



August 30, 2023

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**

**Subject: Submission of Integrated Annual Report for the Financial Year 2022-23 and Notice of 38th Annual General Meeting**

Dear Sir/Madam,

This is further to our letter dated August 24, 2023, where in the Company had informed that the 38th Annual General Meeting (AGM) of the Company is scheduled to be held on Tuesday, September 26, 2023 at 1030 hours at **MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune - 411 014.**

In accordance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Integrated Annual Report for the Financial Year 2022-23 and the Notice convening the 38<sup>th</sup> Annual General Meeting, being sent to the members through electronic mode.

The Integrated Annual Report including Notice is also uploaded on the Company's Website <https://www.vascon.com/investors/annual-reports>

Brief Details about the 38<sup>th</sup> Annual General Meeting is as under:

Date and Time of AGM	Tuesday, 26 <sup>th</sup> September, 2023 at 1030 hours
Venue	<u>MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune - 411 014</u>
Cut-off date for e-voting	Tuesday, September 19, 2023
E-voting start date and time	Friday, September 22, 2023 9:00 AM (IST)
E-voting end date and time	Monday, September 25, 2023 5:00 PM (IST)
E-voting website	<a href="https://evoting.kfintech.com">https://evoting.kfintech.com</a> <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> <a href="https://www.cdslindia.com">https://www.cdslindia.com</a>

This is for your information and records.

For **Vascon Engineers Limited**

**Sarita Ahuja**  
**Company Secretary and Compliance Officer**

VASCON ENGINEERS LTD.

Registered & Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune-Nagar Road, Pune - 14.  
Tel.: +91 20 3056 2100/200/300, Fax: +91 20 3056 2600, Web: www.vascon.com CIN: L70100PN1986PLC175750



ACTUAL IMAGE

# 38<sup>th</sup> ANNUAL REPORT

2022 - 23



ACTUAL IMAGE



ACTUAL IMAGE



**VASCON**  
**Vascon Engineers Limited**

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**CORPORATE INFORMATION****Chairman Emeritus****Mr. Vasudevan Ramamoorthy****Board of Directors****Mr. Mukesh Malhotra**  
Chairman & Independent Director**Mr. Siddharth Vasudevan Moorthy**  
Managing Director**Dr. Santosh Sundararajan**  
Whole Time Director and Group Chief Executive Officer**Mr. K.G. Krishnamurthy**  
Independent Director**Mr. S Balasubramanian**  
Independent Director**Ms. Tara Subramaniam (w.e.f.03.03.2023)**  
Independent Director**Mrs. Sowmya Aditya Iyer**  
Non Executive Director**Key Managerial Personnel****Dr. Santosh Sundararajan**  
Group Chief Executive Officer**Mrs. Vibhuti Darshin Dani (upto 31.01.2023)**  
Company Secretary and Compliance Officer**Ms. Sarita Ahuja (w.e.f. 01.02.2023)**  
Company Secretary and Compliance Officer**Mr. Somnath Biswas**  
Chief Financial Officer**Committees of Board of Directors****Audit Committee****Mr. K. G. Krishnamurthy**, Chairman  
**Mr. Siddharth Vasudevan Moorthy**, Member  
**Mr. Mukesh Malhotra**, Member  
**Ms. Tara Subramaniam**, Member (w.e.f. 03.03.2023)**Nomination & Remuneration Committee****Mr. K. G. Krishnamurthy**, Chairman  
**Mrs. Sowmya Aditya Iyer**, Member  
**Mr. Mukesh Malhotra**, Member**Stakeholders Relationship Committee****Mr. K. G. Krishnamurthy**, Chairman  
**Mr. Siddharth Vasudevan Moorthy**, Member  
**Mr. Mukesh Malhotra**, Member  
**Ms. Tara Subramaniam**, Member (w.e.f. 03.03.2023)**Corporate Social Responsibility Committee****Mr. Siddharth Vasudevan Moorthy**, Chairman  
**Mrs. Sowmya Aditya Iyer**, Member  
**Mr. Mukesh Malhotra**, 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**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**  
Juni Navi Police Colony, Pimpleswar Mandir, Near Ambaji Dham  
Mandir, M.G. Road, Mulund West- 400080.**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 Limited**  
Karvy Selenium Tower B, Plot 31-32 Gachibowli,  
Financial District Nanakramguda, Hyderabad 500032,  
Telangana, India  
Toll free no. 1800-309-40001  
Email: einward.ris@kfintech.com**Listed on**National Stock Exchange of India Limited (NSE)  
BSE Limited (BSE)**Bankers & Lenders**State Bank of India  
Union Bank of India  
CSB Bank Ltd  
SBICAP Trustees Company Ltd  
Aditya Birla Finance Limited  
Tata Capital Financial Services Limited  
Prachay Capital Private Limited  
ICICI Home Finance Company Limited**Legal Advisors**

M/s. Hariani &amp; Company

**Statutory Auditors**Sharp & Tannan Associates  
Chartered Accountants (FRN 109983W)  
802, Lloyds Chambers, Dr. Ambedkar Road,  
Opp. Ambedkar Bhavan, Pune-411 011Tel +91 20 2605 2202  
Fax +91 22 2605 2203Email ID: pune.office@sharp-tannan.com  
Website: www.sharp-tannan.com

## MANAGING DIRECTOR'S STATEMENT



**Siddharth Vasudevan Moorthy**  
Managing Director

Dear and esteemed fellow Shareholders,

*As we close the Financial Year 2022-23, it gives me pleasure to present you the 38th Annual Report of Vascon Engineers Ltd. This year has been a phenomenal year for all of us at Vascon.*

Having a commendable performance of your Company for the FY 2021-22, the growth run continued for the FY 2022-23 and we are poised for big leap way forward. Irresistible determination and focused growth aspiration infused so much positive vibes in the system that any untoward events such as sharp rise in the commodity prices, war between Ukraine – Russia which imposed various sanctions, disruption of supply-chain across the nations, tighter monetary policies to control inflation via tightening of liquidity, compression of demand and rise in the interest rates etc could not impact the growth in any manner and we marched towards achieving our desired objective. India has emerged as the world's largest and fastest-growing economy. Across the nation, there was a noticeable surge in infrastructure activity and this surge will have substantial positive impact in India's GDP growth .

#### **Economic Scenario & Growth Drivers**

The FY 2022-23 has been an incredible year for the Indian economy as it has shown a sustainable growth and expansion of economy with a real GDP grew to 7.2%. The long-term outlook for the Indian economy is supported by various key growth drivers, a positive factor for Indian economy as it is

becoming a more significant investment destination for a wide range of global corporations in various areas, including manufacturing, infrastructure, and services, owing to its strong manufacturing sector, which will be top priorities for the current fiscal year. Several government initiatives that were both practical and transformative and that were maintained throughout the pandemic promoted India's present economic recovery and growth resilience.

The Union Budget 2023-24 for the infrastructure sector looks encouraging, with a positive impact on the economy including the affordable housing and real estate sector. An increase of 33% infrastructure investment capital spending, or Rs 10 Lakh Crore for 2023–24 (i.e., 3.3% of GDP), will have a big positive impact on the economy and open up new job possibilities. Real estate development is anticipated to follow the local economy's growth. For tier II and III cities, it suggests additional commercial, residential, and retail growth. Additionally, various organisations will be able to raise more money, which will all together have a positive effect on the infrastructure industry.

The real estate industry is seeing a revival. After experiencing a slowdown in the previous few years, the economy is now swiftly recovering. Various abilities will support growth, and position your Company to seize opportunities that may materialize in the future years.

The FY 2022-23 has been a remarkable year for all of us at Vascon Engineers I would like to share key highlights of your Company's performance during the reported year.

## Business Performance

The FY 2022-23 was driven by many unparalleled headwinds, your Company has delivered a strong performance and continued the growth trajectory with the plan of Vascon 2.0. It was certainly an excellent year for your Company, the ongoing continuation of a positive cycle, where we succeeded in managing our well performing businesses, focusing on the fundamentals of each of our business segments and this has generated magnificent result during the year. Deleveraging of Balance sheet has improved by selling some of the Non-Core Assets and also improved the positive cashflow efficiency, improving operational efficiencies in our core business segment. Over the last two years your Company has improved its run-rate and the same trend is expected to follow going ahead. Reduction and repayment of high-cost debt has helped us to get a decent Credit Ratings from the reliable rating agencies like CRISIL and Acuite, also reduced our net debt by ₹ 122 Crores over the past Two fiscal years with our total gross debt standing at ₹135 Crores as of March 2023 against ₹ 214 Crores as on March 2021. Of this, ₹ 79 Crores, the Company repaid ₹ 47 Crores in Fiscal 2023. The net debt of the company stood at a mere ₹12cr as of march 2023.

Your Company stands strong with focusing on accelerating the execution of order book supported by robust order intake during the year, leading to better capacity utilisation and better margin in EPC business in near future.

During the year, the ratings for your Company has been validated and it is upgraded by *Acuite Rating & Research Limited (ARRL) on the credit rating for Long Term Bank Facilities has been upgraded from BBB- to BBB and for Short Term Bank Facilities has been upgraded from A3 to A3+.* **Further to that, the Crisil Ratings Limited (CRL) on the credit rating has assigned - Long Term Bank Facilities has been upgraded to BBB and for Short Term Bank Facilities has been upgraded to A3+.**

**EPC Business:** The backbone of your Company continues to be the EPC business that generated revenues of ₹ 699 Crore with an EBITDA of ₹ 69 Crore translating into a 10% margin. Your company had won some large order in the FY 2023 with some prominent projects in Pune - Maharashtra; Amethi - UP, Barmer - Rajasthan, Bijnor & Kasumbhi - UP, and our first-ever redevelopment project in Mumbai. The order book of **₹ 2,127 Crore** emphasizes the confidence of our clients in our ability to deliver, with only **₹ 388 Crore** of our order book coming in from internal sources. The overall order book is **3x** of our Fiscal 2023 revenues, providing growth, strong visibility with faster execution and uninterrupted cash flow.

Your Company's main focus is on enhancing the integrity of the order book, which comprises over 85% of government projects. Also, strengthening the Company's execution skills, this adds a further layer of security.

**Real Estate Business:** Real Estate revenue stood at ₹ 147 Crore in Fiscal 2023. Your Company's key projects - Forest Edge, Vascon Spring, Forest County & Windermere Bungalow have been fully sold. Going forward, your Company will be more focused on the maintaining the momentum in the business segment, also collaborating with various developers for upcoming projects.

Few new projects are in pipeline for Fiscal Year 2024 which will have overall cost of ₹ 1,974 Crores, of which your Company will be sharing ₹ 985 Crores out of the total sale of real estate segment. Your Company continues to adopt a cautious approach when beginning new projects and will only decide to go ahead when status quos are suitable.

**Subsidiary Performance:** GMP continues to deliver sustainable performance with revenues of ₹ 252 Crore in Fiscal 2023 and healthy gross margin of 32%. The EBITDA came in at ₹ 25 Crore at a margin of 8%. Your Company will continue to focus on improving both the revenues as well as the efficacy of the business in the coming years.

