project		Project Location	Amount allocated for the project	Amount spent in the current financial year	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing Agency
				State	District					
Not Applicable										

- c. Details of CSR amount spend against other than ongoing project for Financial Year 2021: **Rs. 100 Lakhs**
- d. Amount spent in administrative overheads: **Nil**
- e. Amount spent on Impact Assessment if applicable: **NIL**
- f. Total amount spent for Financial Year: **Rs. 100 Lakhs**
- g. Excess amount for set off, if any: **Rs. 57.50 Lakhs**
9. (a) Details of Unspent CSR amount for the preceding three financial years: 2017-18 - Nil; 2018-19-2.86 lakhs which was subsequently spend in 2019-20; 2019-20 - Nil
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the assets so created or acquired through CSR spent in the financial year: Not Applicable
11. Specify the reason(s) if the Company has failed to spend two percent of the average net profit as per Section 135(5): Not applicable

Sd/-
Siddharth Vasudevan Moorthy
Managing Director and Chairman of CSR Committee

Sd/-
Sowmya Aditya Iyer
Non executive Director

EXHIBIT 1: CSR ACTIVITIES REPORT

Vascon Moorthy Foundation ('VMF') has successfully completed 13 years, during this time, Every year we has focusing on education coverage through providing educational and non-formal education for children. Everyone knows that we all suffer from COVID 19 pandemic disease.

Therefore this time the focus is mainly on the healthcare provided to the labour and their children. In the national emergency, many people are running to meet the basic needs. Overall the government is busy providing the vaccines and providing health facilities to every human being. VMF has taken care of better hygiene, safe drinking water facility, healthy environment and better living condition to improve the laborers quality of life.

The activities undertaken by the VMF during the year are as follows:

Preventive and Curative Health Camps: Various health problems from minor to the contagious diseases were observed as the major reason. Apart from this, traditional approach of laborers resulted in the home remedy or treatment from the quacks. This has a severe effect on the physical as well as psychological health of the laborers.

In the year 2020-21, VMF focused on the preventive and curative health care of the construction labour, with the help of Pune Municipal Corporation and NGO. Government is providing health facilities to the public, has developed COVID center with developing facilities, because no person should be deprived of health services. Therefore, the doctor's visit from Vascon (Vascon Engineers Ltd) has been increased every month due to which laborers and good health services will be available. In this, temperature tests, blood pressure, oxygen saturation and general health checkup have been done. A total of 3837 workers benefited from Vascon health check-up. And with the help of PMC health department a total of 8 healths checkup camps were held on all the sites in Pune. Total 895 laborers 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. labour were given T. D. vaccine, 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 camps:

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. 88 children received Polio, BCG, Triple Vaccine Hepatitis B, DPT, MMR doses. Niramay NGO could not regularly visit the site in this year because Government has been not permitted to conduct Immunization camp at all Pune sites due to COVID 19 pandemic disease. But we have organized Pulse Polio Immunization Camp at Godrej Greens site from Primary Health Center, Phursungi and through Sutar Hospital, Kothrud on PMAY site Dhayari. Total 66 Children took Pulse polio vaccine in this camp. Total 71 children from construction sites have been immunized in the year 2020-21. 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.

Health checkup camp through- National Health Mission:

National Health Mission would cover all State capitals, district headquarters and cities/towns with a population of more than 50000. It would primarily focus on slum dwellers and other marginalized groups like rickshaw pullers, street vendors, railway and bus station coolies, homeless people, street children and construction site labour. In this year, The VMF, with the help of the National Health Mission, has provided free medicines in this camp as well as free blood tests for people suffering from various diseases. A total of 895 labour, staff and children received benefits at the end of the health checkup camp, with 634 workers given tetanus diphtheria and 229 labour blood tested. VMF is thankful to NHM team and respective hospital.

COVID 19 Awareness Program:

COVID-19 Pandemic is a new disease, and many of the details of its spread are still under investigation. It spreads easily between people more easily than influenza but not as easily as measles. So every person in this situation is aware of this, half the knowledge is dangerous for health. We are trying to make all the workers aware of corona virus disease. We are using PPT and showing how to wear a face mask and how to wash hands with it, the person should wash hands with soap and water for at least 20 seconds, especially after going to the toilet or when the hands are dirty, before eating and touching other things. There were 486 laborers and 43 staff who participated in this program. In this situation VMF is a focusing on demonstration because awareness is most effective part for audio and video visualization of help the concept.

HIV/AIDS awareness program and testing camp:

Construction sites Labourers 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. In this year, VMF have collaboration with Saksham Ngo is a working with positive women and children. VMF organised Awareness and HIV testing camp at all Vascon site in Pune Also we have continued the previous networking of Saudamini Ngo is working at PMC areas and Saksham Ngo working in PCMC areas these is both working in under of Maharashtra state Aids Control Society. VMF had also collaboration of Mumbai Aids Control Society for working in Vascon Mumbai site. We have expanded networking to the others areas and took services from government mechanism. In this year Total 941 workers have attended the awareness program but among these 833 workers were HIV tested including Rehab Malad site, Mumbai. 832 workers result is negative but 1 person find was positive. He has linking in ART center with the help of Saudamini NGO and is also taking regular medicine of ART. The VMF and Saudamini NGO have kept communication with the person if he wants to go to his village so he gets free treatment from the ART center nearest to the village.

Malaria testing camp:

Dengue is a mosquito-borne viral disease that has rapidly spread. Dengue virus is transmitted by female mosquitoes mainly of the species *Aedes aegypti* and to a lesser extent, *Albopictus*. These mosquitoes are also vectors of chikungunya viruses. Dengue is widespread throughout the tropics, with local variations in risk influenced by rainfall, temperature and relative humidity.

VMF has organized Dengue malaria testing camp at Godrej Greens, PMAY site and Tech Point site. There were 166 workers tested in the malaria testing camp through the Pune Municipal Corporation - Pesticide Department. If a laborer has a positive report, He will be treated free of cost through a PMC in a government hospital. In both sites, Malaria test report out of 166 laborers is negative.

De-addiction awareness program:

Addiction is when the body or mind badly wants or needs something in order to work right. When you have addiction to something it is called being addicted or being an addict. People can be addicted to drugs, cigarettes, alcohol, caffeine, and many other things. When a person has an addiction and they stop taking the substance or engaging in the behavior, they may experience certain symptoms.

For example: Anxiety, Irritability, Nausea, Vomiting, Fatigue and a loss of Appetite.

If a person has regularly used alcohol and they stop suddenly or without medical supervision, withdrawal can be fatal.

Therefore, VMF has conducted a de-addiction awareness program for workers in the "safety week".

In all, 137 workers benefited from these camps at the Windermere, Forest Edge and Citron Phase II sites.

HB & BSL-R (Sugar) testing camp:

Hemoglobin is the main part of your red blood cells. Hemoglobin serves the important role of carrying oxygen and carbon dioxide through your blood. If your hemoglobin is too low, you may not be able to supply the cells in your body with the oxygen they need to survive.

A lack of iron in the body is the most common cause of anemia. Most of the time women suffering lack of iron deficiency.

Therefore, VMF is conducted HB testing camp for specially women in the site. Blood sugar test can help determine your blood sugar level to see if you need to adjust your diet, exercise, or diabetes medications.

VMF conducted HB & BSL-R testing camp in the General health checkup camp through the National Health Mission at PMAY and Windermere site for the Laborers. Total 119 laborers had taken benefited the camp. Some workers have no idea he is suffering HB and diabetes disease after this camp he know about the disease and started treatment.

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 running 4 daycare centers respectively, Windermere labour camp and Forest Edge site, PMAY site and also through the 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, can go to work with a calm mind.

In Tara Mobile crèches children get nutritional food, dry snacks, and toys to play. Also given they get pre primary formal education too. Three crèche get dry snacks and primary formal education.

A total of 805 children have been benefited from 4 crèches in the year 2020-21.

Formal School:

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.

Most of the time we used to see safe places, care of children and focusing on education coverage through providing educational and non-formal education, but this year all the people suffering COVID 19 pandemic diseases so we are facing lot of problem. The government has not decided the right time to start school and parents are worried about sending their children to school, Maharashtra Education Minister has announcement during the COVID 19, school and college conducting the online class, but it is not possible conducted online class because of lack of technology resource and poor financial condition of parents. Most of the parents cannot afford expenses of online classes. In our site, 13 children are getting formal education. Respectively, Forest Edge site 05 children, Godrej Greens site 02 children and Windermere site 06 children taken formal education from 1st Standard to 10th Standard in PMC, and Z.P school during the academic year 2020-21.

Summer Vacation Trip:

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.

On account of Global Pandemic Covid 19 and in accordance with various government directives pertain to lock down, VMF has not organised summer vacation trip.

Star Site Competition for Best maintained Labour camp for workers:

VMF conducting star site competition at all India level every year. (From April 2020 to March 2021) 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 labourers quality of life.

This year 2020-21 VMF has not conducted Star Site Competition assessment visit due to COVID 19 Pandemic. But in that situation VMF had caring of all labour at Vascon PAN India site, every site person involved to getting basic facilities provided to labour. During the COVID 19, we provided laborers with groceries, drinking water, a healthy environment, hygiene materials, and the most important labor camp was daily sanitation with the disinfection corona virus. Site staff done the periodic visit to all the sites to guide the site regarding maintaining of labor camp.

Ramya Siddharth Moorthy

Trustee

ANNEXURE – V: REMUNERATION 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 FY2021 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 in Remuneration during FY 2021
Mr. V. Mohan	Independent Director	**Not Applicable	-
Mr. R. Vasudevan****	Executive Chairman	2	-
Mr. K. G. Krishnamurthy	Independent Director	**Not Applicable	-
Mrs. Sowmya Aditya Iyer	Non Executive Director	**Not Applicable	-
Mr. Mukesh Malhotra	Director	**Not Applicable	-
Mr. Siddharth Vasudevan Moorthy	Managing Director	90	-
Dr. Santosh Sundararajan***	CEO	106	-
Mrs. Vibhuti Dani	CS	5	-
Mr. Somnath Biswas	CFO	20	-

** No remuneration is paid to Non executive directors, except sitting fees for attending board meetings.

KMPs includes our CEO, CFO and CS.

*** Appointed as Whole time Director of the Company w.e.f. May 31, 2021

****Mr. Vasudevan ceases to be Whole Time Director and Executive Chairman of the company w.e.f. June 01, 2021

Remuneration does not include perquisite value of ESOS

1	The number of permanent employees on the rolls of the Company	632
2	The percentage increase in median remuneration of employees in the financial year	5.27
3	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 managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	During the year 2020-21, the number of employees has decreased by 13.19%. The employee's average salary went up by 0.47% and there was no salary increase in the salary managerial personnel.
4	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 Rs. 1.02 crores (As on 31.03.2021)

Name	Age	Designation	*Remuneration (Rs. in lakhs)	Qualifications	Total Experience	Date of Commencement of Employment with the Company	Previous Employment	% of Equity Shares held	Any relation with Director
Dr. Santosh Sundararajan	44	Group Chief Executive Officer	362.78*	BE (Civil), MBA (Finance), CFA, PHD (Structural Design)	26	01.10.2007	Buro Engineers Singapore Pte Ltd.	5.02	NA
Rajesh Dilip Mhatre	44	Chief Executive Officer - Real Estate	275.01*	BE (Mechanical), MMS	19	01.02.2017	Lodha Ventures.	0.77	NA
Siddharth Vasudevan Moorthy	35	Managing Director	265.15*	Diploma (Civil), Bachelor in Applied Science (Construction Mgmt)	14	01.04.2013	Vascon Infra Ltd.	1.55	Son of Mr. Vasudevan Ramamoorthy and Brother of Sowmya Iyer
Somnath B. Biswas	54	Chief Financial Officer	102.92*	Graduate (Science), ICWA	29	15.07.2011	Ambi Valley Limited	0.38	NA

*Includes perquisite value of ESOS

Details of Top 10 Employees alongwith Key Managerial Personnel: (As on 31.03.2021)

Name	Age	Designation	*Remuneration (Rs. in lakhs)	Qualifications	Total Experience	Date of Commencement of Employment with the Company	Previous Employment	% of Equity Shares held	Any relation with Director
Dr. Santosh Sundararajan*	44	Group Chief Executive Officer	362.78*	BE (Civil), MBA (Finance), CFA, PHD (Structural Design)	26	01.10.2007	Buro Engineers Singapore Pte Ltd.	5.02	NA
Rajesh Dilip Mhatre*	44	Chief Executive Officer - Real Estate	275.01*	BE (Mechanical), MMS	19	01.02.2017	Lodha Ventures.	0.79	NA
Siddharth Vasudevan Moorthy*	35	Managing Director	265.15*	Diploma (Civil), Bachelor in Applied Science (Construction Mgmt)	14	01.04.2013	Vascon Infra Ltd.	1.55	Son of Mr. Vasudevan Ramamoorthy and Brother of Sowmya Iyer
Somnath B. Biswas*	54	Chief Financial Officer	102.92*	Graduate (Science), ICWA	29	15.07.2011	Ambi Valley Ltd.	0.38	NA
Sanjay Mutteparwar	50	Director - Projects	60.81	Diploma (Civil), BE (Civil), MBA	28	01.03.2002	K. Raheja Engg. Services	0.19	NA
Tanaji Atole	50	Director - Projects	60.51	Diploma (Civil), BTech. (Civil)	30	01.03.1996	Advance Construction Co. Pvt, Ltd.	0.24	NA
Vivekanand Botre	42	Director - Projects	58.61	Diploma (Civil)	23	07.10.2003	Devi Construction Co. Pvt, Ltd.	0.21	NA
Prasad Hinge	44	Assistant Vice President - Contracts & Estimation, Purchase, Utilities	49.21	BE (Civil)	24	22.06.2004	Nyati Group	0.20	NA
Rathika Kariappa	40	Vice President - Human Resource & Administration	48.59	Graduate (Commerce), MBA (PM & HRD)	17	10.07.2006	Vardhman Polytext Limited.	0.02	NA
Santosh Mahadeo Pawar	54	Vice President - Technical Service	47.93	Diploma (Civil)	34	20.09.2010	Kakade Infrastructure Pvt. Ltd.	0.12	NA

*Includes perquisite value of ESOS

*The Remuneration of above employees represents gross salary.

REPORT ON CORPORATE GOVERNANCE

Pursuant to the Corporate Governance requirements prescribed under the Securities and Exchange Board of India (SEBI Listing Regulations), the report containing the details of corporate governance systems and processes at Vascon Engineers Limited ('**Vascon/the Company**') is as follows:

Philosophy

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 Chapter reports the Company's compliance with the Regulation 34(3) read with Schedule V of Listing Regulations) as given below:

Board of Directors

In keeping with the commitment of the Management to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

The composition of the Board is in conformity with the provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations amended from time to time.

The Board of your Company comprised of 6 Directors as on March 31, 2021 and 6 Directors as on the date of this Report.

Mr. Vasudevan Ramamoorthy is elevated as Chairman Emeritus of the Company and he ceases to be Executive Chairman and Whole Time Director of the Company w.e.f. June 01, 2021. He is not a part of the Board.

Mr. V. Mohan, was appointed as Non-Executive (Independent) Chairman of the Board w.e.f. June 01, 2021.

Mr. Mukesh Malhotra has been re-appointed as Independent Director for a second term of five years from May 17, 2021 subject to approval of Members at the forthcoming Annual General Meeting of the Company.

Dr. Santosh Sundararajan has been appointed as Additional Director (whole time Director and Group CEO) of the Company w.e.f. May 31, 2021 subject to approval of the Members at the forthcoming Annual General Meeting of the Company.

As on the date of this report, the Board of your Company comprises of six Directors. The Company has a Non-Executive Chairman and the number of Non-Executive and Independent Directors are three Directors which is more than one third of the total number of Directors.

All the Directors possess requisite Qualifications and experience in corporate management, compliance, finance, strategy, design, construction and other allied fields that allow them to contribute effectively by participating in the Board and Committee Meetings, providing valuable guidance and advice to the Management. Detailed profile of the Directors is as under: The details of Board Members are as under:

Mr. Vasudevan Ramamoorthy 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 01, 1986. He was the Executive Chairman of the Company during the Financial Year 2020-21, responsible for the over-all management of our Company. He has more than 3 decades 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.

He has also completed his certificate course in Negotiations and Disruptive innovation. He is also currently pursuing Executive MBA.

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 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 as Managing Director on the Board of our Company since April 01, 2018.

Mr. V. Mohan is a fellow member of the Institute of Chartered Accountants of India. He is a practising chartered accountant with more than 3 decades of experience in the areas of audit and assurance services, company law, tax planning, tax representations and foreign exchange regulations with V Sankar Aiyer and Company, Chartered Accountants, where he is a partner. He has been a director since March 6, 2007. He was appointed as Independent Director of the Company for a period of 5 years in 2014. He was further re-appointed as Independent Director of the Company for another period of five years in 2019.

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 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. He was appointed as Independent Director of the company for a period of five years in 2014. He was further reappointed as Independent Director of the Company for another period of 5 years in 2019.

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, Mr. Mukesh Satpal Malhotra has travelled to over 60 countries and 150 cities, thus giving him a broad appreciation and understanding of International business practices and economic scenarios. He has been further re-appointed as Independent Director of the Company for another period of five years in w.e.f. May 17, 2021.

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.

Mrs. Sowmya Aditya Iyer 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 more than 5 years of experience in the interior design industry. She has been appointed as a Director on the Board of our Company since March 31, 2015.

Dr. Santosh Sundararajan is appointed as an Additional Director (Whole Time Director and Group Chief Executive Officer). He is a Civil Engineer with a Ph. D in Structural Engineering from the National University of Singapore. He also holds a Masters degree in Financial Management from London University. He is a practising structural engineer with more than 20 years experience in the field of Civil Structural and allied building works, having worked both in Singapore and India. He has been with Vascon group since 2008 and has been serving as the group CEO since 2013.

No. of meeting of the Board

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. During the year 2020-21, the Board of Directors met eight times, viz., May 01, 2020, June 12, 2020, July 14, 2020, August 18, 2020, November 05, 2020, February 03, 2021, February 03, 2021 (Separate Meeting of Independent Director) and March 23, 2021). The requisite quorum was present for all the Meetings. Normally, the gap between any two meetings has been less than one hundred and twenty days. Majority of the Board and Committee Meetings were conducted through Audio-Visual Means as per the relevant Circulars/Rules issued by Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI') from time to time for conducting Meetings during the ongoing COVID-19 Pandemic.

Directors Attendance Record and Directorships held

Pursuant to the provisions of Section 165 of the Company's Act, 2013 none of the Directors of the Company is a Director in more than 10 Public Limited Companies (including Alternate Directorships). Further, as mandated by Regulation 17A of the Listing Regulations, none of the Directors of the Company holds Directorships in more than 7 equity listed entities or acts as an Independent Director in more than 7 equity listed entities or 3 equity listed companies in case he serves as a whole time director in any listed company. Further, as stipulated in Regulation 26 of the Listing Regulations, none of the Directors is a Member of more than 10 Board level Committees and no such Director is a Chairman/Chairperson of more than 5 Committees, across all public limited companies in which he/she is a Director. Mr. Siddharth Vasudevan Moorthy, Managing Director and Dr. Santosh Sundararajan, Whole Time Director and Group CEO doesn't serve as Independent Director in any listed company. As per the Listing Regulations, only those entities whose equity shares are listed on a stock exchange have been considered for the purpose of ascertaining the number of Directorships in listed companies. Table 1 gives the details.

Composition of the Board

The Board of your company comprises of six Directors as on March 31, 2021 with three Independent Directors, two Executive Directors and 1 Non Executive Non Independent Director.

The names and categories of Directors, DIN, their attendance at the Board meetings during the year and at the last Annual General Meeting ('AGM') and also the number of Directorships and committee positions held by them in Public Limited Companies and names of listed entities where they hold Directorships and category of such Directorships are provided below as on March 31, 2021:

Table - 1

Sr. No	Name	Attendance			Total no of Directorships and Committee Memberships/Committee Chairmanship			Directorship in other listed entities	
		Held©	Attended	Last AGM Attended	Directorships*	Committee Memberships (including as Chairman)**	Committee Chairmanship	Name of the listed entity	Category of Directorship
1	Mr. Vasudevan Ramamoorthy***	8	6	Yes	1	2	-	-	-
2	Mr. Siddharth Vasudevan Moorthy	8	7	Yes	1	-	-	-	-
3	Mr. V. Mohan	8	8	Yes	2	4	2	Talbro's Automotive Components Limited	Independent Director, Non Executive
4	Mr. K .G. Krishnamurthy	8	8	Yes	4	4	3	Ajmera Realty & Infra India Limited	Independent Director, Non Executive
5	Mr. Mukesh Malhotra	8	8	Yes	2	2	0	-	Independent Director, Non Executive
6	Mrs. Sowmya Aditya Iyer	8	6	Yes	1	0	0	-	Non Executive, Non Independent

*Excludes Directorships in private limited companies, foreign companies and companies registered under Section 8 of the Act. None of the Directors holds Directorships in more than 20 companies as stipulated in Section 165 of the Act.

**Committees considered are Audit Committee and Stakeholders Relationship Committee. In the Committee details provided, committee membership includes Committee Chairmanships

***Mr. Vasudevan Ramamoorthy has been elevated as Chairman Emeritus of the Company and he ceases to be Executive Chairman and Whole Time Director w,e,f, June 01, 2021. He is not a part of the Board.

© Includes a separate meeting of Independent Directors

Availability of Information to Board Members

The Board has unrestricted access to all Company-related information, including that of our employees. At Board meetings, managers and representatives who can provide additional insights into the items being discussed are invited. Information is provided to the Board members on a continuous basis for their review, inputs and approval. Strategic and operating plans are presented to the Board in addition to the quarterly and annual financial statements. Important managerial decisions, material positive / negative developments and statutory matters are presented to the committees of the Board and later, with the recommendation of the committees, to the Board for its approval. As a process, information to directors is submitted along with the agenda well in advance of Board meetings. Inputs and feedback of Board members are taken and considered while preparing the agenda and documents for the Board meetings. At these meetings, directors can provide their inputs and suggestions on various strategic and operational matters.

Opinion of the Board with respect to Independent Directors

The Board hereby confirms that, in its opinion, the independent directors on the Board fulfill the conditions specified in SEBI Listing Regulations, 2015 are independent of the Management.

Non-Executive Directors Compensation

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.

Non-executive directors of the Company are being paid, sitting fee of Rs. 25,000/- per meeting for every meeting of the Board.

The Company has not granted any stock options to the Non-Executive Directors during the year under review.

Information supplied to the Board

The Board agenda comprises of relevant information on various matters related to the working of the Company, especially those that require deliberation at the Board level. The Board is periodically updated on important developments in the business segments and otherwise through presentation made by the function heads. The directors have separate and independent access to officers of the Company. In addition to items which are required to be placed before the Board

for its noting or approval, information on various significant items is also provided. In terms of quality and importance, the information supplied by the Management to the Board is beyond the list mandated under the Listing Regulations. The independent directors, at their separate meeting held on February 03, 2021, assessed the quantity, quality and timely flow of information between the Management and the Board, and found it to be in line with the expectations.

Orderly succession to Board and management

The Board is periodically updated on the orderly succession to the Board and Senior Management. It has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management. As and when new appointments are done, Board is apprised of the same.

Certificate from the Practising Company Secretary regarding non-debarment and non-disqualification of Directors from Practising Company Secretary

A certificate issued by Mr. Kulbhushan D Rane of M/s K D Rane and Associates, Practising Company Secretary, pursuant to Regulation 34(3) read with Clause 10(9) of Paragraph C of Schedule V of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that none of the Directors on the Board of the Company as on March 31, 2021 has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. This certificate is annexed to this Annual Report.

Board confirmation regarding independence of the Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Rules framed thereunder, and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Based on the disclosures received from all the Independent Directors, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

Review of legal compliance report

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

Code of Conduct

Regulation 17(5) of the Listing Regulations, requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of Independent directors as laid down in the Companies Act, 2013.

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, 2021.

In terms of the 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 2020-21.

Sd/-

Managing Director

Place: Pune

Date: August 21, 2021

Maximum tenure of Independent Directors

The maximum tenure of independent directors is in accordance with Companies Act, 2013 and Regulation 25(2) of SEBI Listing Regulations.

Formal letter of appointment of Independent Directors

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 at www.vascon.com

Performance Evaluation

In terms of Regulation 19(4) read with section A(2) of Part D of Schedule II to SEBI Listing Regulations, the Company has framed a policy stipulating the criteria for performance evaluation of Independent directors, Board and Individual Directors.

In accordance with Regulation 17(10) of the SEBI Listing Regulations, an evaluation of the performance in respect of Directors and Members of the Committee was undertaken. Schedule IV to the 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.

VASCON ENGINEERS LIMITED

During the year under review, the Independent Directors of the Company met on February 03, 2021 inter-alia, for:

- Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors.
- 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.

Details on the evaluation of the Board, non-independent Directors and Chairperson of the Company as carried out by the independent directors at their meeting held on February 03, 2021 have been furnished in a separate para elsewhere in this Report.

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 maybe 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 F.Y. 2020-21

(Amount In lakhs)

Sr. No.	Name of the Directors	Salary and Allowance	Sitting Fees paid	Shareholding in the Company
1.	Mr. V. Mohan	0	1.75	-
2.	Mr. K. G. Krishnamurthy	0	1.75	-
3.	Mrs. Sowmya Aditya Iyer	0	1.50	700294
4	Mr. Mukesh Malhotra	0	1.75	5525

Remuneration paid or payable to Executive Directors for F.Y. 2020-21

(Amount In Lakhs)

Sr. No.	Name of the Directors	Salary and Allowance	Perquisites	Retirement Benefits**	Shareholding in the Company
1.	Mr. R. Vasudevan	510.00*	-	-	42428701
2.	Mr. Siddharth Vasudevan Moorthy	265.15	-	11.12	2828651

*Includes payment of Rs. 5 crore as one time ex-gratia

**Payable at the time of retirement

The tenure of office of Managing 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.

Board Diversity Policy

In compliance with the provisions of the Listing Regulations, the Board through its Nomination and Remuneration Committee has devised a Policy on Board Diversity. The objective of the Policy is to ensure that the Board comprises an adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Board composition meets the above objective.

Familiarisation programmes for independent directors

With a view to familiarising the independent directors with the Company's operations, as required under regulation 25(7) of the Listing Regulations, the Company has held various familiarisation programmes for the independent directors throughout the year on an ongoing and continuous basis. The details of such familiarisation programmes are placed on <https://www.vascon.com/investors/services>

Whistle Blower Policy/Vigil Mechanism

Pursuant to section 177(9) of Companies Act, 2013 and regulation 22 of the Listing Regulations, the Company has framed its Whistle Blower Policy. 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:

- describes the Ombudsperson framework
 - takes into account procedures for investigation and communication of any report on any violation or suspected violation of the Code
 - accepts appeal against any decision; and
- 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: <https://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 -2020-21, no personnel has been denied access to the Audit Committee.

Material Subsidiary Company

'GMP Technical Solutions Pvt. Ltd.' is a material subsidiary Company in terms of SEBI Listing Regulations. The Company has formulated a policy for determining material subsidiaries and it is available on the Company's website <https://www.vascon.com/investors/services>

Related Party Transactions

All Related Party Transactions (RPTs) entered into by the Company during the year under review, were on arms' length basis and in the ordinary course of business and did not attract provisions of section 188 of Companies Act, 2013 and were also not material RPTs under Regulation 23 of the Listing Regulations.

A statement showing the disclosure of transactions with related parties as required under Ind AS 24 is set out separately in this Annual Report.

Pursuant to Regulation 23(9) of SEBI Listing Obligations and Disclosure Requirement) Regulations, 2015, disclosures of RPTs on a consolidated basis are being submitted to the stock exchanges within the prescribed time limit and are being published on the Company's website <https://www.vascon.com/investors/services> There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company.

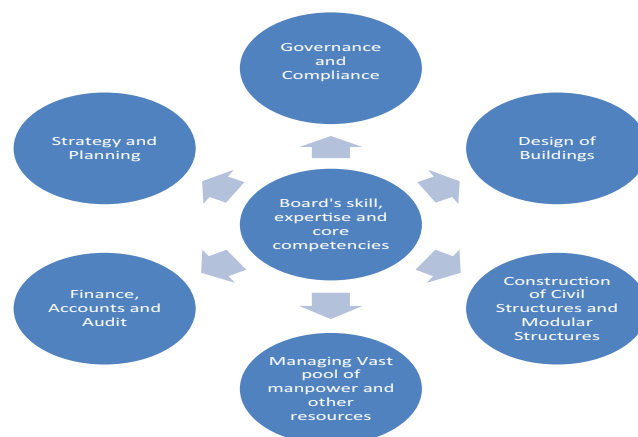
DISCLOSURES

• Core skill and expertise of Directors

In terms of the requirements of the Listing Regulations, following is the list of core skills/competencies/expertise as required in the context of the company's business for it to function effectively.

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.

1. Design of Residential, Commercial Office and other Buildings;
2. Construction of Civil Structures and Modular Structures;
3. Managing vast pool of Manpower and Other Resources;
4. Understanding market dynamics of the Real Estate Buildings i.e. Strategy and Planning;
5. Finance, Accounts and Audit, and
6. Governance and Compliance.



Name of the Directors	Skill sets					
	Strategy and Planning	Governance and Compliance	Design of Buildings	Construction of Civil Structures and Modular Structures	Managing vast pool of Manpower and other resources	Finance Accounts and Audit
Mr. Vasudevan Ramamoorthy	Expert	Expert	Expert	Expert	Expert	Expert
Mr. Siddharth Vasudevan Moorthy	Expert	Expert	Expert	Expert	Expert	Expert
Mr. V. Mohan	Expert	Expert	Proficient	Proficient	Expert	Expert
Mr. K. G. Krishnamurthy	Expert	Expert	Proficient	Proficient	Expert	Expert
Mrs. Sowmya Aditya Iyer	Expert	Expert	Expert	Expert	Proficient	Proficient
Mr. Mukesh Malhotra	Expert	Expert	Proficient	Proficient	Expert	Proficient

• Audit Committee

Audit Committee was constituted on February 17, 2007 and reconstituted on May 31, 2021. It comprises of 4 directors. Out of four directors three are independent. All members of the Audit Committee are financially literate. Moreover, the Chairman and members of the Audit Committee have 'accounting or related financial management expertise'.

The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under Companies Act, 2013 and SEBI Listing Regulations, 2015.

Terms of Reference of 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, 2021.
21. Review of the compliance with respect to provisions of SEBI (Prohibition of Insider Trading Code) 2015 atleast once a year.

Meetings and Attendance

During the Financial Year 2020-21, the Audit Committee met five times, viz., June 12, 2020, July 14, 2020, August 18, 2020, November 05, 2020 and February 03, 2021. The meetings were scheduled well in advance. The

gap between any two meetings has been less than one hundred and twenty days.

In addition to the members of the Audit Committee, these meetings were attended by the CFO, CEO, CEO- Real Estate internal audit functions and Statutory Auditors of the Company and those executives who were considered necessary for providing inputs to the Committee.

Mrs. Vibhuti Dani Company Secretary acted as the Secretary to the Audit Committee.

Composition of Audit Committee and attendance record of the members

Name of the Director	Category	No of meetings attended (out of 5)
Mr. V. Mohan	Chairman, Non-Executive-Independent Director	5
Mr. Mukesh Malhotra	Member, Non-Executive-Independent Director	5
Mr. K. G. Krishnamurthy	Member, Non-Executive-Independent Director	5
Mr. R. Vasudevan*	Member, Executive Chairman	4
Mr. Siddharth Vasudevan Moorthy*	Member, Managing Director	-

**Mr. R. Vasudevan has been elevated as Chairman Emeritus and he ceases to be Executive Director and Executive Chairman. He is not a part of the Board. Mr. Siddharth Vasudevan Moorthy is appointed as a Member of Audit Committee w.e.f. May 31, 2021*

Pursuant to the terms of reference, the Audit Committee, inter alia, discussed and deliberated on the financial results, appointment/re-appointment and remuneration of Statutory Auditors, review of internal audit functions, review and approval of related party transactions including granting of omnibus approval for the proposed transactions, review of investment related reports of the Company, etc.

Mr. V. Mohan, Chairman of the Audit Committee, was present to answer shareholders' queries at the Annual General Meeting of the Company held on September 29, 2020.

• Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on June 11, 2007 and was reconstituted on February 09, 2017. It comprises of four directors.

During the Financial Year 2020-21, the Committee met four times, i.e. July 14, 2020, September 29, 2020, November 20, 2020 and February 03, 2021.

Composition of Nomination and Remuneration Committee and attendance record of the members

Name of the Director	Category	No of meetings attended (out of 4)
Mr. K. G. Krishnamurthy	Chairman, Non-Executive, Independent	4
Mr. V. Mohan	Member, Non-Executive, Independent	4
Mr. Mukesh Malhotra	Member, Non-Executive, Independent	3
Mrs. Sowmya Aditya Iyer	Member, Non-Executive, Non-Independent	2

Mrs. Vibhuti Dani, Company Secretary acted as the secretary of the 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 maybe entrusted by the Board.

Mr. K. G. Krishnamurthy, Chairman of the Nomination and Remuneration Committee, was present to answer shareholders' queries at the Annual General Meeting of the Company held on September 29, 2020.

Stakeholders Relationship Committee

The Shareholders Relationship Committee was constituted on June 11, 2007 and was again reconstituted on May 31, 2021 to specially oversee and redress the issues pertaining to Investor Grievances

Composition of Stakeholders Relationship Committee and attendance record of the members

Name of the Director	Category	No of meetings attended (out of 4)
Mr. K. G. Krishnamurthy	Chairman, Non-Executive, Independent Director	4
Mr. V. Mohan	Member, Non-Executive, Independent Director	4
Mr. Mukesh Malhotra	Member, Non-Executive, Independent Director	4
Mr. R. Vasudevan*	Member, Executive Chairman	4
Mr. Siddharth Vasudevan Moorthy*	Member, Managing Director	-

* Mr. R. Vasudevan has been elevated as Chairman Emeritus and he ceases to be Executive Director and Executive Chairman. He is not a part of the Board. Mr. Siddharth Vasudevan Moorthy is appointed as a Member of Stakeholders Relationship Committee w.e.f. May 31, 2021

Mrs. Vibhuti Dani, Company Secretary acts as Secretary of the Committee.

- Details of the investor complaints received during the Financial Year 2020-21

No. of complaints at the beginning of the year	No. of shareholder complaints received during the year	No. of complaints resolved during the year	No. of complaints pending to be resolved at the end of the year
April 1, 2020 to June 30, 2020	0	0	0
July 1, 2020 to September 30, 2020	0	0	0
October 1, 2020 to December 31, 2020	0	0	0
January 1, 2021 to March 31, 2021	0	0	0

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.