## Business Outlook

With a continuous growth trajectory going ahead, your Company will be focusing on the growth of all the business segments and focus on execution of our projects, deploying efficient capital, growing order book while displaying prudence, and boost profitability for our business segments, optimistic of producing excellent growth based on the business forecast.

## Conclusion

Finally, I would like to thank all of our stakeholders for their support. My fellow Board members have been incredibly dedicated and have provided ongoing direction for the benefit of Vascon Engineers Ltd. I am also grateful to the management team and staff for meticulously carrying out the Company's vision and strategy.

I am convinced that Vascon Engineers Ltd. has the potential to penetrate chances in this fast-changing the ecosystem by remaining flexible and adaptable. I am optimistic that we will continue to improve as management strives to take your Company to new heights in the coming years.

With best wishes

**Siddharth Vasudevan Moorthy**  
Managing Director

## INFORMATION AT A GLANCE:

Sr. No.	Particulars	Details
1.	<b>Day, Date and Time of AGM</b>	Tuesday, September 26, 2023, 1030 hours
2.	<b>Venue</b>	MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune- 411 014
3.	<b>Submission of Questions/ Queries</b>	Members seeking any information with regard to the accounts or any <b>before AGM</b> matter to be placed at the AGM, are requested to write to the Company on or before Tuesday, September 19, 2023 through email on <a href="mailto:compliance.officer@vascon.com">compliance.officer@vascon.com</a> . The same will be replied by the Company suitably.
4.	<b>Cut-off Date for e-voting</b>	Tuesday, September 19, 2023
5.	<b>Remote e-voting start time and date</b>	Friday, September 22, 2023, 09.00 A.M
6.	<b>Remote e-voting end time and date</b>	Monday, September 25, 2023, 05.00 P.M
7.	<b>Remote e-voting website of KFintech</b>	<a href="https://evoting.kfintech.com/">https://evoting.kfintech.com/</a>  <b>Shares held in Demat mode with NSDL:</b> 1. Shareholders registered for NSDL IDeAS facility: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> 2. Others: <a href="https://evoting.nsdl.com">https://evoting.nsdl.com</a>  <b>Shares held in Demat mode with CDSL:</b> 1. Shareholders who have opted for Easi facility of CDSL: <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a> Others: <a href="http://www.cdslindia.com">www.cdslindia.com</a>  <b>Logging in through Depository Participants (DP):</b> Members can also login using the login credentials of their demat accoung through your DP registered with NSDL/CDSL for e-voting facility
8.	<b>Name, address and contact details of e-voting service provider and Registrar</b>	<b>E-voting Service Provider</b> KFin Technologies Limited Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana India - 500 032. Tel No: 1800-425-8998/1800-345-4001 Email: <a href="mailto:einward.ris@KFintech.com">einward.ris@KFintech.com</a>
9.	<b>Email Registration and Contact Updation Process</b>	<b>Demat Shareholders:</b> Contact respective Depository Participant <b>Physical Shareholders:</b> Please furnish Form ISR-1, Form ISR-2 and SH-13 (available on the Company's website at <a href="https://www.vascon.com/investors/services">https://www.vascon.com/investors/services</a> along with the necessary attachments mentioned in the said Forms to KFin Technologies Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032. Members may also email the duly filled forms to <a href="mailto:einward.risk@Kfintech.com">einward.risk@Kfintech.com</a> .

# VASCON ENGINEERS LIMITED

## REPORT OF BOARD OF DIRECTORS

*Dear Members,*

On behalf of the Board of Directors ('the Board'), it is our pleasure to present the 38<sup>th</sup> Annual Report of the Company along with the Audited Financial Statements (standalone and consolidated) and Auditors Report for the Financial Year ended March 31, 2023.

### 1. Financial Highlights

**Table 1** gives the financial highlights of the Company for FY2023 as compared to the preceding financial year, on consolidated and standalone basis.

(Rs. in lakhs)

Particulars	Consolidated		Standalone	
	FY 2023	FY 2022	FY 2023	FY 2022
Net Sales /Income from Business Operations	1,01,938.23	65,686.05	76,747.47	46,264.58
Other Income	1,104.32	5,320.54	959.81	5,371.35
<b>Total Income</b>	<b>1,03,042.55</b>	<b>71,006.59</b>	<b>77,707.28</b>	<b>51,635.93</b>
Profit /(loss)before Interest and Depreciation	1 2,800.14	7,557.90	10,257.26	6,064.52
Less Interest	1,279.35	2,444.08	1,006.58	2,139.94
Profit /(loss)before Depreciation	11,520.78	5,113.82	9,250.68	3,924.58
Less Depreciation and amortization	1,191.99	1,077.64	587.98	514.65
<b>Profit / (loss) after depreciation and Interest</b>	<b>10,328.80</b>	<b>4,036.18</b>	<b>8,662.70</b>	<b>3,409.93</b>
Exceptional Item	0	0	0	0
Less Current Income Tax	336.79	340.04	0	0
Less Previous year adjustment of Income Tax	0	101.20	0	60.93
Less Deferred Tax	50.93	3.22	0	0
<b>Net Profit after Tax</b>	<b>9,941.08</b>	<b>3,591.72</b>	<b>8,662.70</b>	<b>3,349.00</b>
Remeasurement of Benefit liabilities/(Assets)	77.09	(22.91)	96.51	16.62
Income Tax relating to items that will not be reclassified to profit & loss account	4.94	9.94	0	0
<b>Total Comprehensive Income</b>	<b>10,023.13</b>	<b>3,578.75</b>	<b>8,759.21</b>	<b>3,365.62</b>
Less Minority share of profits / losses	189.78	63.45	-	-
Dividend (including Interim if any and final )	0	0	0	0
<b>Net Profit after dividend and Tax</b>	<b>9,833.36</b>	<b>3,515.30</b>	<b>0</b>	<b>0</b>
Earnings per share (Basic)	4.49	1.76	3.99	1.68
Earnings per Share(Diluted)	4.49	1.76	3.99	1.68

Notes: FY 2023 represents fiscal year 2022-23, from 1 April 2022 to 31 March 2023, and analogously for FY2022 and other such labeled years.

### 2. Business Performance

The total standalone sales for Financial Year 2023 are Rs. 76,747.47 as compared to Rs. 46,264.58 lakhs for Financial Year 2022. The Company made a Profit after Tax of Rs. 8,662.70 in Financial Year 2023 compared to Rs. 3,349.00 lakhs in Financial Year 2022.

The Company's performance has been discussed in detail in the "Management Discussion and Analysis Report" which forms a part of this report.

### 3. Consolidated Results

The turnover of the Company was Rs. 1,01,938.23 Lakhs in Financial Year 2023 against Rs. 65,686.05 Lakhs in Financial Year 2022. Profit after tax before Minority Interest for Financial Year 2023 was Rs. 9,941.08 as compared to Rs. 3,591.72 lakhs in Financial Year 2022.

On a consolidated basis, the Turnover for the FY 2023 was Rs. 1,01,938.23 Lakhs higher by 55.19% over the previous year Turnover of Rs. 65, 686.05 Lakhs.



#### 4. Business Operations & Future Outlook

Your company is strengthening its focus 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, design and built contract, 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. The company witnessed strong execution backed by return of gradual normalcy. The successful mass vaccination drive by Government of India mitigated the impact of third wave thus safeguarding from any material impact on regular business activities. In FY 2022-23 all the projects were gaining momentum and Company believes that the execution will continue to gather momentum going forward. Company has also reduced its debt substantially. As on March 2023, the net debt has come down to Rs. 11.84 Crores from Rs.58.72 Crores in March 2022. In addition, the company has received a rating from CRISIL during the FY 2022-23.

Further we are in the process of optimizing our working capital limit especially non fund based which will facilitate EPC business growth. Also your company is strengthening real estate segment through Joint Ventures/ Joint Developments in selective prime location. This will strengthen operation of both EPC and Real Estate Segment.

During the year under review, despite weak economy and challenges on account of Global Pandemic Covid-19, your company has received EPC orders worth Rs. 482 Crores from reputed organization. Total Order book stands at 2127 crores which includes third party contracts as well as internal order intake. Despite the disruption caused due to Covid-19 pandemic, your Company has delivered 69.24% growth in Revenue as compared to last year in the EPC segment. EPC segment contributed 698.88 Crores to consolidated revenues as against Rs. 412.96 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."

#### 5. Credit Rating

The Company has obtained Credit Ratings from CRISIL Ratings Ltd ("CRISIL") and ACUITE Ratings & Research ("Credit Rating Agency"). During the Financial year 2022-23, there was upgradation in ratings of the Company and the same is as under:

Instrument	Rating Agency	Rating	Outlook
<b>Long Term Ratings</b> (Fund Based Facilities)	CRISIL	BBB	Stable (Assigned)
<b>Short Term Ratings</b> (Non-Fund Based Facilities)	CRISIL	A3+	(Assigned)
<b>Long Term Ratings</b> (Fund Based Facilities)	ACUITE	BBB	Stable (Assigned)
<b>Short Term Ratings</b> (Non-Fund Based Facilities)	ACUITE	A3+	(Assigned)

#### 7. Transfer to Reserves

The Company has not transferred any amount to the General Reserve during the current Financial Year.

#### 8. Dividend

The Board doesn't recommend any dividend for the Financial Year under review.

#### 9. Share Capital

The current Authorised Capital of the Company is Rs. 2,69,13,00,000 divided into 26,41,30,000 Equity Shares of Rs. 10/- each and 50,00,000 preference shares of Rs.10/- each.

The total issued, subscribed and paid-up share of the Company is Rs. 217,31,71,110 consisting of 21,73,17,111 equity shares of Rs. 10 each fully paid-up on the date of this Report.

There was no change in the share capital under review.

## Debentures

- The company has issued and allotted on private placement basis Unrated, Unlisted, Secured, Non-Convertible Debentures (NCD's) aggregating Rs. 9.50 crores during the Financial Year.
- The company has issued and allotted on private placement basis Bank MCLR Linked, Secured, Guaranteed, Senior, Taxable, Non Cumulative, Unrated, Redeemable, Principal Protected Non Convertible Private Placement of Debentures aggregating Rs. 15 crores during the Financial Year.
- The funds raised are utilised as the objects stated in Termsheet of respective NCDs.
- During the year, your company repaid Zero coupon, Rupee denominated, Unrated, Unlisted, Secured, Non- convertible debentures of Rs. 68.61 Crores as per repayment schedules.
- During the year, the company prepaid 15.50% Coupon, Unlisted, Secured, Redeemable, Non-convertible debentures of Rs. 110.00 Crores.

## 10. Public Deposits

The Company has not accepted or renewed any deposit as covered under Section 73 of the Companies Act, 2013, from its members or the public, during the financial year under review.

## 11. 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.

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

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

## 13. Subsidiaries, Associates and Joint Ventures

During the year under review, there were no changes with respect to Subsidiaries, Associates and Joint Ventures except the following:

- a. GMP Technical Solutions Private Limited, a material subsidiary of the company (GMP), has incorporated a Wholly Owned Subsidiary namely "Creazoin Metal Products Private Limited" in India for the purpose of manufacturing of Clean Room Partitions, Turnkey Projects and consequently it has become a step down Subsidiary of the Company effective from November 17, 2022.
- b. Vascon Developers Private Limited, subsidiary of Vascon Engineers Limited has been converted to Limited Liability Partnership named Vascon

Developers LLP and it ceases to be subsidiary of Vascon Engineers Limited. Vascon Engineers Limited continues to hold 35% stake in LLP.

The list of subsidiaries and associates of your Company as on March 31, 2023 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 statements of the Company and all its subsidiaries and joint ventures are prepared in accordance with the provisions 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/Joint Ventures and Associates

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>

## 14. Particulars of Loans, Guarantees or Investments

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

## 15. Corporate Governance and Additional Shareholders' Information

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

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

## 16. Awards and Recognitions

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

1. Sheth creators' award. For 1 million safe man hours completion- April 2022

2. Construction world stalwarts of the West-Pune – September 2022
3. Felicitated as outstanding contribution to construction industry- September 2022
4. Real estate icons of Pune award- October 2022
5. Global marketing excellence award. Award for brand excellence in construction & real estate sector- November 2022
6. Satish Hotling Award for Femina's most powerful 2021-22- December 2022

## 17. Management Discussion and Analysis

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

## 18. Board of Directors and Key Management Personnel

### Appointment/Re-appointment of Directors

#### 1. Appointment of Ms. Tara Subramaniam (DIN: 07654007) as an Independent Director for a period of 5 years:

Ms. Tara Subramaniam (DIN: 07654007) was appointed as an Additional Director of the Company with effect from March 03, 2023 by the Board of Directors upon the recommendation of Nomination and Remuneration Committee in accordance with Section 161(1) of the Act and the Articles of Association subject to shareholders approval.

Ms. Tara Subramaniam's judgment and knowledge of the sector in which the Company operates are very important elements in the debates and business decisions adopted by the Board of Directors.

Ms. Tara Subramaniam's is not debarred or disqualified from holding the office of Director by virtue of SEBI Order or any other authority pursuant to BSE / NSE Circular pertaining to enforcement of SEBI Orders regarding appointment of Directors by Listed Companies.

#### 2. Re-appointment of Mr. Siddharth Vasudevan Moorthy (DIN:02404124) as Managing Director on the Board for a further period of 5 years:

The Board of Directors of the Company upon the recommendation of the Nomination and Remuneration Committee, at its meeting held on January 30, 2023 re-appointed Mr. Siddharth Vasudevan Moorthy as the Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2023 for a further period of five years (April 01, 2023 to March 31, 2028) liable to retire by rotation, for which approval of shareholders was accorded through postal ballot for which necessary special resolution was passed.

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 / NSE Circular pertaining to enforcement of SEBI Orders regarding appointment of Directors by Listed Companies.

#### 3. Retire by Rotation of Dr. Santosh Sundararajan (DIN: 00015229), Whole Time Director & Group Chief Executive Officer

As per Section 152 of the Companies Act, 2013, Dr. Santosh Sundararajan, Whole Time Director & Group Chief Executive Officer of the Company retires by rotation at the forthcoming 38<sup>th</sup> Annual General Meeting of the Company.

A brief resume, nature of expertise, details of directorships held in other companies along with their shareholding in the Company as stipulated under the Secretarial Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended as an **Annexure** to the Notice of the ensuing AGM.

Dr. Santosh Sundararajan is not debarred or disqualified from holding the office of Director by virtue of SEBI Order or any other authority pursuant to BSE / NSE Circular pertaining to enforcement of SEBI Orders regarding appointment of Directors by Listed Companies.

### Key Management Personnel

#### 4. Appointment and Cessation of Company Secretary and Compliance Officer of the Company

During the year under review, Mrs. Vibhuti Darshin Dani ceased to be a Company Secretary and Compliance Officer of the Company w.e.f January 31, 2023. The Board places on record appreciation for her invaluable contribution and guidance.

On account of resignation of Mrs. Vibhuti Darshin Dani, Ms. Sarita Ahuja, was appointed to be a Company Secretary and Compliance Officer of the Company w.e.f. February 01, 2023.

### **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:

- Mr. Siddharth Vasudevan Moorthy, Managing Director
- Dr. Santosh Sundararajan, Whole time Director and Group Chief Executive Officer
- Mr. Somnath Biswas, Chief Financial Officer
- Mrs. Vibhuti Darshini Dani, Company Secretary and Compliance Officer resigned w.e.f. January 31, 2023
- Ms. Sarita Ahuja, Company Secretary and Compliance Officer appointed w.e.f. February 01, 2023

### 19. 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 2022-23, 7 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.

### 20. Performance Evaluation

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

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

During the year under review, the Independent Directors of the Company met on March 03, 2023, 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.

### 21. Appointment of Directors and Remuneration Policy

The Nomination and Remuneration Policy of the Company provides roles and responsibilities of the Nomination and Remuneration Committee and the criteria for evaluation of the Board and compensation of the Directors and senior management. Further 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 attached as an annexure to the Corporate Governance report.

### 22. Board Committees

In compliance with the Statutory requirements, the company has constituted four mandatory committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

A detailed update on the Board, its composition, governance of committees, terms and reference of various committees, no of committee meeting held during the year is provided in the Corporate Governance Report, which forms a part of this report.

**a) 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. As on the date of Board Report, the Audit Committee of the Board of Directors consists of three Independent Directors and one Executive-Director. The members of Audit Committee are financially literate and have experience in financial management. Presently, the Committee comprises of Mr. K. G. Krishnamurthy, Chairman and Independent Director, Mr. Mukesh Satpal Malhotra, Independent Director and Member, Ms. Tara Subramaniam, Woman Independent Director & Member and Mr. Siddharth Vasudevan Moorthy, Managing Director & Member.

Ms. Sarita Ahuja acts as a Company Secretary of the Committee.

**Changes in Committee during the year:**

- Ms. Tara Subramaniam, Non-Executive - Independent Director was elected as Member of the Audit Committee w.e.f. March 03, 2023.

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

**b) Nomination and Remuneration Committee**

“The composition of Nomination and Remuneration Committee is in alignment with provisions of Section 178 of the Companies Act, 2013 read with rules issued thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. As on the date of Board Report, the Nomination and Remuneration Committee of the Board of Directors consists of two Independent Directors and one Non-Executive Director. Presently, the Committee comprises of Mr. K. G. Krishnamurthy, Chairman and Independent Director, Mr. Mukesh Satpal Malhotra, Member and Independent Director and Mrs. Sowmya Aditya Iyer, Member and Non-Executive Director.

Ms. Sarita Ahuja acts as a Company Secretary of the Committee.

**c). Stakeholders Relationship Committee**

The composition of Stakeholders Relationship Committee is in alignment with provisions of Section 178 of the Companies Act, 2013 read with rules issued thereunder and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. As on the date of Board Report, the Stakeholders Relationship Committee of the Board of Directors consists of three Independent Directors and one Executive- Director. Presently, the Committee comprises of, Mr. K. G. Krishnamurthy, Chairman and Independent Director, Mr. Mukesh Satpal Malhotra, Independent Director and Member, Ms. Tara Subramaniam, Woman Independent

Director and Member and Mr. Siddharth Vasudevan Moorthy, Managing Director and Member.

Ms. Sarita Ahuja acts as a Company Secretary of the Committee.

**Changes in Committee during the year:**

- Ms. Tara Subramaniam, Non-Executive - Independent Director was elected as Member of the Stakeholders Relationship Committee w.e.f. March 03, 2023.

**d) Corporate Social Responsibility Committee**

“The composition of Corporate Social Responsibility Committee is in alignment with provisions of Section 135 of the Companies Act, 2013 read with rules issued there under. As on the date of Board Report, the Corporate Social Responsibility Committee of the Board of Directors consists of one Independent Director, one Executive Director and one Non-Executive Director. Presently, the Committee comprises of Mr. Siddharth Vasudevan Moorthy, Chairman and Managing Director, Mr. Mukesh Satpal Malhotra, Member and Independent Director and Mrs. Sowmya Aditya Iyer, Member and Non-Executive Director.

Ms. Sarita Ahuja acts as a Company Secretary of the Committee.

**23. Business Risk Management**

The Company has established a well documented and robust risk management framework under the provisions of Companies Act, 2013. Under this framework, risks are identified across all business process of the Company on continuous basis. Once identified, they are managed systematically by categorizing them. It has been identified as one of the Key enablers to achieve the Company’s objectives. Increased competition, impact of recessionary trends on the award of jobs and man power attrition are some of the major risks faced in the industry. However, your company has adopted risk mitigation steps so as to protect the profitability of the business.

**24. Directors’ Responsibility Statement**

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

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the financial year ended March 31, 2023 and of the profits and loss of the company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. the directors have prepared the annual accounts on a going concern basis;
5. 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; and
6. 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;

### 25. Secretarial Standards

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

### 26. Related Party Transactions

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

No material Related Party Transactions i.e. transactions exceeding 10% of the annual consolidate turnover as per the last audited financial statement, were entered during the year by your company. There were no transactions with related parties which require 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"**.

Pursuant to Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has filed half yearly report on Related Party Transactions with the Stock Exchanges, for the year ended March 31, 2023.

### 27. Vigil Mechanism / Whistle Blower Policy

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

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

### 28. Auditors

#### a) 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 (FRN - 109983W) have been appointed as the Statutory Auditors of the Company for a period of 5 years from the conclusion of 34<sup>th</sup> Annual General Meeting held on September 23, 2019.

#### b) Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Mr. Amit Jaste of M/s Amit Jaste and Associates, Practicing Company Secretaries (Membership no.-7289, Certificate of Practice-12234) was appointed to conduct the Secretarial Audit of the Company for Financial Year 2022-2023. The secretarial audit report with 'NIL' observations for FY 2023 is attached as **"Annexure-III"**.

#### c) Cost Auditors

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 2024 at a remuneration of Rs. 2,50,000/- (Rupees Two Lakhs and Fifty Thousand only) plus taxes as may be applicable.

### 29. Board's Response on Auditors Qualification, Reservation or Adverse Remark

- There are no qualifications, reservations or adverse remarks made by the Statutory Auditors, in their report for the financial year ended March 31, 2023. The Report is enclosed with financial statements in this Integrated Annual Report.
- The Secretarial Auditors Report for the financial year ended March 31, 2023 doesn't contain any qualification, reservations or adverse remarks.
- The Auditor's certificate confirming compliance with conditions of Corporate Governance as stipulated under Listing Regulations, for financial year ended March 31, 2023 also forms part of this Report.
- The Secretarial Auditor's certificate on the implementation of share-based schemes in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (as amended), will be made available for inspection by the members on demand.

**30. 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.

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

During Financial Year 2022-23, there were no significant and/or material orders, passed by any Court or Regulatory Authorities or Tribunal, which may impact the going concern status or the Company's operations in future.

**32. 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.

The voluntary activities by Vasudevan Moorthy Foundation are annexed herewith.