- **Meeting of Independent Directors**

Pursuant to the Act and the Listing Regulations, the independent directors shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on February 03, 2021 and:

- noted the report on performance evaluation for the year 2020-21 from the Chairman of the Board;
- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive director and non-executive directors; and
- assessed the quantity, quality and timely flow of information between the Management and the Board, and found it to be in line with the expectations.

Mr. V. Mohan was elected as the Chairman of the meeting.

- **Risk Management Committee**

In terms of Regulation 21(5) of the Listing Regulations, the Company wasn't required to constitute Risk Management Committee.

Remuneration of Directors

- **Pecuniary relationships with non-executive directors**

During the Financial year 2020-21, there were no material pecuniary relationships or transactions with any non-executive director of the Company.

- **Criteria for making payment to Non-Executive directors**

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making, provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company.

They are not paid anything apart sitting fees.

- **Managing Director**

During the year under review, Company has paid remuneration to Mr. Siddharth Vasudevan Moorthy, Managing Director as provided in form MGT-7 (Annual Return) as placed on company's website at <https://www.vascon.com/investors/services>.

- **Details of Remuneration to directors**

During the financial year under review, though the Company has granted stock options, Independent Directors are not granted shares under ESOS and hence it does not form part of remuneration package. The details of remuneration paid to other directors are as provided in form MGT-7 (Annual Return) as placed on company's website at <https://www.vascon.com/investors/services>.

- **Shareholding of Directors**

Information on shares held by Directors as on March 31, 2021 as provided in form MGT-7 (Annual Return) as placed on company's website at <https://www.vascon.com/investors/services>.

Disclosure of Material Transactions

Under Regulation 26(5) of the Listing Regulations, 2015, the Senior Management has made disclosures to the Board stating that there were no material financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company.

Means of Communication

Quarterly, half-yearly, annual financial results and other public notices issued for the shareholders of Company are sent to the Stock Exchanges and are published in leading dailies, such as Financial Express: English Edition and Loksatta - Marathi Edition. They are also available on the website of the Company.

The Company has its own website www.vascon.com which contains all important public domain information including presentations, if any, made to the media, analysts and institutional investors. The website contains information as prescribed under Companies Act, 2013 and SEBI Listing Regulations, 2015, including details of the corporate contact persons and share transfer agent of the Company, shareholding pattern, etc.

Sections 20 and 129 of Companies Act, 2013 read with Companies (Accounts) Amendment Rules, 2017, permit companies to service delivery of documents electronically on the registered members'/shareholders' email addresses. The Company, during the year under review, sent documents, such as notice calling the general meeting, audited financial statements, directors' report, auditors' report, etc. in electronic form to the email addresses provided by the shareholders and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form upon request.

All financial and other vital official news releases and documents under the Listing Regulations, 2015, are also communicated to the concerned stock exchanges, besides being placed on the Company's website. www.vascon.com

Information on Annual General body Meetings (“AGM”) and details of Special Resolutions passed

The details of last 3 AGMs are as under

Date & Time of AGM	Location of AGM	Details of Special Resolution(s) passed at AGM
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
September 23, 2019 at 11:00 A.M.	MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune – 411 014	1. Re-appointment of Mr. V. Mohan (DIN: 00071517) as Non-Executive Director 2. Re-appointment of Mr. K. G. Krishnamurthy (DIN: 00012579) as Non-Executive Director 3. Approval for Payment of Remuneration to Mr. Siddharth Vasudevan Moorthy as Managing Director of the Company 4. Approval for payment of Remuneration to Mr. Vasudevan Ramamoorthy as Whole Time Director(Executive Chairman) of the Company 5. To convert Loan availed from JM Financials Credit Solutions Ltd into equity shares upon the Event of Default
September 29, 2020 at 11:30 A.M.	Video Conferencing/Other Audio-Visual Means (Deemed Venue was Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune Nagar Road, Pune-411014	No Special Resolutions were passed at the Annual General Meeting of the Company.

During the year 2020-21, 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 Kfin Technologies Private limited (KFIN), 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 (e-voting) in a fair and transparent manner for both the postal ballot conducted by the company during the year.

Postal Ballot Procedure

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Shareholders are provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice

is sent to shareholders as per the permitted mode wherever applicable. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting or through postal ballot during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced within 2 working days of conclusion of the voting period. The results are displayed on the website of the Company (www.vascon.com), and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

In view of the COVID-19 pandemic, the MCA permitted companies to transact items through postal ballot as per the framework set out in Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020.

The Board of Directors approved the Postal Ballot notice dated July 14, 2020, containing the below mentioned resolution for the approval of the members, which was passed with the requisite majority on September 08, 2020.

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:

VASCON ENGINEERS LIMITED

Details of Resolutions:

Item No	Description of Resolution	No of votes polled	No. of votes in favour	No. of votes against	Votes Invalid	Percentage in favour of the resolution	Result
Ordinary Business							
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	75325573	75292528	33045	-	99.9561%	Passed with requisite majority
2	Employees Stock Option Scheme, 2020	75325573	75292622	32951	-	99.9563%	Passed with requisite majority
3	Grant Of Employee Stock Options In Excess Of 1% Of The Issued Capital At The Time Of Grant Of Options To Identified Employees	75326028	75292524	33504	-	99.9555%	Passed with requisite majority

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-para (2) to (10) of Schedule V (C) of the Listing Regulations

- e. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of Listing Regulations: Not Applicable

f. **Compliance Certificate**

The CEO and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) read with Part B of Schedule II to the Listing Regulations.

g. **Secretarial Auditor's Certificate on Corporate Governance**

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.

- h. Compliance of mandatory and discretionary requirements Company has complied with mandatory requirements of the SEBI Listing Regulations, 2015

The Company has also complied with the discretionary requirements during the Financial Year under review as under:

- a. The Board:
For the Financial Year 2020-21, the Company had an Executive Chairman, the requirement regarding non-executive Chairman is not applicable.
- b. Modified opinion(s) in audit report
The Company confirms that its financial statements are with unmodified audit opinion.
- c. Reporting of Internal Auditor
The Internal Auditor reports directly to the Audit Committee.

i. Statutory Auditors

M/s Sharp & Tannan Associates, Chartered Accountants are the Statutory Auditors of the Company. 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:

(Amt in Lakhs)

Sr. No.	Particulars	Statutory Audit Fees	Other Services
1	Vascon Engineers Limited	28.50	18.93
2	GMP Technical Solutions Private Limited	8.00	3.10

- j. Disclosure under Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013** There was no complaint during the year under Sexual Harassment of Women at Workplace Prevention, Prohibition and Redressal) Act, 2013.

Sr. No.	No. of complaints filed during the year	No of complaints dissolved during the year	No. of complaints pending at the end of the year
1	-	-	-

During the financial year under review, the Company has not received any complaint under the Act.

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 <https://www.vascon.com/investors/quarterly-financials-presentations>

b. News Releases, Presentation 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, inter alia, 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. 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.

f. Designated Exclusive Email ID

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

GENERAL SHAREHOLDERS INFORMATION

a. Details of Annual General Meeting

Pursuant to General Circular No. 20/2020 issued by Ministry of Corporate Affairs ('MCA') dated May 5, 2020 read together with General Circular no 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 02/2021 dated 13th January, 2021 and SEBI Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, respectively, companies are allowed to conduct their AGM through video conferencing (VC) or other audio visual means (OAVM) for the calendar year 2021. Accordingly, your Company will be conducting the AGM through VC/OAVM facility.

The detailed instructions for participation and voting at the Meeting is available in the Notice of the 36th AGM. Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice of AGM, and this mode will be available throughout the proceedings of the AGM.

VASCON ENGINEERS LIMITED

36th Annual General Meeting of Vascon Engineers Limited

Venue: The Company is conducting meeting through video conferencing ('VC')/ other audio visual means ('OAVM') pursuant to the MCA circulars. Deemed venue of the meeting is "Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune Nagar Road, Pune-411014" for details.

Date : September 28, 2021

Time : 1130 hours

Compliance Officer of the Company

Mrs. Vibhuti Darshin Dani
Company Secretary & Compliance Officer
T: +91-20-30562200
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:** Owing to the continuing uncertainty created by the second wave of Covid -19 pandemic in India, the Board of Directors has deemed it prudent not to declare dividend for the year under review, thus the same is not applicable.

Financial Results on the Company's website: The annual results of the Company are published in the newspapers in India, Indian Express; English Edition and LokSatta, Marathi Edition 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.

- d. Listing on Stock Exchange:** The Company's equity shares are listed on National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE).

Annual Listing fees for the financial year 2020-21 has been paid in full to both the stock exchanges.

- e. Following table indicates your Company's Stock Exchange addresses and codes:**

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

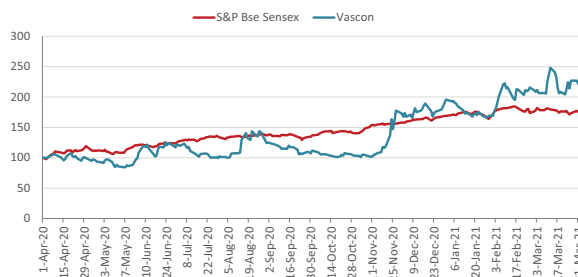
- f. Master Price Data: High, Low during each month in the financial year 2020-21**

Month and Year	BSE		NSE	
	High	Low	High	Low
April 2020	9.25	7.48	9.00	7.45
May 2020	8.35	6.88	8.35	6.70
June 2020	10.70	6.22	10.85	7.00
July 2020	10.40	7.98	10.50	7.85
August 2020	12.51	8.10	12.50	8.05
September 2020	10.46	8.50	10.60	7.85
October 2020	9.30	8.16	9.40	8.20
November 2020	14.61	8.11	14.60	8.20
December 2020	16.42	13.30	16.50	13.00
January 2021	16.85	13.30	16.45	13.25
February 2021	19.44	13.40	19.50	13.40
March 2021	21.25	16.05	21.20	16.10

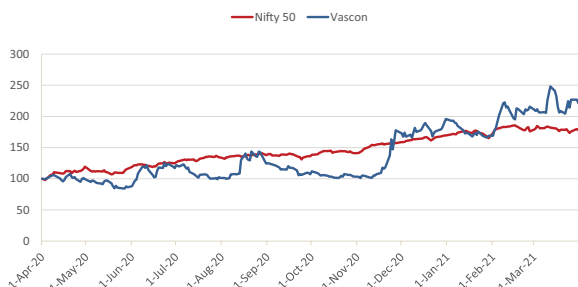
- g. Performance in comparison to broad based indices Company's share Price Movement**



Share Price Movement Indexed to 100



Share Price Movement Indexed to 100



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 March 31, 2021

No. of Equity Shares held	Shareholders		Equity Shares held	
	No. of Shareholders	% to total	No. of Shares	% to total
1-5000	22152	66.20	42155180	2.31
5001-10000	4822	14.41	41730570	2.29
10001-20000	2764	8.26	44602400	2.45
20001-30000	1100	3.29	29135360	1.60
30001-40000	494	1.48	18236590	1.00
40001-50000	562	1.68	27207500	1.49
50001-100000	758	2.27	58244800	3.20
100001 & above	810	2.42	1560054460	85.65
Total	33462	100.00	1821367160	100.00

j. Shareholding Pattern of the Company as on March 31, 2021

S no	Category	Total Shares	% Equity
1	RESIDENT INDIVIDUALS	70813624	38.88
2	PROMOTERS	55457804	30.45
3	BODIES CORPORATES	24056924	13.21
4	EMPLOYEES	16097552	8.84
5	PROMOTERS BODIES CORPORATE	9599275	5.27
6	H U F	3807400	2.09
7	CLEARING MEMBERS	739701	0.41
8	FOREIGN PORTFOLIO - CORP	700000	0.38
9	NON RESIDENT INDIANS	643737	0.35
10	NON RESIDENT INDIAN NON REPATRIABLE	215107	0.12
11	I E P F	3592	0.00
12	BANKS	2000	0.00
	Total:	182136716	100.00

k. Outstanding Global Depository Receipts/American Depository Receipts/Warrants or any convertible instruments, conversion date and likely impact on Equity:

No such instrument is outstanding for Conversion and/or allotment.

l. Investor Complaints

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

Investor Complaints Status as on March 31, 2021

Particulars	No. of Complaints Received	No. of Complaints Resolved	No. of Complaints Pending
April 1, 2020 to June 30, 2020	0	0	0
July 1, 2020 to September 30, 2020	0	0	0
October 1, 2020 to December 31, 2020	0	0	0
January 1, 2021 to March 31, 2021	0	0	0

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 Company has transferred unpaid/unclaimed dividend to Investor Education and Protection Fund amounting to Rs. 14057 on November 15, 2018. Company has transferred 3592 unclaimed shares to Investor Education and Protection Fund in the financial year 2018-19.

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://www.vascon.com/investors/services>. The said details have also been uploaded on the website of IEPF Authority and the same can be accessed through the link: <http://www.iepf.gov.in/>

m. Commodity Price Risk or Foreign Exchange Risk & 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.

n. Credit Rating

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

Instrument	Rating Agency	Rating
Long Term Instrument	ACUITE Ratings and Research Limited	ACUITE BBB- (Outlook: Stable)
Short Term Instrument	ACUITE Ratings and Research Limited	"ACUITE A3"

The outlook for banking facilities availed by Vascon/ Company from various banking/financial institutions has been revised from Negative to Stable. The Outlook on Short Term facilities has been reaffirmed to A3.

o. Dematerialization of shares

As on March 31, 2021, 99.99 percent of the total equity capital was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's shares are regularly traded on BSE and NSE.

Shares held in demat and physical form as on March 31, 2021 were as follows:

Category	No. of shares	% to total Equity
Demat Mode	182136714	99.99%
Physical Mode	2	0.01%
Total	182136716	100%

SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts and email IDs with the respective depository participants to enable us to provide better service.

p. Share Transfer system:

The Company's Shares are covered under the compulsory 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 the Listing Regulations and the same is filed with Stock Exchanges

q. Registrar and Transfer Agents and Share Transfer System

The Company's Share are covered under the compulsory 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 the Listing Regulations and the same is filed with Stock Exchanges.

• KFIN Technologies Private Limited

Karvy Selenium Tower B, Plot no 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032
Toll Free no.: 1800-309-4001

E-mail: einward.ris@kfintech.com

Investor grievance id: einward.ris@kfintech.com

Website: <https://www.kfintech.com>

Contact Person: Mr. S. V. Raju

SEBI Registration NO: INR000000221

• Debentures 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 CircularNo.17/ 2011 dated 21st April, 2011 allowed the serviceof documents on members by a company through electronic mode. Accordingly the Company proposes tosend documents like Shareholders Meeting Notice/ othernoices, audited financial statements, directors' report,auditors' report or any other document, to its membersin electronic form at the email address provided bythem and/or made available to the Company by theirDepositories. Members who have not yet registered their email id (including those who wish to change their alreadyregistered email id) may get the same registered/ updatedeither with their Depositories or by writing to the company(by filling & sending the prepaid inland letter attached withthe Annual Report).

• Registrar & Transfer Agents for all matters relating to transfer/ dematerialization of shares, payment of dividend, IPO refunds/demat credits at**KFintech Technologies Private Limited**

Karvy Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Toll Free no.: 1800-309-4001

Investor grievance id: einward.ris@kfintech.com

Website: <https://www.kfintech.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**Nomination and 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("the Listing Regulations").

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 applicable Listing Regulations.

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.

Key Managerial Personnel means

- i) The Managing Director or Chief Executive Officer or Manager
- ii) Whole Time Director
- iii) The Company Secretary
- iv) The Chief Financial Officer and
- v) Any other person as defined under the Companies Act, 2013 from time to time.

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 Listing Regulations 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 Listing Regulations, 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.
- f. Whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of Independent Director

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:**a. Managing Director/Whole Time Director:**

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force.

c. 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 the 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 the 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.

POLICY REVIEW:

- (a) This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the Listing Regulations
- (b) In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- (c) This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

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**The Policy stipulating the criteria for performance evaluation of Independent Directors, Board, Committees and Individual Directors****Background:**

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires the Nomination and Remuneration Committee of the Board to lay down criteria for performance evaluation of Independent Directors and the Board of 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
2	The board has appropriate combination of industry knowledge and diversity (gender, experience, background)
3	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.
4	Board members demonstrate highest level of integrity (including maintaining confidentiality and identifying, disclosing and managing conflicts of interests)
5	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.
6	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.
7	The Board has set its goals and measures its performance against them on annual basis.
8	The Board has defined its stakeholders and has appropriate level of communication with them.
9	The Board understands the line between oversight and management
10	The board monitors compliances with corporate governance regulations and guidelines.
11	An effective succession plan of board in place.
12	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	
13	The Annual Calendar of Board meetings is communicated well in advance and reviewed from time to time.
14	The Board meeting agenda and related background papers are concise and provide information of appropriate quality and detail.
15	The information is received by board members sufficiently in advance for proper consideration.
16	Adequacy of attendance and participation by the board members at the board meetings.
17	Frequency of Board Meetings is adequate.
18	The facility for video conferencing for conducting meetings is robust

19	Location of Board Meeting(As a good governance practice the Board meeting should be held at different places).
20	The Board meetings encourage a high quality of discussions and decision making
21	Openness to ideas and ability to challenge the practices and throwing up new ideas
22	The amount of time spent on discussions on strategic and general issues is sufficient
23	How effectively does the Board works collectively as a team in the best interest of the company
24	The minutes of Board meetings are clear, accurate, consistent, complete and timely
25	The actions arising from board meetings are properly followed up and reviewed in subsequent board meetings
26	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).
27	Adequacy of the separate meetings of independent directors
28	Appropriateness of secretarial support made available to the Board
29	The Board members understand the terms and conditions of D & O insurance.
30	All proceedings and resolutions of the Board are recorded accurately, adequately and on a timely basis
Board Development	
31	Appropriateness of the induction programme given to the new board members.
32	Timeliness and appropriateness of ongoing development programmes to enhance skills of its members
33	Appropriate development opportunities are encouraged and communicated well in time
Board Strategy and Risk Management	
34	The time spent on issues relating to the strategic direction and not day-to-day management responsibilities
35	Engaging with management in the strategic planning process, including corporate goals, objectives and overall operating and financial plans to achieve them.
36	The Board has developed a strategic plan / policies and the same would meet the future requirement of the Company.
37	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.
38	The Board evaluates the strategic plan/ policies periodically to assess the Company's performance, considers new opportunities and responds to unanticipated external developments.

39	The Risk management framework is subject to review
40	Monitoring the implementation of the long term strategic goals.
41	Monitoring the company's internal controls and compliance with applicable laws and regulations
42	The adequacy of Board contingency plans for addressing and dealing with crisis situations.
43	Appropriateness of effective vigil mechanism
44	The Board focuses its attention on long-term policy issues rather than short term administrative matters
45	The Board discusses thoroughly the annual budget of the Company and its implications before approving it
46	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

47	The Board sets the overall tone and direction of the Company
48	The Board has approved comprehensive policies and procedures for smooth conduct of all material activities by Company
49	The Board has a range of appropriate performance indicators that are used to monitor the performance of management
50	The Board is well informed on all issues (short and long-term) being faced by the Company
51	The Board adequately reviews proposed departures from the long-and short- term business plans of the Company before they take place

Succession Planning

52	The Board has a succession plan for the Chairperson and the Chief Executive Officer / Managing Director
53	The Board reviews the existing succession plan and if appropriate, make necessary changes by taking into account the current conditions

Individual Director

Some of the specific issues and questions that should be considered in a performance evaluation of a Director at individual level 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
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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.

EVALUATION OF BOARD COMMITTEES:

Functions and Duties:

1	The Committee of the Board are appropriately constituted.
2	The terms of reference for the committee are appropriate with clear defined roles and responsibilities.
3	Observing Committees terms of reference.
4	The composition of the committee is in compliance with the legal requirement.
5	The amount of responsibility delegated by the Board to each of the committees is appropriate
6	The reporting by each of the Committees to the Board is sufficient.
7	The performance of each of the Committees is assessed annually against the set goals of the committee.
8	Whether the terms of reference are adequate to serve committee's purpose?
9	The committee regularly reviews its mandate and performance.
10	Committee takes effective and proactive measures to perform its functions.

Management Relations:

1	Adequate independence of the Committee is ensured from the Board
2	Committee gives effective suggestion and recommendation.
3	Committee meetings are conducted in a manner that encourages open communication and meaningful participation of its members.

Committee Meetings and Procedures

1	Committee meetings have been organized properly and appropriate procedures were followed in this regard?
2	The frequency of the Committee meetings is adequate.
3	Committee makes periodically reporting to the Board along with its suggestions and recommendations.

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

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 2020-21.

Siddharth Vasudevan Moorthy
Managing Director

Place: Pune

Date: August 21, 2021

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

Date: August 21, 2021

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.**

Sd/-
Dr. Santosh Sundararajan
Group Chief Executive Officer

Sd/-
Mr. Somnath Biswas
Chief Financial Officer

VASCON ENGINEERS LIMITED

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 2021.

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, C. P. No. 11195

Place: Pune

Date: 21 August 2021

UDIN: F010022C000814298

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 2021, 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 Aditya Iyer	06470039	31/03/2015
4.	Krishnamurthy Kulamani Gopalratnam	00012579	23/09/2019
5.	V Mohan	00071517	23/09/2019
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, C P No. 11195

Place: Pune

Date: 21 August 2021

UDIN: F010022C000814243

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

All the economies in the world encountered a “once in a century” crisis due to the COVID-19 pandemic that affected economic activities. During this period, all the sectors experienced sharp decline induced by lockdown to control spread of Covid-19. The economic activity, however, started recovering as the unlocking process began. The various subcomponents of Index of Industrial Production (IIP) and the other core index have experienced a V-shaped recovery with consistent movement towards the pre-crisis levels owing to fiscal reforms and the large stimulus package announced by the Government of India under the ‘Atmanirbhar Bharat’ scheme. As per January 2021, industrial activity contracted by 1.6 percent, but recovered significantly from decline of 57.3 percent in April 2020. Further, several Government measures to push economic growth like enhanced capital expenditure, favorable policies coupled with the major vaccination drive to aid economy growth. The International Monetary Fund has projected a stronger recovery for Indian economy; it is projected to grow at 12.5 percent during 2021 and 6.9 percent in 2022; stronger than that of China and the only major economy expected to register double-digit growth in 2021. This reflects that the reforms undertaken in India is one of the most comprehensive among the major economies of the world.

(Source: IMF Report)

India's Civil Construction & Real Estate Sector

Infrastructure sector is a key driver for the Indian economy. The sector is critical to India's overall economic growth, and the government has placed a high priority on enacting regulations that would assure the country's building of world-class infrastructure in a time-bound manner. Power, bridges, dams, roads, railways, and urban infrastructure development are all part of the infrastructure industry.

To support the sector's growth, the Indian government has established a task force called the “National Infrastructure Pipeline” (NIP) with a budget of Rs.111 lakh crore to improve infrastructure in specified industries over a five-year period from 2020-25. The construction companies are likely to witness significant opportunity with key segments being highway,

railways, ports, urban infrastructure, metros and airports. In addition, the government's focus on healthcare, affordable housing, and education is projected to drive construction industry growth. Further, infrastructure investment will have a multiplier effect on overall economic growth and will be a critical enabler in achieving the ambitious \$5 trillion economy target by 2025.

Growth Drivers for the Indian Construction Industry:

To accelerate the pace of infrastructure, a large number of initiatives have been undertaken:

Union Budget: In Union budget 2021-22, Government's focal point was to ensure that the economy continues to remain buoyant and the nation re-embark on the growth path of becoming a USD 5 trillion economy by 2025. Infrastructure being the priority sector for growth revival, received a major push from the government in the Union Budget 2021-22. Infrastructure sector received a capital outlay of Rs. 5.5 lakh crores for FY2021-22, an unprecedented increase of 34.5% y-o-y, to push growth via infrastructure creation. The government has undertaken various policy measures like setting-up of development financial institution to address financial need for the infrastructure sector, creation of National Monetization plan, impetus on PPP models, and relaxation in conditions for tax exemption by sovereign wealth fund/pension fund, amongst others which are likely to steer growth infrastructure sector.

Increasing Investments in Indian Infrastructure: The private sector is emerging as a key player across various infrastructure segments, ranging from roads and communications to power and airports. Private investment into physical and social infrastructure is key to putting India in a high growth trajectory, which will make it a US\$ 5 trillion economy by 2024-25. Construction development and infrastructure activities sectors received FDI inflow of 42.97 billion between April 2000 and September 2020. The Indian government plans to spend USD 1.4 trillion during 2019 – 2023 on infrastructure with an investment of USD 750 billion on railways infrastructure by 2030. Further, Union Cabinet, approved investments of Rs. 6,000 crore (US\$ 816.18 million) equity in the debt platform of National Infrastructure Investment Fund (NIIF) for the next two years; this would assist in collecting Rs. 1.10 lakh crore (US\$ 15 billion) for infrastructure project funding by 2025 and will drive infrastructure growth in the country.

‘Housing for All’ Initiative: India will need to construct 43,000 houses every day until 2022 to achieve the vision of Housing for All by 2022. This has the potential for propelling India to the 3rd largest construction market globally. The sector is expected to contribute 15% to the Indian economy by 2030 (source: IBEF).

In Union Budget 2021, to support initiatives such as ‘Housing for All’ and ‘Smart Cities Mission’, the government allocated Rs. 13,750 crore (US\$ 1.89 billion) to AMRUT and Smart Cities Mission. The Union Budget 2021 provided policy impetus to

achieve the 'Housing for All by 2022' vision through various measures such as extension of tax relief for the affordable housing segment. As per Union Budget 2021, the government announced a tax proposal for an additional deduction of Rs. 1.5 lakh (US\$ 2.06 thousand) shall be available for loans taken up until March 31, 2022, for purchase of affordable housing. This is expected to drive the demand going forward.

Strengthening of Healthcare Infrastructure: In the Budget 2021-22 for health and well-being, the Government announced capital outlay of Rs. 2.2 lakh crores, as against Rs. 94,452 crores in FY2020-21, an increase of 137% year-on-year, with the aim to strengthen healthcare infrastructure by setting up health units, mobile hospitals, urban and rural wellness centers.

Airports Infrastructure Development: Government's impetus to develop 100 more airports by 2025 to boost airport construction demand. The Airports Authority of India (AAI) to develop city-side infrastructure at 13 regional airports across India, with help from private players for building of hotels, car parks and other facilities, and there by boost its non-aeronautical revenues. Furthermore, to focus on Non-metro airports the AAI projected to dedicate over Rs. 21,000 crore between 2018-22 to build new terminal and expand capacity of existing ones. ~ 22 airports to get connected under regional connectivity scheme and over 30 airport development projects are under progress across various regions in Northeast India. AAI to develop over 20 airports in tier II and III cities in next 5 years. (source: ibef)

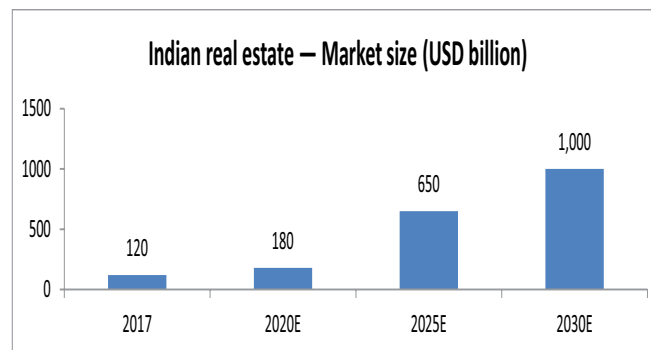
Metro Rail Development: India currently has ~700km of operational metro lines and ~500km under construction. With a further 2,100km proposed/ approved projects, India's metro network is set to be 5x in a few years. Under NIP, Mass Rapid Transport System (MRTS) has received capital outlay of ~ Rs. 5.7 trillion over FY20-25E with new projects in tier 2 cities, creating visibility of a strong order pipeline in coming years. To further aid the growth, in Union Budget 2022, the government allocated Rs. 235 billion for Metro and MRTS; registering 14% CAGR over FY18-22E.

Growth in Warehousing: Logistic and warehousing plays a pivotal role in the industrial advancement of the country. Investment in the logistics sector is expected to reach USD 500 billion annually by 2025. (source: IBEF).

(Source: ibef & industry reports)

Real Estate Sector

Indian Real Estate sector is estimated to reach USD 1 trillion by 2030; expected to contribute 13 percent to Country's GDP by 2025. Emergence of nuclear families, rapid urbanization and rising household income are likely to remain the key drivers for growth in all spheres of real estate, including residential, commercial, and retail.



Source: IBEF Report, January 2021

The year 2020 has been a challenging year for most of the businesses and the Indian Real Estate was no exception. In the face of unprecedented crisis, the Indian real estate sector demonstrated remarkable resilience and emerged as stronger supported by the various slew of measures like Lowering of interest rates, Loan moratorium, and Special liquidity schemes for HFCs and NBFCs adopted by the government.

Residential Real Estate

The Indian residential sector has undergone a prolonged downcycle, multiple rounds of disruptions over the years caused by various policy reforms. The Covid-19 pandemic came as another disruptive event, the residential real estate segment was significantly impacted on account of restriction on physical site visits and grinding halt on the construction activities. Coupled with the existing problems of unsold inventory and stagnant property prices. However, residential real estate segment exhibited resilience in the latter half of the FY2021 aided by 'Work from Home' driving demand for homes, low mortgage rates, discounts/deferred payments plans offered by developers for ready/near-completion inventory and stamp duty waivers in markets such as the Mumbai Metropolitan Region (MMR).

Home sales volume across seven major cities in India stood at ~1.38 lakh units in 2020, registering a decline by 47% in 2020 compared to 2019. However, it has register an increase of 72% in Q4 2020 compared to Q3 2020 as India's unlocking and activities gained momentum. MMR and Pune together continued to dominate the overall sales with nearly 49% contribution. These cities witnessed the lowest decline of 45% and 42% in 2020 compared to 2019, respectively. This may be attributed to the reduction in stamp duty which spurred sales in the state. On the new launches front, Top 7 cities of India witnessed the lowest launches of this decade during 2020 amid COVID-19 pandemic. Nearly 1.28 lakh units were added in 2020; 13% lower than the previous trough of 2017. While the launches declined by 46% in 2020 compared to the previous year, the last quarter of 2020 witnessed an improvement of 62% on q-o-q and 2% compared to the same period last year. Since the sales have exceeded the new launches in 2020, unsold inventory declined marginally by 2% to 6.38 lakh units in the second half of 2020. The real estate sector started showing early signs of recovery in H2FY21; with the recovery in the overall economy. The second wave of Covid-19 has further delayed the recovery in the sector.

The overall loss incurred by the sector since the COVID-19 outbreak in India is estimated at around \$13.6 billion which has put developers into a liquidity crunch. The struggles for the unlisted residential developers with high leverage to further increase, may lead to the consolidation in the markets. The large, organised Tier developers gain market share and are expected to account for larger share of new launches going forward; this provides an edge to organized players like Vascon Engineers.

(Source: Anarock & other Industry reports)

Commercial Real Estate

The office market in India reached its peak in 2019, with net absorption of Grade A spaces crossing 46 mn sq ft and new completions breaching the 50 mn sq ft mark; the market was expected to continue its flight in 2020. However, the COVID-19 pandemic and subsequent containment measures brought about unprecedented challenges for the office sector in the second quarter of 2020. A nationwide lockdown forced corporates to adopt work from home practices and reimagine their workplace strategies. This led to delay in real estate decisions resulting in demand disruption. With the gradual opening up of the economy, business activities started to resume in the third quarter of 2020 and the office market witnessed green shoots of recovery. However, business sentiment and the market recovery have been affected by the recent resurgence of the Covid-19. With the decreasing cases and the scaling up of the covid-19 vaccination drive to lead recovery in the sector going forward.

(Source: JLL reports)

Opportunities for Growth

The COVID-19 led economic crisis adversely affected the global and domestic economy. The Infrastructure sector growth is critical for economic revival and achieve an ambitious target of \$5 trillion economy by 2025. Rapid urbanization, government-led infrastructure, smart cities, housing, healthcare, transportation, coupled with various policy reforms, increasing foreign investor spend and shared economy model to be the key drivers fueling the overall growth in Indian Construction and Real Estate Industry. Vascon Engineers has prepared a comprehensive strategy to capture opportunity in both the EPC and Real Estate Development Business.

Outlook

The global economy continues to experience massive disruption due to Covid-19 Pandemic; the Infrastructure sector & Real Estate was also significantly impacted by challenges arising due to Covid-19. The Pandemic, and the ensuing lockdown has adversely impacted the sector during the H1FY21, primarily on account of halting of construction activities across the country, lack of availability of labor, softening demand for real estate, amongst others. With the relaxation in the restriction coupled with various slew of measures announced by the government like extension of construction period, special liquidity scheme, reduction interest rates have aided in recovery in the second half of the fiscal. The second wave of covid-19, has regressed the pace of recovery experienced in the H2FY2021.

The current crisis has impacted the consumption demand in the Country, government spending in infrastructure sectors to be the key driver for economic growth. The Budget- 2021-22, reflects the same; the government has increased the capital outlay for the infrastructure sector by an increase of 34.5% y-o-y to Rs. 5.5 lakh crores for FY2020-21, to push growth in the sector. Government's key initiatives like Housing for all, Udaan, Metro Rail Development, Ayushman Bharat, Transport infrastructure, amongst others to drive growth. Further, In the midst of the current crisis, India is witnessing an opportunity of growth in various sectors, as major companies are working towards diversifying their manufacturing facilities beyond China, this is expected to create a huge opportunity in the Building & factories segment. Also, government thrust on Healthcare Industry, providing an opportunity for growth in the sector in coming years.

The Company's order book stands at Rs.2,109 Crore, forming 7 times bill to book ratio, ensuring strong visibility for the EPC segment for next 2-3 years. Further, your Company have identified new real-estate launched worth around Rs. 700 crores, proving further visibility for growth. During the last few years, your Company has focused on debt reduction, Bank Guarantee enhancement and efficient working capital management. These efforts are bearing fruits; during these unprecedented times, your Company ably maintained adequate liquidity for execution of projects. With the improving operating efficiency and adequate liquidity in place your Company is well-prepared to capitalize on the arising opportunities going forward.