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. Mukesh Satpal Malhotra, Member and Mrs. 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>

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

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

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

The Company has 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:

- No. of complaints filed during the Financial Year: **Nil**
- No. of complaints disposed off during the Financial Year: **Nil**
- No. of complaints pending as on end of Financial Year: **Nil**

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

Adhering to the various requirements set out in the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has during Financial Year 2018-19, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer i.e. November 15, 2018. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link [www.vascon.com/investorservices](http://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](http://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 Kfintech for lodging claim for refund of shares and/or dividend from the IEPF Authority.

**35. DISCLOSURES**

Your Directors state that for the Financial Year 2022-23, no disclosures are required in respect of the following items and accordingly affirm as under:

- The Company has neither revised the Financial Statements nor the report of the Board of Directors.
- Your Company has not issued shares with differential voting rights and sweat equity shares during the year under review.
- There was no change in the nature of the business of the Company.
- There were no instances where your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial Institutions.
- No petition/application has been admitted under Insolvency and Bankruptcy Code, 2016, by the National Company Law Tribunal.

- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries except sitting fees.
- The company has software for maintaining its books of account and has a feature of recording audit trail for each transaction with audit log.

**36. Particulars of Employees**

A statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in “**Annexure-V**” forming part of this Report. As per the first proviso to Section 136(1) of the Act, the Annual Report is being sent to the members excluding the aforesaid annexure. The said information is available for inspection at the registered office of the Company during working hours. Any member interested in obtaining such information may write to the Company Secretary at [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com) and the same will be furnished on request.

The ratio of the remuneration of each Director to the median employee’s remuneration and other details prescribed in 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 to this Report as “**Annexure-V**” Statement of Disclosure of Remuneration.

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

- Adampur Airport is Griha certified with 4 star ratings.
- Goa airport is registered for GRIHA and it aims towards 4 STAR rating.
- Our Medical College campus & Hospital located at Bijnor & Kaushambi both are also registered for GRIHA.
- Our Barmer Crain oil residential development project is aimed for IGBC GOLD rating.

We focus on preserving natural resources like trees, canals and other resources while designing the projects. Our Company has not imported any technology or other items, or carried on the business of export or import. Therefore, the disclosure requirements against technology absorption are not applicable to the Company.

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

(Rs. In lakhs)

Particulars	FY 2023	FY 2022
Foreign Exchange Earning	5297.84	3,677.03
Expenditure in Foreign Exchange	861.93	538.94

**38. 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 the Annual Return as of March 31, 2023, on its website at <https://www.vascon.com/investors/services>. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company isn’t required to provide extract of Annual Return as a part of Board Report.

**39. Acknowledgement**

We thank our clients, vendors, investors, bankers, employees, for their continued support during the year. We place on record our appreciation for the contribution made by our employees at all levels. Our growth was made possible by their hard work, co-operation and support. We further place on record their sincere appreciation for the assistance and co-operation received from Financial Institutions, Banks, Government Authorities and Business Partners.

**For and on behalf of the Board of Directors**

**Sd/-  
Mukesh Malhotra  
Chairman**

**Sd/-  
Siddharth Vasudevan Moorthy  
Managing Director**

**Place:** Pune  
**Date:** May 15, 2023  
**CIN:** L70100PN1986PLC175750



## 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

## 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	168.52	234.55	7.20	-	2.21	(11.63)	-	(11.63)	-	100%
Marathwada Realtors Private Limited	No	NA	39.22	29.69	190.51	121.60	-	-	(18.03)	-	(18.03)	-	100%
Marvel Housing Private Limited	No	NA	1.00	34.06	264.67	229.61	-	621.43	41.80	10.87	30.93	-	100%
Vascon Value Homes Private Limited	No	NA	1.00	(2.02)	32.06	33.08	-	0.08	(0.48)	(0.12)	(0.35)	-	100%
GMP Technical Solutions Private Limited	No	NA	1.49	8,390.79	19,777.11	11,384.83	-	25,620.36	1,659.55	376.97	1,282.57	-	85%
GMP Technical Solutions Middle East (FZE)	No	19,7178	24.51	(300.10)	30.17	305.76	-	-	-	-	-	-	85%
Vascon Developers Private Limited (Formerly known as River Store Developers Private Limited)	No	NA	-	-	-	-	-	2.28	(5.11)	-	(5.11)	-	92%

## PART-B Associates and Joint Ventures

Name of associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Extend of Holding%	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 Not Considered in Consolidation
		No.	Amount of investment in Associates/Joint Venture					
<b>Associates</b>								
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)	-
<b>Jointly Controlled Entities</b>								
Phoenix Ventures	31.03.2023	Not Applicable	200.00	50%	Joint Control over economic activity of the entity	-	569.87	(3.94)
Ajanta Enterprise	31.03.2022	Not Applicable	4,272.94	50%	Joint Control over economic activity of the entity	-	125.44	1,942.91
Vascon Saga Constructions 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/-  
Mukesh Malhotra  
Chairman

Sd/-  
Siddharth Vasudevan Moorthy  
Managing Director

Place: Pune  
Date: May 15, 2023

# VASCON ENGINEERS LIMITED

## ANNEXURE-II FORM AOC-2

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

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

### 1. Details of contracts/ Arrangements or Transactions not at Arm's Length Basis:

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 :

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/-  
Mukesh Malhotra  
Chairman

Sd/-  
Siddharth Vasudevan Moorthy  
Managing Director

Place: Pune

Date: May 15, 2023

## ANNEXURE III: SECRETARIAL AUDIT REPORT

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 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 MH 411014

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 (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<sup>st</sup> March, 2023 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, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(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, 2021 **(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)**;

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

- (i) Secretarial Standards (SS.1 relating to meetings of Board of Directors & SS.2 relating to General Meetings) issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

I further report that, 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 substantially 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 and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

## VASCON ENGINEERS LIMITED

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Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except when meetings were called at shorter notice as permitted u/s. 173(3) of the Act 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 Board of Directors or Committee of Board as the case maybe.

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 has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc; except as follows:

- Special Resolution passed by the Shareholders of the Company at their Annual General Meeting held on 28<sup>th</sup> September 2022 for approval for limits of investment upto Rs. 1000 crores.
- Approval of Shareholders for appointment of Mr. Siddharth Vasudevan Moorthy as Managing Director and his remuneration through Postal Ballot.
- Issuance of Non Convertible Debentures by the Board.

**For Amit Jaste & Associates  
Practising Company Secretaries**

**Amit Jaste**                      **FCS No.:7289**  
**Proprietor**                    **CP No.:12234**

**Date: 15/05/2023**

**Place: Mumbai**

**UDIN: F007289E000304927**

**This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report**

**Annexure A**

To,  
The Members,  
**Vascon Engineers Limited**  
Vascon Weikfield Chambers,  
Behind Hotel Novatel, Opposite Hyatt Hotel,  
Pune Nagar Road, Pune MH 411014

Our report of even date to be read along with this letter.

- 1) Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We 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 basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- 4) Wherever required, we have obtained the 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. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Amit Jaste & Associates  
Practising Company Secretaries**

**Amit Jaste**                      **FCS No.:7289**  
**Proprietor**                    **CP No.:12234**

**Date: 15/05/2023**

**Place: Mumbai**

**UDIN: F007289E000304927**

## ANNEXURE III: SECRETARIAL AUDIT REPORT

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

*[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 Limited  
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 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 2023 ('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 2023 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.

#### **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., except the following:

## VASCON ENGINEERS LIMITED

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- M/s Newage Fire Fighting Company Limited (Operational Creditor) had filed company petition for initiating Corporate Insolvency Resolution Process (CIRP) against the Company under Insolvency And Bankruptcy Code, 2016. An order was passed by the National Company Law Tribunal Mumbai Bench, Court-I ('NCLT') on 1 July 2022 due to which Board of the Company was temporarily suspended from 1 July 2022 to 20 July 2022. Subsequently after hearing both the parties, and learning that both the parties having amicably settled the issue involved in the main company petition and the parties having entered into consent terms dated 18 June 2022, an order was passed on 20 July 2022 by the NCLT allowing the applicant company to withdraw the main company petition bearing CP(IB) No 827 of 2019. Resultantly the aforesaid petition stood closed and was removed from the rigour of CIRP.

**Kulbhushan D Rane**  
**FCS No.: 10022, C. P. No.: 11195**  
**Peer Review Certificate No. : 1745/2022**

**Place: Pune**  
**Date: 17 August 2023**  
**UDIN: F010022E000814837**

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 Limited  
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**  
**Peer Review Certificate No. : 1745/2022**

**Place: Pune**  
**Date: 17 August 2023**  
**UDIN: F010022E000814837**

## ANNEXURE IV: ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

### 1. Brief outline on CSR policy of the Company:

The Board of Directors (Board) have adopted the CSR Policy (Policy). The key focus areas of the Company's CSR Policy are to support various bodies in carrying CSR activities in the areas of rural development, education, healthcare, general semantics, etc.

### 2. Composition of CSR Committee:

The CSR Committee was constituted by the Board of Directors at its meeting held on October 20, 2014 and on account of sudden and sad demise of Mr. V. Mohan, it has been reconstituted by the Board on November 26, 2021 as below:

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

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The CSR policy is displayed on Company's website [www.vascon.com](http://www.vascon.com)

### 4. Provide the executive summary along with the web link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) – Not Applicable.

### 5. (a) Average net profit of the Company as per sub section 5 of Section 135:

Average net Profit for F.Y. 2019-2020 to 2021-2022 is Rs.1179.03 lakhs

### (b) Two percent of average net profit of the Company as per sub section (5) of section 135

Rs. 23.58 lakhs

The Company had spent an amount of Rs. 40.00 lakhs during the financial year 2021-22 as against the CSR spend requirement of Rs. 10.31 lakhs in that year, leaving an excess spent of Rs. 29.69 lakhs. In view of the said excess amount carried forward, the Company was not required to spend any amount during the financial year 2022-23. After adjusting the excess spent during FY 2022-23, there is a surplus of Rs. 6.11 lakhs carried forward to FY 2023-24.

### (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:

Rs. 6.11 lakhs

### (d) Amount required to be set off for the financial year, if any:

Rs. 6.11 lakhs

### (e) Total CSR obligation for the financial year (5(b)+(c)-(d)).

Nil

### 6. (a) Amount spent on CSR Projects ( both ongoing projects and other than ongoing project)

Nil

### (b) Amount spent in Administrative overheads

Nil

### (c) Amount spent on Impact Assessment, if applicable

Nil

### (d) Total amount spent or unspent for the Financial Year [(a)+(b)+(c)]

Nil

### (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in lakhs)	Amount Unspent (in Rs.)				
	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
Nil	NIL				

# VASCON ENGINEERS LIMITED

(f) Excess amount for set off, if any (Rs in lakhs)

Sl. No.	Particulars	Amount
i.	Two percent of average net profit of the company as per sub section 5 of section 135	23.58
ii.	Total amount spent for the financial year	Nil
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	6.11
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	6.11

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub Section (6) of Section 135 (in Rs.)	Balance amount in Unspent CSR Account under sub section (6) of Section 135	Amount spent in the Financial Year (in Rs.)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
Nil								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No.

If yes, enter the number of Capital assets created / acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset (s) ( Including complete address and location of the property)	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of Entity / authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Regn. No if applicable	Name	Registered Address
	NIL	NIL	NIL	NIL	NIL	NIL	NIL

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable

For and on behalf of the Board of Directors

Sd/-  
Mukesh Malhotra  
Chairman

Sd/-  
Siddharth Vasudevan Moorthy  
Managing Director

Place: Pune  
Date: May 15, 2023



**VOLUNTARY DISCLOSURES WITH RESPECT  
TO CSR ACTIVITIES CONDUCTED BY VASCON  
MOORTHY FOUNDATION (VMF)**

Vascon Moorthy Foundation (VMF) was initiated in February 2008. VMF is a CSR activity of Vascon Engineers Ltd. has effectively completed 15<sup>th</sup> years. VMF was named after the late Shri N.R. Moorthy. The first task was to look after the welfare of construction workers at Vascon project sites. VMF is mainly working since last 15 years on three aspects i.e. Education, health and improving living conditions in labour camps.

During the year, VMF has increased networking with government mechanism, NGOs and Public Organization in Pune Mumbai and Goa. We are constantly making efforts to provide better health facilities to the workers and are also taking advantage of other government schemes.

This year we are again focusing on education coverage through providing educational and non-formal education for children. For the last 2 years, the education sector was facing a lot of difficulties. Most of the time school was closed because number of COVID positive rate were increased but this year it's' better condition compare to last 2 years, Therefore, again this time the focus is mainly on three aspects at Education, Health and improving living conditions in labour camps. Since last Pandemic year, comparison to this year it is a better situation for work in all sectors.

This year VMF has been activities 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 2022-23, VMF focused on the preventive and curative health care of the construction labour, through the Pune Municipal Corporation and NGO. Therefore, the doctor's visit from Vascon (Vascon Engineers Ltd) increased every month due to which laborers and good health services were available. In this, temperature tests, blood pressure, oxygen saturation and general health checkup have been done. A total of 1,491 workers benefited from Vascon health check-up. The PMC health department has a total of 10 health checkup camps held on all the sites in Pune. Total 780 laborers benefited from Pune sites. PAN India sites a total 2271 workers benefited. A total of 504 laboures and staff were benefited with tetanus diphtheria at sites in Pune, 200 workers at Cairn Oil & Gas Residential site, Rajasthan and 52 workers at Bangalore Metro Rail Corporation Ltd (BMRCL) site, Bangalore. A total of 756 laborers were benefited with tetanus diphtheria from PAN India.

**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. At end of the year, 40 children received Pulse Polio, Vitamin A, BCG, Pentavalent vaccine, Hepatitis B, DPT, MMR vaccine.

Niramay NGO started to regularly visit the site but after COVID their vaccine norms changed. As per the new norms, the presence of at least 50 children in the age group of 0 to 7 years is mandatory in a crèche / daycare center. We requested Niramay NGO to give us some time, if the number of labor increases, then the number of children may increase. So they accepted the request and came to the site for vaccination. But unfortunately, after 2 visit to Niramay NGO on the site the number of children did not increase, but they promised to VMF, if the number of children will increase, Niramay NGO will start to work on the site.

In addition to the health camp, VMF organized a vaccination camp at Godrej Greens Site, Undri with the help of Dhankawade Hospital, Dhankawadi. Also, in the year 2022-23 the children of New Civil Enclave Airport, Adampur, Punjab and Medical College and Hospital sites Kaushambi got pulse polio vaccine through government mechanism.

**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.

During the year 2022-23, Vascon Moorthy Foundation by dint 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 10 health's checkup camps were held on all the sites in Pune. A total of 780 labour, staff and children received benefits at the end of the health checkup camp, with 504 workers given tetanus diphtheria and 325 labour blood tested. It helps workers to improve their health. 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 severe iron deficiency in women, during the health camp most of the female workers received iron and folic acid supplements at every site.

So VMF is thankful to NHM team and respective hospital.

**MR Awareness Program:**

Dealing with COVID has added to the many challenges and pressures that the construction workers have to face every day. It has also pushed many people back into poverty. In such difficult times people suffered in COVID.

This was followed by some of the worst cases of measles and rubella in Mumbai and Pune, in which children died. At that time VMF decided to implement an awareness program in the labour camp along with the parents of the children.

VMF not only conducted awareness programs but also visited government hospitals and met doctors and clerical staff, requesting them to administer MR vaccine to the children of laborers there should be minimum paper work and while accepting the request, they ask every laborer to cooperate in getting the children vaccinated.

In the awareness program, there were 86 parents who participated at Forest Edge and PMAY daycare center.

### **HIV/AIDS awareness program and testing camp:**

Construction site Laborers 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. Yuvak Pratishthan NGO Anti-Retroviral Treatment (ART) Centre at Mulund in Mumbai conducts awareness camps and provides diagnostic, medical and counseling services in association with Mumbai District AIDS Control Society (MDACS) through its comprehensive program on HIV/AIDS management. The awareness reminded the laborers that responsibility plays a crucial role in preventing and combating HIV. Yuvak NGO and Presentation Society Jeevan Jyoti Social Center also talks about the detection of HIV infection in pregnant women and putting them on ART are important as it can help avert mother-to-child infection. Also, emphasized that communities should not discriminate against People Living with HIV, but support them in all spheres of life. The pandemic has demonstrated how health is interlinked with other critical issues – such as inequality, human rights, gender equality, social protection and economic growth.

During the year, Mumbai District Aids Control Society (MDACS) conducted HIV testing of 168 laborers in Mumbai site and 50 laborers were tested at Goa site through (GSACS) Goa State Aids Control Society. On the Pune sites, Saksham NGO is working with positive women and children. VMF organized Awareness and HIV testing camp at all Vascon site in Pune. Also we have continued the previous networking of Saudamini NGO which is working at PMC areas along with Saksham NGO; these both work under Maharashtra state Aids Control Society. In this year, at Pune site a total 284 workers have HIV tested in the camp. At the end of year, PAN India sites in total 218 workers participate in HIV awareness program and 502 laborers tested HIV and found negative.

### **Cancer Awareness Program:**

World Cancer Day is an international day observed on 4th February to raise awareness of cancer and encourage its prevention, detection and treatment.

The number of cancer patients in the world is increasing day by day. The whole country has done research about all types of cancer but unfortunately, we have not been successful. Moreover, some cancers are being treated well, like a vaccine has been made on Human Papilloma Virus (HPV) cancer and it has good results. The most effective thing in all cancer is awareness; if people get more information about cancer then we can prevent cancer. During the year, labour awareness program about cancer was arranged amongst the laborers and staff. In the program all cancer like Brain Cancer, Breast Cancer, Liver Cancer, Lung Cancer, Ovarian Cancer (HPV), Prostate Cancer, Bladder Cancer, Kidney Cancer, Throat Cancer etc. information to the workers through PPT was delivered. The best thing about the awareness program was that some of the workers asked questions regarding cancer and they were explained well.

A total of 156 workers including staff actively participated in this program.

### **Malaria testing camp:**

Malaria is a life-threatening disease caused by parasites that are transmitted to people through the bite of infected female Anopheles mosquitoes. It is preventable and treatable. Malaria is caused by the Plasmodium parasite that is transmitted to people through the bite of an infected Anopheles mosquito.

VMF organized malaria testing camps at Pune, Mumbai and Goa sites. 179 laborers were tested in malaria testing camp through Pune Municipal Corporation and 596 laborers were tested at Mumbai sites with the help of Brihan Mumbai Municipal Corporation and 104 laborers were tested for malaria in Goa through Corporation of the City of Panjim. A total were 879 labourers malaria tested. If a labour has a positive report, He will be treated free of cost through PMC, BMC and COCP in a government hospital whereas the reports of malaria test of laborers are negative.

### **Eye test camp:**

VMF in association with Diligent Nursing Trust organized an eye screening camp at Windermere site in Koregaon Park. There were 67 laborers and staff participated in this camp. VMF is first time collaboration with Diligent Nursing Trust. This trust is self funded so its criteria are that after eye checkup camp at least 30 workers should have purchased spectacles from the trust. But his criteria could not be fulfilled so only one eye test camp has been organized. After the end of the camp, one cataract patient was detected. And the camp doctor advised him to undergo an operation. Also one laborer was diagnosed with eye cataract in the forest Edge site, both the cases were referred to H. V. Desai Eye Hospital, Hadapsar for cataract operation.

### **Health Case:**

During the year 2022-23, VMF have done a successful health case, we have referred two cases one of the Windermere site and second is Forest Edge site. The Windermere site Office attendant Mr. Ramakant Dalvi suffering the eye cataract problem. We found her case in eye testing camp with the help of Diligent Nursing Trust. Her case was referred to H. V. Desai Eye hospital but operation was not done due to incomplete documentation. Another find out case of Mr. Shankar Valmik, he is also suffering from the Right eye cataract problem, his documentation had been completed and he submitted his insurance also so H. V. Desai eye hospital gave him best option for Indian unifocal lens, the next day, they were admitted to the hospital and the operation was successfully completed as eye cataract operation was free of cost with Indian unifocal lens. Now, Mr. Valmik is happy and satisfied with the whole procedure.

VMF thanked Mr. Kharat (Welfare officer of Hospital) and H. V. Desai Eye Hospital, also Thanked to everyone who helped with that.

**Creches, Daycare 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 for their living.

Vascon Moorthy Foundation is running 6 daycare centers respectively, Windermere labour camp Mundhwa, Forest Edge labour camp Kharadi, PMAY labour camp Dhayari, Citron labour camp Wagholi, Medical College & Hospital Kaushambi and Bijnor labour camp to take care of children at daycare centers.

Meanwhile, women are assured that they have left their children at a safe place, and can go to work with a calm mind. All the daycare center children get dry snacks and primary formal education. A total of 1,265 children have benefited from the 6 daycare center at PAN India site in the year 2022-23.

The Windermere daycare center closed in July 2023 due to low numbers of children because the site has also been completed.

**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. The education department has announced that schools run by the state government across Maharashtra will start on 13th June for the 2022-2023 academic years. It will be regular classes for Classes 1st to 8th while classes 9th to 10th will have school as per the regular schedule.

This academic year will go smoothly without any problem and children will go to school safely. Respectively 14 children are getting formal education. Forest Edge site 09 children and Windermere site 05 children took formal education from 1st Standard to 9th Standard in PMC & Z.P. School during the academic year 2022-23. The Windermere daycare center closed in July 2023 due to low numbers of children and the site has also been completed. 5 children left from Windermere labour camp daycare center who went to the formal school, 9 children from the Forest Edge Labor Camp were in daycare centers at the end of the year.

**Summer Vacation Trip:**

Finally this year VMF organized a children's trip to Peshwe Energy Park, Sarasbaug. Most of the children were very excited for trip. From last 3 years we are suffering from Covid-19 pandemic situations but this year children enjoyed the trip. 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.

A total of 26 children and 5 staff participated in the Trip. We first visited the popular Sarasbaug Ganpati Temple near Peshwe Energy Park in Pune, Sarasbaug, one of the most popular temples, has a large garden area for children to play. Exercise equipment for children, running track and most importantly a positive atmosphere in the temple.