Financial Performance with respect to operational performance

COMPANY PERFORMANCE

Financial Year 2020-21, began amidst a global pandemic, leading to adopting unprecedented measures that brought the economy to a grinding halt. The Company's performance during the first half of the financial year 2020-21 was significantly impacted primarily, on account of nation-wide lockdown bringing construction activities to halt, unavailability of labour, raw-material constraint, amongst others. The construction activities started picking-up the pace in the second-half of the year, leading to a partial off-set of losses incurred in the first half of FY 2020-21.

On the Real Estate front, impact of Covid-19 was limited due to lower levels of unsold inventory. During the Financial year 2020-21, your Company intensified its focus on the liquidation of the unsold inventory and adopted a cautious approach towards new project launch. In financial year 2020-21, the Company's liquidity position remains adequate to carry out un-interrupted operation. Government initiatives like special liquidity scheme, release of performance guarantee against the execution completed aided in maintaining the liquidity position of the Company during these difficult times. Further, your Company has repaid the loan of ~Rs.41.24 crores during this fiscal, exhibiting its commitment towards strengthening the balance sheet.

Consolidated Financial Performance

- Total Consolidated Revenue stood at Rs.518.18 crores as against Rs.540.89 crores in FY2019-20; impacted due to unprecedented crisis Covid-19
- EBITDA declined to Rs.0.99 crores in FY2020-21 from Rs.73.87 FY 2019-2020, primarily impact by Covid-19 ensued disruption
- Loss after tax was of Rs.40.28 crores in FY2020-21 as against Profit after tax of Rs.39.74 crores in FY 2019-20
- As on March 31, 2021, Total consolidated debt stood at Rs.214.08 crores as against Rs.255.32 crores on March 31, 2020
- Net worth Rs.709.16 crores as on March 31, 2021 compared to Rs.743.67 crores as on March 31, 2020

Working Capital Management - Standalone

- Current assets as on March 31, 2021 stood at Rs. 909 crores compared to Rs.930 crores as on March 31, 2020
- Current ratio as on March 31, 2021 stood at 1.85 times compared to 2.17 times as on March 31, 2020
- Inventories stands at 441 crores as on March 31, 2021 as against Rs.463 crores as on March 31, 2020
- Short-term loans and advances stood at Rs. 67 crores in FY2020-21 compared to Rs.67 crores in FY 2019-20
- Current liabilities stood at Rs. 489 crores on March 31, 2021 compared to Rs.429 crores as on March 31, 2020
- Cash and bank balances was at Rs. 58 crores as on March 31, 2021 compared to Rs.57 crores as on March 31, 2020.

Key Ratios - Standalone

- Debtors' turnover: The Company's debtors' turnover stood at 115 days in FY2020-21 as compared to 127 days in FY2019-20; reduction in debtors' is on account of increase in debtor realization
- Inventory turnover: Inventory turnover stood at 440 days FY2020-21 as against 483 days in FY2019-20; major inventory is related to Real Estate Division and it also includes inventory for project which are not yet launched
- Interest coverage ratio: The Company's interest coverage ratio stood at (0.50) times in FY2020-21 against 3.46 in FY2019-20; on account of impact on the profitability led by COVID-19 related disruption.
- Current ratio: The Company's current ratio stood at 1.85 times in FY2020-21 compared to 2.17 the last fiscal

- Debt to Equity ratio: Debt to Equity Ratio stood at 0.29
- On standalone basis, Company reported operating loss of Rs. 5.15 crores in FY2020-21 compared to the profit of Rs. 62 crores in FY2019-20
- Net profit/loss: Company reported the loss of Rs. 37 crores in FY2020-21 as compared to Rs. 38 crores profit in FY2019-20; primarily on account of impact on execution due to covid-19 related restriction
- Return on net worth: The return on net worth stood at 0% in FY2020-21.

ENGINEERING PROCUREMENT & CONSTRUCTION

In FY2020-21, despite weak overall economic sentiments your Company has received EPC orders (Third Party Contracts) worth Rs. 584 crores. The orders are from reputed developers and from a Government institution. Your Company has received a major order from Uttar Pradesh Public Work Department worth Rs. 516 crores for the construction of New Medical College on Design and Build Basis. Total order book stands at Rs.2,109 crores which includes the Third Party contracts as well as internal order intake. The order book comprises ~75% orders from the government sector and rest from the private sector thus, provides visibility of faster execution while ensuring uninterrupted cash flow. In FY20-21, despite the disruption caused due to Covid-19 pandemic, your Company delivered performance in-line to the last year in the EPC segment. EPC segment contributed Rs.321.24 crores to consolidated revenues as against Rs. 277.05 in previous year.

REAL ESTATE

In FY20-21, the Real Estate segment contributed Rs.61.4 crores to consolidated revenues as against Rs.161.02 crores in previous year. During the year, your company has focused on the liquidation of the current inventory. Your Company did new sale bookings of 120,631 square feet amounting to a total sales value of Rs.120 crores in FY20-21 against new sale bookings of 1,35,412 square feet for a total sales value of Rs.116 crores for the full Financial Year 2019-20; an outcome of the strong marketing efforts, which has resulted in faster liquidation of the inventory. The Company has a strong real-estate launch pipeline of ~1.3 million square feet amounting to total sales value of ~Rs. 790 crores over 1-2 years.

ONGOING PROJECTS:

Forest Edge – Residential Project in Kharadi, Pune

In 2019, Company launched Phase-II of Forest Edge- First-ever Health Tech Home in Pune, spread over ~3.4 acres. Forest edge is an advanced lifestyle project comprising 2 BHK apartments, and modelled as Health Tech Homes. It is one of its kind in Pune.

Forest County- Residential Project in Kharadi, Pune

Forest County, a residential Project with a total saleable area of 0.18 msft, located in the most rapidly developing area of Pune – Kharadi. Launched two-towers consists of 132 units comprising 2 and 3 BHK apartments with sizes of 1,150 sqft to 1,685 sqft.

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

Windermere – A Signature Luxury Residential Project, is a thoughtfully designed, premium quality home at Koregaon Park, Pune, with the total site area of 4.75 acres, which is developed in 2 phases. The total saleable area of the project is ~0.42 msft.

The project comprises apartments of 3,000 Sq.ft, 3,800 Sq.ft & 8,500 sq. ft with its own private swimming pool. The project offers the 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 '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

Vascon Goodlife - Value Housing Project, spread across 10 acres of land, offering 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 the IT Hub of the city, comprising 71 exclusive smart 2BHK apartments, which intends to provide quality living and premium housing. The project is sprawled across 2 acres, with a total saleable area of 0.04 msft. The project 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.

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.

Over the last few years, your Company's resilient efforts were towards stabilisation of GMP Business, resultant, the GMP division has achieved an EBITDA positive during the last fiscal, and in spite of COVID-19, and the same is sustained during such a challenging period. During the FY20-21, GMP Technical contributed Rs.148.54 crores to consolidated revenues as against Rs.152.82 crores in the last fiscal and the operating profit of Rs.11.06 crores with a margin of 7%. Your Company continues to focus towards sustainable improvement and achievement of marquee projects like those from Tata Group demonstrating Company's ability and preparedness. Going forward, GMP division to further value add towards the profitability of the Company.

STRENGTH, OPPORTUNITIES, STRATEGY**Strengths**

- Robust Order Book with diversified clientele both in public as well as private sector
- Focus on one segment i.e. building segment, with an in-house design team and focus on cutting-edge technology have enabled Vascon to scale up in this space
- Experienced management team with proven track record in terms of execution capabilities and strict control over processes Opportunities
- Government impetus on Infrastructure development through construction of airports, healthcare facilities, modernization on railways, development of smart cities, construction of factories to push 'Atmanirbhar Bharat' yojana, Housing for all, amongst others. These initiative to provide huge opportunities in the infrastructure sector going forward and Vascon is well-prepared to capitalize on this growth opportunity both in EPC and Real Estate Segment
- Organized and branded real estate industry witnessed faster than expected turnaround in customer sentiments Strategy
- Focus on core business that is Engineering, Procurement & Construction (EPC) and Real Estate Development business
- Vascon continue to focus on improving operational efficiencies and strengthening of Balance Sheet through cash flow generation via monetization of identified non-core assets to improve liquidity and achieve higher growth

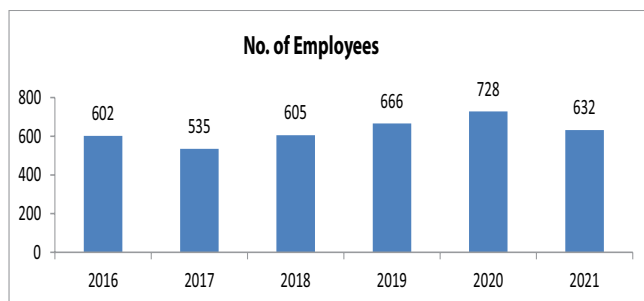
THREATS, RISKS, CONCERNS

In EPC business, delay in projects execution, stall of projects due to unprecedented natural calamity, non-payment by developers, steep cost escalation in inputs affects the execution of projects 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

Over the years, your Company has built a team across functions and across levels for both business verticals. Presently, our team is led by industry leaders and enables us to grab the large opportunities available in front of us. Vascon treats its employees as an asset and promotes fair HR practices, and employee friendly policies and processes. Your Company continues to provide adequate opportunities for professional growth and provides regular training to enhance the skills and capabilities of its employees. During these unprecedented times, your Company adopted stringent safety measures to safeguard our employees from Covid-19 and extended support to the employees during the difficult phase of lockdown.



INTERNAL CONTROL SYSTEM

The Company has deployed a vigorous Internal Controls and Audit mechanism to facilitate an accurate and fair presentation of its financial results. The internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The Audit Committee reviews reports presented by the internal auditors on a routine basis. The Committee makes note of the audit observations and takes corrective actions, if necessary. It maintains a constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

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. 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 AUDITOR'S REPORT

To the members of VASCON ENGINEERS LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **VASCON ENGINEERS LIMITED** (hereinafter referred as "the Company"), which comprise the Balance sheet as at March 31, 2021, 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 Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter collectively referred as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred as "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 (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2021, its loss, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified Under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the Standalone 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 (hereinafter referred as "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules there under, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 41 to the Standalone Financial Statements, which describes the economic and social consequences the entity is facing as a result of Covid-19, which is impacting operations of the Company, supply chains, personnel available for work etc.

Our opinion is not modified in respect of this matter of emphasis.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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;

S. No.	Key Audit Matter	Auditor's Response
1	Revenue Recognition: Ind AS 115 prescribes detailed guidance for various elements of revenue recognition and requires detailed contract assessment as per the accounting principles. The revenue accounting standards application involves certain significant judgements regarding identification of distinct performance obligations, recognition of revenue over the period, recognition of contract acquisition costs, appropriateness of the basis used for measuring the estimation of the total cost of completion of the projects over a wide range of customers and also wide range of contracts each having different risk profile based on its individual nature of performance and delivery characteristics. Changes in cost estimate could give rise to the variances in the amount of revenue recognised and profit/loss recognised. Accordingly this matter has been identified as KAM.	Principal Audit Procedures: Our audit procedures on revenue recognition from construction contract consisted mainly the testing of the design and operating effectiveness of the laid down internal controls and then substantive testing of the transactions. The audit procedures performed includes following: <ul style="list-style-type: none"> Assessed the Company's process to identify revenue recognition and cost estimation as per the requirement of the revenue accounting standard. Evaluation of the internal control designs relating to the revenue accounting standards, Selected an appropriate samples of contracts and evaluated them along with the supporting evidence to determine whether various elements of revenue recognition as well cost allocations are assessed with the principles prescribed under Ind AS 115. We performed project analysis and obtained the reasons for our observations in respect of the ongoing as well as completed projects during the year under audit. Read and assessed the disclosure made in the financial statements for assessing the compliance with the disclosure Ind AS 115 requirements.

Information other than the Standalone Financial Statements and Auditor's Report thereon (hereinafter referred as "other information")

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the Standalone Financial Statements and our report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance and / or conclusions thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Company's Management and Board of Directors are 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.

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

Auditor's Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Standalone 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.
- b) Obtain an understanding of internal 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 Standalone 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.
- e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone 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 Standalone 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

Due to the Covid-19 pandemic, the lockdown and other restrictions were imposed by the state Government and local administration, as such some of the audit processes carried out during and post lockdown were based on the remote access and evidence shared digitally.

Our opinion has not been modified for the above other matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act and 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), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 B**". 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, we report that 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; and
 - h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its Standalone Financial Statements - Refer note 30 to the Standalone Financial Statements.
 - ii. The Company has made provision, as required under the applicable law or Ind AS, 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.

SHARP & TANNAN ASSOCIATES

Chartered Accountants
Firm's Registration No.: 0109983W
by the hand of

CA Tirtharaj Khot

Partner

Membership No.: (F) 037457

UDIN: 21037457AAAAAW2962

Pune, May 31, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets of the Company.
- (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) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, reporting on paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to information and explanation provided to us, the Company has complied with provisions of Section 185 and Section 186 of the Act.
- (v) 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 Central Government has specified maintenance of cost records under Section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that, *prima facie*, the prescribed cost accounts and records have been made and maintained. We have not however made a detailed examination of 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, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they become payable except for as given below:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment	Amount Paid Subsequently
Employee Provident Fund Act, 1952	Provident Fund	40,614	May 2018 to March 2019	15 th of the following month	-	-
		2,880	April 2019 to May 2019		-	-
Employee Provident Fund Act, 1952	Provident Fund	1,809,896	Sep 2020	15 th of the following month	25 th May 2021	1,809,896
Income Tax Act	Tax Deducted At Source - Salary	180,168	March 2017	7 th of the following month	-	-
Sales Tax Act	Sales Tax	463,199	April 2011 to March 2012	20 th of every following month	-	-
Sales Tax Act	Sales Tax	6,893,036	June 2017	20 th of every following month	-	-
Goods and Service Tax Act	Goods and Service Tax Act	19,838,098	May 2019	20 th 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, 2021 on account of disputes are given below:

Name of the Statute	Nature of disputed dues	Forum where dispute is pending	Period to which it relates	Amount Involved	Amount Unpaid
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2009-10	23,332,629	23,332,629
Sales Tax Act	Sales Tax / Value Added Tax / Central Sales Tax	Joint Commissioner, Mumbai	2008-09 to 2014-15	95,728,330	93,665,830
		Commercial Tax Officer, Goa	2010-11	4,468,475	4,468,475
		Joint Commissioner, Mumbai	2015-16	7,766,828	7,389,797
		Joint Commissioner, Mumbai	2016-17	7,420,456	7,420,456

- (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 has been applied for the purposes for which they were raised.
- (x) Based upon the audit procedures performed by us and according to the information and explanations provided to us, no material fraud by the Company or any 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 Ind AS.
- (xiv) According to the information and explanation provided to us, 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) According to the information and explanation provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, reporting on Para 3(xv) is not applicable.
- (xvi) According to the information and explanation provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm's Registration No.: 0109983W

by the hand of

CA Tirtharaj Khot

Partner

Membership No.: (F) 037457

UDIN: 21037457AAAAAW2962

Pune, May 31, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under the heading, "Report on other legal and regulatory requirements" of our report on even date)

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

Opinion

We have audited the internal financial controls over financial reporting of **VASCON ENGINEERS LIMITED** (hereinafter referred as "the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion and 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, 2021, based on the internal financial 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 (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are 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. 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed Under Section 143(10) of the Act, 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 judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone 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.

SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm's Registration No.: 109983W

by the hand of

CA Tirtharaj Khot

Partner

Membership No.: (F) 037457

UDIN: 21037457AAAAAW2962

Pune, May 31, 2021

Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars		Note No.	As at March 31, 2021	As at March 31, 2020
A	ASSETS			
1	Non-current assets			
(a)	Property, Plant and Equipment	3	2,472.55	2,737.56
(b)	Capital work-in-progress		-	-
(c)	Investment Property	4	1,598.71	1,797.76
(d)	Other Intangible assets	3	3.91	10.84
(e)	Right of Use Assets	3	33.50	209.19
(f)	Financial Assets			
(i)	Investments	5	16,889.25	16,949.23
(ii)	Others Financial Assets	7	9,798.50	9,538.85
(g)	Income Tax Assets (net)		1,024.91	1,374.37
(h)	Other non-current assets	8	1,681.49	1,634.70
	Total Non - Current Assets		33,502.82	34,252.50
2	Current assets			
(a)	Inventories	9	44,078.00	46,384.31
(b)	Financial Assets			
(i)	Investments	5	312.70	1,803.42
(ii)	Trade receivables considered good - Unsecured	10	11,469.20	12,898.29
(iii)	Cash and cash equivalents	11	1,935.79	2,023.54
(iv)	Bank balances other than (iii) above	11	3,855.23	3,688.72
(v)	Loans receivables considered good - Unsecured	6	6,732.08	6,745.15
(vi)	Others Financial Assets	7	19,807.99	16,760.00
(c)	Other current assets	8	2,708.50	2,695.72
	Total Current Assets		90,899.49	92,999.15
	Total Assets (1+2)		124,402.31	127,251.65
B	EQUITY AND LIABILITIES			
1	Equity			
(a)	Equity Share capital	12	18,213.67	17,813.67
(b)	Other Equity	12.1	51,208.99	54,783.08
	Equity attributable to owners of the Company		69,422.66	72,596.75
	LIABILITIES			
2	Non-current liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	13	4,318.80	9,918.21
(ii)	Other financial liabilities (including lease liability)	14	1,754.70	1,797.07
	Total Non - Current Liabilities		6,073.50	11,715.28
3	Current liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	13	7,375.44	8,395.79
(ii)	Trade and other payables			
	-Total outstanding dues of micro enterprises and small enterprises	15	24.03	1.90
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	15	21,463.69	17,578.11
(iii)	Other financial liabilities (including lease liability)	14	9,183.89	6,401.62
(b)	Provisions	16	1,736.43	1,571.42
(c)	Other current liabilities	18	9,122.67	8,990.78
	Total Current Liabilities		48,906.15	42,939.62
	Total Equity and Liabilities (1+2+3)		124,402.31	127,251.65
Significant accounting policies		1-2 &		
See accompanying notes forming part of the Standalone Financial Statements.		3 - 42		

In terms of our report attached.

For and on behalf of the Board of Directors

For Sharp & Tannan Associates

 Chartered Accountants
(Firm Regn. No. 109983W)
By the hands of

 Sd/-
CA Tirharaj Khot
Partner
Membership No: (F) - 037457

 Sd/-
Siddharth Vasudevan
Managing Director
(DIN-02504124)

 Sd/-
Dr Santosh Sundararajan
Chief Executive Officer

 Sd/-
Vibhuti Darshin Dani
Company Secretary & Compliance Officer

 Sd/-
Mukesh Malhotra
Director
(DIN-00129504)

 Sd/-
Somnath Biswas
Chief Financial Officer

 Date : May 31, 2021
Place : Pune

 Date : May 31, 2021
Place : Pune

Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	19	35,722.68	36,599.98
II Other Income	20	1,123.00	1,723.99
III Total Income (I + II)		36,845.68	38,323.97
IV EXPENSES			
(a) Cost of materials consumed	21.a	28,077.32	23,855.49
(b) Purchases of Stock-in-trade		1.43	0.74
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	21.b	2,780.16	1,541.68
(d) Employee benefit expense	22	3,389.65	4,218.02
(e) Finance costs	23	2,451.33	1,551.48
(f) Depreciation and amortisation expense	3 & 4	721.61	864.55
(g) Other expenses	24	3,111.50	2,477.54
Total Expenses (IV)		40,533.00	34,509.50
V Profit /(Loss) before tax (III - IV)		(3,687.32)	3,814.47
VI Tax Expense			
(1) Current tax	17	-	-
(2) Deferred tax	17		
(3) (Excess) / Short provision for tax of earlier years	17	0.16	-
Total tax expense (VI)		0.16	-
VII Profit /(Loss) after tax (V - VI)		(3,687.48)	3,814.47
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		(111.01)	162.88
IX Total comprehensive Income /(Loss) for the Year (VII + VIII)		(3,798.49)	3,977.35
X Earnings per equity share			
(1) Basic	25	(2.05)	2.14
(2) Diluted	25	(2.05)	2.13
Significant accounting policies See accompanying notes forming part of the Standalone Financial Statements.	1-2 & 3 - 42		

In terms of our report attached.

For and on behalf of the Board of Directors

For Sharp & Tannan Associates
Chartered Accountants
(Firm Regn. No. 109983W)
By the hands of

Sd/-
Siddharth Vasudevan
Managing Director
(DIN-02504124)

Sd/-
Mukesh Malhotra
Director
(DIN-00129504)

Sd/-
CA Tirtharaj Khot
Partner
Membership No: (F) - 037457

Sd/-
Dr Santosh Sundararajan
Chief Executive Officer

Sd/-
Vibhuti Darshin Dani
Company Secretary & Compliance Officer

Sd/-
Somnath Biswas
Chief Financial Officer

Date : May 31, 2021
Place : Pune

Date : May 31, 2021
Place : Pune

Cash Flow Statement - Indirect Method

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities		
Profit / (Loss) before tax for the year	(3,687.32)	3,814.47
Adjustments for:		
Finance costs	2,451.33	1,551.48
Dividends received from Joint Venture/ shares	(173.88)	(0.04)
(Gain)/ loss on Sale of Assets	(337.95)	(0.35)
Depreciation	721.61	864.55
Interest received	(419.97)	(578.45)
Expense recognised in respect of equity-settled share-based payments	224.40	462.77
(Gain) / loss on investments carried at fair value through profit or loss	-	(732.05)
Profit on sale of investment	-	(169.37)
Provision for doubtful debts and advances	1,284.82	37.79
Provision / Creditors no longer required written back	(153.18)	(92.12)
Gain / (loss) on investments carried at fair value	1.90	30.49
Dividend received on investments carried at fair value through profit or loss	(9.78)	(81.21)
Commision (Net)	44.31	35.49
	(53.71)	5,143.45
Movements in working capital:		
(Increase)/decrease in trade and other receivables	995.95	3,522.92
(Increase)/decrease in amounts due from customers under construction	(2,339.29)	(2,727.57)
(Increase)/decrease in inventories	3,249.84	2,716.06
(Increase)/decrease in other financial assets	(797.75)	(1,631.65)
(Increase)/decrease in Financial asset Loans	13.08	(630.44)
(Increase)/decrease in other current and non current assets	(59.34)	(1,664.95)
Increase/(decrease) in other liabilities	(489.36)	(1,746.97)
Increase/(decrease) in trade and other payables	4,028.81	848.49
Increase/(decrease) in provisions	54.01	286.37
Cash generated from operations	4,602.24	4,115.71
Income tax (refund) / paid (Net)	349.30	381.00
Net cash (used in)/generated by operating activities	4,951.54	4,496.71
Cash flows from investing activities		
Purchase of fixed assets including work in progress	(196.97)	(184.00)
Profit on sale of investment	-	169.37
Proceeds from disposal of Fixed assets	459.98	184.60
Dividends received from Joint Venture /Shares	173.88	0.04
Proceeds on redemption / (Investment) of Liquid Mutual Fund	1,498.58	(1,318.34)
Investment in Fixed deposits with Banks	(363.93)	(1,712.15)
Proceeds / (Payment) from Investment	60.00	788.00
Net cash (used in)/generated by investing activities	1,631.54	(2,072.48)
Cash flows from financing activities		
Proceeds from issue of Equity Shares	400.00	0.00
Repayment of borrowings	(5,539.54)	(1,926.15)
Proceeds from borrowings	1,809.00	1,300.00
Interest received	402.61	494.26
Finance cost including capitalized to qualifying assets	(3,636.04)	(3,751.61)
Net cash (used in)/generated by financing activities	(6,563.97)	(3,883.50)
Net increase / (decrease) in cash and cash equivalents	19.10	(1,459.27)
Cash and cash equivalents at the beginning of the year (Refer Note-11A)	1,856.42	3,315.69
Cash and cash equivalents at the end of the year (Refer note -11A)	1,875.52	1,856.42

Notes :

- Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as prescribed in the Companies (Indian Accounting Standards) Rules, 2015.
- Figures in brackets represent cash outflows.

In terms of our report attached.

For and on behalf of the Board of Directors
For Sharp & Tannan Associates

 Chartered Accountants
 (Firm Regn. No. 109983W)
 By the hands of

 Sd/-
 CA Tirtharaj Khot
 Partner
 Membership No: (F) - 037457

 Sd/-
 Siddharth Vasudevan
 Managing Director
 (DIN-02504124)

 Sd/-
 Dr Santosh Sundararajan
 Chief Executive Officer

 Sd/-
 Vibhuti Darshin Dani
 Company Secretary & Compliance Officer

 Sd/-
 Mukesh Malhotra
 Director
 (DIN-00129504)

 Sd/-
 Somnath Biswas
 Chief Financial Officer

 Date : May 31,2021
 Place : Pune

 Date : May 31, 2021
 Place : Pune

Statement of Changes in Equity

(₹ in lakhs)

A. Changes in Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	17,813.67	17,813.67
Issue of equity shares under employee share option plan	400.00	-
Balance at the end of the year	18,213.67	17,813.67

B. Changes in Other Equity

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, 2019	55,493.35	1,537.50	1,074.87	1,250.00	(8,912.13)	50,443.59
Premium on Shares issued during the year	-	-	-	-	-	-
Amount recorded on Grant	-	-	462.77	-	-	462.77
Transferred to securities premium reserve on exercise	-	-	-	-	-	-
Other Comprehensive income for the year	-	-	-	-	162.88	162.88
Transitional Adjustment on account of application of Ind as 116	-	-	-	-	(100.63)	(100.63)
Profit for the Year	-	-	-	-	3,814.47	3,814.47
Balance at the end of the reporting year - March 31, 2020	55,493.35	1,537.50	1,537.64	1,250.00	(5,035.41)	54,783.08

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, 2020	55,493.35	1,537.50	1,537.64	1,250.00	(5,035.41)	54,783.08
Premium on Shares issued during the year	-	-	-	-	-	-
Amount recorded on Grant	-	-	224.40	-	-	224.40
Transferred to securities premium reserve on exercise	605.60	-	(605.60)	-	-	-
Other Comprehensive income for the year	-	-	-	-	(111.01)	(111.01)
Profit for the Year	-	-	-	-	(3,687.48)	(3,687.48)
Balance at the end of the reporting Year - Mar 31, 2021	56,098.95	1,537.50	1,156.45	1,250.00	(8,833.90)	51,208.99

In terms of our report attached.

For Sharp & Tannan Associates

Chartered Accountants
(Firm Regn. No. 109983W)
By the hands ofSd/-
CA Tirtharaj Khot
Partner
Membership No: (F) - 037457

For and on behalf of the Board of Directors

Sd/-
Siddharth Vasudevan
Managing Director
(DIN-02504124)Sd/-
Dr Santosh Sundararajan
Chief Executive OfficerSd/-
Vibhuti Darshin Dani
Company Secretary & Compliance OfficerDate : May 31, 2021
Place : PuneSd/-
Mukesh Malhotra
Director
(DIN-00129504)Sd/-
Somnath Biswas
Chief Financial OfficerDate : May 31, 2021
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 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, 2021 were approved by the Board of Directors and authorised for issue on May 31, 2021.

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 transactions that are within the scope of Ind AS 102, 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. Fair value is the price 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. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in this statement..

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.

Evaluation of satisfaction of performance obligation for the purpose of revenue recognition

Determination of revenue under the satisfaction of performance obligation necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The Company recognises revenue when the Company satisfies its performance obligation.

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 & Investment Property

The Company reviews the useful life of property, plant and equipment and Investment Property 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

Determination of lease term & discount rate

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

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. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables.

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 transferred to the buyer all significant risk and rewards of ownership and seller retains no effective control of the real estate to a degree usually associated with ownership.
- The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction.
- No significant uncertainty exists regarding 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) Interest Income – 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) Dividend Income – 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) **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.
- 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 construction / 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 certificate is carried over as completed Finished Properties

2.06 Leases

Leases are accounted as per Ind AS 116 .

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset

Company as a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Company has elected not to recognise right- of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

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.

These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

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. The company has no further obligation once the contribution have been paid.

(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 & Investment Property

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 and Investment Property 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 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 amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

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.

Derecognition of Financial Assets and Liabilities

For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in Profit or Loss and changes in fair value (other than on account of above income or expense) are recognised in Other Comprehensive Income and accumulated in Other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in Other equity is reclassified to Profit and Loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to Profit and Loss on disposal of investments.

A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

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 whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

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. In case of project business, operating cycle is dependent on life of specific project/ contract/ service, hence current non-current bifurcation relating to project is based on expected completion date of project which generally exceeds 12 months

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 pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

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 investee's 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".

Note No. 3 - Property , Plant and Equipment and Intangible Assets

Particulars	I. Property, Plant and Equipment							II. Intangible assets		III. Right of Use Assets		
	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Lease Hold Improvements	Total	Softwares	Office Premises	Vehicle	Total	(₹ in Lakhs)
Gross carrying value												
As at April 1, 2020	66.06	7,343.50	495.91	205.29	720.57	338.88	9,170.21	546.49	1,053.97	74.70	1,128.67	
Additions	-	136.39	5.91	-	15.81	-	158.10	12.79	-	26.08	26.08	
Disposals	-	(93.12)	-	(4.60)	(0.36)	-	(98.07)	-	-	-	-	
As at Mar 31, 2021 (A)	66.06	7,386.77	501.82	200.69	736.02	338.88	9,230.24	559.28	1,053.97	100.78	1,154.75	
Accumulated depreciation												
As at April 1, 2020	40.45	5,039.35	437.49	159.46	661.14	94.75	6,432.65	535.65	872.79	46.69	919.48	
Additions	1.11	335.15	14.72	13.46	31.26	16.86	412.56	19.72	178.69	23.08	201.77	
Disposals	0.00	(82.62)	-	(4.56)	(0.33)	-	(87.51)	-	-	-	-	
As at Mar 31, 2021 (B)	41.56	5,291.88	452.21	168.36	692.07	111.61	6,757.69	555.37	1,051.48	69.77	1,121.25	
Net carrying value as at Mar 31, 2021 (A) - (B)	24.50	2,094.89	49.61	32.33	43.95	227.27	2,472.55	3.91	2.49	31.01	33.50	
Gross carrying value												
As at April 1, 2019	66.06	7,603.22	492.14	207.55	699.87	338.88	9,407.72	542.87	-	-	-	
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	964.93	74.70	1,039.63	
Additions	-	63.97	3.77	3.94	20.70	-	92.38	3.62	89.04	-	89.04	
Disposals	-	(323.69)	0.00	(6.20)	0.00	-	(329.89)	-	-	-	-	
As at March 31, 2020 (A)	66.06	7,343.50	495.91	205.29	720.57	338.88	9,170.21	546.49	1,053.97	74.70	1,128.67	
Accumulated depreciation												
As at April 1, 2019	39.37	4,760.38	414.87	146.68	617.35	76.96	6,055.62	515.24	-	-	-	
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	674.16	29.35	703.51	
Additions	1.08	418.62	22.62	18.79	43.79	17.79	522.69	20.41	198.63	17.34	215.97	
Disposals	-	(139.65)	-	(6.01)	-	-	(145.66)	-	-	-	-	
As at March 31, 2020 (B)	40.45	5,039.35	437.49	159.46	661.14	94.75	6,432.65	535.65	872.79	46.69	919.48	
Net carrying value as at March 31, 2020 (A) - (B)	25.61	2,304.15	58.42	45.83	59.43	244.13	2,737.56	10.84	181.18	28.01	209.19	

Notes forming part of the financial statements

Note No. 4 - Investment Property

(₹ in Lakhs)

Description of Assets	Buildings
Gross carrying value	
As at April 1, 2020	2,490.73
Additions	-
Disposals	210.34
As at Mar 31, 2021 (A)	2,280.39
Accumulated depreciation	
As at April 1, 2020	692.97
Charge for the year	87.57
Reversals/ Disposals during the year	98.86
As at Mar 31, 2021 (B)	681.68
Net carrying value as at Mar 31, 2021 (A) - (B)	1,598.71
Gross carrying value	
As at April 1, 2019	2,490.73
Additions	-
Disposals	-
As at March 31, 2020 (A)	2,490.73
Accumulated depreciation	
As at April 1, 2019	587.50
Charge for the year	105.47
As at March 31, 2020 (B)	692.97
Net carrying value as at March 31, 2020 (A) - (B)	1,797.76

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.

Fair valuation

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment Property	2787.00	3176.21

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: of the above, a building carrying value ₹1595.06 Lakhs (Previous Year ₹ 1676.50 Lakhs) is subject to first charge for secured bank loans (refer note 13.1)

VASCON ENGINEERS LIMITED

Notes forming part of the financial statements

Note No. 5 - Investment

A. Non Current Investment

(₹ in Lakhs)

Particular	As at March 31, 2021	As at March 31, 2020
A. COST		
Unquoted Investments (all fully paid)		
<u>Investments in Equity Instruments of Subsidiaries</u>		
Almet Corporation Limited	1,475.66	1,475.66
58,824 (March 31, 2020: 58,824) Equity Shares of ₹ 100/- Each Fully Paid		
Marathawada Realtors Private Limited	2,251.06	2,251.06
39,216 (March 31, 2020: 39,216) Equity Shares of ₹ 100/- Each Fully Paid		
Marvel Housing Private Limited	1.00	1.00
10,000 (March 31, 2020: 10,000) Equity Shares of ₹ 10/- Each Fully Paid		
GMP Technical Solutions Private Limited	4,602.71	4,602.71
12,689 (March 31, 2020: 12,689) Equity Shares of ₹ 10/- Each Fully Paid		
Vascon Value Homes Private Limited	1.00	1.00
10000 (March 31,2020: 10000) Equity shares of ₹ 10/- Each fully paid		
Vascon EPC Limited*	1.00	1.00
10000 (March 31,2020: 10000) Equity shares of ₹ 10/- Each fully paid		
	8,332.43	8,332.43
<u>Investments in Equity Instruments of associates</u>		
Mumbai Estates Private Limited	10.00	10.00
99,999 (March 31, 2020: 99,999) Equity Shares of ₹ 10 /- Each Fully Paid		
	10.00	10.00
<u>Investments in Equity Instruments of joint ventures - jointly controlled entities</u>		
Cosmos Premises Private Limited	337.00	337.00
162,500 (March 31, 2020: 162,500) 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 Saga Construcions LLP	1.52	1.52
	4,811.47	4,811.47
INVESTMENTS CARRIED AT COST [A]	13,153.90	13,153.90
B. INVESTMENTS CARRIED AT AMORTISED COST		
<u>Investments in Redeemable Non-Cumulative Preference Shares of Subsidiary</u>		
GMP Technical Solutions Private Limited #	984.79	1,044.79
0.001% 984,793 (March 31, 2020: 1,044,793) Redeemable Non-Cumulative Preference Shares of ₹ 100 each		
<u>Investment in Government or trust securities</u>		
7 Years National Savings Certificate	0.20	0.20
INVESTMENTS CARRIED AT AMORTISED COST [B]	984.99	1,044.99
C. Designated as Fair Value Through Profit and Loss		
<u>Quoted Investments</u>		
Investments in Equity Instruments - Union Bank of India (formerly Corporation Bank)	0.11	0.09
330 (March 31,2020: 330) Equity shares of ₹ 10/- Each fully paid		
Total Aggregate Quoted Investments	0.11	0.09
<u>Unquoted Investments (all fully paid)</u>		
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		
<u>Investments in Equity Instruments of structured entities</u>		
The Saraswat Co Operative Bank Ltd	0.25	0.25
2,500 (March 31, 2020: 2,500) Equity Shares Of ₹10/- Each Fully Paid		
	2,750.25	2,750.25
INVESTMENTS CARRIED AT FVTPL [C]	2,750.36	2,750.34
TOTAL INVESTMENTS [A] + [B] + [C]	16,889.25	16,949.23

Notes forming part of the financial statements

Details of quoted / unquoted investments:

(₹ in Lakhs)

Particular	As at March 31, 2021	As at March 31, 2020
Aggregate amount of Quoted Investments and Market Value thereof	0.11	0.09
Aggregate amount of Unquoted Investments	16,889.14	16,949.14
Aggregate amount of Provision for expected credit loss on investments	-	-

* The Board of the Director of the Vascon EPC Limited in their meeting held on 26th February 2021 & the members in their Extraordinary General Meeting held on 26th March 2021, have accorded consent to the striking off the name of 'Vascon EPC Limited' one of the non-operative wholly owned subsidiaries. The same is in the process as on date.

During the year, one of the subsidiary GMP Technical Solutions Private Limited has redeemed 60000 number of Preference shares of Rs. 100 each at par out of profits of the company. These preference shares are 0.001% redeemable, non-cumulative preference shares issued by the GMP Technical Solutions Private Limited.

B. Current Investment

(₹ in Lakhs)

Particular	As at March 31, 2021	As at March 31, 2020
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, 2020: 806,000) Equity Shares of ₹ 50/- Each Fully Paid		
Total Unquoted Investments	234.00	234.00
Quoted Investments		
Investments in Mutual Funds		
HSBC Cash Fund	78.70	1,569.42
Units 3841.0260 (March 31, 2020: 4335.6070) , NAV ₹ 2,048.8137 (March 31, 2020: ₹ 1,977.4898) each		
Total Quoted Investments	78.70	1,569.42
TOTAL CURRENT INVESTMENTS	312.70	1,803.42

Details of quoted / unquoted investments:

Particular	As at March 31, 2021	As at March 31, 2020
Aggregate amount of Quoted Investments and Market Value thereof	78.70	1,569.42
Aggregate amount of Unquoted Investments	234.00	234.00
Aggregate amount of Provision for expected credit loss on investments	-	-

Note No. 6 - Loans receivable considered good - Unsecured

Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Loans and Advances to Employees		
- Unsecured, considered good	220.83	279.76
b) Loans to related parties (Refer Note 33)		
- Unsecured, considered good	530.49	362.67
c) Other Loans		
- Unsecured, considered good	5,980.76	6,102.72
TOTAL	6,732.08	6,745.15

Note No. 7 - Others

A. Non - Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Security Deposits		
- Unsecured	797.67	804.45
- Doubtful	25.00	25.00
Less: Allowance for Credit Losses	(25.00)	(25.00)
b) Bank deposits with more than 12 months maturity	450.33	252.91
c) Project Advances	8,550.50	8,481.49
TOTAL	9,798.50	9,538.85

VASCON ENGINEERS LIMITED

Notes forming part of the financial statements

B. Current		(₹ in Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020	
a) Security Deposits - Unsecured	1,101.17	601.60	
b) Interest accrued on deposits	87.72	104.48	
c) Project Advances	2,648.43	2,544.93	
d) Other Recoverable (incl. JV Partner share)	636.78	514.39	
e) Amounts due from customers			
- Gross amount due from customer (Unbilled)	19,341.53	15,720.50	
- Less : Related Advance Payments received	(4,007.64)	(2,725.90)	
	15,333.89	12,994.60	
TOTAL	19,807.99	16,760.00	

Note No. 8 - Other non-current and current assets

A. Non Current		(₹ in Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020	
(a) Balances with government authorities (other than income taxes)	1,681.49	1,634.70	
TOTAL	1,681.49	1,634.70	

B. Current		(₹ in Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020	
(a) Advances to suppliers	2,061.10	1,967.21	
(b) Prepaid Expenses	630.50	721.99	
(c) Travel Advance	16.90	6.52	
TOTAL	2,708.50	2,695.72	

Note No. 9 - Inventories (Valued at lower of cost or net realisable value)		(₹ in Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020	
(a) Building materials / tools	3,732.64	3,258.39	
(b) Projects under Development	34,889.06	31,721.48	
(c) Completed Units	5,456.70	11,404.44	
Total Inventories at the lower of cost and net realisable value	44,078.00	46,384.31	

Note No. 10 - Trade receivables considered good - Unsecured		(₹ in Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020	
Outstanding for a period exceeding six months from the date they are due			
(a) Unsecured, considered good	4,358.05	8,953.71	
(b) Doubtful	2,557.82	1,273.00	
Less: Allowance for Credit Losses	(2,557.82)	(1,273.00)	
	4,358.05	8,953.71	
Others			
(a) Unsecured, considered good	5,051.77	2,446.69	
(b) Doubtful			
Less: Allowance for Credit Losses			
Retention (Accrued but not due)			
(a) Unsecured, considered good	3,408.38	3,038.28	
(b) Doubtful	-	-	
Less: Allowance for Credit Losses	-	-	
	3,408.38	3,038.28	
Less: Related Unearned Receivables	(1,349.00)	(1,540.39)	
TOTAL	11,469.20	12,898.29	

Notes forming part of the financial statements

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 receivables.
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%

Age of receivables (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
EPC:		
Less than 1 year	5,029.42	2,936.10
1-2 year	1,584.58	1,907.46
2-3 year	1,178.65	597.77
More than 3 year	4,420.86	4,605.63
Less :- Expected Credit Loss	(2,557.82)	(1,273.00)
Total	9,655.69	8,773.96
Development Sales Receivables	817.10	2,624.09
Receivables from Related Parties (Refer Note No. 33)	996.41	1,500.24
TOTAL	11,469.20	12,898.29

Movement in the expected credit loss allowance is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,273.00	1,235.20
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	1287.98	39.82
Utilization / Reversals	(3.16)	(2.02)
Balance at end of the year - March 31, 2021	2,557.82	1,273.00

VASCON ENGINEERS LIMITED

Notes forming part of the financial statements

Note No. 11 - Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A) Current Cash and bank balances		
(a) Unrestricted Balances with banks #	1,385.12	1,670.61
(b) Cheques, drafts on hand	-	-
(c) Cash in hand	159.24	208.35
(d) Balances with banks in deposit accounts with original maturity of less than 3 months	391.43	144.58
Cash and Cash equivalent as per balance sheet	1,935.79	2,023.54
Bank Overdraft	60.27	167.12
Total Cash and cash equivalent as per statement of cash flows	1,875.52	1,856.42
B) Other Bank Balances		
(a) Balances with banks in deposit accounts with original maturity more than 3 months	451.75	153.60
(b) In earmarked accounts		
- Balances held as margin money or security against borrowing, guarantee and other commitments *	3,403.48	3,535.12
Total Other Bank Balances	3,855.23	3,688.72

* 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.

Cash and Cash Equivalents and Bank Balances includes balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.

Note No. 12 - Share Capital

(₹ in Lakhs)

Share Capital	As at March 31, 2021		As at March 31, 2020	
	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	182,136,716	18,213.67	178,136,716	17,813.67

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.

(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, 2019	178,136,716	1,781,367,160
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	-	-
Balance at March 31, 2020	178,136,716	1,781,367,160
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	4,000,000	40,000,000
Balance at Mar 31, 2021	182,136,716	1,821,367,160

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	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	42,428,701	23.29	42,428,701	23.82
Vatsalya Enterprises Private Limited	9,599,275	5.27	9,078,947	5.10
Lalitha Vasudevan	9,500,158	5.22	8,919,538	5.01
Santosh Sundarajan	9,140,643	5.02	8,134,393	4.57

Notes forming part of the financial statements

(iii) As at 31 Mar, 2021, 8,000,000 shares (As at 31 March, 2020, 12,000,000 shares) were reserved for issuance as follows:

Particulars	No. of shares	
	As at March 31, 2021	As at March 31, 2020
Outstanding employee stock options granted / available for grant	8,000,000	12,000,000

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, 2019	55,493.35	1,537.50	1,074.87	1,250.00	(8,912.13)	50,443.59
Premium on Shares issued during the year	-	-	-	-	-	-
Amount recorded on Grant	-	-	462.77	-	-	462.77
Transferred to securities premium reserve on exercise	-	-	-	-	-	-
Other Comprehensive income for the year	-	-	-	-	162.88	162.88
Transitional Adjustment on account of application of Ind As 116	-	-	-	-	(100.63)	(100.63)
Profit for the Year	-	-	-	-	3,814.47	3,814.47
Balance at the end of the reporting year - March 31, 2020	55,493.35	1,537.50	1,537.64	1,250.00	(5,035.41)	54,783.08

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, 2020	55,493.35	1,537.50	1,537.64	1,250.00	(5,035.41)	54,783.08
Premium on Shares issued during the year	-	-	-	-	-	-
Amount recorded on Grant	-	-	224.40	-	-	224.40
Transferred to securities premium reserve on exercise	605.60	-	(605.60)	-	-	-
Other Comprehensive income for the year	-	-	-	-	(111.01)	(111.01)
Profit for the Year	-	-	-	-	(3,687.48)	(3,687.48)
Balance at the end of the reporting Year - Mar 31, 2021	56,098.95	1,537.50	1,156.44	1,250.00	(8,833.90)	51,208.99

Description of Reserves

Retained Earnings: Retained earnings represent the amount of accumulated earnings of the Company

Securities premium reserve: The amount received in excess of the par value of equity shares has been classified as securities premium.

General reserve: The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits was required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Equity-settled employee benefits reserve: The Share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees

Capital Redemption Reserve: As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Notes forming part of the financial statements
Note No. 13 - Borrowings
A. Non Current Borrowings
(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost		
A. Secured Borrowings:		
(a) Fully Redeemable Debentures	2,885.37	7,293.70
(b) Term Loan from Financial Institution	1,344.68	1,835.42
(c) Long term maturities of Finance Lease Obligations	-	35.77
Total Secured Borrowings	4,230.05	9,164.89
B. Unsecured Borrowings - at amortised Cost		
(a) Public Deposits	-	-
(b) Loans from related parties (Refer note 33)	88.75	89.32
Total Unsecured Borrowings	88.75	89.32
Total Borrowings carried at Amortised Cost [A] + [B]	4,318.80	9,254.21
Measured at FVTPL		
A. Secured Borrowings:		
1,364 (March 31, 2020: 1,364) Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures 5864 of ₹ 1 lakhs each (Refer Note 40)	-	664.00
Total Borrowings carried at FVTPL	-	664.00
Total Non-Current Borrowings	4,318.80	9,918.21

B. Current Borrowings
(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Secured Borrowings		
Cash Credit from Banks *	5,875.91	6,647.51
Total Secured Borrowings	5,875.91	6,647.51
B. Unsecured Borrowings		
(a) From Banks (Bank overdraft)	60.27	167.12
(b) Loans from related parties (Refer Note 33)	1,382.77	558.63
(c) Loans from other parties	56.49	1,022.53
Total Unsecured Borrowings	1,499.53	1,748.28
Total Current Borrowings	7,375.44	8,395.79

* 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.

Notes forming part of the financial statements

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 22 to Mar 23	Apr 23 to Mar 24	Apr 24 to Mar 25	Apr 25 to Mar 28			
I. Secured									
a) Kotak India Real Estate Fund	7,068.70	4,183.33	2,885.37	-	-	-	2,885.37	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 boty 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	2,154.97	1,860.96	294.01	-	-	-	294.01	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
c) JM Financial Credit Soution Limited	319.00		79.75	79.75	79.75	79.75	319.00	14.00%	Guarenteed Emergency Credit Line against the Point No. (b) above
d) ICICI Home Finance	844.52	112.84	127.66	144.42	163.38	296.22	731.68	12.40%	Secured by way of registered mortgage on Unit No. 1, 2nd Floor, HDIL Kaledonia, Sahar Road, Andheri (East), Mumbai Admeasuring 9405 Sq Ft. carpet Area.
e) Zero Coupon, Rupee denominated, Unrated, unlisted, secured, Non Convertible Debetures of ₹ 1,00,000/- each (Refer Note 40)	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	35.12	35.12	-	-	-	-	-	10.65%	Hypothecation of Vehicle financed by lender

VASCON ENGINEERS LIMITED

Notes forming part of the financial statements

Name of the lender	Outstanding amount	Current Maturities	Long Term				Total Long Term Borrowings	Rate of interest	Nature of security
			Apr 22 to Mar 23	Apr 23 to Mar 24	Apr 24 to Mar 25	Apr 25 to Mar 28			
II. Unsecured									
a) Public deposits (accepted for a period of 400 days)	-	-	-	-	-	-	-	12.50%	Not Applicable
b) Inter corporate loans									
Yester Investment Pvt Ltd	500.00	500.00	-	-	-	-	-	12.00%	Not Applicable
c) Loans and advances from related parties									
- Subsidiaries									
Almet Corporation Limited	83.33	-	83.33	-	-	-	83.33	9.00%	Not Applicable
Marathwada Realtors Private Limited	5.42	-	5.42	-	-	-	5.42	9.00%	Not Applicable
Total	12,375.06	8,056.25	3,475.54	224.17	243.13	375.97	4,318.81		

* Interest accrued and due on borrowings as on 31st Mar, 2021 disclosed under other current liabilities (Refer Note 14)

Note No. 14 - Other Financial Liabilities

A. Non - Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Commitment and other deposits	1,737.73	1,695.24
Lease Liability (Refer Note 29)	16.97	101.83
Other Non-Current Financial Liabilities	1,754.70	1,797.07

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Current maturities of long-term debt	8,021.14	5,238.78
(b) Current maturities of finance lease obligations (Refer Note 29)	35.12	5.89
(c) Current maturities of lease obligations IND AS 116 (Refer Note 29)	51.74	160.42
(c) Interest accrued but not due on borrowings	51.81	43.54
(d) Interest accrued but due on borrowings	650.44	870.57
(f) Creditors for capital supplies/services	38.43	17.50
(g) Others (including buyback advance of GMP Technical Solutions Ltd.)	335.21	64.93
Total other financial liabilities	9,183.89	6,401.62

Note No. 15 - Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payable for goods & services dues to Small and Medium Enterprises (Refer Note 34)	24.03	1.90
Trade payable for goods & services dues to creditors other than Small and Medium Enterprises	21,463.69	17,578.11
Total trade payables	21,487.72	17,580.01

Notes forming part of the financial statements

Note No. 16 - Provisions

Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
1) Compensated absences	678.68	637.70
2) Gratuity (Refer Note 31)	802.19	830.64
(b) Other Provisions		
Taxation (Income Tax)	255.56	103.08
Total Provisions	1,736.43	1,571.42

Note No. 17 - Current Tax and Deferred Tax

(a) Income Tax Expense

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax:		
Current Income Tax Charge	-	-
Adjustments in respect of prior years	0.16	-
Deferred Tax		
In respect of current year origination and reversal of temporary differences	-	-
Total Tax Expense recognised in profit and loss account	0.16	-

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	As at March 31, 2021 Amount	As at March 31, 2020 Amount
Profit Before tax from Continuing Operations	(3,687.48)	3,814.47
Income Tax using the Company's domestic Tax rate @ 25.168% (Previous Year Tax Rate @ 34.61%)	(928.06)	1,320.19
Tax Effect of :		
- Tax - Exempt income	28.04	(1,181.41)
- Recognition of Tax Effect of Previously unrecognised tax losses	900.03	(138.78)
Changes in estimates related to prior years	0.16	0.00
Income Tax recognised In P&L from Continuing Operations (Effective Tax Rate)	0.16	0.00

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Tax effect of items constituting deferred tax liabilities</u>		
Property, Plant and Equipment	74.01	234.62
	74.01	234.62
<u>Tax effect of items constituting deferred tax assets</u>		
Employee Benefits	512.53	508.19
Carry forward Tax Loss	(438.52)	(273.57)
	74.01	234.62
Net Tax Asset (Liabilities)	-	-

Note : Pursuant to the announcement made by the Finance Ministry of the Government of India on September 20, 2019, the Company, basis their assessment opted for a lower corporate tax rate as per section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from financial year 2020-21 onwards. Accordingly, the Company recognized Provision for Income Tax and re-measured the Deferred Tax Liabilities on the basis of the revised lower tax rate and impact of the same was recognized in the year ended March 31, 2021

VASCON ENGINEERS LIMITED

Notes forming part of the financial statements

Note - 18: Other Liabilities

Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Advances received from customers		
- Gross amount due to customers	8,583.28	7,942.38
- Less : Related Unbilled Revenues	(4,007.64)	(2,725.90)
	4,575.64	5,216.48
b. Amount due to customers under construction contracts		
- Gross amount due to customers (Unearned)	4,464.05	3,836.05
- Less : Related Debtors	(1,349.00)	(1,540.39)
	3,115.05	2,295.66
c. Statutory dues		
- taxes payable (other than income taxes)	1,431.98	1,478.64
Total Other Liabilities	9,122.67	8,990.78

Note No. 19 - Revenue from Operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue recognized / sales		
- Contract revenue	29,633.32	25,376.41
- Sale of unit	5,787.57	7,241.25
- Trading sales	6.99	0.15
- Other sales (Includes maintenance charges of soceity,Hire charges, Scrap Sales)	215.61	358.47
Other operating income		
- Rent earned	190.60	210.20
- Share of profit / (loss) from Partnership firms (net)	(111.41)	3,413.50
Total Revenue from Operations	35,722.68	36,599.98

Note No. 20 - Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest Income		
On Financial Assets at Amortised Cost	419.97	578.45
(b) Dividend received on investments carried at fair value through profit or loss	9.78	81.21
Liquid Mutual fund units		
(c) Gain / (loss) on investments carried at fair value through profit or loss	-	732.05
(d) Profit on sale on Investment	-	169.37
(e) Dividend Income	173.88	0.04
(f) Provisions / Creditors no longer required written back	153.18	92.12
(g) Profit on sale of capital assets (Net of loss on assets sold / scrapped / written off)	337.95	0.35
(h) Miscellaneous Income	28.24	70.40
Total Other Income	1,123.00	1,723.99

Note No. 21.a - Cost of materials consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract	24,815.63	19,207.79
Development	2,317.75	3,832.19
Incidental borrowing cost incurred attributable to qualifying assets	943.94	815.51
Cost of materials consumed	28,077.32	23,855.49

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, 2021	For the year ended March 31, 2020
<u>Closing balance of projects under development :</u>		
Completed Units	5,456.70	11,404.44
Projects under Development	34,889.06	31,721.48
	40,345.76	43,125.92
<u>Opening balance of projects under development:</u>		
Completed Units	11,404.44	13,784.30
Projects under Development	31,721.48	30,883.30
	43,125.92	44,667.60
Net (increase) / decrease	2,780.16	1,541.68

Note No. 22 - Employee Benefits Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Salaries and wages, including bonus	3,034.25	3,555.46
(b) Contribution to provident and other funds (Refer Note 31)	115.00	169.33
(c) Share based payment transactions expenses (Refer Note 28)	224.40	462.77
(d) Staff welfare expenses	16.00	30.46
Total Employee Benefit Expense	3,389.65	4,218.02

Note No. 23 - Finance Cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest expense	3,298.44	2,293.29
(b) Other borrowing cost	96.83	73.70
	3,395.27	2,366.99
<i>Less: Amounts included in the cost of qualifying assets</i>	<i>(943.94)</i>	<i>(815.51)</i>
Total finance costs	2,451.33	1,551.48

Note No. 24 - Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Repairs to buildings	60.64	41.78
(b) Power & Fuel oil consumed	55.11	101.30
(c) Rent including lease rentals	166.44	138.34
(d) Repairs and maintenance - Others	20.09	95.06
(e) Rates and taxes	42.40	86.69
(f) Insurance charges	70.24	55.35
(g) Bad debts and other receivables, loans and advances written off	-	-
(h) Provision for doubtful debts and advances	1,284.82	37.79
(i) <i>Loss on asset sold /scrapped /written off</i>	-	-
(j) Auditors remuneration and out-of-pocket expenses		
(1) Audit Fees	30.50	22.50
(2) Limited Review	18.00	30.00
(3) Expenses Reimbursed	-	-

VASCON ENGINEERS LIMITED

Notes forming part of the financial statements

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(k) Other expenses		
(1) Legal and other professional costs	547.88	819.09
(2) Advertisement, Promotion & Selling Expenses	181.06	400.89
(3) Travelling and Conveyance Expenses	58.51	116.74
(4) Postage and telephone	38.93	41.46
(5) Printing and stationery	10.03	37.20
(6) Brokerage / commission	122.24	128.34
(7) Donations	1.63	30.62
(8) Corporate Social Responsibility Expenditure (Refer Note 39)	100.00	25.02
(9) Bank charges	61.78	137.44
(10) Hire Charges Paid	26.01	17.54
(11) Miscellaneous Expenses	215.19	114.20
(12) loss on investments carried at fair value through profit or loss	-	0.19
Total Other Expenses	3,111.50	2,477.54

Note No. 25 - Earning Per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Per Share	Per Share
Basic Earnings per share (₹)	(2.05)	2.14
Diluted Earnings per share (₹)	(2.05)	2.13

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, 2021	For the year ended March 31, 2020
Profit for the year attributable to owners of the Company	(3,687.48)	3,814.47
Weighted average number of equity shares (Nos.)	179,603,383	178,136,716
Earnings per share - Basic (₹)	(2.05)	2.14

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, 2021	For the year ended March 31, 2020
Profit for the year attributable to owners of the Company	(3,687.48)	3,814.47
Weighted average number of equity shares used in the calculation of Basic EPS (Nos.)	179,603,383	178,136,716
Employee Stock Option Plans (Nos.)	552,510	629,442
Weighted average number of equity shares used in the calculation of Diluted EPS (Nos.)	180,155,893	178,766,158
Earnings per share - Dilutive (₹)	(2.05)	2.13

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 financial instruments

(₹ in lakhs)

Particulars	Carrying amount		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Non - Current Assets				
(i) Investments	14,138.89	14,198.98	14,138.89	14,198.98
(ii) Others Financial Assets	9,798.50	9,538.85	9,798.50	9,538.85
Current Assets				
(i) Trade receivables	11,469.20	12,898.57	11,469.20	12,898.57
(ii) Cash and cash equivalents	1,935.79	2,023.54	1,935.79	2,023.54
(iii) Bank balances other than (ii) above	3,855.23	3,688.72	3,855.23	3,688.72
(iv) Loans	6,732.08	6,745.15	6,732.08	6,745.15
(v) Others Financial Assets	19,807.99	16,760.00	19,807.99	16,760.00
Financial assets measured at fair value through Statement of Profit & Loss				
(a) Current investments	312.70	1,803.42	312.70	1,803.42
(b) Non Current investments quoted	0.11	0.09	0.11	0.09
(b) Non Current investments unquoted	2,750.25	2,750.25	2,750.25	2,750.25
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Non - Current Liabilities				
(i) Borrowings	4,318.80	9,254.21	4,318.80	9,254.21
(ii) Other financial liabilities (including lease liability)	1,754.70	1,797.07	1,754.70	1,797.07
Current Liabilities				
(i) Borrowings	7,375.44	8,395.79	7,375.44	8,395.79
(ii) Trade and other payables	21,487.72	17,580.01	21,487.72	17,580.01
(iii) Other financial liabilities (including lease liability)	9,183.89	6,401.62	9,183.89	6,401.62
Financial liabilities measured at fair value through Statement of Profit & Loss				
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	664.00	-	664.00

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.

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.

Notes forming part of the financial statements

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, 2021 and March 31, 2020.

Particulars	Level 1	Level 2	Level 3
March 31, 2021			
Investment in mutual funds	78.70		
Equity	0.11		
Investment in Optionally Convertible Redeemable Debentures			2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures			
March 31, 2020			
Investment in mutual funds	1,569.42		
Equity	0.09		
Investment in Optionally Convertible Redeemable Debentures			2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures			664.00

During the year ended Mar 31, 2021, 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, 2021	As at March 31, 2020
Borrowings (Refer Note 13)	19,750.50	23,594.44
Trade Payables (Refer Note 15)	21,487.72	17,580.01
Less : Cash and Cash Equivalents (Refer Note 11)	5,791.02	5,712.26
Net Debt	35,447.20	35,462.19
Total Equity (Refer Note 12)	69,422.66	72,596.75
Total Capital	69,422.66	72,596.75
Capital and Net Debt	104,869.86	108,058.94
Gearing Ratio	34%	33%

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, 2021 and Year Ended March 31, 2020.

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 ₹ 47,268.95 lakhs and ₹ 45,584.89 lakhs as of March 31, 2021 and March 31, 2020 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, 2021 and March 31, 2020, 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, 2021	As at March 31, 2020
Balance at the beginning of the year	1,273.00	1,235.20
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1,287.98	39.82
Utilization / Reversals	(3.16)	(2.02)
Balance at the end of the year	2,557.82	1,273.00

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	31-Mar-21		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	21,487.72	-	-
Other Financial Liabilities	7,819.89	1,754.70	-
Working capital demand loans / Term loans	7,375.44	4,318.80	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	1,364.00	-	-

Particulars	31-Mar-20		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	17,580.01	-	-
Other Financial Liabilities	5,701.62	1,797.07	-
Working capital demand loans / Term loans	8,395.79	9,254.21	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	700.00	664.00	-

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) - 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.

Notes forming part of the financial statements

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. The ESOS allotted on Feb 2021, was repriced on 8th Sept 2020, at a predetermined rate of ₹ 10/- share.

Number of options granted , exercised , cancelled / lapsed during the financial year are as follows :

Particulars	FY 2020-21	FY 2019-20
Options granted, beginning of the year	12,000,000	12,000,000
Granted during the year	4,000,000	4,000,000
Exercised during the year	4,000,000	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	8,000,000	12,000,000
Weighted Average remaining life	1.42	2.42

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.

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 116

The Company has elected below practical expedients on transition to Ind AS 116:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying Ind AS 17 Leases.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration

- The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.
- The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 13% and still continued to this year

(A) Leases as lessee

(i) The movement in Lease liabilities during the year

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance in the beginning of the year	303.92	47.55
Transitional Adjustment on account of application of Ind as 116	-	436.76
Additions during the year	26.08	89.04
Deletion during the year	78.99	-
Finance costs incurred during the year	20.82	57.82
Payments of Lease Liabilities	168.00	327.25
Closing Balance at the end of the year	103.83	303.92

Notes forming part of the financial statements
(ii) The carrying value of the Rights-of-use and depreciation charged during the year

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year, kindly refer note-3 "Property, Plant & Equipments & Intangible Assets".

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year
(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Expenses related to Short Term Lease & Long Term Lease		
- Finance Cost	20.82	57.82
- Depreciation	201.76	215.97
(ii) Expenses related to Short Term Lease & Low Asset Value Lease	192.45	155.88
Total Expenses	415.03	429.67

(iv) Maturity analysis of lease liabilities
(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	92.72	213.76
One to five years	20.04	150.83
More than five years	-	-
Total undiscounted Lease Liability	112.75	364.59
Balances of Lease Liabilities		
Non Current Lease Liability	16.97	137.62
Current Lease Liability	86.86	166.30
Total Lease Liability	103.83	303.92

Note No. 30 - Contingent liabilities and commitments
(₹ in Lakhs)

Contingent liabilities (to the extent not provided for)	As at March 31, 2021	As at March 31, 2020
Contingent liabilities		
(a) Disputed demands for Income Tax	233.33	233.33
(b) Disputed demands for Value Added Tax & Other	1,153.84	1,001.97
(c) Performance and financial guarantees given by the Banks on behalf of the Company	13,012.69	14,446.07
(d) Corporate guarantees given for other companies / entities and mobilization	12,927.19	14,077.19
(e) Claims against the Company not acknowledged as debt	2,991.76	2,991.76

- (i) The Creditors of the Company have filed a civil suit claiming of ₹ 100.67 lakhs (Previous year ₹ 100.67 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 ₹ 20.14 lakhs (Previous year ₹ 20.14 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 ₹ 2867 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.

Notes forming part of the financial statements

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.

- (viii) tax department initiated prosecution u/s 276B of the Income Tax Act and filed a Court complaint for AY 2016-17 and 2017-18. Vascon paid all the TDS dues along with applicable interest and penalty for late filing there on and applied vide letter dt. 20th December 2019 to the Chief Commissioner of Income tax, Pune for Compounding of offences. Such application of Compounding is pending for disposal with the Chief Commissioner of Income Tax Pune. The amount w.r.t. the above proceeding is not quantifiable

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

(₹ in Lakhs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,296.92	442.85

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 ₹ 106.79 lakhs for Provident Fund contributions (March 31, 2020 : ₹ 153.87 lakhs) and ₹ 8.21 lakhs (March 31, 2020 : ₹ 15.46 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.

Notes forming part of the financial statements
Defined benefit plans – as per actuarial valuation on 31st Mar, 2021
(₹ in Lakhs)

Particulars	Funded Plan	
	Gratuity	
	2021	2020
Service Cost		
Current Service Cost	100.76	103.66
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	50.82	46.62
Components of defined benefit costs recognised in profit or loss	151.58	150.28
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	(7.07)	0.51
Actuarial gains and loss arising from changes in financial assumptions	(3.77)	47.41
Actuarial gains and loss arising from experience adjustments	(100.34)	114.95
Actuarial gains and loss arising from demographic adjustments	0.18	-
Others (describe)		
Components of defined benefit costs recognised in other comprehensive income	(111.00)	162.87
Total	40.58	313.15
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	872.12	947.49
2. Fair value of plan assets as at 31st March	69.93	116.85
3. Surplus/(Deficit)	(802.19)	(830.64)
4. Current portion of the above	802.19	830.64
5. Non current portion of the above	69.93	116.85
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	(947.48)	(741.56)
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. <i>Expenses Recognised in Profit and Loss Account</i>		
- Current Service Cost	(100.76)	(103.66)
- Past Service Cost		
- Interest Expense (Income)	(56.52)	(52.10)
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(0.18)	-
ii. Financial Assumptions	3.77	(47.41)
iii. Experience Adjustments	100.34	(114.95)
5. Benefit payments	128.72	112.20
6. Others (Specify)		
7. Present value of defined benefit obligation at the end of the year	(872.11)	(947.48)
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	116.86	25.61
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. <i>Expenses Recognised in Profit and Loss Account</i>		
- Expected return on plan assets	5.70	5.47
- Mortality Charges and Taxes	(4.13)	(6.51)
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actual Return on plan assets in excess of the expected return	7.07	(0.51)
5. Contributions by employer (including benefit payments recoverable)	22.70	205.00
6. Benefit payments	(78.27)	(112.20)
7. Fair value of plan assets at the end of the year	69.93	116.86
IV. The Major categories of plan assets (As % of Total Plan Assets)		
Funds Managed By Insurer	100%	100%
V. Actuarial assumptions		
1. Discount rate	6.50%	6.40%
2. Expected rate of return on plan assets	6.40%	7.60%
3. Attrition rate	7.50%	7.50%

Notes forming part of the financial statements

Maturity Profile of Defined Benefit Obligation:

For the Year Ended March 31, 2021	Expected Benefit Payment Rounded to the nearest thousand (in ₹)
2022	33,107,000
2023	7,628,000
2024	8,898,000
2025	9,411,000
2026	10,462,000
2027-2031	48,514,000

Sensitivity analysis for each significant actuarial assumption is required to be given, (illustration for medical inflation given below. Company needs to provide for others)

(₹ in Lakhs)

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Defined Benefit Obligation	836.53	907.53	911.71	992.50

B. Effect of 1 % change in the assumed Salary Escalation Rate	1% Increase		1% Decrease	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Defined Benefit Obligation	847.56	978.12	898.24	918.72

C. Effect of 1 % change in the assumed Withdrawal Rate	1% Increase		1% Decrease	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Defined Benefit Obligation	871.82	947.45	872.41	947.56

VIII. Experience Adjustments:	Year Ended	
	2021	2020
	Gratuity	
1. Defined Benefit Obligation	(872.11)	(947.48)
2. Fair value of plan assets	69.93	116.85
3. Surplus/(Deficit)	(802.19)	(830.64)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(100.34)	114.95
5. Experience adjustment on plan assets [Gain/(Loss)]	(8.14)	0.44

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 assets 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.