After that, all the children go to the Peshwe Energy Park. The Peshwe energy park serves the purpose of using non-conventional renewable energy and spreading its awareness. The park houses the children playground that includes slides, seesaw, swings, etc. There is an induction of 50 types of adventure sports games and activities like net climbing, walk rope climbing, wall climbing, grappling, tower climbing, balancing, high altitude cycling, rope skidding, crossing the pond on a rope etc. The induced adventure sport activities include wall climbing, net climbing, balancing, rope slider, skyway, tower climbing and many more. The instructors here provide the guidance to the children.

**Star Site Competition for Best maintained labour camp for workers.**

VMF organized Vascon star site Competition every year at PAN India site but has not conducted Vascon Star site Competition in last 3 years due to COVID pandemic (From April 2022 to March 2023). 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 2022-23 VMF has been not conducted Star Site Competition assessment visit due to COVID Pandemic. But in that situation VMF had caring of all labour at Vascon PAN India site, every site person involved in providing basic facilities to the workers. As well as, Improving living conditions in labour camps, Health care of site workers and their families, Health, education and situation wise awareness programs are organized, Immunization of children, Establishing daycare center, Provided dry snacks for children and supervising daycare center on sites, Ensuring basic education facilities on site.

The site staff guided the labourers from time to time regarding the maintenance of the labour camp.

**Sd/-  
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

**a. Remuneration disclosures for Executive Directors and Key Managerial Personnel (KMP) for the financial year ended March 31, 2023**

Name	Designation	Ratio of Remuneration to the Median Remuneration of Employees	% Increase in Remuneration During FY 2023
Siddharth Vasudevan Moorthy	Managing Director	117.35	9.10%
Santosh Sundararajan	Whole Time Director and Group CEO	107.28	-
Vibhuti Dani*	CS	5.87	-
Sarita Ahuja**	CS	2.81	-
Somnath Biswas	CFO	23.15	-

\*Ceased to be Company Secretary and Compliance Officer w.e.f January 31, 2023

\*\*Appointed as a Company Secretary and Compliance Officer w.e.f February 01, 2023

**b. Remuneration disclosures for Independent Directors for the financial year ended March 31, 2023** (₹ in Lakhs)

Name	Designation	Sitting Fees
Mukesh Satpal Malhotra	Chairman and Independent Director	5.25
K. G. Krishnamurthy	Independent Director	5.25
Sowmya Aditya Iyer**	Non-Executive, Non-Independent Director	4.25
S. Balasubramanian	Independent Director	5.25
Tara Subramaniam*	Independent Director	2.00

\*Appointed as an Independent Non-Executive Director w.e.f March 03, 2023

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

**Notes:**

- 1) The aforesaid details are calculated on the basis of monthly cost to company paid during the financial year 2022-23.
- 2) Remuneration paid/payable to Non-Executive Directors is based on the number of Board meetings attended by them.
- 3) A permanent employee does not include contract employees, retainers and laborers.
- 4) The number of permanent employees on the rolls of the Company: 747
- 5) The percentage increase in median remuneration of employees in the financial year: (0.085)
- 6) 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 Financial Year 2022-23, head count of employees had increased by 8.6% as compared to last year alongwith nominal decrease in remuneration of employees other than KMP by 0.06%
- 7) Affirmation that the remuneration is as per the remuneration policy of the company: It is hereby affirmed that the remuneration paid as per the Remuneration Policy of the Company.

## REPORT ON CORPORATE GOVERNANCE

Pursuant to the Corporate Governance requirements prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 ('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.

Your Company has an active, experienced, diverse and a well-informed Board.

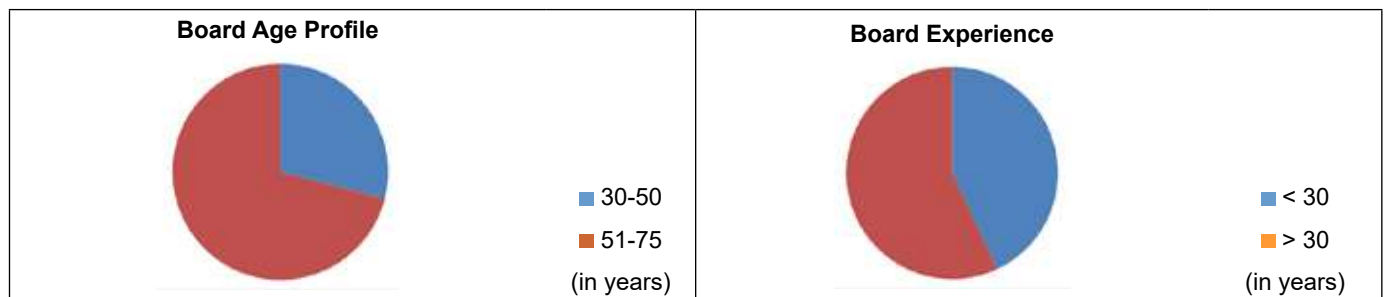
Your Company is in compliance with the Corporate Governance requirements as mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Chapter reports the Company's compliance with the Regulation 34(3) read with Schedule V (C) of the 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 7 (Seven) Directors as on March 31, 2023 and as on date of report, the Company has 4 Independent Directors (including 1 Woman Independent Director), 1 Non-Executive Woman Director and 2 Executive Directors. We, further confirm that none of our Directors have attained the age of 75 years. All Independent Directors serving in other companies are complying with the criteria of limit as specified in the provisions of the Act and the Listing Regulations. The experience and profile is depicted through pie chart.

The Company has a Non-Executive Chairman (who is not a promoter of the Company or is not related to any promoter or person occupying management positions at the level of Board of Director or at one level below the Board of Directors of the Company) and the number of Non-Executive and Independent Directors are Five Directors which is more than one third of the total number of Directors.

All the Directors have strong academic background and 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 available on the website of the Company at [www.vascon.com](http://www.vascon.com). The brief details are:

**Mr. Mukesh Malhotra, Chairman** 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 as Managing Director of Weikfield Products Co. (I) Pvt. Ltd. in 1994 and continues to hold that position. With his focus on International Trade. It has given 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 w.e.f. May 17, 2021.

**Mr. Siddharth Vasudevan Moorthy, Managing Director** 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. Also, He is a Diploma Holder from Pune University. He has also completed his certificate course in Negotiations and Disruptive innovation from Harvard University. He has also completed his Executive Master of Business Administration (MBA) from Washington

## VASCON ENGINEERS LIMITED

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University and IIT-Bombay.

With his meticulous approach and enhanced experience of more than fifteen 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 conferred with many prestigious awards.

He was first appointed on the Board on March 29, 2018 and thereafter, he was re-appointed as a Managing Director for another term of five years w.e.f. April 01, 2023.

**Mr. K.G. Krishnamurthy, Independent Director** holds a Bachelor's degree in architecture from the Indian Institute of Technology, Kharagpur. He has more than thirty 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 re-appointed as an Independent Director of the Company for another period of 5 years in 2019.

**Mrs. Sowmya Aditya Iyer, Non Executive Director** 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 ten years of experience in the interior design industry.

**Dr. Santosh Sundararajan, Whole Time Director and Group Chief Executive Officer** 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 2 decades of 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.

**Mr. S Balasubramanian, Independent Director** has over three decades of industry experience, mostly in the areas of Banking and Finance and had a diverse sectoral experience covering power (generation, transmission, distribution and renewable) oil & gas, transportation, metals & mining, telecommunications, financial services and insurance among other.

He has worked extensively with start-up, early and growth stage companies assisting them on financing, resources and operations and his experience includes project structuring, contract structuring and negotiations, financial modelling, limited recourse debt financing, Export Credit Agency backed financing, interest and currency derivatives, transaction documentation, etc.

Over the years, he has established and maintained strong relationships with banks, financial institutions and corporate, both Indian and international. He was appointed as an Independent Director of the Company.

**Ms. Tara Subramaniam, Independent Director** is a Maha RERA Conciliator and a member of the governing council of the National Real Estate Development Council (NAREDCO) and has also served as the Founder President of MAHI, the women's wing of NAREDCO. She is also on the Board as an Independent Director of Restaurant Brands Asia Limited, Deltatech Gaming Limited and Tips Industries Limited. She is also on the Board of JM Financial Home Loans Limited as a Non-Executive Director. She attended a bachelor's degree course in law from the University of Bombay. She has over 38 years of work experience in banking, real estate, project financing, and business development. She was also associated with Housing Development Finance Corporation Limited, JM Financial Group, and SGE Advisors (India) Private Limited. She was appointed on the Board w.e.f March 03, 2023.

### **No. of meetings 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 one hundred and twenty days between two Board meetings. During the year 2022-23, the Board of Directors met Eight times, viz April 02, 2022, May 23, 2022, August 02, 2022, November 07, 2022, January 30, 2023, March 03, 2023 (with Separate Meeting of Independent Directors on March 03, 2023) and March 28, 2023. The requisite quorum was present for all the Meetings. 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 physical presence and 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.

### **Directors Attendance Record and Directorships held**

Pursuant to the provisions of Section 165 of the Act, 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 don't serve as an 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 seven Directors as on March 31, 2023 with Four Independent Directors, two Executive Directors and one Non-Executive & Non-Independent Woman 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:

Sr. No.	Name	Category	Attendance			Total no of Directorships and Committee Memberships / Committee Chairmanship including this listed entity			Directorship in other listed entities		Relationship with other Directors
			Board Meeting Held <sup>©</sup>	Board Meeting Attended <sup>©</sup>	Last AGM Attended (Y/N)	Directorships*	Committee Memberships (including as Chairman)**	Committee Chairmanship	Name of the listed entity	Category of Directorship	
1	Mr. Mukesh Malhotra	Non Executive, Independent Director	8	7	Yes	2	2	-	-	-	NA
2	Mr. Siddharth Vasudevan Moorthy	Promoter and Managing Director	8	7	Yes	8	2	-	-	-	Son of Mr. Vasudevan Ramamoorthy, Promoter and brother of Mrs. Sowmya Aditya Iyer
3	Mr. K. G. Krishnamurthy	Non Executive, Independent Director	8	7	Yes	9	9	4	Ajmera Realty & Infra India Limited	Independent, Non-Executive	NA
									Indiabulls Real Estate Limited	Independent, Non-Executive	
									Shriram Properties Limited	Independent, Non-Executive	
									Purvankara Limited	Independent, Non-Executive	
4	S. Balasubramanian	Non Executive, Independent Director	8	7	Yes	2	-	-	-	-	NA
5	Tara Subramaniam*** (appointed w.e.f. 03.03.2023)	Non Executive, Independent Director	8	3	NA	5	6	2	Restaurant Brands Asia Limited	Independent, Non-Executive	NA
									Tips Industries Limited	Independent, Non-Executive	NA
									Deltatech Gaming limited	Director	NA
									JM Financial Home Loans Limited	Director	NA
6	Dr. Santosh Sundararajan	Executive Director	8	6	Yes	3	-	-	-	-	NA
7	Mrs. Sowmya Aditya Iyer	Promoter and Non Executive Non Independent Director	8	5	Yes	1	2	-	-	-	Daughter of Mr. Vasudevan Ramamoorthy, Promoter and sister of Mr. Siddharth Vasudevan Moorthy

\*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

© Includes a separate meeting of Independent Directors. Only Independent Directors can attend the meeting.