Notes forming part of the financial statements

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 publicly 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 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
 - Sita Laxmi Mills Ltd
 - Mumbai Estate Private Limited
 4. Key Management Personnel
 - Mr. R. Vasudevan
 - Mr. Siddarth Vasudevan
 - Dr Santosh Sundararajan
 - Mr. Somnath Biswas (*appointed w.e.f. 01.09.2019*)
 - Mr. D.Santhanam (*Retired w.e.f 31.08.2019*)
 - Ms.Vibhuti Dani
 - Mr. Rajesh Mhatre
- Other Directors
- Mr. V Mohan
 - Mr. K G Krishnamurthy
 - Mr.Mukesh Malhotra
 - Ms. Sowmya Aditya Iyer

Notes forming part of the financial statements

5. Relatives of Key Management Personnel
- Mrs. Thangam Moorthy
 - Mrs. Lalitha Vasudevan
 - Mrs. Lalitha Sundararajan
 - Mrs. Shilpa Shivaram
 - Mrs. Sailaxmi Santhanam Mudaliar (*upto 31.08.2019*)
 - Ms Aishwarya Santhanam (*upto 31.08.2019*)
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
 - Hamcon Engineers Pvt Ltd
 - Daffodil Projects Pvt Ltd
 - Conamore Resorts Pvt Ltd.
 - Rose Premises Pvt Ltd
 - One Stop Shop India P Ltd
 - Space Centric Marketing & Construction Consultancy Pvt Ltd
 - D. Santanam (HUF) - *Upto 31.08.2019*

II Related party transactions

(₹ in Lakhs)

		As at March 31, 2021	As at March 31, 2020
(a)	Sales and work	802.57	2,968.56
	Joint Ventures		
	Phoenix Ventures	194.63	337.07
	Cosmos Premises Private Limited	86.46	-
	Ajanta Enterprises	182.32	2,086.04
	Total	463.42	2,423.11
	Key management Personnel		
	Mr. R. Vasudevan	-	-
	Mr. Mukesh Malhotra	1.28	-
	Dr Santosh Sundararajan	6.06	-
	Total	7.34	-
	Enterprise where KMP & Relatives of KMP significant influence		
	Cherry Constructions Private Limited.	331.81	545.45
	Total	331.81	545.45
(b)	Interest Income/commission Received	137.09	263.57
	Subsidiaries		
	Interest		
	GMP Technical Solutions Private Limited	-	122.89
	Commission		
	GMP Technical Solutions Private Limited	14.29	16.44
	Total	14.29	139.34

Notes forming part of the financial statements

		(₹ in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
(c)	Joint Venture		
	Ajanta Enterprises	106.61	124.23
	Cosmos Premises Private Limited - Dividend Received	-	-
		106.61	124.23
	Enterprise where KMP & Relatives of KMP significant influence		
	- Conamore Resorts Pvt Ltd.	16.19	-
		16.19	-
	Interest Expense /commission Paid	176.41	170.80
	Subsidiaries		
	Interest		
	Almet Corporation Limited	7.50	7.50
	Marathawada Realtors Private Limited	0.54	0.66
	Commission		
	GMP Technical Solutions Private Limited	60.75	51.38
	Total	68.79	59.53
	Joint Venture		
	Ajanta Enterprises	8.22	13.03
	Total	8.22	13.03
	Enterprise where KMP & Relatives of KMP significant influence		
(d)	D Santhanam- HUF	-	0.31
	Flora Facilities Private Limited	36.27	71.58
	Hamcon Engineers Pvt Limited	9.02	-
	Space Centric Marketing & Construction Consultancy Pvt Ltd	1.80	-
	Sira Assets LLP	51.75	24.15
	Total	98.84	96.05
	Relatives of Key Management Personnel		
	Mr. Siddarth Vasudevan	0.57	1.03
	Ms. Sailaxmi Santhanam Mudaliar	-	0.28
	Ms. Aishwarya Santhanam Mudaliar	-	0.25
	Total	0.57	1.56
	Key Management Personnel		
	D Santhanam	-	0.62
	Total	-	0.62
	Purchase of Goods / Work/Rent	698.53	685.14
	Subsidiaries		
	Marvel Housing Private Limited.	310.36	337.72
	GMP Technical Solution Pvt Ltd	-	1.94
	Total	310.36	339.67
	Joint Venture		
	Ajanta Enterprises	0.10	-
	Total	0.10	-
	Enterprise where KMP & Relatives of KMP significant influence		
	Rent		
	Flora Facilities Private Limited	195.75	235.56
	Works		
	Stresstech Engineers Private Limited	36.50	54.69
	Vastech Consultants & Engineers LLP	155.83	55.23
	Total	388.07	345.47

Notes forming part of the financial statements

		(₹ in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
(e)	Receiving of Services	1,331.26	1,069.81
	Key Management Personnel		
	Mr R Vasudevan		
	a) Short term benefits	510.00	10.00
	b) Post Employment benefits*	-	-
	Dr Santosh Sundararajan		
	a) Short term benefits **	236.05	405.83
	b) Post Employment benefits*	0.16	0.22
	c) Share based payments	36.73	-
	Mr. D.Santhanam		
	a) Short term benefits	-	28.44
	b) Post Employment benefits*	-	0.09
	c) Share based payments	-	-
	Mr. Somnath Biswas **		
	a) Short term benefits	70.61	45.78
	b) Post Employment benefits*	0.16	0.11
	c) Share based payments	9.95	-
	Mr. Siddharth Vasudevan **		
	a) Short term benefits	192.24	369.56
	b) Post Employment benefits*	0.16	0.22
	Mr. Rajesh Dilip Mhatre **		
	a) Short term benefits	172.91	147.15
	b) Post Employment benefits*	0.16	0.22
	c) Share based payments	36.73	-
	Ms. Vibhuti Darshin Dani		
	a) Short term benefits	15.09	16.80
	b) Post Employment benefits*	0.16	0.22
	Total	1,281.10	1,024.61
	*Post employment 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		
	** During the current financial year 2020-2021, the company has revised the salary structure of Key management personnel and their short term employment benefit represents Salary Net of Tax. Key Management Personnel wise Tax borne by employer bifurcation as below:		
	Name of the KMP		
	a) Mr. Santosh Sundarajan	138.78	
	b) Mr. Somnath Biswas	34.44	
	c) Mr. Rajesh Dilip Mahtre	90.20	
	d) Mr. Siddharth Vasudevan	100.68	
	During the previous financial year 2019-2020 short term employment benefits represents gross salary received by KMP.		
	Enterprise where KMP & Relatives of KMP significant influence		
	Flora Facilities Private Limited	11.90	15.87
	Vastech Consultants Private Limited	38.25	28.95
	AISWARYA SANTHANAM MUDALIAR	-	0.38
	Total	50.16	45.20
(f)	Share of Profit from AOP/Firm	0.02	3,476.50
	Joint Ventures		
	Phoenix Ventures	0.02	7.02
	Ajanta Enterprises	-	3,469.48
	Total	0.02	3,476.50

Notes forming part of the financial statements

(₹ in Lakhs)

		As at March 31, 2021	As at March 31, 2020
(g)	Share of Loss from AOP/Firm	108.97	-
	Joint Ventures		
	Ajanta Enterprises	108.97	-
	Phoenix Ventures	-	-
	Total	108.97	-
(h)	Reimbursement of expenses	5.22	5.61
	Joint Ventures		
	Ajanta Enterprises	-	-
	Phoenix Ventures	-	0.04
	Total	-	0.04
	Enterprise where KMP & Relatives of KMP significant influence		
	Flora Facilities Private Limited	5.22	5.57
	Total	5.22	5.57
(i)	Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	886.02	989.23
	Subsidiaries		
	Marvel Housing Private Limited	-	156.00
	Marathawada Realtors Private Limited	0.56	2.43
	Vascon EPC Limited	-	1.00
	Almet Corporation Limited	-	2.11
	Total	0.56	161.54
	Joint Ventures		
	Phoenix Ventures	133.92	7.10
	Ajanta Enterprises	10.00	300.00
	Total	143.92	307.10
	Enterprise where KMP & Relatives of KMP significant influence		
	Stresstech Engineers Private Limited	-	-
	Sira Assets LLP	-	110.00
	Hamcon Engineers Pvt Ltd	600.00	-
	Daffodil Projects Pvt Ltd	5.00	-
	Conamore Resorts Pvt Ltd.	125.32	-
	Flora Facilities Private Limited	-	410.59
	Total	730.32	520.59
	Key Management Personnel		
	Mr. Siddharth Vasudevan	11.21	-
	Total	11.21	-
(j)	Finance availed /Received back(including equity contributions in cash or in kind)	2,666.31	5,404.19
	Subsidiary		
	GMP Technical Solution Pvt Ltd	260.00	-
	GMP Technical Solution Pvt Ltd (Preference Share Redemption)	60.00	-
	Marvel Housing Private Limited	171.12	-
	Total	491.12	-
	Joint Ventures		
	Phoenix Venture	-	2.94
	Ajanta Enterprises	1,108.19	4,803.26
	Total	1,108.19	4,806.19

Notes forming part of the financial statements

		(₹ in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
	Enterprise where KMP & Relatives of KMP significant influence		
	Flora Facilities Private Limited	185.00	150.00
	SIRA ASSETS LLP	250.00	200.00
	Hamcon Engineers Pvt Ltd	258.00	-
	Daffodil Projects Pvt Ltd	2.00	-
	Conamore Resorts Pvt Ltd.	162.00	-
	Cherry Constructions Private Limited.	-	98.00
	Total	857.00	448.00
	Relatives of Key Management Personnel (Through Fixed Deposit)		
	Sailaxmi Santhanam Mudaliar(Through Fixed Deposit)	-	-
	Total	-	-
	Key Management Personnel		
	Mr. R. Vasudevan	210.00	150.00
	Total	210.00	150.00
(k)	Outstanding corporate / bank guarantees given	5,427.19	6,577.19
	Subsidiaries		
	GMP Technical Solution Private Limited	5,427.19	6,577.19
	Total	5,427.19	6,577.19
(l)	Outstanding as on		
	A) Receivable to Vascon Engineers Limited	7,422.60	8,708.47
	Subsidiaries	125.80	278.89
	a) Trade Recivable		
	GMP Technical Solution Private Limited	73.88	59.59
	Total	73.88	59.59
	b) Loans & Advances / Project Advances		
	Vascon EPC Limited	1.00	1.00
	Marvel Housing Private Limited	50.92	218.30
	Total	51.92	219.30
	Joint Ventures	1,050.55	1,389.19
	a) Trade Receivable		
	Phoenix Ventures	672.49	708.57
	Cosmos Premises Private Limited	13.53	-
	Ajanta Enterprises	-	318.95
	Total	686.02	1,027.52
	b) Loans & Advances		
	Phoenix Ventures	9.85	7.01
	Total	9.85	7.01
	c) Balance in current accounts		
	Phoenix Ventures	354.68	354.67
	Ajanta Enterprises	-	-
	Total	354.68	354.67
	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

Notes forming part of the financial statements

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Enterprise where KMP & Relatives of KMP significant influence	3,461.86	4,243.99
a) Trade Receivable		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	62.06	62.06
Daffodil Projects Pvt Ltd	427.27	427.27
Rose Premises Pvt Ltd	0.65	427.27
Cherry Constructions Private Limited.	245.52	382.33
Total	735.50	1,298.93
b) Loans & Advances (Including deposits and trade advances)		
Flora Facilities Private Limited	125.00	125.00
CONAMORE RESORTS PVT LTD.	168.98	190.68
Daffodil Projects Pvt Ltd	7.78	204.78
Rose Premises Pvt Ltd	1,719.75	1,719.75
One Stop Shop India Pvt Ltd	320.35	320.35
Venus Ventures	384.50	384.50
Total	2,726.36	2,945.06
Key Management Personnel	221.40	233.40
a) Trade Receivable		
Mr. R. Vasudevan	3.34	3.34
Mr.Santosh Sundararajan	12.06	24.06
Total	15.40	27.40
b) Loans & Advances (Including deposits and trade advances)		
Mr. Mukesh Malhotra	206.00	206.00
	206.00	206.00
B) Receivable from Vascon Engineers Limited	3,705.89	2,315.73
Subsidiaries	910.58	702.26
a) Trade Payable		
Marvel Housing Private Limited	36.04	19.29
GMP Technical Solution Pvt Ltd	777.29	588.68
Total	813.34	607.97
b) Loans & Advances		
Almet Corporation Limited	91.33	87.73
Marathawada Realtors Private Limited	5.92	6.57
Total	97.24	94.30
Joint Venture	988.17	94.21
a) Trade Payable		
Ajanta Enterprises	5.39	5.28
Total	5.39	5.28
b) Loans & Advances		
Ajanta Enterprises	-	-
Cosmos Premises Private Limited	50.00	50.00
Total	50.00	50.00
c) Balance in current accounts		
Ajanta Enterprises	932.77	38.93
Total	932.77	38.93
Key Management Personnel	623.92	433.40
a) Trade Payable		
Mr. Mukesh Malhotra	118.92	99.40
	118.92	99.40

Notes forming part of the financial statements

		(₹ in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
b) For Deposit Received			
Mr. R Vasudevan		505.00	295.00
D Santhanam		-	39.00
Total		505.00	334.00
Enterprise where KMP & Relatives of KMP significant influence		1,183.23	1,057.87
a) Trade Payable			
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))		8.48	57.14
Stresstech Engineers Private Limited		28.57	31.55
Vastech Consultants & Engineers LLP		29.37	27.47
Vastech Consultants Private Limited		100.08	57.81
Space Centric Marketing & Construction Consultancy Pvt Ltd		19.55	17.52
D. Santhanam HUF		-	0.13
Total		186.06	191.61
b) Loans/(Advances)			
Flora Facilities Private Limited		417.56	249.52
Hamcon Engineers Pvt Limited		64.13	389.12
Sira Assets LLP		515.48	217.61
Total		997.17	856.25
c) Deposit Received			
D. Santhanam HUF		-	10.00
Total		-	10.00
Relatives of Key Management Personnel		-	28.00
a) Deposits Recd.			
Mr. Siddarth Vasudevan		-	11.00
Mrs. Sailaxmi Santhanam Mudaliar		-	9.00
Ms.Aishwarya Santhanam		-	8.00
Total		-	28.00

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, 2021

Notes - Additional Information to the Financial Statements

34 Disclosures required under Section 22 of the Small and Medium Enterprises Development Act, 2006		(₹ in Lakhs)	
	Particulars	March 31, 2021	March 31, 2020
(i)	Principal amount remaining unpaid to SME suppliers as on	23.88	1.90
(ii)	Interest due on unpaid principal amount to SME suppliers as on	10.92	10.13
(iii)	The amount of interest paid along with the amounts of the payment made to the SME suppliers beyond the appointed day	Nil	Nil
(iv)	The amount of interest due and payable for the year (without adding the interest under SME Development Act)	0.79	0.44
(v)	The amount of interest accrued and remaining unpaid as on	10.92	10.13
(vi)	The amount of interest due and payable to be disallowed under Income Tax Act, 1961	0.79	0.44

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, 2021	Maximum balance outstanding during the year
Marvel Housing Private Limited	Subsidiary	50.92 (218.30)	218.30 (218.30)
Vascon EPC Limited	Subsidiary	1.00 (1.00)	1.00 (1.00)

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, 2021	March 31, 2020
Contract Revenue Recognized during the year	29,633.32	25,376.41
Contract costs incurred during the year	24,815.63	19,207.79
Recognized Profit	4,817.69	6,168.62
Advances received for contracts in progress	(4,248.25)	(3,596.64)
Retention money for contracts in progress	3,408.38	3,038.28
Gross amount due from customer for contract work (assets)	15,975.28	12,092.15
Gross amount due to customer for contract work (liability)	747.43	1,226.31

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 immediately preceding three financial years on Corporate Social Responsibility (CSR) Activity. A CSR Committee 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 - ₹ 42.50 lakhs

b. Amount spent during the year on:

(₹ in Lakhs)

CSR Activities	In Cash	Yet to be paid in cash	Total
	Rs.	Rs.	Rs.
i) Construction/acquisition of any asset	-	-	-
ii) Purpose other than (i) above	100.00	-	100.00

40 During the Financial Year, further the company has renegotiated the term and agreed for payment of ₹ 700 lakhs and ₹ 664 lakhs on April 2021 and June 2021 respectively.

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. In the Previous Financial year Company made payment of ₹ 750 lakhs on June 19 and balance outstanding as on Mar 20 is ₹ 1364 lakhs.

Notes forming part of the financial statements

- 41** The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.
- 42** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 43** Figures for the previous year have been regrouped/reclassified to conform to the figures of the current year.

In terms of our report attached.

For and on behalf of the Board of Directors

For Sharp & Tannan Associates
Chartered Accountants
(Firm Regn. No. 109983W)
By the hands of

Sd/-
Siddharth Vasudevan
Managing Director
(DIN-02504124)

Sd/-
Mukesh Malhotra
Director
(DIN-00129504)

Sd/-
CA Tirtharaj Khot
Partner
Membership No: (F) - 037457

Sd/-
Dr Santosh Sundararajan
Chief Executive Officer

Sd/-
Vibhuti Darshin Dani
Company Secretary & Compliance Officer

Sd/-
Somnath Biswas
Chief Financial Officer

Date : May 31, 2021
Place : Pune

Date : May 31, 2021
Place : Pune

INDEPENDENT AUDITOR'S REPORT

To the Members of VASCON ENGINEERS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **VASCON ENGINEERS LIMITED** (hereinafter referred to as the "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which includes Group's share of profit / loss in its associates and its joint-ventures, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and notes to Consolidated Financial Statements, including a summary of 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 other auditors on financial statements (standalone / consolidated) of subsidiaries including associates and joint-ventures as was audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including an Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, of Consolidated State of Affairs (financial position) of the Group including its associates and joint-ventures as at March 31, 2021, the Consolidated Profit (financial performance including other comprehensive income), its Consolidated Cash Flows and the Consolidated Changes in Equity for the year then ended.

Emphasis of Matter

We draw attention to Note 45 to the Statement, which describes the economic and social consequences the entity is facing as a result of Covid-19 which is impacting operations of the Company, supply chains, personnel available for work etc.

Our opinion is not modified in respect of this matter of emphasis.

Basis for opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group including associates and joint-ventures 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 there under, 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 we have obtained is sufficient and appropriate to provide a basis for our 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;

S. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue Recognition:</p> <p>Ind AS 115 prescribes detailed guidance for various elements of revenue recognition and requires detailed contract assessment as per the accounting principles. The revenue accounting standards application involves certain significant judgements regarding identification of distinct performance obligations, recognition of revenue over the period, recognition of contract acquisition costs, appropriateness of the basis used for measuring the estimation of the total cost of completion of the projects over a wide range of customers and also wide range of contracts each having different risk profile based on its individual nature of performance and delivery characteristics. Changes in cost estimate could give rise to the variances in the amount of revenue recognised and profit/loss recognised. Accordingly this matter has been identified as KAM.</p>	<p>Principal Audit Procedures:</p> <p>Our audit procedures on revenue recognition from construction contract consisted mainly the testing of the design and operating effectiveness of the laid down internal controls and then substantive testing of the transactions. The audit procedures performed includes following:</p> <ul style="list-style-type: none"> Assessed the Company's process to identify revenue recognition and cost estimation as per the requirement of the revenue accounting standard. Evaluation of the internal control designs relating to the revenue accounting standards, Selected an appropriate samples of contracts and evaluated them along with the supporting evidence to determine whether various elements of revenue recognition as well cost allocations are assessed with the principles prescribed under Ind AS 115. We performed project analysis and obtained the reasons for our observations in respect of the ongoing as well as completed projects during the year under audit. Read and assessed the disclosure made in the financial statements for assessing the compliance with the disclosure Ind AS 115 requirements.

Information other than the Consolidated Financial Statements and Auditor's Report thereon (hereinafter referred as "other information")

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the Board's report and management discussion and analysis included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act, that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group including its associates and joint-ventures in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective management and Board of Directors of the companies included in the Consolidated Financial Statements are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements / Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group including its Associates and joint-ventures are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group including its associates and joint-ventures are responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities 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:

- A. 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.
- B. Obtain an understanding of internal 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
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statement and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 including its associates and joint-ventures to cease to continue as a going concern.

- E. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group including its associates 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 Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by 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 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 of the Holding Company and such other entities included in 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 year 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 four domestic subsidiaries & one foreign step-down subsidiary, whose Ind AS financial statements reflect total assets of Rs. 671.32 lakhs as at March 31, 2021; and total revenue of Rs. 310.39 lakhs, total net loss after tax of Rs. 543.74 lakhs, total comprehensive loss of Rs. 543.03 lakhs and net cash inflow of Rs. 9.29 lakhs for the year then ended. These Ind AS financial statements have been audited by their respective independent auditors whose audit reports have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- B. We did not audit the financial statements of one domestic subsidiary included in the statement, whose financial statements reflect total assets of Rs. 1.00 lakhs as at March 31, 2021 and total revenues of Rs. 0, total net loss after tax of Rs. 0.02 lakhs, total comprehensive loss of Rs. 0.02 lakhs and net cash outflows of Rs. 0.97 lakhs for the year ended March 31, 2021, as considered in the Statement. The Consolidated Financial results also include the Group's share of loss after tax of Rs. 109.27 lakhs and total comprehensive income of Rs. 109.66 lakhs for the year ended March 31, 2021, as considered in the Statement, in respect of four joint ventures whose financial statements have not been audited by us. These financial statement / information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these four joint ventures and one subsidiary, are based solely on such unaudited financial information certified by management. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.
- C. One domestic associate is non-operative entities and its financial information as at March 31, 2021 is unaudited. This financial information is provided by the management in whose opinion it is not material to the group.
- D. Due to the Covid-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes carried out post lockdown were based on the remote access and evidence shared digitally.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the other matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Our opinion on the Consolidated Financial Statements, 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

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on financial statements (Standalone / Consolidated) of such companies as was audited by them and as mentioned in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- B. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of other auditors.
- C. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, 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 Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- E. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies including associates and joint-ventures which are companies incorporated in India, none of the directors of the subsidiary companies, associates and joint-ventures which are companies incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;
- F. With respect to the adequacy of internal financial controls over financial reporting of the Group including its associates and joint-ventures which are companies incorporated in India 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 internal financial control 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 Group including associates and joint-ventures, which are companies incorporated in India, where applicable, 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 auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2021 on the Consolidated Financial position of the Group including its associates and joint-ventures (refer note 30 to the Consolidated Financial Statements);
 - ii. the Group including associates and joint-ventures have made provision in the Consolidated Financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group including its associates and joint-ventures, which are companies incorporated in India.

SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm's Registration No.: 109983W

by the hand of

CA Tirtharaj Khot

Partner

Membership No.: (F) 037457

UDIN: 21037457AAAAAX6467

Pune, May 31, 2021

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements

(Referred to in paragraph (F) under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date)

Report on the Internal Financial Controls over Financial Report under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the Internal Financial Controls over Financial Reporting of **VASCON ENGINEERS LIMITED** (hereinafter referred as "the Holding Company"), its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint-ventures, which are companies incorporated in India, as of March 31, 2021 in conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors referred to in other matters paragraph below, the Group including its associates and joint-ventures, 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, 2021, 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

Management's Responsibility for Internal Financial Controls

The respective Company's Management and Board of Directors of the of the Holding company and its subsidiary companies, associates and joint-ventures, 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. 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 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 Group's including its associates and joint-ventures, which are companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 judgment, 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 other auditors of the subsidiary companies, associates and joint-ventures, 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 Group's including its associates and joint-ventures which are companies incorporated in India, internal financial controls system over financial reporting.

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 in so far as it relates to three subsidiaries and a joint-venture, which are companies incorporated in India, is solely based on corresponding reports of the auditors of such Companies.

Our opinion is not modified in respect of the above other matters.

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.

SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm's Registration No.: 109983W

by the hand of

CA Tirtharaj Khot

Partner

Membership No.: (F) 037457

UDIN: 21037457AAAAAX6467

Pune, May 31, 2021

Consolidated Balance Sheet as at March 31, 2021

		(₹ in Lakhs)	
Particulars	Note No	As at March 31, 2021	As at March 31, 2020
A Assets			
1 Non Current Assets			
(a) Property, Plant and Equipment	3	5,401.04	5,861.64
(b) Capital work-in-progress		-	-
(c) Goodwill on Consolidation		2,661.25	2,661.25
(d) Investment Property	4	1,598.71	1,797.76
(e) Other Intangible assets	3	17.91	16.79
(f) Right of Use Assets	3	193.02	424.03
(g) Financial Assets			
(i) Investments	5	7,791.94	7,965.49
(ii) Loans	6	359.34	880.40
(iii) Others Financial Assets	7	10,068.17	10,132.48
(h) Income Tax Assets (net)		1,053.24	1,704.20
(i) Deferred Tax Assets (net)	17	674.69	715.62
(j) Other Non Current Assets	8	1,873.46	1,893.47
Total Non - Current Assets		31,692.77	34,053.13
2 Current Assets			
(a) Inventories	9	45,924.58	48,085.81
(b) Financial Assets			
(i) Investments	5	312.70	1,803.42
(ii) Trade receivables considered good - Unsecured	10	16,417.17	18,097.33
(iii) Cash and cash equivalents	11	2,754.07	2,467.05
(iv) Bank balances other than (iii) above	11	5,249.51	4,412.51
(v) Loans receivables considered good - Unsecured	6	6,766.45	6,806.35
(vi) Others Financial Assets	7	19,925.12	16,863.45
(c) Other Current Assets	8	2,954.29	2,977.56
Total Current Assets		100,303.89	101,513.48
Total Assets (1+2)		131,996.66	135,566.61
B Equity and Liabilities			
1 Equity			
(a) Equity Share Capital	12 & 12.1	18,213.67	17,813.67
(b) Other Equity	12.2	51,702.14	55,616.39
Equity attributable to owners of the Company		69,915.81	73,430.06
Non Controlling Interest	12.3	1,000.19	936.84
Total Equity		70,916.00	74,366.90
2 Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	4,266.82	9,832.62
(ii) Other financial liabilities	14	1,778.61	1,824.79
(b) Other Liabilities	18	3.17	7.17
Total Non - Current Liabilities		6,048.60	11,664.58
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	8,986.09	10,164.80
(ii) Trade and other payables			
- Total outstanding dues of micro enterprises and small enterprises	15	62.34	1.90
- Total outstanding dues of creditors other than micro enterprises and small enterprises	15	24,048.62	20,157.06
(iii) Other financial liabilities (including lease liability)	14	8,986.49	6,549.07
(b) Provisions	16	2,233.41	1,980.82
(c) Other Current Liabilities	18	10,715.11	10,681.48
Total Current Liabilities		55,032.06	49,535.13
Total Equity and Liabilities (1+2+3)		131,996.66	135,566.61
Significant accounting policies	1-2 &		
See accompanying notes forming part of the financial statements.	3 - 42		

In terms of our report attached.

For Sharp & Tannan Associates

Chartered Accountants

(Firm Regn. No. 109983W)

By the hands of

sd/-
CA Tirtharaj Khot

Partner

Membership No: (F) - 037457

Date: May 31, 2021

Place: Pune

For and on behalf of the Board of Directors

sd/-
Mukesh Malhotra
Director
(DIN-000129504)

sd/-
Vibhuti Dani
Company Secretary & Compliance Officer

Date: May 31, 2021

Place: Pune

sd/-
Siddharth Vasudevan
Managing Director
(DIN-02504124)

sd/-
Dr Santosh Sundararajan
Chief Executive Officer

sd/-
Somnath Biswas
Chief Financial Officer

Consolidated Statement of Profit and Loss for the Year ended March 31, 2021

(₹ in Lakhs)

Particulars		Note No	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	19	50,577.16	52,091.58
II	Other Income	20	1,241.07	1,996.86
III	Total Income (I+II)		51,818.23	54,088.44
IV	EXPENSES			
	(a) Cost of materials consumed	21.a	37,558.36	33,325.78
	(b) Purchases of stock-in-trade		1.43	0.74
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.b	2,690.07	1,566.50
	(d) Employee benefit expense	22	5,857.12	7,179.46
	(e) Finance costs	23	2,680.35	1,905.36
	(f) Depreciation and amortization expense	3 & 4	1,208.05	1,498.63
	(g) Other expenses	24	5,809.52	4,629.61
	Total expenses (IV)		55,804.90	50,106.08
V	Profit/ (Loss) before tax		(3,986.67)	3,982.36
VI	Less: Tax Expense			
	(a) Current Tax	17	1.15	8.03
	(b) Deferred Tax	17	40.93	(1.47)
	(c) Excess/ (short) provision for tax of earlier years	17	(0.58)	1.95
			41.50	8.51
VII	Profit/ (Loss) after tax		(4,028.17)	3,973.85
VIII	Profit after tax for the year attributable to:			
	(a) Owners of the Company		(4,082.05)	3,958.77
	(b) Non controlling interests		53.88	15.06
IX	Other Comprehensive Income			
	(a) Items that will not be recycled to profit or loss			
	- Remeasurements of the defined benefit liabilities / (asset)		(25.89)	94.38
	- Income tax relating to items that will not be reclassified to profit or loss		(21.24)	17.30
			(47.13)	111.68
X	Other Comprehensive Income for the year attributable to:			
	(a) Owners of the Company		(56.61)	119.39
	(b) Non controlling interests		9.47	(7.71)
XI	Total Comprehensive Income/ (Loss) for the year		(4,075.30)	4,085.51
XII	Total comprehensive income for the year attributable to:			
	(a) Owners of the Company		(4,138.65)	4,078.16
	(b) Non controlling interests		63.35	7.35
XIII	Earnings / (Loss) per equity share (of Rs. 10/- each fully paid up) :			
	(a) Basic	25	(2.27)	2.22
	(b) Diluted	25	(2.27)	2.21
Significant accounting policies		1-2 &		
See accompanying notes forming part of the financial statements.		3 - 42		

In terms of our report attached.

For Sharp & Tannan Associates

Chartered Accountants

(Firm Regn. No. 109983W)

By the hands of

sd/-
CA Tirtharaj Khot

Partner

Membership No: (F) - 037457

Date: May 31, 2021

Place: Pune

For and on behalf of the Board of Directorssd/-
Mukesh Malhotra
Director
(DIN-000129504)sd/-
Vibhuti Dani
Company Secretary & Compliance Officer

Date: May 31, 2021

Place: Pune

sd/-
Siddharth Vasudevan
Managing Director
(DIN-02504124)sd/-
Dr Santosh Sundararajan
Chief Executive Officersd/-
Somnath Biswas
Chief Financial Officer

Consolidaed Cash Flow Statement for the year ended March 31, 2021

(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	(3,986.67)	3,982.36
Adjustments for :-		
- Depreciation / amortisation expenses	1,208.05	1,498.63
- Finance Cost	2,680.35	1,905.36
- Dividend & (Gain) / loss on investments carried at FVTPL	(8.07)	(813.26)
- Profit on Sale of investments	-	(169.37)
- Net Expense recognised in respect of equity-settled share-based payments	224.40	462.77
- Prepaid Rent	-	99.88
- Interest income	(541.09)	(533.83)
- Deferred Revenue	(4.00)	(4.00)
- Provision for doubtful debt and advances	1,850.00	(236.15)
- Bad debts and other receivables, loans and advances written off	446.32	668.06
- Provision no longer required written back	(181.36)	(92.12)
- Share of Profits from Joint Venture	(0.31)	(180.49)
- Net loss / (gain) arising on financial assets designated as at FVTPL	400.00	0.15
- (Profit) / Loss on Sale of Property, Plant & Equipment (net)	(339.85)	(2.87)
Operating Profit before working capital changes	1,747.77	6,585.12
Adjustments for (increase) / decrease in operating assets		
Inventories before capitalisation of borrowing cost	3,105.16	2,752.31
Trade receivables	(616.16)	1,637.91
Amount due from / to Customer	(1,616.81)	(1,825.64)
Loans (Non Current)	121.06	2.50
Others Financial Assets (Non Current)	373.63	30.57
Other assets (Non Current)	20.00	(286.21)
Loans (Current)	39.90	(639.69)
Others Financial Assets (Current)	(732.42)	(1,377.54)
Other assets (Current)	23.27	(1,174.12)
Adjustments for (increase) / decrease in operating liabilities		
Current trade payables	4,133.36	84.31
Provisions	12.72	218.60
Other Non Current liabilities	(46.18)	(757.74)
Other current liabilities	(651.94)	(1,727.01)
Cash generated / (used in) from operations	5,913.36	3,523.37
Income tax (refund) / paid (Net)	864.37	228.58
Net Cash flow from operating activities	6,777.73	3,751.95
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	(426.48)	(466.82)
Proceeds on disposal of fixed assets	468.75	173.46
(Payments) / Proceeds from Investments	181.93	1,038.53
(Investments) / Proceeds from fixed deposits with banks	(1,146.31)	(2,080.48)
(Investments) / Proceeds from liquid mutual funds	1,490.72	(1,370.07)
Net Cash genereated / (used) in investing activities	568.61	(2,705.34)

(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of Equity shares	400.00	-
Repayment of borrowing	(5,862.90)	(1,177.36)
Proceeds from borrowing	1,809.00	1,300.00
Interest Income received	541.09	533.83
Finance cost including capitalised to qualifying assets	(3,839.66)	(4,105.85)
Net Cash generated / (used) in financing activities	(6,952.47)	(3,449.38)
D. NET CASH INFLOW / (OUTFLOW) (A+B+C)	393.87	(2,402.77)
Cash and cash equivalents at the beginning of the year	2,299.93	4,702.70
Cash and cash equivalents at the end of the year	2,693.80	2,299.93
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	393.87	(2,402.77)
Significant accounting policies See accompanying notes forming part of the financial statements.	1-2 & 3 - 42	

Notes

- Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as prescribed in the Companies (Indian Accounting Standards) Rules, 2015.
- Figures in brackets represent outflows of cash and cash equivalents.

In terms of our report attached.

For Sharp & Tannan AssociatesChartered Accountants
(Firm Regn. No. 109983W)
By the hands ofsd/-
CA Tirtharaj Khot
Partner
Membership No: (F) - 037457Date: May 31, 2021
Place: Pune**For and on behalf of the Board of Directors**sd/-
Mukesh Malhotra
Director
(DIN-000129504)sd/-
Vibhuti Dani
Company Secretary & Compliance OfficerDate: May 31, 2021
Place: Punesd/-
Siddharth Vasudevan
Managing Director
(DIN-02504124)sd/-
Dr Santosh Sundararajan
Chief Executive Officersd/-
Somnath Biswas
Chief Financial Officer

Statement of changes in equity for the year ended March 31, 2021
a) Change in Equity

(₹ in Lakhs)

Particular	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	17,813.67	17,813.67
Issue of equity shares under employee share option plan	400.00	-
Balance at the end of the year	18,213.67	17,813.67

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, 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
Transitional Adjustment on account of application of Ind AS 116						(134.60)	(134.60)	(5.99)	(140.59)
Amount recorded on grants	-	-	462.77	-	-	-	462.77	-	462.77
Profit for the year	-	-	-	-	-	3,966.48	3,966.48	15.06	3,981.54
Other Comprehensive income for the year	-	-	-	-	-	111.68	111.68	(7.71)	103.97
Consolidated Adjustment						(0.27)	(0.27)		(0.27)
Balance at the end of the reporting year - March 31, 2020	1,377.50	55,493.35	1,537.64	1,537.50	2.66	(4,332.26)	55,616.39	936.84	56,553.23

(₹ 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, 2020	1,377.50	55,493.35	1,537.64	1,537.50	2.66	(4,332.26)	55,616.39	936.84	56,553.23
Addition during the year	51.00					(51.00)	-	-	-
Amount recorded on grants	-	-	224.40	-	-	-	224.40	-	224.40
Transferred to securities premium account on exercise	-	605.60	(605.60)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	(4,091.52)	(4,091.52)	53.88	(4,037.64)
Other Comprehensive income for the year	-	-	-	-	-	(47.13)	(47.13)	9.47	(37.66)
Balance at the end of the reporting Year - March 31, 2021	1,428.50	56,098.95	1,156.44	1,537.50	2.66	(8,521.91)	51,702.14	1,000.19	52,702.33

In terms of our report attached.