## **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**

The Board hereby confirms that, in its opinion, the Independent Directors on the Board fulfill the conditions specified in SEBI Listing Regulations, 2015 and Companies Act, 2013 and are independent of the Management.

## **Non-Executive Directors Compensation**

Independent Directors and Non-Executive Directors are only paid sitting fees as remuneration for attending board and committee Meetings within the parameters prescribed by law. The sitting fees paid to Non- Executive Directors is decided by the Board of Directors. Nomination and Remuneration Committee while deciding the basis for determining sitting fees 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. 1,00,000/- per meeting for every meeting of the Board w.e.f. May 23, 2022. Non-Executive Directors are not paid any sitting fees for attending committee meetings.

The Company has not granted any stock options to the Independent and 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. Post the Board meeting, we have a formal system for follow-up, review and reporting on actions taken by the management on the decisions of the Board and Committees of the Board. 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 March 03, 2023, 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. Amit Jaste of M/s Amit Jaste & Associates, Practising Company Secretaries, (Membership no.: F7289 and Certificate of Practice No.: 12234) pursuant to Regulation 34(3) read with Clause 10(i) of Paragraph C of Schedule V of the Listing Regulations, certifying that none of the Directors on the Board of the Company as on March 31, 2023 has been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI, the Ministry of Corporate Affairs or any such 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.

None of the Independent Directors of the Company have resigned during the Financial Year 2022-23.



### 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 SEBI Listing Regulations, 2015, requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in 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, 2023.

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

I hereby confirm that:

All Members of the Board and Senior Management Personnel of the Company have affirmed compliance with Vascon's Code of Conduct for the Financial Year 2022-23.

Sd/-

**Managing Director**

Place: Pune

Date: May 15, 2023

### Maximum tenure of Independent Directors

As per the provisions of Companies Act, 2013 the Independent Director shall be appointed for not more than 2 terms each term of 5 years. Further, Independent Director shall not be liable to retire by rotation.

### 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 <https://www.vascon.com/investor>.

### Performance Evaluation

In terms of Regulation 19(4) read with section A(2) of Part D of Schedule II to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has framed a policy stipulating the criteria for evaluation of directors and the Board.

Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 an evaluation of the performance of the Board of Directors and Members of the Committees was undertaken. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The policy is attached at **Annexure-D** to Corporate Governance Report.

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

During the year under review, the Independent Directors of the Company met on March 03, 2023 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.

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 March 03, 2023 have been furnished in a separate para elsewhere in this Report.

# VASCON ENGINEERS LIMITED

## 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 and 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. 2022-23

(Amount in Lakhs except shareholding)

Sr No	Name of the Directors	Salary and Allowance	Sitting Fees paid	Shareholding in the Company
1.	Mukesh Malhotra	0	5.25	5525
2.	K. G. Krishnamurthy	0	5.25	0
3.	S. Balasubramanian	0	5.25	0
4.	Tara Subramaniam	0	2.00	0
5.	Sowmya Aditya Iyer	0	4.25	700294

## Remuneration paid or payable to Executive Directors for F.Y. 2022-23

(Amount in lakhs except shareholding)

Sr No	Name of the Directors	Salary and Allowance	Perquisites	Retirement Benefits**	Shareholding in the Company
1.	Siddharth Vasudevan Moorthy	304.83	161.72	18.25	4164953
2.	Dr. Santosh Sundararajan	272.65	147.96	13.49	10003593

### \*\*Payable at the time of retirement

The tenure of office of Managing Director / Whole Time Director is for 5 (Five) years from their respective date of appointments. There is no separate provision for payment of severance fees.

## Board Diversity Policy

In compliance with the provisions of SEBI Listing Regulations, 2015, 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.

## Familiarization 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 familiarization programmes are placed on <https://www.vascon.com/investors/services>. As a process when new Director is inducted/appointed, the Director are briefed on their role, responsibilities, nature of business, corporate governance, code of business conduct. When a new Independent Director is appointed, a familiarization programme as described above is conducted by the senior management team and whenever a new member is appointed to a Board Committee, information relevant to the functioning of the Committee and the role and responsibility of Committee members is informed. Each of our Independent Directors has attended such orientation process/familiarization programme when they were inducted into the Board. Company also schedules comprehensive presentations to the Directors on various aspects including progress achieved, new launches etc.

In the opinion of the Board of Directors of the Company, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

### Whistle Blower Policy/Vigil Mechanism

Pursuant to section 177(9) of Companies Act, 2013 and regulation 22 of SEBI Listing Regulations, 2015, 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:

- a) describes the Ombudsperson framework
  - b) takes into account procedures for investigation and communication of any report on any violation or suspected violation of the Code
  - c) accepts appeal against any decision; and
- 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 2022-23, no personnel has been denied access to the Audit Committee.

### Subsidiary Companies

The Audit Committee reviews the financial statements of the Material Subsidiary Company. 'GMP Technical Solutions Pvt. Ltd.' is a material subsidiary Company in terms of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Committee also reviews the investment made by the material subsidiary company, statement of all significant transactions and arrangements entered into by the subsidiary company and the status of compliances by the respective subsidiary company, on a periodic basis.

The minutes of the Board meeting of the material subsidiary company are placed before the Board of the Company for its review. The Company has formulated a policy for determining material subsidiaries and it is available on the Company's website <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 materially significant related party transactions entered into during the 2022-23, which may have any potential conflict with the interests of the Company at large.

### DISCLOSURES

#### • Core skill and expertise of Directors

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

Your Company is in the Construction Business. Your Company while appointing a Director always ensures 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
6. Governance including legal Compliance



Name of the Directors	Skill sets					
	Strategy and Planning	Governance including legal Compliance	Design of Buildings	Construction of Civil Structures and Modular Structures	Managing vast pool of Manpower and other resources	Finance Accounts and Audit
Mr. Siddharth Vasudevan Moorthy	Expert	Expert	Expert	Expert	Expert	Expert
Mr. K. G. Krishnamurthy	Expert	Expert	Proficient	Proficient	Expert	Expert
Mrs. Sowmya Aditya Moorthy	Expert	Expert	Expert	Expert	Proficient	Proficient
Mr. Mukesh Malhotra	Expert	Expert	Proficient	Proficient	Expert	Proficient
Dr. Santosh Sundararajan	Expert	Expert	Expert	Expert	Expert	Expert
Mr. S. Balasubramanian	Expert	Expert	Proficient	Proficient	Expert	Expert
*Ms. Tara Subramaniam	Expert	Expert	Proficient	Proficient	Expert	Expert

\*Ms. Tara Subramaniam appointed as an Independent Non- Executive Director in the Company w.e.f. March 03, 2023.

**Audit Committee**

Audit Committee was constituted on February 17, 2007 and reconstituted on May 31, 2021 and on November 26, 2021. Furthermore, it was re-constituted on March 03, 2023 on account of appointment of Ms. Tara Subramaniam. It comprises of 4 directors. Out of four directors three are independent. All the 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 Statutory Auditors also make their presentations at the Committee meetings.

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 the Listing Regulations.

Further, In terms of Schedule V(C)(10)(j) of the SEBI (LODR) Regulations, 2015: “There was no instance, where the Board had not accepted any recommendation of any committee of the Board which was mandatorily required to be accepted”.

**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 01, 2023.
21. Review of compliance with respect to provisions of SEBI (Prohibition of Insider Trading Code) 2015 atleast once a year.

#### Meetings and Attendance

During 2022-23, the Audit Committee met four times, viz. May 23, 2022, August 08, 2022, November 07, 2022, and January 30, 2023. 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, and Statutory Auditors of the Company and those executives who were considered necessary for providing inputs to the Committee.

The 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 4)
Mr. K. G. Krishnamurthy	Chairman, Non-Executive-Independent Director	4
Mr. Mukesh Malhotra	Member, Non-Executive-Independent Director	4
Mr. Siddharth Vasudevan Moorthy	Member, Managing Director	4
Ms. Tara Subramaniam*	Member, Non-Executive-Independent Director	0

\*Ms. Tara Subramaniam has been appointed as Independent Non-Executive Director as on March 03, 2023.

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. K. G. Krishnamurthy, Chairman of the Audit Committee, was present to answer shareholders queries at the Annual General Meeting of the Company held on September 28, 2022.

Mrs. Vibhuti Dani, Company Secretary acted as the secretary of the Committee who resigned on January 31, 2023 and thereafter, Ms. Sarita Ahuja, Company Secretary acted as the secretary of the Committee w.e.f. February 01, 2023.

#### • Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on June 11, 2007 and was reconstituted on February 09, 2017 and November 26, 2021. It comprises of three directors.

## VASCON ENGINEERS LIMITED

During 2022-23, the Committee met five times, on May 23, 2022, August 02, 2022, November 07, 2022, January 30, 2023 and March 03, 2023.

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

Name of the Director	Category	No of meetings attended (out of 5)
Mr. K. G. Krishnamurthy	Chairman, Non-Executive, Independent	5
Mr. Mukesh Malhotra	Member, Non-Executive, Independent	5
Mrs. Sowmya Aditya Iyer	Member, Non-Executive, Non-Independent	5

Mrs. Vibhuti Dani, Company Secretary acted as the secretary of the Committee who resigned on January 31, 2023 and thereafter, Ms. Sarita Ahuja, Company Secretary acted as the secretary of the Committee w.e.f. February 01, 2023.

### Terms of reference of the Nomination and Remuneration Committee ('NRC') are broadly asunder:

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 form, payable to senior management.
7. the NRC shall attend to any other responsibility as maybe entrusted by the Board.

### Framework for Performance Evaluation of Independent Directors and the Board

Pursuant to the provisions of Section 134 (3)(p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee, and individual directors, has been carried out. As a part of the annual Board evaluation, detailed questionnaires were circulated to all the Directors. On the basis of responses received on these questionnaires, the Chairman of the Board and the Chairman of the Nomination and Remuneration (HR) Committee evaluated the Board's performance and that of its committees. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance Evaluation of the Chairman and Non- Independent Directors was carried out by the Independent Directors. Further, the Board hereby confirms that all the Independent Directors fulfill the conditions as specified under Regulation 16 of the Listing Regulations and further the Board also confirms that they are independent of the management.

### Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted on June 11, 2007, reconstituted on November 26, 2021. Furthermore, it was re-constituted on March 03, 2023 upon appointment of Ms. Tara Subramaniam 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	3
Mr. Mukesh Malhotra	Member, Non-Executive, Independent Director	4
Mr. Siddharth Vasudevan Moorthy	Member, Managing Director	4
Ms. Tara Subramaniam*	Member, Non-Executive, Independent Director	0

\*Ms. Tara Subramaniam has been appointed as an Independent Non-Executive Director in the Company w.e.f. March 03, 2023.