For Sharp & Tannan Associates
 Chartered Accountants
 (Firm Regn. No. 109983W)
 By the hands of

 sd/-
CA Tirtharaj Khot
 Partner
 Membership No: (F) - 037457

 Date: May 31, 2021
 Place: Pune

For and on behalf of the Board of Directors

 sd/-
Mukesh Malhotra
 Director
 (DIN-000129504)

 sd/-
Vibhuti Dani
 Company Secretary & Compliance Officer

 Date: May 31, 2021
 Place: Pune

 sd/-
Siddharth Vasudevan
 Managing Director
 (DIN-02504124)

 sd/-
Dr Santosh Sundararajan
 Chief Executive Officer

 sd/-
Somnath Biswas
 Chief Financial Officer

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, 2021 were approved by the Board of Directors and authorised for issue on May 31, 2021.

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 except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in this statement.

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, 2021	As at March 31, 2020
Marvel Housing Private Limited	Subsidiary	India	100%	100%
Vascon Value Homes Private Limited	Subsidiary	India	100%	100%
Vascon EPC Limited*	Subsidiary	India	100%	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%	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%

* The Board of the Director of the Vascon EPC Limited in their meeting held on 26th February 2021 & the members in their Extraordinary General Meeting held on 26th March 2021, have accorded consent to the striking off the name of 'Vascon EPC Limited' one of the non-operative wholly owned subsidiaries. The same is in the process as on date.

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.

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 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 and Investment Property

The Group reviews the useful life of Property, plant and equipment and Investment Properties 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

Determination of lease term & discount rate

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

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 transferred to the buyer all significant risk and rewards of ownership and seller retains no effective control of the real estate to a degree usually associated with ownership.
- The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction.
- No significant uncertainty exists regarding 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.

10. Cost of construction / 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 Occupancy/Completion certificate is carried over as construction work in progress. Costs incurred for projects which have received Occupancy/ Completion certificate is carried over as completed Finished Properties

2.08 Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset

Company as a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Lease under Ind AS 17 :

A lease is classified at the inception date as a finance lease or an operating lease. 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. The Company has identified all its leases as operating leases.

i) Assets taken on operating lease :

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

ii) Assets given on operating lease :

Assets subject to operating leases are included in fixed assets. Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the statement of profit and 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 and Investment Properties 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 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 amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

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.

Derecognition of Financial Assets and Liabilities

For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in Profit or Loss and changes in fair value (other than on account of above income or expense) are recognised in Other Comprehensive Income and accumulated in Other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in Other equity is reclassified to Profit and Loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to Profit and Loss on disposal of investments.

A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

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".

2.23 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

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 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.

2.29 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.

2.30 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.

VASCON ENGINEERS LIMITED

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	III. Right of Use Assets		
	LEASEHOLD IMPROVEMENTS	LAND	PREMISES	PLANT & MACHINERY	FURNITURE & FIXTURES	MOTOR VEHICLE	OFFICE EQUIPMENT'S	Total	SOFTWARES	OFFICE PREMISES	VEHICLE	Total
Gross Carrying Value												
As at April 1, 2020	350.35	440.02	3,286.54	13,168.65	697.37	322.32	720.57	18,985.82	641.45	1,374.81	74.70	1,449.51
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	2.48	249.33	11.59	75.69	15.81	354.90	26.01	40.41	26.08	66.49
Disposals	-	-	-	98.13	-	49.83	0.36	148.32	-	-	-	-
As at Mar 31, 2021	350.35	440.02	3,289.02	13,319.85	708.96	348.18	736.02	19,192.40	667.46	1,415.22	100.78	1,516.00
Accumulated depreciation												
As at April 1, 2020	105.35	-	1,996.62	9,505.29	616.72	239.06	661.14	13,124.18	624.66	978.80	46.69	1,025.49
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	-	-	-	-
Additions	16.96	-	103.22	601.87	19.17	25.62	31.26	798.10	24.89	274.41	23.08	297.49
Disposals	-	-	-	85.54	-	45.04	0.34	130.92	-	-	-	-
As at Mar 30, 2021	122.31	-	2,099.84	10,021.62	635.89	219.64	692.06	13,791.36	649.55	1,253.21	69.77	1,322.98
Net carrying value as at Mar 31, 2021	228.04	440.02	1,189.18	3,298.23	73.07	128.54	43.96	5,401.04	17.91	162.01	31.01	193.02
Gross Carrying Value												
As at April 1, 2019	377.44	440.02	3,286.54	13,281.38	692.12	313.22	699.87	19,090.59	634.29	-	-	-
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	-	1,273.90	74.70	1,348.60
Additions	-	-	-	212.96	5.26	28.34	20.69	267.25	7.16	100.91	-	100.91
Disposals	27.09	-	-	325.69	-	19.24	-	372.02	-	-	-	-
As at March 31, 2020	350.35	440.02	3,286.54	13,168.65	697.38	322.32	720.56	18,985.82	641.45	1,374.81	74.70	1,449.51
Accumulated depreciation												
As at April 1, 2019	106.55	-	1,886.55	8,836.90	587.07	227.97	617.35	12,262.39	600.97	-	-	-
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	-	674.16	29.35	703.51
Additions	17.90	-	110.07	817.17	29.65	28.91	43.79	1,047.49	23.69	304.63	17.34	321.97
Disposals	19.10	-	-	148.78	-	17.82	-	185.70	-	-	-	-
As at March 31, 2020	105.35	-	1,996.62	9,505.29	616.72	239.06	661.14	13,124.18	624.66	978.79	46.69	1,025.48
Net carrying value as at Mar 31, 2020	245.00	440.02	1,289.92	3,663.36	80.66	83.26	59.42	5,861.64	16.79	396.02	28.01	424.03

Note No. 4 - Investment Property

(₹ in Lakhs)

Description of Assets	Buildings
Gross carrying value *	
As at April 1, 2020	2,490.73
Additions	-
Disposals	210.34
As at Mar 31, 2021 (A)	2,280.39
Accumulated depreciation	
As at April 1, 2020	692.96
Charge for the year	87.57
Reversals/ Disposals during the year	98.85
As at Mar 31, 2021 (B)	681.68
Net carrying value as at Mar 31, 2021 (A) - (B)	1,598.71

Notes forming part of Consolidated Financial Statements

		(₹ in Lakhs)
Description of Assets		Buildings
Gross carrying value *		
As at April 1, 2019		2,490.73
Additions		-
Disposals		-
As at March 31, 2020 (A)		2,490.73
Accumulated depreciation		
As at April 1, 2019		587.50
Charge for the year		105.47
Reversals/ Disposals during the year		-
As at March 31, 2020 (B)		692.97
Net carrying value as at March 31, 2020 (A) - (B)		1,797.76

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.

Fair valuation

			(₹ in Lakhs)
Particulars	As at March 31, 2021	As at March 31, 2020	
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 : Of the above, a Building carrying value Rs. 1595.06 Lakhs (Previous Year: Rs.1,676.50 Lakhs) is subject to first charge for secured bank loans (refer note 13.1.)

Note No. 5 : Investment

A. Non Current Investment

			(₹ in Lakhs)
Particulars	As at March 31, 2021	As at March 31, 2020	
A. COST			
I. Unquoted Investments (all fully paid)			
Cosmos Premises Private Limited	566.91	740.48	
162,500 (March 31, 2019: 177,401) Equity Shares of Rs. 10/- Each Fully Paid			
Vascon Engineers Ltd WII (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	1.52	
	5,041.38	5,214.95	
INVESTMENTS CARRIED AT COST [A]	5,041.38	5,214.95	
B. INVESTMENTS CARRIED AT AMORTISED COST			
Investment in Government or trust securities			
7 Years National Savings Certificate	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 - Union Bank of India (formerly Corporation Bank)	0.11	0.09	
330 (March 31,2020: 330) Equity shares of ₹ 10/- Each fully paid			
Total Aggregate Quoted Investments	0.11	0.09	

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unquoted Investments(all fully paid)		
<u>Investments in Equity Instruments of structured entities</u>		
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		
	0.25	0.25
<u>Investments in debentures</u>		
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]	2,750.36	2,750.34
TOTAL INVESTMENTS [A] + [B] + [C]	7,791.94	7,965.49

Details of quoted / unquoted investments:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate amount of Quoted Investments and Market Value thereof	0.25	0.25
Aggregate amount of Unquoted Investments	7,791.94	7,965.49
Aggregate amount of Provision for expected credit loss on investments		

Note- Refer Note 35 for Summarised information for those joint ventures which are material to the Group

B. Current Investment

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Designated as Fair Value Through Profit and Loss		
I. Unquoted Investments (all fully paid)		
<u>Investments in Equity Instruments of structured entities</u>		
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	78.70	1,569.42
HSBC Cash Fund - Growth Direct Plan		
Units 4335.6070 (March 31, 2020: 4335.6070) , NAV ₹ 1,977.4898(March 31, 2020: ₹ 1,977.4898) each		
Reliance Liquid Fund - Treasury Plan		
Units 30,587.0230 (March 31, 2020: 30,587.0230), NAV ₹ 4,850.6885 (March 31, 2020: ₹ 4,850.6885) each		
Total Quoted Investments	78.70	1,569.42
TOTAL CURRENT INVESTMENTS	312.70	1,803.42

Details of quoted / unquoted investments:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate amount of Quoted Investments and Market Value thereof	78.70	1,569.42
Aggregate amount of Unquoted Investments	234.00	234.00
Aggregate amount of Provision for expected credit loss on investments		

Note- Refer Note 35 for Summarised information for those joint ventures which are material to the Group

Notes forming part of Consolidated Financial Statements

Note No. 6 : Loans

A. Non Current Loans

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Other Loans		
- Unsecured, considered good	359.34	880.40
Total	359.34	880.40

B. Current Loans

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Loans and Advances to Employees		
- Unsecured, considered good	255.20	340.96
b) Loans to related parties (Refer Note 33)		
- Unsecured, considered good	530.49	362.67
c) Other Loans		
- Unsecured, considered good	5,980.76	6,102.72
TOTAL	6,766.45	6,806.35

Note No. 7 : Other Financial Assets

A. Non - Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at amortised cost		
a) Security Deposits		
- Unsecured		
Considered good	923.11	915.29
Considered doubtful	25.00	25.00
Less: Allowance for Credit Losses	(25.00)	(25.00)
	923.11	915.29
b) Bank deposits with more than 12 months maturity	570.88	277.34
c) Project Advances	8,550.20	8,931.65
d) Interest accrued on deposits	23.98	8.20
TOTAL	10,068.17	10,132.48

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at amortised cost		
a) Security Deposits - Unsecured	1,101.17	601.60
b) Interest accrued on deposits	173.22	165.81
c) Project Advances	2,647.97	2,544.93
d) Other Recoverable (incl JV Partner share)	636.78	514.39
e) Amounts due from customers under construction contracts		
- Gross amount due from customer	19,373.62	15,762.62
- Less : Related Advance Payments received	(4,007.64)	(2,725.90)
	15,365.98	13,036.72
TOTAL	19,925.12	16,863.45

VASCON ENGINEERS LIMITED

Notes forming part of Consolidated Financial Statements

Note No. 8 : Other Non Current and Current Assets

A. Non current

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
a) Balances with government authorities (other than income taxes)	1,873.46	1,893.47
TOTAL	1,873.46	1,893.47

B. Current

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
a) Advances to suppliers	2,099.43	1,976.62
b) Other Receivable	145.23	200.73
b) Prepaid Expenses	693.54	794.29
c) Travel Advance	16.09	5.92
TOTAL	2,954.29	2,977.56

Note No. 9 : Inventories

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
a) Building materials / Tools	5,059.47	4,530.62
b) Projects under Development	34,889.06	31,721.48
c) W.I.P/ Finished Goods	519.35	429.27
d) Completed Projects	5,456.70	11,404.44
Total Inventories at the lower of cost or net realisable value	45,924.58	48,085.81

Note No. 10 : Trade Receivables

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding for a period exceeding six months from the date they are due		
(a) Unsecured, considered good	8,885.68	10,914.63
(b) Doubtful	3,973.73	2,584.46
Less: Allowance for Credit Losses	(3,973.73)	(2,584.46)
	8,885.68	10,914.63
Others		
(a) Unsecured, considered good	4,569.59	4,291.65
	4,569.59	4,291.65
Retention (Accrued but not due)		
(a) Unsecured, considered good	4,310.90	4,431.44
	4,310.90	4,431.44
(Less) : Related Unearned Receivables	(1,349.00)	(1,540.39)
Total	16,417.17	18,097.33

Notes:

- 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".
- The normal credit period allowed by the Group ranges from 30 to 60 days.
- 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).
- The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

Notes forming part of Consolidated Financial Statements

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.

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
EPC:		
Less than 1 year	5,029.42	2,936.10
1-2 year	1,584.58	1,907.46
2-3 year	1,178.65	597.77
More than 3 year	4,420.86	4,605.63
Less :- Expected Credit Loss	(2,557.82)	(1,273.00)
Total	9,655.69	8,773.96
Development Sales Receivables	817.08	2,624.07
Receivables from Related Parties	291.24	971.16
Clean Room & BMS (GMP) Sales Receivables	7,069.05	7,039.59
Less :- Expected Credit Loss *	(1,415.89)	(1,311.45)
Total	5,653.16	5,728.14
TOTAL	16,417.17	18,097.33

* 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, 2021	As at March 31, 2020
Balance at the beginning of the period / year	2,584.46	2,939.63
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	1,392.41	39.81
Utilization / Reversals	(3.16)	(394.98)
Balance at end of the year - March 31, 2021 / 2020	3,973.71	2,584.46

Note No. 11 : Cash and Bank Balances

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
A) Current Cash and bank balances		
a) Unrestricted Balances with banks#	2,101.70	2,011.16
b) Cash on hand	165.14	217.35
c) Balances with banks in deposit accounts with original maturity of less than 3 months	487.23	238.54
Cash and cash equivalent as per balance sheet	2,754.07	2,467.05
Bank Overdraft	60.27	167.12
Total Cash and cash equivalent as per statement of cash flows	2,693.80	2,299.93
B) Other bank balances		
a) Balances with banks in deposit accounts with original maturity more than 3 months	451.75	153.60
b) In earmarked accounts		
- Balances held as margin money or security against borrowing, guarantee and other commitments*	4,797.76	4,258.91
Total Other Bank Balances	5,249.51	4,412.51

* 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.

Cash and Cash Equivalents and Bank Balances includes balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.

Notes forming part of Consolidated Financial Statements
Note No. 12 - Equity Share Capital

Equity share capital	As at March 31, 2021		As at March 31, 2020	
	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	182,136,716	18,213.67	178,136,716	17,813.67

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 (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, 2019	178,136,716	17,813.67
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	-	-
Balance at March 31, 2020	178,136,716	17,813.67
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, 2021	182,136,716	18,213.67

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	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	42,428,701	23.29	42,428,701	23.82
Vatsalya Enterprises Private Limited	9,599,275	5.27	9,078,947	5.10
Lalitha Vasudevan	9,500,158	5.22	8,919,538	5.01
Santosh Sundarajan	9,140,643	5.02	8,134,393	4.57

(iii) As at 31 Mar, 2021, 8,000,000 shares (As at 31 March, 2020, 12,000,000 shares) were reserved for issuance as follows:

Particulars	No. of shares	
	As at March 31, 2021	As at March 31, 2020
Outstanding employee stock options granted / available for grant	8,000,000	12,000,000

Notes forming part of Consolidated Financial Statements

Note No. 12.2 : Other Equity

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
a) Capital Redemption Reserve		
Opening Balance	1,377.50	1,377.50
Addition during the year	51.00	-
	1,428.50	1,377.50
b) Securities Premium Reserve		
Opening Balance	55,493.35	55,493.35
Transferred on account on exercise of share based payment	605.60	-
	56,098.95	55,493.35
c) Equity-settled employee benefits reserve		
Opening Balance	1,537.64	1,074.87
Amount recorded on grants during the year	224.40	462.77
Transferred to securities premium account on exercise	(605.60)	-
	1,156.44	1,537.64
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	(4,332.26)	(8,275.55)
Transitional Adjustment on account of application of Ind AS 116	-	(134.60)
Transfer to Capital Redemption Reserve	(51.00)	-
Profit for the year	(4,091.52)	3,966.48
Other Comprehensive income	(47.13)	111.68
Consolidation Adjustment*	-	(0.27)
	(8,521.91)	(4,332.26)
* Consolidation adjustment represent impact of change in unaudited financials to audited financials of one of the Subsidiaries		
	51,702.14	55,616.39

Description of Reserves

Retained Earnings: Retained earnings represent the amount of accumulated earnings of the Company

Securities premium reserve: The amount received in excess of the par value of equity shares has been classified as securities premium.

General reserve: The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits was required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Equity-settled employee benefits reserve: The Share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees

Capital Redemption Reserve: As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Notes forming part of Consolidated Financial Statements
Note No. 12.3: Non Controlling Interest

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	936.84	935.48
Transitional Adjustment on account of application of Ind AS 116	-	(5.99)
Profit / (Loss) for the year	53.88	15.06
Other Comprehensive Income	9.47	(7.71)
	1,000.19	936.84

Note No. 13 : Borrowings
A. Non Current Borrowings

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost		
A. Secured Borrowings:		
a) Fully Redeemable Debentures	2,885.37	7,293.70
b) Term Loans		
From Financial Institution	1,344.68	1,835.42
c) Long term maturities of finance lease obligations	36.77	35.77
Total Secured Borrowings	4,266.82	9,164.89
B. Unsecured Borrowings - at amortised Cost		
Inter corporate deposits	-	3.73
Total Unsecured Borrowings	-	3.73
Total Borrowings carried at Amortised Cost [A] + [B]	4,266.82	9,168.62
Measured at FVTPL		
2114 (March 31,2018: 6861) Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures 5864 of ₹ 1 lakhs each	-	664.00
Total Borrowings carried at FVTPL	-	664.00
Total Borrowings	4,266.82	9,832.62

B. Current Borrowings

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
A. Secured Borrowings		
a) Cash Credit From Banks	7,486.56	8,416.52
	7,486.56	8,416.52
B. Unsecured Borrowings		
a) From Banks (Bank overdraft)	60.27	167.12
b) Loans from related parties (Refer Not 33)	1,382.77	558.63
c) Loans from other parties	56.49	1,022.53
	1,499.53	1,748.28
Total Borrowings	8,986.09	10,164.80
Cash Credit from State Bank of India and Union 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.	5,875.91	6,647.51
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 Company.	479.87	508.38
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 Company.	1,130.78	1,260.63

Notes forming part of Consolidated Financial Statements

13.1 Disclosure regarding Non Current Borrowings

Name of the lender	Outstanding amount	Current Maturities	Long Term					Rate of interest	Nature of security
			2022-23	2023-24	2024-25	2025-28	Total		
I. Secured Loan									
a) Kotak India Real Estate Fund	7,068.70	4,183.33	2,885.37	-	-	-	2,885.37	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 Owner'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	2,154.97	1,860.96	294.01	-	-	-	294.01	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
c) JM Financial Credit Soution Limited	319.00	-	79.75	79.75	79.75	79.75	319.00	14.00%	Guarenteed Emergency Credit Line against the Point No. (b) above
d) Zero Coupon, Rupee denominated, Unrated, unlisted, secured, Non Convertible Debentures of Rs.1,00,000/- each (Refer Note 42)	1,364.00	1,364.00	-	-	-	-	-	0.00%	Pledge of shares of GMP Technical Solution Pvt Ltd (Subsidiary)
e) ICICI Home Finance	844.52	112.84	127.66	144.42	163.38	296.22	731.67	12.40%	Secured by way of registered mortgage on Unit No. 1, 2nd Floor, HDIL Kaledonia, Sahar Road, Andheri (East), Mumbai Admeasuring 9405 Sq Ft. carpet Area.
From Financial Institutions									
Daimler Financial Services India Pvt Ltd	35.12	35.12	-	-	-	-	-	10.65%	Hypothecation of Vehicle financed by lender
Daimler Financial Services India Pvt Ltd	47.50	10.73	36.77	-	-	-	36.77	6.60%	Hypothecation of Vehicle financed by lender
	82.62	45.84	36.77	-	-	-	36.77		
II. Unsecured Loan									
A. Inter corporate loans									
Yester Investment Pvt Ltd	500.00	500.00	-	-	-	-	-	12.00%	Not Applicable
	12,333.81	8,066.98	3,423.56	224.17	243.13	375.97	4,266.82		

Notes forming part of Consolidated Financial Statements
Note No. 14 : Other Financial Liabilities
A. Non Current

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Other Financial Liabilities Measured at Amortised Cost		
Commitment and other deposits	1,737.53	1,695.24
Lease Liability (Refer Note 29)	41.08	129.55
Other Non-Current Financial Liabilities	1,778.61	1,824.79

B. Current

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
a) Current maturities of long term debt (Refer Note 13.1)	8,021.14	5,238.78
b) Current maturities of lease obligations (Refer Note 29)	97.59	296.20
c) Interest accrued but not due on borrowings	51.81	43.54
d) Interest accrued but due on borrowings	641.95	865.58
e) Lease Liability	53.45	-
f) Creditors for capital supplies/services	38.43	17.50
g) Others	82.12	87.47
Total other financial liabilities	8,986.49	6,549.07

Note No. 15 : Trade and other payables

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of Small and Medium Enterprises	62.34	1.90
Total outstanding dues to creditors other than Small and Medium Enterprises	24,048.62	20,157.06
Total trade payables	24,110.96	20,158.96

Note No. 16 : Provisions

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
a) Provision for employee benefits		
1) Compensated absences	884.76	812.16
2) Gratuity (Refer Note 31)	1,030.39	1,064.38
	1,915.15	1,876.54
b) Others		
Taxation (Net of Advance Tax)	318.26	104.28
	318.26	104.28
TOTAL	2,233.41	1,980.82

Note No. 17 : Current Tax and Deferred Tax
(a) Income Tax Expense

(₹ in Lakhs)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax:		
Current Income Tax Charge	1.15	8.03
Adjustments in respect of prior years	(0.58)	1.95
Deferred Tax		
In respect of current year origination and reversal of temporary differences	40.93	(1.47)
Total Tax Expense recognised in profit and loss account	41.50	8.51

Notes forming part of Consolidated Financial Statements

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before Tax	(3,986.64)	3,982.34
Income Tax using the Company's domestic Tax rate @ 25.168 %	(1,003.36)	1,378.29
Effect of :		
Income that are exempt from taxation	82.24	(1,243.88)
Expenses that are non deductible in determining taxable profit	32.65	21.48
Different tax rate of subsidiaries	0.01	(9.36)
Adjustments recognised in the current year in relation to the current tax of prior years	888.87	(136.55)
Deferred tax assets recognised on temporary differences	40.93	(1.47)
Changes in estimates related to prior years	0.16	
Income Tax recognised in P&L	41.50	8.51

c) Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of Fixed Assets	18.15	178.76
Effects of reameasuring Financials instruments, Financial guarantee Commission and OCI under IND AS	1.34	1.34
Others		-
Tax effect of items constituting deferred tax liability	19.49	180.10
<u>Tax effect of items constituting deferred tax asset</u>		
Provision for compensated absences and gratuity	74.01	234.62
Disallowance u/s 40a / Provision for Doubtful debts & Advances	562.35	605.31
MAT Credit Entitlement	6.41	6.41
Effects of reameasuring Financials instruments, Financial guarantee Commission and OCI under IND AS	48.98	48.98
Unabsorbed depreciation carried forward and brought forward business losses	2.43	0.40
Tax effect of items constituting deferred tax asset	694.18	895.72
Net Deferred Tax Asset / (Liability)	674.69	715.62

Note : Pursuant to the announcement made by the Finance Ministry of the Government of India on September 20, 2019, the Company, basis their assessment opted for a lower corporate tax rate as per section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from financial year 2020-21 onwards. Accordingly, the Company recognized Provision for Income Tax and re-measured the Deferred Tax Liabilities on the basis of the revised lower tax rate and impact of the same was recognized in the year ended March 31, 2021.

Note No. 18 : Other Liabilities

A. Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Deferred Revenue		
- Deferred Government grant related to assets	3.17	7.17
Total	3.17	7.17

Notes forming part of Consolidated Financial Statements
B. Current

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
a. Advances received from customers		
- Gross amount due to customers	9,894.54	9,293.90
- Less : Related Unbilled Revenues	(4,007.64)	(2,725.90)
	5,886.90	6,568.00
b. Amount due to customers under construction contracts		
- Gross amount due to customers	4,485.75	3,964.69
- Less : Related Debtors	(1,349.00)	(1,540.39)
	3,136.75	2,424.30
c. Statutory dues		
- taxes payable (other than income taxes)	1,687.46	1,685.18
d. Deferred Revenue		
- Deferred Government grant related to assets	4.00	4.00
Total Other Current Liabilities	10,715.11	10,681.48

Note No. 19 : Revenue from operations

(₹ in Lakhs)		
PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue recognised / sales (gross)		
- Contract Revenue	29,633.32	25,405.53
- Sale of Unit/Land	5,787.57	7,241.25
- Trading Sales & Other Sales	6.99	0.15
- Manufacturing Sales	14,854.31	15,282.38
- Other sales (Includes maintenance charges of soceity,Hire charges,Scrap Sales)	215.46	358.08
Other Operating Income		
- Rent / Compensation / Maintenance	190.60	210.20
- Share of profit / (loss) from Joint Venture	(111.09)	3,593.99
Total Revenue from Operations	50,577.16	52,091.58

Note No. 20 : Other Income

(₹ in Lakhs)		
PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Interest income on Financial Assets at Amortised Cost	541.09	533.83
b) Dividend received on investments carried at fair value through profit or loss in Liquid Mutual fund units	9.78	81.21
c) Gain / (loss) on investments carried at fair value through profit or loss	-	732.05
d) Dividend income Other	-	0.04
e) Profit on sale on Investment	-	169.37
f) Provision / Creditors no longer required written back	181.36	92.12
g) Profit on sale of capital assets (Net of loss on assets sold / scrapped / written off)	339.85	3.37
h) Bad Debts Recovered	42.45	54.12
i) Foreign exchange gain	-	76.31
j) Miscellaneous income	126.54	254.44
Total Other Income	1,241.07	1,996.86

Notes forming part of Consolidated Financial Statements

Note No. 21.a : (a) Cost of materials consumed

(₹ in Lakhs)		
PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract	24,811.07	19,188.23
Development	2,317.75	3,832.19
Cost of Material Consumed	9,485.60	9,489.85
Incidental borrowing cost incurred attributable to qualifying assets	943.94	815.51
Total cost of materials consumed	37,558.36	33,325.78

Note No. 21.b : (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Lakhs)		
PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Segment wise Revenue and Results		
<u>Closing balance of projects under development :</u>		
Completed Units / Finished goods	519.34	429.27
Work-in-progress	40,345.77	43,125.91
	40,865.11	43,555.18
<u>Opening balance of projects under development:</u>		
Completed Units / Finished goods	429.27	454.08
Work-in-progress	43,125.91	44,667.60
Add- Transitional Adjustment on account of application of Ind AS 115	-	-
	43,555.18	45,121.68
Net (increase) / decrease	2,690.07	1,566.50

Note No. 22 : (d) Employee benefit expense

(₹ in Lakhs)		
PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Salaries and wages, including bonus	5,245.26	6,195.89
b) Contribution to provident and other funds (Refer Note 31)	294.56	335.83
c) Share based payment transactions expenses (Refer Note 28)	224.40	462.77
d) Staff Welfare & Other Expenses	92.90	184.97
Total Employee Benefit Expense	5,857.12	7,179.46

Note No. 23 : (e) Finance costs

(₹ in Lakhs)		
PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Interest expense	3,449.66	2,573.40
b) Other borrowing costs	174.63	147.47
	3,624.29	2,720.87
Less : Amounts included in the cost of qualifying assets	943.94	815.51
Total Finance Costs	2,680.35	1,905.36

Notes forming part of Consolidated Financial Statements
Note No. 24 : (g) Other expenses

(₹ in Lakhs)		
PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Stores and spares consumed	220.68	280.70
b) Power & Fuel oil consumed	230.30	322.80
c) Rent including lease rentals	227.87	193.53
d) Repairs to buildings	60.64	43.02
e) Repairs to Plant & Machinery	87.00	84.85
f) Repairs and maintenance - Others	39.28	115.14
g) Rates & Taxes	153.56	222.33
h) Insurance charges	85.01	72.73
i) Bad debts and other receivables, loans and advances written off	446.32	668.06
j) Provision For Doubtful Debt And Advances	1,850.00	(236.15)
k) Loss on Sale of Fixed Assets	-	0.50
l) Audit Fees	-	-
1) Audit fees	43.27	56.80
2) Limited Review	18.00	15.00
3) Other services	-	-
m) Other Expenses		
1) Legal and other professional costs	708.24	1,023.29
2) Advertisement, Promotion & Selling Expenses	249.42	582.47
3) Travelling and Conveyance Expenses	261.22	447.88
4) Postage and telephone	79.62	98.29
5) Printing and stationery	32.47	76.82
6) Brokerage / commission	61.49	80.09
7) Donations	1.63	55.64
8) Corporate Social Responsibility Expenditure (Refer Note 40)	100.00	-
9) Bank charges	62.15	137.75
10) Hire Charges Paid	26.01	17.54
11) Foreign exchange gain / loss (net)	12.64	-
12) Miscellaneous Expenses	352.70	270.34
n) Net gain/(loss) arising on financial assets designated as at FVTPL	400.00	0.19
Total Other Expenses	5,809.52	4,629.61

Note 25: Disclosures under Ind AS 33

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic Earnings per share (Amount In Rupees)	(2.27)	2.22
Diluted Earnings per share (Amount In Rupees)	(2.27)	2.21

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, 2021	For the year ended March 31, 2020
Profit for the year	(4,028.17)	3,973.84
Add: Loss attributable to Non - Controlling Interest	53.88	15.06
Profit for the year attributable to owners of the Company (A)	(4,082.05)	3,958.78
Weighted average number of equity shares (B)	179,603,383	178,136,716
Earnings per share from continuing operations - Basic (Amount In Rupees) (A / B)	(2.27)	2.22

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, 2021	For the year ended March 31, 2020
Profit / (loss) for the year used in the calculation of basic earnings per share	(4,082.05)	3,958.77
Weighted average number of equity shares used in the calculation of Basic EPS	179,603,383	178,136,716
Employee Stock Option Plans	552,510	629,442
Weighted average number of equity shares used in the calculation of Diluted EPS	180,155,893	178,766,158
Earnings per share from continuing operations - Dilutive (Amount In Rupees)	(2.27)	2.21

Note No. - 26 Fair Value

Set out below is the comparison by class of the carrying amounts and fair value of the Group's financial instruments

(₹ in Lakhs)				
Particulars	Carrying amount		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Non - Current Assets				
(i) Investments	5,041.58	5,215.14	5,041.58	5,215.14
(ii) Loans	359.34	880.40	359.34	880.40
(iii) Others Financial Assets	10,068.17	10,132.48	10,068.17	10,132.48
Current Assets				
(i) Trade receivables	16,417.16	18,097.33	16,417.16	18,097.33
(ii) Cash and cash equivalents	2,754.07	2,467.05	2,754.07	2,467.05
(iii) Bank balances other than (ii) above	5,249.50	4,412.51	5,249.50	4,412.51
(iv) Loans	6,766.45	6,806.35	6,766.45	6,806.35
(v) Others Financial Assets	19,925.12	16,863.44	19,925.12	16,863.44
Financial assets measured at fair value through Statement of Profit & Loss				
(a) Current investments	312.70	1,803.42	312.70	1,803.42
(b) Non Current investments quoted	0.11	0.09	0.11	0.09
(c) Non Current investments unquoted	2,750.25	2,750.25	2,750.25	2,750.25
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Non - Current Liabilities				
(i) Borrowings	4,266.82	9,168.62	4,266.82	9,168.62
(ii) Other financial liabilities	1,778.61	1,824.79	1,778.61	1,824.79
Current Liabilities				
(i) Borrowings	8,986.10	10,164.79	8,986.10	10,164.79
(ii) Trade and other payables	24,110.98	20,158.96	24,110.98	20,158.96
(iii) Other financial liabilities	8,986.48	6,549.06	8,986.48	6,549.06
Financial liabilities measured at fair value through Statement of Profit & Loss				
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	664.00	-	664.00

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 Group determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing

Notes forming part of Consolidated Financial Statements

interest rates of financial 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:

- Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.
- 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.
- 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.
- 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, 2021 and March 31, 2020.

(₹ in Lakhs)			
Particulars	Level 1	Level 2	Level 3
March 31, 2021			
Investment in mutual funds	78.70	-	-
Equity	0.11	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	-
March 31, 2020			
Investment in mutual funds	1,569.42	-	-
Equity	0.09	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	664.00

During the year ended March 31, 2021, 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 borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Borrowings (Refer Note 13)	21,371.64	25,532.39
Trade Payables (Refer Note 15)	24,110.98	20,158.98
Less : Cash and Cash Equivalents (Refer Note 11)	8,003.58	6,879.56
Net Debt	37,479.04	38,811.81
Total Equity (Refer Note 12)	69,915.81	73,430.06
Total Capital	69,915.81	73,430.06
Capital and Net Debt	107,394.85	112,241.87
Gearing Ratio	35%	35%

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, 2021 and March 31, 2020.

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 ₹ 52,768.16 lakhs and ₹ 52,328.65 lakhs as of March 31, 2021 and March 31, 2020 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. 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, 2021 and March 31, 2020, 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.

Notes forming part of Consolidated Financial Statements

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:

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the period year	2,584.46	2,939.63
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1,392.42	39.81
Utilization / Reversals	(3.16)	(394.98)
Balance at the end of the year	3,973.73	2,584.46

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.

Particulars	(₹ in Lakhs)		
	31-Mar-21		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	24,110.95	-	-
Other Financial Liabilities	8,986.48	1,778.61	-
Working capital demand loans / Term loans	8,986.09	4,266.82	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	1,364.00	-	-

Particulars	(₹ in Lakhs)		
	31-Mar-20		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	20,158.98	-	-
Other Financial Liabilities	6,549.06	1,824.79	-
Working capital demand loans / Term loans	10,164.79	9,168.62	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	700.00	664.00	-

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

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.

Notes forming part of Consolidated Financial Statements

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 - Rs. Nil (Previous Year - Rs. 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, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Trade Receivables	EURO	-	-	-	-
	GBP	-	-	-	-
	USD	0.52	0.47	38.54	35.56
	EURO	0.18	0.81	15.87	66.87
	USD	11.34	13.73	833.78	1,034.82

Foreign Currency 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, 2021	USD	+10%	79.52
	USD	-10%	(79.52)
	EURO	+10%	1.59
	EURO	-10%	(1.59)
March 31, 2020	USD	+10%	99.93
	USD	-10%	(99.93)
	EURO	+10%	6.69
	EURO	-10%	(6.69)

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting year does not affect the exposure during the year.

Note No - 28: Share Based Payments

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. The ESOS granted on Feb 2021, was repriced on 8th Sept 2020, at a predetermined rate of ₹ 10/- share.

Number of options granted , exercised , cancelled / lapsed during the financial year are as follows :

Particulars	FY 2020-21	FY 2019-20
Options granted, beginning of the year	12,000,000	12,000,000
Granted during the year	4,000,000	4,000,000
Exercised during the year	4,000,000	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	8,000,000	12,000,000
Weighted Average remaining life	1.42	2.42

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 No. 29 - Disclosures under Ind AS 116

The Company has elected below practical expedients on transition to Ind AS 116:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying Ind AS 17 Leases.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration

- The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.
- The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 13%.

(A) Leases as lessee
(i) The movement in Lease liabilities during the year

Particulars	(₹ in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	461.52	47.55
Balance as at 1st April, 2019 <i>(on adoption of Ind AS 116 - Leases)</i>	-	685.81
Additions during FY 2020-21	66.48	100.91
Deletion during the year	78.99	-
Finance costs incurred during the year	31.59	79.05
Payments of Lease Liabilities	299.21	451.80
Balance as at 31st March, 2021	181.39	461.53

(ii) The carrying value of the Rights-of-use and depreciation charged during the year

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year, kindly refer note -3 "Property, Plant & Equipments & Intangible Assets".

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Expenses related to Short Term Lease & Low Asset Value Lease		
- Finance Cost	31.59	79.05
- Depreciation	295.51	320.00
(ii) Expenses related to Short Term Lease & Low Asset Value Lease	192.45	155.88
Total Expenses	519.55	554.92

Notes forming part of Consolidated Financial Statements

(iv) Maturity analysis of lease liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	92.72	343.40
One to five years	20.04	190.69
More than five years		
Total undiscounted Lease Liability	112.75	534.09
Balances of Lease Liabilities		
Non Current Lease Liability	41.08	165.32
Current Lease Liability	140.30	296.20
Total Lease Liability	181.39	461.52

Note - 30: Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Contingent liabilities		
(a) Disputed demands for Income Tax	260.63	260.63
(b) Disputed demands for Service Tax / Excise Duty / Sales Tax	822.70	288.72
(c) Disputed demands for Value Added Tax / GST	1,237.35	1,085.48
(d) Performance and financial guarantees given by the Banks on behalf of the Group	14,119.78	21,045.83
(e) Corporate guarantees given for other companies / entities and mobilization	12,927.19	14,077.19
(f) Custom Duty on Export obligation	-	-
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	3,701.90	3,782.29
(i) The Creditors of the Company have filed a civil suit claiming of ₹ 810.81 lakhs (Previous year ₹ 891.20 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 ₹ 20.14 lakh (Previous year ₹ 20.14 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 ₹ 3.95 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 ₹ 2,867.00 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, 2021	As at 31 March, 2020
<p>(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 .</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>(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.</p> <p>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.</p> <p>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.</p> <p>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.</p>		
<p>(h) tax department initiated prosecution u/s 276B of the Income Tax Act and filed a Court complaint for AY 2016-17 and 2017-18. Vascon paid all the TDS dues along with applicable interest and penalty for late filing there on and applied vide letter dt. 20th December 2019 to the Chief Commissioner of Income tax, Pune for Compounding of offences. Such application of Compounding is pending for disposal with the Chief Commissioner of Income Tax Pune. The amount w.r.t. the above proceeding is not quantifiable.</p> <p>For Development projects and according to the facts:</p> <p>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.</p>		
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,296.92	442.85

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.218.51 Lakhs for Provident Fund contributions (March 31, 2020 : Rs.286.03 Lakhs) and Rs 30.22 Lakhs towards ESIC (March 31, 2020 : Rs.43.28 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.

Notes forming part of Consolidated Financial Statements

Defined benefit plans – as per actuarial valuation on 31st March, 2021

(₹ in Lakhs)

Particulars	Funded Plan	
	Gratuity	
	2021	2020
Service Cost		
Current Service Cost	135.88	148.52
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	65.30	64.64
Components of defined benefit costs recognised in profit or loss	201.18	213.16
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	(4.39)	1.24
Actuarial gains and loss arising from changes in financial assumptions	(100.69)	67.20
Actuarial gains and loss arising from experience adjustments	(91.23)	126.57
Actuarial gains and loss arising from demographic adjustments	0.90	36.58
Components of defined benefit costs recognised in other comprehensive income	(195.41)	231.59
Total	5.77	444.75
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	1,178.74	1,312.14
2. Fair value of plan assets as at 31st March	178.86	249.01
3. Surplus/(Deficit)	(999.88)	(1,063.13)
4. Current portion of the above	999.88	1,063.13
5. Non current portion of the above	178.86	249.01
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	(1,312.14)	(1,001.39)
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	(135.88)	(148.52)
- Past Service Cost	-	-
- Interest Expense (Income)	(79.24)	(71.40)
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(0.90)	(36.58)
ii. Financial Assumptions	100.69	(67.20)
iii. Experience Adjustments	91.23	(126.57)
5. Benefit payments	157.50	139.53
6. Others (Specify)	-	-
7. Present value of defined benefit obligation at the end of the year	(1,178.74)	(1,312.13)
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	249.01	42.94
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	5.70	5.47
- Mortality Charges and Taxes	(4.13)	(6.51)
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	12.62	0.05
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	22.70	346.60
6. Benefit payments	(107.05)	(139.53)
7. Fair value of plan assets at the end of the year	178.85	249.02
IV. The Major categories of plan assets		
Funds Managed By Insurer	100%	100%

Notes forming part of Consolidated Financial Statements
Maturity Profile of Defined Benefit Obligation:

Year Ending March 31	Expected Benefit Payment Rounded to the nearest thousand (in Rs.)
2022	361.83
2023	105.85
2024	116.65
2025	119.64
2026	135.73
2027-2031	910.82

A. Effect of 0.5 % to 1 % change in the assumed discount rate

	Increase	Decrease	Increase	Decrease
	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20
Defined Benefit Obligation	1132.03	1,230.27	1257.06	1373.48

B. Effect of 1 % change in the assumed Salary Escalation Rate

	Increase	Decrease	Increase	Decrease
	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20
Defined Benefit Obligation	1178.34	1,183.62	1,372.26	1,256.49

C. Effect of 1 % to 5% change in the assumed Withdrawal Rate

	Increase	Decrease	Increase	Decrease
	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20
Defined Benefit Obligation	1187.74	1,165.91	1,289.97	1,354.45

V. Experience Adjustments :

	Period Ended	
	2021	2020
	Gratuity	
1. Defined Benefit Obligation	1,178.74	1,312.14
2. Fair value of plan assets	178.86	249.01
3. Surplus/(Deficit)	(999.88)	(1,063.13)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(91.23)	126.57
5. Experience adjustment on plan assets [Gain]/(Loss)]	(105.06)	20.22

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.

Notes forming part of Consolidated Financial Statements

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 publicly 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 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
 - Sita Laxmi Mills Ltd
 - Mumbai Estate Private Limited
3. Key Management Personnel
 - Mr. R. Vasudevan
 - Mr. Siddarth Vasudevan
 - Dr Santosh Sundararajan
 - Mr. Somnath Biswas (*appointed w.e.f. 01.09.2019*)
 - Mr. D.Santhanam (*Retired w.e.f 31.08.2019*)
 - Ms.Vibhuti Dani
 - Mr. Rajesh Mhatre
 - Other Directors
 - Mr. V Mohan
 - Mr. K G Krishnamurthy
 - Mr.Mukesh Malhotra
 - Ms. Sowmya Aditya Iyer
4. Relatives of Key Management Personnel
 - Mrs. Thangam Moorthy
 - Mrs. Lalitha Vasudevan
 - Mrs. Lalitha Sundararajan
 - Mrs. Shilpa Shivaram
 - Mrs. Sailaxmi Santhanam Mudaliar (*upto 31.08.2019*)
 - Ms Aishwarya Santhanam (*upto 31.08.2019*)

Notes forming part of Consolidated Financial Statements

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
- Hamcon Engineers Pvt Ltd
- Daffodil Projects Pvt Ltd
- Conamore Resorts Pvt Ltd.
- Rose Premises Pvt Ltd
- One Stop Shop India P Ltd
- Space Centric Marketing & Construction Consultancy Pvt Ltd
- D. Santanam (HUF) - *Upto 31.08.2019*

II Related party transactions

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(a) Sales and work	802.57	2,968.56
Joint Ventures		
Phoenix Ventures	194.63	337.07
Cosmos Premises Private Limited	86.46	-
Ajanta Enterprises	182.32	2,086.04
Total	463.42	2,423.11
Key management Personnel		
Mr. R. Vasudevan	-	-
Mr. Mukesh Malhotra	1.28	-
Dr Santosh Sundararajan	6.06	-
Total	7.34	-
Enterprise where KMP & Relatives of KMP significant influence		
Cherry Constructions Private Limited.	331.81	545.45
Total	331.81	545.45
(b) Interest Income/commission Received	122.80	124.23
Joint Venture		
Ajanta Enterprises	106.61	124.23
Cosmos Premises Private Limited - Dividend Received	-	-
	106.61	124.23
Enterprise where KMP & Relatives of KMP significant influence		
- Conamore Resorts Pvt Ltd.	16.19	-
	16.19	-

Notes forming part of Consolidated Financial Statements

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(c) Interest Expense /commission Paid	107.62	111.27
Joint Venture		
Ajanta Enterprises	8.22	13.03
Total	8.22	13.03
Enterprise where KMP & Relatives of KMP significant influence		
D Santhanam- HUF	-	0.31
Flora Facilities Private Limited	36.27	71.58
Hamcon Engineers Pvt Limited	9.02	-
Space Centric Marketing & Construction Consultancy Pvt Ltd	1.80	-
Sira Assets LLP	51.75	24.15
Total	98.84	96.05
Relatives of Key Management Personnel		
Mr. Siddharth Vasudevan	0.57	1.03
Ms. Sailaxmi Santhanam Mudaliar	-	0.28
Ms. Aishwarya Santhanam Mudaliar	-	0.25
Total	0.57	1.56
Key Management Personnel		
D Santhanam	-	0.62
Total	-	0.62
(d) Purchase of Goods / Work/Rent	388.17	345.47
Joint Venture		
Ajanta Enterprises	0.10	-
Total	0.10	-
Enterprise where KMP & Relatives of KMP significant influence		
Rent		
Flora Facilities Private Limited	195.75	235.56
Works		
Stresstech Engineers Private Limited	36.50	54.69
Vastech Consultants & Engineers LLP	155.83	55.23
Total	388.07	345.47
(e) Receiving of Services	1,331.26	1,069.81
Key Management Personnel		
Mr R Vasudevan		
a) Short term benefits	510.00	10.00
b) Post Employment benefits*	-	-
Dr Santosh Sundararajan		
a) Short term benefits **	236.05	405.83
b) Post Employment benefits*	0.16	0.22
c) Share based payments	36.73	-
Mr. D.Santhanam		
a) Short term benefits	-	28.44
b) Post Employment benefits*	-	0.09
c) Share based payments	-	-
Mr. Somnath Biswas **		
a) Short term benefits	70.61	45.78
b) Post Employment benefits*	0.16	0.11
c) Share based payments	9.95	-
Mr. Siddharth Vasudevan **		

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
a) Short term benefits	192.24	369.56
b) Post Employment benefits*	0.16	0.22
Mr. Rajesh Dilip Mhatre **		
a) Short term benefits	172.91	147.15
b) Post Employment benefits*	0.16	0.22
c) Share based payments	36.73	-
Ms. Vibhuti Darshin Dani		
a) Short term benefits	15.09	16.80
b) Post Employment benefits*	0.16	0.22
Total	1,281.10	1,024.61
*Post employment 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		
** During the current financial year 2020-2021, the company has revised the salary structure of Key management personnel and their short term employment benefit represents Salary Net of Tax. Key Management Personnel wise Tax borne by employer bifurcation as below:		
Name of the KMP ₹ in Lakhs		
a) Mr. Santosh Sundarajan ₹ 138.78		
b) Mr. Somnath Biswas ₹ 34.44		
c) Mr. Rajesh Dilip Mahtre ₹ 90.20		
d) Mr. Siddharth Vasudevan ₹ 100.68		
During the previous financial year 2019-2020 short term employment benefits represents gross salary received by KMP.		
Enterprise where KMP & Relatives of KMP significant influence		
Flora Facilities Private Limited	11.90	15.87
Vastech Consultants Private Limited	38.25	28.95
AISWARYA SANTHANAM MUDALIAR	-	0.38
Total	50.16	45.20
(f) Share of Profit from AOP/Firm Joint Ventures	0.02	3,476.50
Phoenix Ventures	0.02	7.02
Ajanta Enterprises	-	3,469.48
Total	0.02	3,476.50
(g) Share of Loss from AOP/Firm Joint Ventures	108.97	-
Ajanta Enterprises	108.97	-
Phoenix Ventures	-	-
Total	108.97	-
(h) Reimbursement of expenses Joint Ventures	5.22	5.61
Ajanta Enterprises	-	-
Phoenix Ventures	-	0.04
Total	-	0.04
Enterprise where KMP & Relatives of KMP significant influence		
Flora Facilities Private Limited	5.22	5.57
	5.22	5.57
(i) Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit Joint Ventures	885.45	827.69
Phoenix Ventures	133.92	7.10
Ajanta Enterprises	10.00	300.00
Total	143.92	307.10

Notes forming part of Consolidated Financial Statements

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Enterprise where KMP & Relatives of KMP significant influence		
Stresstech Engineers Private Limited	-	-
Sira Assets LLP	-	110.00
Hamcon Engineers Pvt Ltd	600.00	-
Daffodil Projects Pvt Ltd	5.00	-
Conamore Resorts Pvt Ltd.	125.32	-
Flora Facilities Private Limited	-	410.59
Total	730.32	520.59
Key Management Personnel		
Mr. Siddharth Vasudevan	11.21	-
Total	11.21	-
(j) Finance availed /Received back(including equity contributions in cash or in kind)	2,175.19	5,404.19
Joint Ventures		
Phoenix Venture	-	2.94
Ajanta Enterprises	1,108.19	4,803.26
Total	1,108.19	4,806.19
Enterprise where KMP & Relatives of KMP significant influence		
Flora Facilities Private Limited	185.00	150.00
SIRA ASSETS LLP	250.00	200.00
Hamcon Engineers Pvt Ltd	258.00	-
Daffodil Projects Pvt Ltd	2.00	-
Conamore Resorts Pvt Ltd.	162.00	-
Cherry Constructions Private Limited.	-	98.00
Total	857.00	448.00
Relatives of Key Management Personnel (Through Fixed Deposit)		
Sailaxmi Santhanam Mudaliar(Through Fixed Deposit)	-	-
Total	-	-
Key Management Personnel		
Mr. R. Vasudevan	210.00	150.00
Total	210.00	150.00
(k) Outstanding as on		
A) Receivable to Vascon Engineers Limited	7,296.81	8,429.58
Joint Ventures	1,050.55	1,389.19
a) Trade Receivable		
Phoenix Ventures	672.49	708.57
Cosmos Premises Private Limited	13.53	-
Ajanta Enterprises	-	318.95
Total	686.02	1,027.52
b) Loans & Advances		
Phoenix Ventures	9.85	7.01
Total	9.85	7.01
c) Balance in current accounts		
Phoenix Ventures	354.68	354.67
Ajanta Enterprises	-	-
Total	354.68	354.67

VASCON ENGINEERS LIMITED

Notes forming part of Consolidated Financial Statements

	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
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	3,461.86	4,243.99
a) Trade Receivable		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	62.06	62.06
Daffodil Projects Pvt Ltd	427.27	427.27
Rose Premises Pvt Ltd	0.65	427.27
Cherry Constructions Private Limited.	245.52	382.33
Total	735.50	1,298.93
b) Loans & Advances (Including deposits and trade advances)		
Flora Facilities Private Limited	125.00	125.00
CONAMORE RESORTS PVT LTD.	168.98	190.68
Daffodil Projects Pvt Ltd	7.78	204.78
Rose Premises Pvt Ltd	1,719.75	1,719.75
One Stop Shop India Pvt Ltd	320.35	320.35
Venus Ventures	384.50	384.50
Total	2,726.36	2,945.06
Key Management Personnel	221.40	233.40
a) Trade Receivable		
Mr. R. Vasudevan	3.34	3.34
Mr.Santosh Sundararajan	12.06	24.06
Total	15.40	27.40
b) Loans & Advances (Including deposits and trade advances)		
Mr. Mukesh Malhotra	206.00	206.00
	206.00	206.00
B) Receivable from Vascon Engineers Limited	2,795.31	1,613.47
Joint Venture	988.17	94.21
a) Trade Payable		
Ajanta Enterprises	5.39	5.28
Total	5.39	5.28
b) Loans & Advances		
Ajanta Enterprises	-	-
Cosmos Premises Private Limited	50.00	50.00
Total	50.00	50.00
c) Balance in current accounts		
Ajanta Enterprises	932.77	38.93
Total	932.77	38.93
Key Management Personnel	623.92	433.40
a) Trade Payable		
Mr. Mukesh Malhotra	118.92	99.40
	118.92	99.40
b) For Deposit Received		
Mr. R Vasudevan	505.00	295.00
D Santhanam	-	39.00
Total	505.00	334.00

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Enterprise where KMP & Relatives of KMP significant influence	1,183.23	1,057.87
a) Trade Payable		
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	8.48	57.14
Stresstech Engineers Private Limited	28.57	31.55
Vastech Consultants & Engineers LLP	29.37	27.47
Vastech Consultants Private Limited	100.08	57.81
Space Centric Marketing & Construction Consultancy Pvt Ltd	19.55	17.52
D. Santhanam HUF	-	0.13
Total	186.06	191.61
b) Loans/(Advances)		
Flora Facilities Private Limited	417.56	249.52
Hamcon Engineers Pvt Limited	64.13	389.12
Sira Assets LLP	515.48	217.61
Total	997.17	856.25
c) Deposit Received		
D. Santhanam HUF	-	10.00
Total	-	10.00
Relatives of Key Management Personnel	-	28.00
a) Deposits Recd.		
Mr. Siddarth Vasudevan	-	11.00
Mrs. Sailaxmi Santhanam Mudaliar	-	9.00
Ms.Aishwarya Santhanam	-	8.00
Total	-	28.00

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, 2021

Note 34 : Disclosure of additional information as required by the Schedule III**a) As at and for the year ended March 31, 2021 :**

(₹ 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%	63,348.00	92%	(3,688.06)	234%	(111.01)	93%	(3,799.07)
Subsidiaries								
Vascon Value Homes Private Limited	0%	(0.45)	0%	(0.29)	0%	-	0%	(0.29)
Vascon EPC Limited	0%	0.97	0%	(0.02)	0%	-	0%	(0.02)
Marvel Housing Private Limited	0%	(22.29)	0%	(9.35)	0%	0.73	0%	(8.63)
GMP Technical Solutions Private Limited	8%	5,666.49	-8%	305.32	-114%	53.68	-9%	359.01
Almet Corporation Limited	0%	249.56	2%	(81.63)	0%	-	2%	(81.63)
Marathwada Realtors Private Limited	0%	105.09	11%	(434.46)	0%	-	11%	(434.46)
Joint Ventures								
Cosmos Premises Private Limited	1%	566.91	4%	(173.56)	0%	-	4%	(173.56)
Vascon Construction Saga LLP	0%	1.52	0%	-	0%	-	0%	-
Non Controlling Interest	1%	1,000.20	-1%	53.88	-20%	9.47	-2%	63.35
Total	100%	70,916.00	100%	(4,028.17)	100%	(47.13)	100%	(4,075.30)

VASCON ENGINEERS LIMITED

Notes forming part of Consolidated Financial Statements

b) As at and for the year ended March 31, 2020 :

(₹ 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%	66,522.67	96%	3,813.68	146%	162.88	97%	3,976.55
Subsidiaries								
Vascon Value Homes Private Limited	0%	(0.16)	0%	(0.30)	0%	-	0%	(0.30)
Vascon EPC Limited	0%	0.99	0%	(0.01)	0%	-	0%	(0.01)
Marvel Housing Private Limited	0%	(13.65)	0%	(3.29)	0%	0.22	0%	(3.07)
GMP Technical Solutions Private Limited	7%	5,307.48	2%	85.37	-39%	(43.71)	1%	41.65
Almet Corporation Limited	0%	331.18	0%	(7.88)	0%	-	0%	(7.88)
Marathwada Realtors Private Limited	1%	539.55	-3%	(109.27)	0%	-	-3%	(109.27)
Joint Ventures								
Cosmos Premises Private Limited	1%	740.48	5%	180.49	0%	-	4%	180.49
Vascon Construction Saga LLP	0%	1.52	0%	-	0%	-	0%	-
Non Controlling Interest	1%	936.84	0%	15.06	-7%	(7.71)	0%	7.35
Total	100%	74,366.90	100%	3,973.85	100%	111.68	100%	4,085.51

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-21	31-Mar-20	
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%	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-21	31-Mar-20
Current assets	10,507.66	10,445.11
Non-current assets	1,505.14	267.37
Current liabilities	12,419.45	9,794.32
Non-current liabilities	-	585.89
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	1,571.03	888.66
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	585.89
Revenue	103.99	17,154.23
Profit (loss) for the year	(217.94)	6,897.45
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(217.94)	6,897.45
Dividends received from the joint venture during the year	-	-
The above profit (loss) for the year includes the following:		
Depreciation and amortisation	26.92	31.74
Interest income	52.02	95.21
Interest expense	0.93	3.63
Income tax expense (income)	3.30	3,924.04

Notes forming part of Consolidated Financial Statements

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Ajanta Enterprise recognised in the consolidated financial statements.

(₹ in Lakhs)		
Particulars	31-Mar-21	31-Mar-20
Net assets of Ajanta Enterprise	(406.65)	332.27
Proportion of the Company's ownership interest in Ajanta Enterprise	50%	50%
Receivables / (Payable) from / to Partners	(410)	(205)
Goodwill	3,953.24	3,953.24
Carrying amount of the Company's interest in Ajanta Enterprise *	3,340.17	3,914.32

* Includes Partner's Fixed and Current Capital

Summarised financial information in respect of Phoenix Venture is set out below.

(₹ in Lakhs)		
Particulars	31-Mar-21	31-Mar-20
Current assets	177.22	314.08
Non-current assets	833.41	833.37
Current liabilities	937.69	1,083.55
Non-current liabilities	-	-
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	97.37	97.37
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-
Revenue	82.37	42.62
Profit (loss) for the year	0.03	14.04
Other comprehensive income for the year	-	-
Total comprehensive income for the year	0.03	14.04
Dividends received from the joint venture during the year	-	-
The above profit (loss) for the year includes the following:		
Depreciation and amortisation	-	-
Interest income	-	1.01
Interest expense	3.57	9.87
Income tax expense (income)	0.01	6.28

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-21	31-Mar-20
Net assets of Phoenix Venture	72.93	63.90
Proportion of the Company's ownership interest in Phoenix Venture	50%	50%
Receivables from Partners	518.20	522.72
Carrying amount of the Company's interest in Phoenix Venture *	554.67	554.67

* 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-21	31-Mar-20
Current assets	903.22	1,308.58
Non-current assets	1,143.01	1,177.86
Current liabilities	470.13	525.54
Non-current liabilities	49.96	49.97
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	429.64	674.14
Current financial liabilities (excluding trade and other payables and provisions)	110.96	105.92
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-

(₹ in Lakhs)

Particulars	31-Mar-21	31-Mar-20
Revenue	936.10	2,124.56
Profit (loss) for the year	1.04	415.48
Other comprehensive income for the year	(0.32)	-
Total comprehensive income for the year	0.72	415.48
Dividends received from the joint venture during the year	-	-
The above profit (loss) for the year includes the following:		
Depreciation and amortisation	78.65	86.42
Interest income	16.41	27.50
Interest expense	2.43	4.03
Income tax expense (income)	3.75	144.12

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-21	31-Mar-20
Net assets of the Cosmos Premises Private Limited	1,526.15	1,910.93
Proportion of the Company's ownership interest in Cosmos Premises Private Limited	44%	44%
Capital Reserve	101.99	97.09
Carrying amount of the Company's interest in Cosmos Premises Private Limited	566.92	740.47

Summarised financial information in respect of Vascon Construction Saga LLP is set out below.

(₹ in Lakhs)

Particulars	31-Mar-21	31-Mar-20
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	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-21	31-Mar-20
Net assets of the Vascon Construction Saga LLP	2.00	2.00
Proportion of the Company's ownership interest in Vascon Construction Saga LLP	76%	76%
Capital Reserve	-	-
Carrying amount of the Company's interest in Vascon Construction Saga LLP	1.52	1.52

36 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
(i) Principal amount remaining unpaid to MSME suppliers as on	280.43	225.21
(ii) Interest due on unpaid principal amount to MSME suppliers as on	28.00	13.06
(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)	12.13	3.37
(v) The amount of interest accrued and remaining unpaid as on	28.00	13.06
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	12.13	3.37

Dues to Small and medium 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, 2021	March 31, 2020
Contract Revenue Recognized during the year	29,633.32	25,376.41
Contract costs incurred during the year	24,815.63	19,207.79
Recognized Profit	4,817.69	6,168.62
Advances received for contracts in progress	(4,248.25)	(3,596.64)
Retention money for contracts in progress	3,408.38	3,038.28
Gross amount due from customer for contract work (assets)	15,975.28	12,092.15
Gross amount due to customer for contract work (liability)	747.43	1,226.31

- 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 immediately preceding three financial years on Corporate Social Responsibility (CSR) Activity. A CSR Committee 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 - ₹ 42.50 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	100	0	100

- 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, 2021 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)

Vascon EPC Limited

Vascon Construction Saga LLP

Vascon Qatar WLL

- 42** The Company renegotiated the terms with debenture holders of Zero coupon, rupee denominated unrated unlisted secured non-convertible debentures and agreed for payment of ₹ 700 lakhs and ₹ 664 lakhs on April 2021 and June 2021 respectively.

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. In the Previous Financial year Company made payment of ₹ 750 lakhs on June 19 and balance outstanding as on Mar 20 is ₹ 1364 lakhs.

- 43** The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.
- 44** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 45** Figures for the previous year have been regrouped/reclassified to conform to the figures of the current year.

In terms of our report attached.

For Sharp & Tannan Associates

Chartered Accountants

(Firm Regn. No. 109983W)

For and on behalf of the Board of Directors

sd/-

Mukesh Malhotra

Director

(DIN-000129504)

sd/-

Siddharth Vasudevan

Managing Director

(DIN-02504124)

sd/-

Dr Santosh Sundararajan

Chief Executive Officer

sd/-

Tirtharaj Khot

Partner

Membership No: (F) - 037457

sd/-

Vibhuti Dani

Company Secretary & Compliance Officer

sd/-

Somnath Biswas

Chief Financial Officer

Date: May 31, 2021

Place: Pune

Date: May 31, 2021

Place: Pune

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue										
Total Sales including eliminations	29,732.57	25,554.24	5,910.78	7,450.77	15,054.31	15,284.32	-	-	50,697.66	48,289.33
External sales	29,732.57	25,554.24	5,910.78	7,450.77	14,854.31	15,282.38	-	-	50,497.66	48,287.39
Less: Eliminations	-	-	-	-	(200.00)	(1.94)	-	-	(200.00)	(1.94)
Other operating income	-	-	79.19	3,623.70	-	-	0.31	180.49	79.51	3,804.19
Total Revenue	29,732.57	25,554.24	5,989.97	11,074.47	15,054.31	15,284.32	0.31	180.49	50,777.16	52,093.52
Result										
Segment result	2,056.21	3,975.97	(1,007.90)	4,003.71	638.40	584.80	-	-	1,686.71	8,564.48
Unallocated expenditure net of unallocated income							(3,534.13)	(3,210.65)	(3,534.13)	(3,210.65)
Operating profit							(3,534.13)	(3,210.65)	(1,847.42)	5,353.82
Interest expenses							(2,680.35)	(1,905.36)	(2,680.34)	(1,905.35)
Interest and dividend income							541.09	533.87	541.09	533.87
Income taxes							(41.50)	(8.50)	(41.50)	(8.50)
Profit after tax							(5,714.88)	(4,590.65)	(4,028.16)	3,973.84
Other information										
Segment assets	40,653.03	37,641.67	66,793.94	72,286.66	13,479.43	13,351.81	11,070.26	12,286.47	131,996.67	135,566.61
Segment liabilities	18,227.40	17,841.68	26,912.25	28,302.19	5,328.75	5,636.92	11,612.45	10,355.75	62,080.86	62,136.54
Capital expenditure	170.89	96.01	-	-	210.03	178.41	-	-	380.92	274.41
Depreciation and amortization	318.40	397.69	18.48	19.33	467.96	614.76	403.21	466.86	1,208.05	1,498.63

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. Investments, 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

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 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 36th Annual General Meeting of Members of Vascon Engineers Limited (the Company) will be held on Tuesday, September 28, 2021 at 11:30 hours through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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, 2021, 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, 2021 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolutions as **Ordinary Resolutions**:
 - a. **"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon, as circulated to the members be and is hereby considered and adopted".
 - b. **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon, as circulated to the members be and is hereby considered and adopted".
2. To reappoint Mr. Siddharth Vasudevan Moorthy (DIN: 02504124), as Director who retires by rotation and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Siddharth Vasudevan Moorthy (DIN: 02504124), who retires by rotation at this meeting, be and is hereby appointed as Director of the Company."

SPECIAL BUSINESS:

3. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR FINANCIAL YEAR 2021-2022

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 148 and other applicable provisions 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), the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice, to be paid to the Cost Auditors appointed by the Board of Directors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified."

4. RE-APPOINTMENT OF MR. MUKESH MALHOTRA (DIN: 00129504) 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 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 the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mukesh Malhotra (DIN: 00129504), who held office of Independent Director for the first term of 5 years upto May 16, 2021 and who was subsequently appointed as Additional Director (Independent) of the Company and in respect of whom the 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 Director of the Company not liable to retire by rotation, to hold office for second term of five consecutive years with effect from May 17, 2021 to May 16, 2026.

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. TO AMEND THE ARTICLES OF ASSOCIATION 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 the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approval(s) from the concerned Statutory Authority(ies), be and hereby altered, by inserting the Article 71A i.e. “Chairman Emeritus” after the present Article 71 of the Articles of Association of the Company which shall read as follows:

- i. The Board shall be entitled to appoint any person, who has rendered significant or distinguished services to the Company or to the industry to which the Company’s business relates or in the public field, as the Chairman Emeritus of the Company.
- ii. The Chairman Emeritus shall hold office until he resigns or as may be decided mutually between him & the Board.
- iii. The Chairman Emeritus may attend any meeting of the Board or Committee thereof, but shall not have any right to vote or shall not be deemed to be a party to any decision of the Board or Committee thereof.
- iv. The Chairman Emeritus shall not be deemed to be a Director for any purposes of the Act or any other statute or Rules made thereunder or these Articles including for the purpose of determining the maximum number of directors which the Company can appoint.
- v. Subject to the applicable statutory provisions, the Board may decide to make any payment in any manner and provide with such amenities & facilities for any services rendered by the Chairman Emeritus to the Company.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required/necessary to give effect to the above resolution.”

6. TO APPOINT MR. VASUDEVAN RAMAMOORTHY AS CHAIRMAN EMERITUS

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to applicable provisions of Section 188(1)(f) of the Companies Act, 2013 (the Act), Rule 15 of the Companies(Meeting of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof, and other applicable provisions of the Act or any other law or laws if any, and such other consents and permissions, as may be required and subject to approval of Resolution no 5 as set out in Notice of Annual General Meeting dated August 21, 2021 and pursuant to the Articles 71A of the new Articles of Association of the Company and pursuant to recommendation and approval of Nomination and Remuneration Committee and the Audit Committee vide resolution dated May 31, 2021, the consent of the members of the Company be and is hereby accorded to appoint Mr. Vasudevan Ramamoorthy, the promoter of the Company as Chairman Emeritus, effective from June 01, 2021, till the time he resigns from such position and the Board of Directors be and is hereby authorised to pay emoluments to Mr. Vasudevan Ramamoorthy such reasonable amounts as they deem fit and/or such facilities /amenities as may be considered appropriate for a period as decided by Board from time to time effective from June 01, 2021, for providing services as an advisor or mentor, to the Company, the Board and the Management.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required/necessary to give effect to the above resolution.”

7. TO APPOINT DR. SANTOSH SUNDARARAJAN (DIN: 00015229) WHO WAS APPOINTED AS ADDITIONAL DIRECTOR OF THE COMPANY WITH EFFECT FROM MAY 31, 2021 AS DIRECTOR OF THE COMPANY LIABLE TO RETIRE BY ROTATION:

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Dr. Santosh Sundararajan (DIN: 00015229) whose term of additional Director ended at this meeting and in respect of whom the 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 appointment be and is hereby appointed as a Director of the company liable to retire by rotation.”

8. TO APPOINT DR. SANTOSH SUNDARARAJAN (DIN: 00015229) AS WHOLE TIME DIRECTOR DESIGNATED AS WHOLE TIME DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 2(78), 2(94), 196, 197, 203 and Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force) and the Rules made thereunder, and the Articles of Association of the Company, approval of the members be and is hereby accorded to appoint Dr. Santosh Sundararajan (DIN:00015229), as Whole Time Director of the Company for a period of five years from May 31, 2021.

RESOLVED FURTHER THAT pursuant to the provisions of Section 2(78), 2(94), 196, 197, 203 and Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for

VASCON ENGINEERS LIMITED

the time being in force) and the Rules made thereunder, and the Articles of Association of the Company, the appointment of Dr. Santosh Sundararajan as an Whole time Director of the Company shall be on the terms and conditions as mentioned below:

1. Basic Salary: Rs 18,25,050 per month
2. House Rent Allowance: 4,38, 836 Rs per month
3. National Pension Scheme: 62, 500 Rs per month
4. Other payment: 12,31,749 Rs per month
5. Contribution to Provident Fund and payment of Gratuity, entitlement to such number of Employees Stock Options as may be granted by the Board/ Committee thereof, from time to time (existing as well as future) under Company's Employee Stock Option Scheme(s), other retirement benefits and leave encashment as per the Rules of the Company

RESOLVED FURTHER THAT the Board of Directors (the 'Board') based on the recommendations of the Nomination and Remuneration Committee or any of its Committee, by whatever name called, be authorized in its absolute discretion and from time to time, to fix within the range stated above, the salary payable to Dr. Santosh Sundararajan (DIN: 00015229)

RESOLVED FURTHER THAT Dr. Santosh Sundararajan (DIN: 00015229) be designated as 'Whole Time Director and Group Chief Executive Officer' or such other designation as decided by the Board from time to time.

RESOLVED FURTHER THAT retire by rotation and his re-appointment thereafter, would not amount to a break in his tenure of five years as Whole Time Director of the Company.

RESOLVED FURTHER THAT where in any financial year during the tenure of Dr. Santosh Sundararajan (DIN: 00015229) as the Whole Time Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Dr. Santosh Sundararajan the remuneration by way of salary, perquisites, commission and other allowances in accordance with the limits specified under Section II of Part II of Schedule V of 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 Central Government from time to time as minimum remuneration for a period not exceeding three years.

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."

9. **VARIATION OF TERMS OF VASCON ENGINEERS LIMITED EMPLOYEES STOCK OPTION SCHEME 2017 (ESOS 2017)-CHANGE IN VESTING SCHEDULE OF OUTSTANDING STOCK OPTIONS TO BE GRANTED TO EMPLOYEES WHO ARE ENTITLED TO PARTICIPATE IN THE SCHEME**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEBASE Regulations"), as amended from time to time, and subject to other applicable laws, if any, for the time being in force, Vascon Engineers Limited Employees Stock Option Scheme, 2017 ("ESOS 2017" or "the Scheme") and subject to such other consent, approval, permission, as may be required, consent and approval of the Company be and is hereby accorded to the Board of Directors of the Company (herein referred to as 'the Board' which term shall include Nomination and Remuneration Committee of the Board or any other Committee which the Board may constitute to exercise its power) to change the vesting schedule in respect of outstanding 40,00,000 Employee Stock Options of Rs. 15 each under ESOS as on August 14, 2021 to be granted to eligible employees who are entitled to participate in the Scheme to 100% of the total options to vest on completion of 1 (one) year from the date of grant of such options(earlier 25%, 25%, 25% and 25% of the total options to vest on completion of 1(one) year, 2(Two) years, 3(Three) years and 4(Four) years respectively from the date of grant of such options).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (herein referred to as 'the Board' which term shall include Nomination and Remuneration Committee of the Board or any other Committee constituted by the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as may be required, with powers to settle all questions, difficulties or doubts that may arise in regard to the said change in vesting schedule as the Board may in its sole and absolute discretion deem fit and delegate all or any of its powers herein conferred to any Director(s) or Officer(s) of the Company to give effect to the foregoing resolution, including but not limited to amending ESOS 2017 making any filings in India or any jurisdiction where the stock exchanges and/or applicable regulatory authorities, if required, as it may deem it necessary or desirable."

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 21, 2021

By order of the Board of Directors

Sd/-
Vibhuti Darshin Dani
Company Secretary and Compliance Officer

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021 (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India ("SEBI") has vide its Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020 and SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 permitted the holding of this Annual General Meeting ("AGM" or "the Meeting") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the MCA & SEBI Circulars, the AGM of the Company is being held through VC/OAVM, without the physical presence of the Members at a common venue.

KFin Technologies Private Limited, Registrar & Transfer Agents of the Company, ("KFintech") shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/ OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No.20.

2. In accordance with the Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI") read with Clarifications/ Guidance on applicability of Secretarial Standards-1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
3. 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. All documents referred to in the Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to compliance.officer@vascon.com.
4. M/s Sharp & Tannan Associates Chartered Accountants have been appointed as Statutory Auditors of the Company at the 34th AGM of the Company held on September 23, 2019.

Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending Section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

5. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**
6. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/Institutional Members (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy of the Board Resolution/Authority Letter, etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting or during the AGM.
The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to savitajyoti@yahoo.com with a copy marked to evoting@kfintech.com and to the Company at compliance.officer@vascon.com
Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/ OAVM and vote thereat.
7. In view of the massive outbreak of the COVID19 pandemic, social distancing has to be a pre-requisite.
Pursuant to the above mentioned MCA Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are M/s. KFin Technologies Private Limited having their office at Selenium Building, Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, Telangana.

9. ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT

In line with the MCA Circulars and SEBI Circular dated 5th May, 2020 and January 13, 2021 and SEBI Circulars dated 12th May, 2020 and 15th January, 2021, the Notice of the AGM alongwith the Annual Report for the Financial Year 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/KFintech/ Depositories. A copy of the Notice of this AGM alongwith the Annual Report is available on the website of the Company at www.vascon.com, websites of the Stock Exchanges where the Equity Shares of the Company are listed, viz. BSE Limited at www.bseindia.com and the National Stock Exchange of India Limited at www.nseindia.com, respectively, and on the website of KFintech at <https://evoting.kfintech.com>. For any communication, the Members may also send a request to the Company's investor email id: compliance.officer@vascon.com. The Company will not be dispatching physical copies of the Annual Report for the Financial Year 2020-2021 and the Notice of AGM to any Member.

10. INVESTOR EDUCATION AND PROTECTION FUND (IEPF) RELATED INFORMATION

The Company has transferred the unclaimed/unpaid dividend to the Investor Education and Protection Fund ("IEPF") established by Central Government. Details of Dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link www.iepf.gov.in

The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2021 are uploaded on the website of the Company and can be accessed through the link www.vascon.com

Adhering to various requirements set out in Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended the Company has during Financial Year 2018-19, transferred to IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on due date November 15, 2018. Details of shares so far transferred are available on the website of the Company and the same can be accessed through the link: www.vascon.com

The said details were uploaded on the website of IEPF Authority www.iepf.gov.in

Members/Investors whose shares, unclaimed dividend has been transferred to the IEPF may claim the shares or apply for refund as the case may be, to the IEPF authority by making an electronic application in e-form IEPF-5 as detailed on the website of the Ministry of Corporate Affairs at the weblink: <http://www.iepf.gov.in/IEPF/refund.html>.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority by accessing the link <http://iepf.gov.in/IEPF/pdf/FAQsIEPF5.pdf>

11. TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY

As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities.

In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of KFintech to seek guidance with respect to the demat procedure. Members may also visit the website of depositories viz. National Securities Depository Limited: <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited: <https://www.cdslindia.com/investors/open-demat.html> for further understanding of the demat procedure.

12. NOMINATION

Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to KFintech having their office at Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 or send an email at: einward.ris@kfintech.com. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

13. MEMBERS ARE REQUESTED TO

- intimate to the KFintech, changes, if any, in their registered addresses/bank mandates at an early date, in case of shares held in physical form;
- intimate to the respective Depository Participant, changes, if any, in their registered addresses/bank mandates at an early date, in case of shares held in electronic/ dematerialized form;
- quote their folio numbers/ Client ID and DP ID in all correspondence;

- d. consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names; and
- e. register their Permanent Account Number (PAN) with their Depository Participants, in case of Shares held in dematerialised form and KFinTech/Company, in case of Shares held in physical form, as directed by SEBI.

14. UPDATION OF MEMBERS DETAILS

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, etc. A form for compiling additional details is available on the Company's website at the web-link: <https://www.vascon.com/investors/services> as also attached to this Annual Report.

Members holding shares in physical form are requested to submit the form duly completed to the Company at compliance.officer@vascon.com or its Registrar and Transfer Agents in physical mode, after normalcy is restored, or in electronic mode at einward.ris@kfintech.com as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants

15. UPDATION OF PERMANENT ACCOUNT NUMBER (PAN)/BANK ACCOUNT DETAILS OF MEMBERS

SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to the Registrar and Share Transfer Agents along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant(s).

- 16. Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Tuesday, 21st September, 2021, through email on compliance.officer@vascon.com. The same will be replied by the Company suitably. Please note that members queries/questions will be responded to only, if the shareholders continue to hold shares as on cut-off date.

17. PROCEDURE FOR INSPECTION OF DOCUMENTS

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and relevant documents referred to in this Notice of AGM and Explanatory Statement, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 28, 2021. Members seeking to inspect such documents can send an email to Company's email id: compliance.officer@vascon.com.

- 18. Members are requested to support the Green Initiative by registering/ updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with KFinTech (in case of Shares held in physical form).
- 19. **PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES TO RECEIVE THIS NOTICE ELECTRONICALLY AND CAST VOTES ELECTRONICALLY:**

- i. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
 - b. Members holding shares in physical form may register their email address and mobile number with the Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an email request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the e-voting instructions.
- ii. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangements with KFinTech for temporary registration of email addresses of the Members in terms of the MCA Circulars.

Process to be followed for temporary Registration of Email Address:

- a. The process for registration of email address with KFinTech for receiving the Notice of AGM and login ID and password for e-voting is as under:
 - i. Visit the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
 - ii. Select the name of the Company viz. Vascon Engineers Limited and follow the steps for registration of email address.

- b. The process for registration of email address with the Company for receiving the Notice of AGM and login ID and password for e-voting is as under:

Members are requested to visit the website of the Company www.vascon.com and click on the tab "Click here for temporary registration of email-id of Members for AGM 2021" and follow the registration process as mentioned on the landing page.

- iii. After successful submission of the email address, KFintech will email a copy of this AGM Notice and Integrated Annual Report for F.Y. 2020-21 along with the e-voting user ID and password. In case of any queries, Members are requested to write to KFintech at evoting@kfintech.com.
- iv. Those Members who have already registered their email addresses are requested to keep their email addresses validated/ updated with their DPs/KFintech to enable servicing of notices/documents/Annual Reports and other communications electronically to their email address in future.

20. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

- i. **ATTENDING THE AGM:** Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFintech. Members are requested to login at <https://emeetings.kfintech.com> and click on the "Video Conference" tab to join the Meeting by using the remote e-voting credentials provided in the email received from KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the Meeting etiquettes to join the Meeting.
- ii. Facility for joining AGM through VC/OAVM shall open atleast 30 minutes before the commencement of the Meeting by following the procedure mentioned at Note No. 20 (i) above in the Notice, and this mode will be available throughout the proceedings of the AGM.
- iii. Members are encouraged to join the Meeting through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting.
- iv. Members will be required to grant access to the webcam to enable VC/OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. In case of any query and/or help, in respect of attending the AGM through VC/OAVM mode, Members may refer the Help & Frequently Asked Questions ("FAQs") and "AGM VC/OAVM" user manual available at the download Section of <https://evoting.kfintech.com> or contact at compliance.officer@vascon.com, or Mr. S V Raju, Deputy General Manager, KFin Technologies Private Limited at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana – 500 032 or at the email ID: evoting@kfintech.com or call Toll Free No.: 1800-309-4001 for any further clarifications.

21. PROCEDURE FOR REMOTE E-VOTING

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the provisions of Regulation 44 of the Listing Regulations and MCA Circulars, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFintech on all Resolutions set forth in this Notice, through remote e-voting. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility.

Day, date and time of Commencement of remote e-voting	From: Friday, September 24, 2021 at 9.00 a.m. (IST)
Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed	To: Monday, September 27, 2021 at 5.00 p.m. (IST)

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFintech upon expiry of the aforesaid period.

Once the vote on a Resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are explained below:

Step 1: Access to NSDL/CDSL e-Voting System:

I. Login method for e-voting for Individual Shareholders holding Shares of the Company in demat mode

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9th December, 2020 on e-voting facility provided by Listed Entities, Individual Shareholders holding shares of the Company in demat mode can cast their vote, by way of a

single login credential, through their demat accounts/websites of Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail address in their demat accounts in order to access e-voting facility. The procedure to login and access remote e-voting, as devised by the Depositories/ Depository Participant(s), is given below:

A. Login Method for Individual Shareholders holding Shares of the Company in Demat mode through National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”):

National Securities Depository Limited (NSDL)	Central Depository Services (India) Limited (CDSL)
<p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> Visit URL: https://eservices.nsdl.com Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” Click on company name Vascon Engineers Limited or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> To register click on link : https://eservices.nsdl.com Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in points 1. <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> Open URL: https://www.evoting.nsdl.com/ Click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period. 	<p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. Follow the steps given in point 1 <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> Visit URL: www.cdslindia.com Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e-voting is in progress.

B. Login Method for Individual Members holding Shares of the Company in Demat mode through their Depository Participants:

You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once you login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository website after successful authentication, wherein you can see e-voting feature. Click on options available against the Company’s Name: Vascon Engineers Limited or E-Voting Service Provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important Note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at the NSDL and CDSL websites.

Helpdesk for Individual Shareholders holding Shares of the Company in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at Toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

- II. **Login method for e-Voting for Shareholders other than Individual Shareholders holding Shares of the Company in demat mode and Shareholders holding Shares in physical mode**
- I. **In case a Member receives an email from Kfintech [for Members whose email IDs are registered with the Company/ Depository Participants (s) will receive an email from KFintech which includes the details of Evoting Event Number (EVEN), User-ID and Password:**
 - a. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
 - b. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin Technologies for e-voting, you can use your existing User ID and password for casting your vote.
 - c. After entering these details appropriately, click on "LOGIN".
 - d. You will now reach password change Menu wherein you are required to mandatorily change your password upon logging in for the first time. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
 - e. You need to login again with the new credentials.
 - f. On successful login, the system will prompt you to select the "EVENT" i.e., '**VASCON ENGINEERS LIMITED**'
 - g. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as on the Cut-off Date. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - h. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - i. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - j. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
 - k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - l. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the latest Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email savitajyoti@yahoo.com with a copy marked to einward.ris@kfintech.com and evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "**VASCON ENGINEERS LIMITED_Event No. 6194.**"
- II. **In case of a Member whose email IDs are not registered /updated with the Company/KFintech / Depository Participants(s):**
 - a. Members holding shares in physical mode, who have not registered /updated their email addresses are requested to register / update the same with the Company's Registrar and Share Transfer Agent, KFintech, by clicking the link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>.

Alternatively member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and

Client Master copy in case of electronic folio and copy of Share Certificate in case of physical folio.

- b. Members holding shares in dematerialized mode who have not registered /updated their email addresses with their Depository Participants are requested to register / update their email addresses with the Depository Participants with whom they maintain their demat accounts.
- c. After due verification, KFinTech will forward your login credentials to your registered email address.
- d. Follow all the instructions at Sr. No. a to I as mentioned in **point I.** above, to cast your vote.

Members can also update their mobile number and e-mail address in the “user profile details” in their e-voting login on <https://evoting.kfintech.com> which may be used for sending further communication(s).

22. VOTING DURING AGM

- a. The e-Voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.
- b. E-voting during the AGM is integrated with the VC/OAVM platform and no separate login is required for the same. The Members shall be guided on the process during the AGM.
- c. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- d. Members who have cast their vote by remote e-voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again.

23. GENERAL INSTRUCTIONS/INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTIONS

- a. A Member can opt for only a single mode of voting i.e. through remote e-voting or e-voting at the AGM.
- b. The voting rights of Members shall be in proportion to the paid-up value of their shares in the Equity Share capital of the Company as on the cut-off date i.e. Tuesday, September 21, 2021. Members are eligible to cast their vote either through remote e-voting or in the AGM only if they are holding Shares as on that date. A person who is not a Member as on the cutoff date is requested to treat this Notice for information purposes only.
- c. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e. Tuesday, September 21, 2021, he/she/it may obtain the User ID and Password in the manner as mentioned below:

- a. i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- b. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

Member may call KFin Technologies’s toll free number 1800-309-4001 (from 9.00 a.m. to 5.00 p.m.) for technical issues or write to them at evoting@kfintech.com.

Member may send an e-mail request to evoting@kfintech.com. However, KFinTech shall endeavor to send User ID and Password to those new Members whose e-mail IDs are available.

In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFinTech Website) or contact Mr. S V Raju, Deputy General Manager, KFin Technologies Private Limited raju.sv@kfintech.com or at the email ID: evoting@kfintech.com or call Toll Free No.: 1800-309-4001 for further clarifications.

24. SCRUTINIZER FOR E-VOTING AND DECLARATION OF RESULTS

Mrs. Savita Jyoti (Membership No.3738) of M/s Savita Jyoti Associates, Company Secretaries have been appointed as Scrutinizer to scrutinize the e-voting process as well as e-voting during the AGM, in a fair and transparent manner.

The Scrutinizer will, after the conclusion of the e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman of the Company or any other person of the Company authorised by the Chairman, who shall countersign the same. The Results shall be declared within two working days of the conclusion of the Meeting.

The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company at www.vascon.com and on the website of KFintech at <https://evoting.kfintech.com> immediately after the Results are declared and will simultaneously be forwarded to BSE Limited and the National Stock Exchange of India Limited, where Equity Shares of the Company are listed. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Tuesday, September 28, 2021, subject to receipt of the requisite number of votes in favour of the Resolutions.

25. SUBMISSION OF QUESTIONS / QUERIES PRIOR TO AGM

- a. Members desiring any additional information or having any question or query pertaining to the business to be transacted at the AGM are requested to write from their registered e-mail address, mentioning their name, DP ID and Client ID number/ folio number and mobile number to the Company's investor email-id i.e. compliance.officer@vascon.com, between September 23, 2021 at 9.00 a.m. (IST) to September 25, 2021 at 5.00 p.m. (IST) so as to enable the Management to keep the information ready. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.
- b. Alternatively, Members holding shares as on the cut-off date may also visit www.evoting.kfintech.com and click on the tab "Post Your Queries Here" to post their queries/ views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be activated between Thursday, September 23, 2021 9 a.m. (IST) to Saturday, September 25, 2021 5 p.m. (IST).
- c. Members can also post their questions during AGM through the "Ask A Question" tab, which is available in the VC/OAVM Facility

The Company will, at the AGM, endeavor to address the queries received till 5:00 p.m. (IST) on September 25, 2021, from those Members who have sent queries from their registered email IDs. Please note that Members' questions will be answered only if they continue to hold shares as on the cut-off date.

26. SPEAKER REGISTRATION BEFORE AGM

Members of the Company, holding shares as on the cut-off date i.e., Tuesday, September 21, 2021 and who would like to speak or express their views or ask questions during the AGM may register as speakers by visiting <https://emeetings.kfintech.com>, and clicking on "Speaker Registration" during the period from Thursday, September 23, 2021 (9:00 a.m. IST) upto Saturday, September 25, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the AGM.

The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

By Order of the Board of Directors

Sd/-

Vibhuti Darshin Dani
Company Secretary and Compliance Officer

Place: Pune

Date: August 21, 2021

ANNEXURE TO NOTICE OF AGM

ITEM NO. 2

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meeting]

Particulars	Siddharth Vasudevan Moorthy	Mukesh Malhotra	Dr. Santosh Sundararajan
Designation	Managing Director	Non-Executive Independent Director	Whole Time Director and Group CEO
DIN	02504124	00129504	00015229
Age	35 Years	68 Years	44 Years
Date of Birth	December 20, 1985	June 12, 1952	December 15, 1976
Qualifications	Diploma (Civil), Bachelor in Applied Science (Construction Management)	Bachelor of Engineering	Bachelor of Civil Engineering and Ph. D in Structural Engineering
Experience (including expertise in specific functional areas)/ Brief Resume	<p>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.</p> <p>He has also completed his certificate course in Negotiations and Disruptive innovation. He is also currently pursuing Executive MBA.</p> <p>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 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 as Managing Director on the Board of our Company since April 01, 2018</p>	<p>Mr. Mukesh Malhotra holds bachelor's degree in Engineering from College of Engineering, Pune. He was appointed Managing Director of Weikfield Products Co. (I) Pvt. Ltd. in 1994 and continues to hold that position. Mr. Mukesh Malhotra has also led the Real Estate Development initiatives of the Weikfield Group starting in 1988. He is a Founder Trustee of the Pune International Centre (PIC) 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 in Pune. He has been on the Board of our Company since May 17, 2016 as Non Executive Independent Director.</p>	<p>Dr. Santosh Sundararajan is a Civil Engineer with a Ph. D in Structural Engineering from the National University of Singapore. He also holds a Masters degree in Financial Management from London University. He is a practising structural engineer with more than 20 years experience in the field of Civil Structural and allied building works, having worked both in Singapore and India. He has been with Vascon group since 2008 and has been serving as the group CEO since 2013.</p>
Terms and Conditions of appointment/re-appointment	Liable to retire by Rotation	He was first appointed as Director on May 17, 2016 and later he was appointed as Independent Director. He is proposed to be reappointed as Independent for further period of 5 years.	As per the resolution at Item no 7 and 8 of the notice convening the meeting, read with explanatory statement thereto, Dr. Santosh Sundararajan is proposed to be appointed as a Whole Time Director liable to retire by rotation

VASCON ENGINEERS LIMITED

Particulars	Siddharth Vasudevan Moorthy	Mukesh Malhotra	Dr. Santosh Sundararajan
Remuneration last drawn	As approved by shareholders vide Resolution dated September 23, 2019.	Being a Non-Executive Independent Director he receives remuneration by way of sitting fees for attending meetings of the Board	Rs. 4,05,82,518/- per annum
Remuneration sought to be paid	There is no change in the remuneration	Not applicable	As per the resolution at Item no 7 and 8 of the notice convening the meeting,
Date of first appointment on the Board	March 29, 2018	May 17, 2016	May 31, 2021
Relationship with other Directors/Key Managerial Personnel	Mr. Siddharth Vasudevan Moorthy is the son of Mr. Vasudevan Ramamoorthy and also brother of Mrs. Sowmya Aditya Iyer.	Independent Director	Not related to any Directors
No. of Board Meetings attended during the financial year 2020-21	7 out of 8 meetings held*	8 out of 8 meeting held *	Not Applicable
Board Membership of other listed companies as on March 31, 2021	Nil	Nil	Nil
Membership/Chairmanship of Committees of other Boards as on March 31, 2021**			
Audit Committee	Nil	Vascon Engineers Limited	Not Applicable
Stakeholders Relationship Committee	Nil	Vascon Engineers Limited	Not Applicable
Nomination and Remuneration Committee	Any other Company: NIL	-	Not Applicable
Corporate Social Responsibility Committee	Any other Company: NIL	-	Not Applicable
No. of Equity Shares held as on March 31, 2021	28,28,651 shares	5,525 shares	91,40,643 shares

*Total meetings include a separate meeting of Independent directors

**The Directorship, Committee Memberships and Chairmanships do not include position in foreign companies, unlisted companies, private companies, position as an advisory board member, and position in companies under Section 8 of Companies Act, 2013.

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 of the accompanying Notice dated August 21, 2021

ITEM NO. 3

In accordance with the provisions of Section 148 of the Companies Act and 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. 2021-22 at a remuneration of Rs. 250,000/-(Rupees Two Lakhs Fifty Thousand Only) plus applicable tax. The remuneration of cost auditor is required to be ratified by the members subsequently in accordance with the provisions of the Act and Rules.

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.3 for approval by the Members.

ITEM NO. 4

At the Annual General Meeting of the Company held on September 15, 2016, the members of the Company had appointed Mr. Mukesh Malhotra (DIN:00129504) as an Independent Director of the Company for a period of 5 years.

Mr. Mukesh Malhotra held office as Independent Director upto May 16, 2021 and was subsequently appointed as Additional Director (Independent) by the Board of Directors w.e.f. May 17, 2021.

Brief profile of Mr. Mukesh Malhotra 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. Mukesh Malhotra 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. Mukesh Malhotra 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. Mukesh Malhotra 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. Mukesh Malhotra 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. Mukesh Malhotra 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. Mukesh Malhotra fulfills 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. Mukesh Malhotra as an Independent Director setting out the terms and conditions would be available for electronic inspection without any fee by the Members. 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. Mukesh Malhotra as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. Mukesh Malhotra as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Mukesh Malhotra, 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

Under Section 14 of the Companies Act, 2013 ("the Act"), the Board of Directors of a Company cannot, except with the consent of the Members in general meeting by a Special Resolution, amend the Articles of Association of the Company. It is proposed to insert new Article 71A in the Articles of Association after the existing Article 71 so as to include provision relating to appointment of any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as Chairman Emeritus on the terms mentioned therein. Your Directors recommend to pass this resolution as Special Resolution.

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 Mr. Siddharth Vasudevan Moorthy and Mrs. Sowmya Aditya Iyer, being relatives of Mr. Vasudevan Ramamoorthy.

ITEM NO. 6

Mr. Vasudevan Ramamoorthy, Executive Chairman and Whole Time Director ceased the position w.e.f. June 01, 2021 and was appointed as Chairman Emeritus w.e.f. June 01, 2021 considering his huge contribution to the success of the Company, tremendous experience and in the interest of the Company and to continue to benefit from his experience, knowledge and wisdom from time to time in an advisory role and as a mentor to the Company.

Mr. Vasudevan Ramamoorthy prior to this appointment gave a overwhelming success for standing the Company from the scratch and made a good reputation considering the current era and public demark in the market for EPC and Real Estate business in Pune and Mumbai along with other states also.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of performance evaluation, has recommended appointment of Mr. Vasudevan Ramamoorthy as Chairman Emeritus from June 01, 2021.

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 Mr. Siddharth Moorthy and Sowmya Iyer, being relatives of Mr. Vasudevan Ramamoorthy.

The Board recommends the Resolution at Item No.6 for approval by the Members.

ITEM NO. 7 AND 8

Dr. Santosh Sundararajan (DIN: 00015229) was appointed as an Additional Director of the Company with effect from May 31, 2021 and his term as additional director would end at this Annual General Meeting. He being eligible seeks to be appointed as the director of the Company. The 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.

Dr. Santosh Sundararajan (DIN: 00015229) was also appointed as the Whole Time Director (Designated as Whole Time Director and Group Chief Executive Officer) of the Company w.e.f. May 31, 2021.

The Nomination and Remuneration Committee of the Board had recommended the Board to consider the appointment of Dr. Santosh Sundararajan as the Director and also Whole time Director (designated as Whole Time Director and Group CEO) of the Company liable to retire by rotation w.e.f. May 31, 2021 for a term of five years. The Board of Directors at its meeting held on May 31, 2021 approved appointment of Dr. Santosh Sundararajan as an Additional Director of the Company subject to approval of Members at the ensuing Annual General Meeting of the Company.

The appointment of Dr. Santosh Sundararajan has been recommended by Nomination and Remuneration Committee and according to the Companies (Amendment) Act, 2017, there is no need to deposit of ₹ 100,000 under Section 160 of the Companies Act, 2013.

The proposed appointment is on the following terms and conditions:

- a. Period of appointment — From May 31, 2021 for a period of five years.
- b. Details of remuneration — As provided in Item No.8 of the Notice
- c. Dr. Santosh Sundararajan shall perform such duties as shall from time to time entrusted to him, subject to superintendence, guidance and control of the Board of Directors and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors, as detailed in Item No. 8 in the Notice.

In terms of the provisions of the Companies Act, 2013 and the Rules made thereunder, appointment of Director and Whole Time Director and payment of remuneration to him is required to be approved by the Members of the Company.

Dr. Santosh Sundararajan isn't disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Details of Dr. Santosh Sundararajan are provided in the Annexure to the Notice pursuant to the provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Information as required under Clause IV of the second proviso under Item (B) of Section II of Schedule V to the Act:

I. General Information:

- i. **Nature of Industry:** EPC and Real Estate Industry
- ii. **Date or expected date of commencement of commercial production:** working for more than 30 years
- iii. **In case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus:** NA
- iv. **Financial Performance based on given indicators:** The details are
Turnover: 35,722.68 lakhs, Gross Loss: 3,687.32 lakhs
- v. **Foreign Investment or collaboration, if any:** NA

II. Information about the appointee:

i. Background Details

Dr. Santosh Sundararajan aged 44 years is a Civil Engineer with a Ph. D in Structural Engineering from the National University of Singapore. He also holds a Masters degree in Financial Management from London University. He is a practising structural engineer with more than 20 years experience in the field of Civil Structural and allied building works, having worked both in Singapore and India. He has been with Vascon group since 2008 and has been serving as the group CEO since 2013.

He is also a Director on the Board of :

- a. Marathawada Realtors Private Limited
- b. Syringa Engineers Private Limited
- c. Almet Corporation Limited
- d. Vascon Value Homes Private Limited

- e. Sameer Premises Pvt Ltd
- f. Vascon Infrastructure Limited
- g. Vastech Consultants Private Limited
- h. Stresstech Engineers Private Limited

He holds 91,40,643 shares in the Company as on March 31, 2021. He doesn't hold membership in any committees of Vascon Engineers Limited.

- ii. **Past Remuneration:** Remuneration drawn by him during last 3 years:

Financial year	Remuneration (Rs. in Lakhs)
FY 2019-20	405.83
FY 2018-19	405.83
FY 2017-18	1265.94

- iii. **Recognition and Awards:** Dr. Santosh Sundararajan has vast experience in EPC projects. His knowledge of various aspects relating to the Company's affairs is one of the guiding forces behind the success of the Company. He has been awarded the most inspiring CEO Award by Economic Times Edge. He has not only steered the organization to such great heights but also inspired and motivated people around him to aim for success each day.
- iv. **Job Profile and his suitability:** He is a practising structural engineer with more than 20 years experience in the field of Civil Structural and allied building works, having worked both in Singapore and India. He is associated with Vascon since 2008 and has been serving as CEO since 2013. He has played a key role in expanding the EPC Division of the Company.
- v. **Remuneration proposed:** As provided in the resolution set in the notice
- vi. **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 proposed remuneration commensurate with the nature of business of the Company and the functions and responsibilities of the Appointee. The proposed remuneration is comparable with the remuneration drawn by peers and is necessitated due to presence of business across the nation.
- vii. **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any:** He is Whole Time Director and Group CEO of the Company. Apart from receiving any remuneration from the company, he doesn't receive any emoluments from the Company. Dr. Santosh Sundararajan is not related to any Director and Key Managerial Personnel as defined under the Act.

III. Other Information:

- i. **Reason of loss or inadequate profits:** Due to market situation and global pandemic COVID-19, Company is unable to work at its full capacity and thus there are inadequate profits.
- ii. **Steps taken or proposed to be taken for improvement:** Company is going to raise capital through preferential allotment to improve the financial and operational performance.
- iii. **Expected increase in productivity and profits in measurable terms:** The Company expects to grow more in the next few years.

IV. Disclosures:

The following disclosures are also mentioned in the MGT-9 can be accessed from Company's website at <https://www.vascon.com/investors/services>:

- i. All elements of remuneration package such as salary, benefits, bonus, stock options, pension, etc
- ii. Service Contracts, Notice period, severance fees - as per rules of the Company
- iii. Stock option details, if any, and whether the same has been issued at at discount as well as the period over which accrued and over which exercisable: Decided by the Nomination and Remuneration Committee from time to time.

Dr. Santosh Sundararajan is interested in the resolution set out at Item no 7 and 8 of the notice with regards to his appointment. Relatives of Dr. Santosh Sundararajan may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the 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.

The Board recommends the Resolution at Item No. 7 & 8 for approval by the Members.

ITEM NO. 9

With the objective of attracting, motivating, rewarding and retaining employees of the Company for their high levels of individual performance and for their efforts to improve the financial performance and their loyalty to the Company, your Company instituted Employees Stock Option Scheme - 2017 (ESOS - 2017) pursuant to the special resolution passed by the Shareholders in Extra-Ordinary General Meeting held on May 24, 2017. The Company had granted 1,60,00,000 shares to its employees under the Scheme. Out of the same, 40,00,000 options which vested after year 1 of grant have been vested and exercised by the employees.

Further, for the outstanding 1,20,00,000 options as on January 18, 2019, the Company had revised the Exercise Price from Rs. 28 per option to Rs. 15 per option due to inherent volatility in the stock market and fall in the market price of the Equity Shares of the Company, vide special resolution passed by the shareholders on March 14, 2019. Out of those outstanding 1,20,00,000 options, 40,00,000 options which vested after year 2 of grant were not exercised and lapsed on August 9, 2020 and are available for grant. Further, for 80,00,000 options that vested pursuant to year 3 and year 4 of grant, the same were exercised pursuant to re-pricing of the exercise price from Rs. 15 per share to Rs. 10 per share. The said re-pricing was approved by members of the Company on September 08, 2020.

Now, for the outstanding 40,00,000 options which got lapsed and are available for grant, the Nomination and Remuneration committee of the Board has considered it prudent to change the vesting schedule/period from the existing 25%, 25%, 25% and 25% of the total options to vest on completion of 1(one) year, 2(Two) years, 3(Three) years and 4(Four) years respectively from the date of grant of such options to 100% vesting after 1(one) year of grant of options. The management is of the view that these 40,00,000 lapsed options available for grant were to be exercised by August 09, 2020. However, due to market conditions at that time, these 40,00,000 options could not be exercised and hence it would be prudent to allow these 40,00,000 options to vest 100% after 1 (one) year itself from the date of grant. Further, the members of the Company have already approved a new ESOP Scheme "ESOS 2020" and vesting of the options granted under the same will start in the year 2023, it is prudent to let these remaining 40,00,000 options under ESOS 2017 to vest before the vesting of options under ESOS 2020 begins. However, there will not be any change or modification in the exercise period/schedule or any other term of the scheme except for vesting schedule/period and to comply with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The proposed modification/change in vesting schedule would be beneficial to all employees who are entitled to participate under the Scheme and such modification/change is not detrimental to the interest of the employees and is in accordance with the Acts, Regulations and Guidelines issued by Relevant Authority, including the Securities and Exchange Board of India.

The total number of ESOS's for which vesting schedule would be modified/changed is 40,00,000.

All other terms and conditions applicable for the grant of options shall remain unchanged except for the modification/change in vesting schedule/period as stated above and to comply with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Board recommends the Special Resolution of the Item set forth in the Notice for approval of the Members.

The proposed modification/change in vesting schedule will be in compliance of SEBI Regulations and would be beneficial for the employees.

The Company shall comply with the accounting policies specified in the requirements including the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including any guidance note on accounting for employees share based payments ('Guidance Note') or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including disclosure requirements prescribed therein.

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 21, 2021

To,

KFin Technologies Private Limited
Unit: Vascon Engineers Limited
Selenium Building, Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032.

Updation of Shareholder Information FOR PHYSICAL HOLDINGS

I/ We request you to record the following information against my/our Folio No.: General Information: Folio No.

Name of the sole/first Shareholder	
Father's/Mother's/Spouse's Name	
Address (Registered Office address in case Member is a Body Corporate)	
E-mail ID	
PAN*	
CIN/Registration No.* (applicable to Corporate Shareholders)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Tel No. with STD Code	
Mobile No	

**Self attested copy of the document(s) enclosed*

Bank Details

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type	
Bank A/c No**	
Name of the Bank	
Bank Branch address	

****A blank cancelled cheque is enclosed to enable verification of bank details**

I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of the Sole/First Holder

Encl:

Notes:

Scanned copy of the above form, duly completed along with the necessary documents, can also be sent to us on the following e-mail IDs : raju.sv@kfintech.com or compliance.officer@vascon.com

a. Members holding Shares in demat form are requested to submit the Updation Form to their respective Depository Participant.



VASCON

REGISTERED & CORPORATE OFFICE

Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune-Nagar Road, Pune 411014.

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