Mrs. Vibhuti Dani, Company Secretary acted as the Secretary of the Committee who resigned on January 31, 2023 and thereafter, Ms. Sarita Ahuja, Company Secretary acted as the Secretary of the Committee w.e.f. February 01, 2023.

• **Details of the investor complaints received during the year 2022-23:**

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, 2022 to June 30, 2022	0	0	0
July 1, 2022 to September 30, 2022	0	0	0
October 1, 2022 to December 31, 2022	0	0	0
January 1, 2023 to March 31, 2023	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 March 03, 2023 and:

- noted the report on performance evaluation for the year 2022-23 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. K. G. Krishnamurthy 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 2022-23, there were no material pecuniary relationships or transactions with any non-executive director of the Company except payment of sitting fees for attending board and committee meetings.

• **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.

• **Non-Executive Directors**

Non-executive directors are paid sitting fees as separately stated in this Report.

• **Managing Director**

During the year under review, Company has paid remuneration to Mr. Siddharth Vasudevan Moorthy, Managing Director and the details of which forms a part of MGT-7. The same is placed on Company's website at [www.vascon.com](http://www.vascon.com).

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### • Details of Remuneration to directors

During the financial year under review, the details of remuneration paid to Directors are as provided in Form MGT-7 (Annual Return) as placed on Company website at <https://www.vascon.com/investors/services> and is also disclosed elsewhere in the Report.

### • Shareholding of Directors

Information on shares held by Directors as on March 31, 2023 is provided in Form MGT-7 (Annual Return) as placed on Company's website at <https://www.vascon.com/investors/services> and is also disclosed elsewhere in this report.

### Disclosure of Material Transactions

Under Regulation 26(5) of SEBI 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 published in leading dailies, such as Financial Express: English Edition and Loksatta - Marathi Edition.

The Company has its own website [www.vascon.com](http://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 SEBI Listing Regulations, 2015, are also communicated to the concerned stock exchanges, besides being placed on the Company's website. [www.vascon.com](http://www.vascon.com)

### Information on General body Meetings and details of Special Resolutions passed

The details of last 3 AGMs are as under

Date and Time of AGM	Details of AGM	Details of Special Resolution(s) passed at AGM
September 29, 2020 at 11:30 A.M.	Video Conferencing/Other Audio-Visual Means (OAVM)	No Special Resolutions were passed at the Annual General Meeting of the Company.
September 28, 2021 at 11:30 A.M.	Video-Conferencing/Other Audio-Visual Means (OAVM)	<ol style="list-style-type: none"><li>1. Re-appointment of Mr. Mukesh Malhotra (DIN: 00129504) as Non-Executive Director</li><li>2. To amend the Articles of Association of the Company</li><li>3. To appoint Mr. Vasudevan Ramamoorthy as Chairman Emeritus</li><li>4. To appoint Dr. Santosh Sundararajan (DIN: 00015229) as Whole time Director designated as Whole time Director and Group CEO of the Company</li><li>5. Variation in terms of Vascon Engineers Limited Employees Stock Option Scheme 2017 (ESOS2017)-Change in Vesting Schedule of outstanding options to be granted to Employees who are entitled to participate in the Scheme</li></ol>
September 28, 2022 at 11:30 A.M.	Video-Conferencing/Other Audio-Visual Means (OAVM)	<ol style="list-style-type: none"><li>1. Appointment of Mr. Sankaramahalingam Balasubramanian (DIN: 06622735) as Non-Executive Independent Director for a first term of five years.</li><li>2. Approval for payment of remuneration to Mr. Siddharth Vasudevan Moorthy as Managing Director of the Company.</li><li>3. Authorisation under Section 186 of the Companies Act, 2013.</li></ol>

All the resolutions at the last 3 Annual General Meetings were passed with requisite majority of Members.



**EXTRA-ORDINARY GENERAL MEETINGS/ POSTAL BALLOTS:**

No Extra-Ordinary General Meetings were held during the Financial Year 2022-23 under the review.

**Resolutions(s) passed through Postal Ballot**

During the year under review, re-appointment of Mr. Siddharth Vasudevan Moorthy (DIN: 02504124) as the Managing Director and Underlying Remuneration of the Company was approved by members of the Company.

Pursuant to recommendation of Nomination and Remuneration Committee, Board of Directors approved appointment of Ms. Tara Subramaniam (DIN: 07654007) as an Additional Director in the category of Non-Executive - Independent Women Director of the Company, not liable to retire by rotation, on the Board of Directors of the Company with effect from March 03, 2023 for a first term of 5 (five) years, i.e., upto March 02, 2028 subject to approval of the Shareholders of the Company by way of Special Resolution; the process of postal ballot is ongoing.

**Details of resolution passed through Postal Ballot during Financial Year 2022-23 and details of the voting pattern****Postal Ballot Procedure**

During the year 2022-23, 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 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, Proprietor of M/s Savita Jyoti Associates, Practising 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.

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](http://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 accordance with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 10/2021 dated June 23, 2021, General Circular No. 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("MCA Circulars"), resolution was proposed to be passed by means of Postal Ballot, only by way of remote e-voting process ("e-voting"). The Company had engaged the services of KFin Technologies Limited ("KFin") as the agency to provide e-voting facility.

Mrs Savita Jyoti, Practising Company Secretaries, (Membership No.:F3738 and Certificate of Practice No.:1796), Proprietor, M/s Savita Jyoti Associates acted as Scrutiniser for conducting the Postal Ballot in a fair and transparent manner.

In accordance with the MCA Circulars, the Postal Ballot Notice dated February 23, 2023, was sent only by electronic mode to those members whose names appeared in the Register of Members/ List of Beneficial Owners as on Friday, February 17, 2023 ("Cut-Off Date") received from the Depositories and whose e-mail addresses were registered with the Company/ Depositories. Instructions for voting by (i) individual shareholders holding shares of the Company in demat mode, (ii) Shareholders other than individuals holding shares of the Company in demat mode, (iii) Shareholders holding shares of the Company in physical mode, and (iv) Shareholders who have not registered their e-mail address, were explained in the Postal Ballot Notice.

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During the Financial Year 2022-23, one postal ballot was carried out:

Sr. No.	Particulars	E-voting Period	Type of Resolution	Date of Result	Submission of Scrutiniser report and announcement of results	% Votes in favour of the Resolution	% Votes against the Resolution
1	Approval of Re-appointment of Mr. Siddharth Vasudevan Moorthy (DIN: 02504124) as the Managing Director and underlying remuneration	From 09:00 a.m. on Thursday, February 24, 2023 till 05:00 p.m. on Saturday, March 25, 2023	Special resolution	Passed with requisite majority on March 25, 2023	March 27, 2023 and announced on the same day	99.95%	0.05%

### 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 Company, penalties, and strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has complied with the requirements of Stock Exchanges on matters related to capital market during last 3 financial years. No penalties or strictures to be imposed on the Company.

**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 <https://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 Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation 2 of Regulation 46 of the Listing Regulations. Your Company has complied with all the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable to your Company.

Your Company has complied with all the requirements of corporate governance report as specified in sub-paras (1) to (13) of Schedule V (C) of the Listing Regulations.

**e. Details of utilization of funds raised through preferential allotment or Qualified Institutional Placement as specified under Regulation 32 (7A) –**

During the year under review, no funds were raised through Preferential Allotment or Qualified Institutional Placement.

**f. CEO & CFO Certificate**

As required under Regulation 17(8) of SEBI Listing Regulations, CEO & CFO have jointly certified to the Board regarding Financial Statements and internal controls relating financial reporting for the year ended March 31, 2023.

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

Certificate from the Company's Secretarial Auditor Mr. Amit Jaste of M/s Amit Jaste & Associates, Practising Company Secretaries (Membership no.: F7289 and Certificate of Practice No.: 12234) 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:

##### i) The Board:

The Company has appointed separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson is –

- (a) an non-executive director; and
- (b) not related to the Managing Director or the Chief Executive Officer as per the definition of the term “relative” defined under the Companies Act, 2013.

##### ii) Modified opinion(s) in audit report

The Company confirms that its financial statements are with unmodified audit opinion.

##### iii) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

##### iv) Shareholders rights

Considering the dynamic shareholder demography and trading on the stock exchanges, as a prudent measure, we display our quarterly and half yearly results on our website <https://www.vascon.com/> and also publish our results in widely circulated newspapers.

We also publish the voting results of shareholder meetings and make it available on our website <https://www.vascon.com/>, report the same to Stock Exchanges in terms of Regulation 44 of the Listing Regulations.

#### 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:

(Amount in Lakhs)

Sr. No	Particulars	Statutory Audit Fees	Other Services
1	Vascon Engineers Limited	35.50	21.00
2	GMP Technical Solutions Private Limited	9.00	4.50

#### 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.

#### k. Disclosure by listed entity and its subsidiaries of ‘Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount’:

During the year under review, the Company has not given any loans and advances in the nature of loans to its subsidiaries or associate or loans and advances in the nature of loans to firms/ companies in which Directors are interested.

Accordingly, the disclosure of particulars of loans/advances, etc., as required to be furnished in the Annual Accounts of the Company pursuant to Regulation 34(3) and 53(f) read with paragraph A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

##### • 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/quarterlyfinancials-presentations>

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### 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. Communication of results

Means of Communications	Number of times during 2022-23
Earnings Calls	04
Publication of results	04
Analysts/Investors Meetings/Analyst Day	Details are provided in the Management Discussion & Analysis Report forming part of this Annual Report.

### d. Website

The primary source of information regarding the operations of the Company is the corporate website: <https://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 is available.

### e. 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.

### f. Reminder to Shareholders

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

### g. 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.

### h. SEBI Complaints Redressal System (SCORES):

Investor complaints are processed at SEBI in a centralized web-based complaints redressal system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status. The Company submits ATR on timely basis with respect to the complaints received from SCORES.

### i. 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](mailto:compliance.officer@vascon.com)

## GENERAL SHAREHOLDERS INFORMATION

### a. Details of Annual General Meeting

In line with the MCA Circular No. 10/2022 dated December 28, 2022 (In continuation with the Circulars issued earlier in this regard) and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/ 2023/4 dated January 5, 2023, this Notice along with the Integrated Annual Report for FY 2022-23 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories/ Depository Participants/KFintech. Members may note that the Notice and Integrated Annual Report 2022-23 will also be available on the Company's website [www.vascon.com](http://www.vascon.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of Kfintech at <https://evoting.kfintech.com/showallevents.aspx>. Hard copy of the full Integrated Annual Report will be sent to shareholders who request for the same.

The Company will also be publishing an advertisement in newspapers containing the details about the AGM i.e., date and time of AGM, venue of the AGM, availability of notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses, and other matters as may be required.

**38<sup>th</sup> Annual General Meeting of Vascon Engineers Limited****Venue:** MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune – 411 014**Date :** September 26, 2023**Time :** 1030 hours**Compliance Officer of the Company****Ms. Sarita Ahuja**

Company Secretary &amp; Compliance Officer

T: +91-20-30562200

Email: [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com)Website: [www.vascon.com](http://www.vascon.com)

CIN: L70100PN1986PLC175750

**b. Financial Year**The Financial Year is 1<sup>st</sup> April to 31<sup>st</sup> March.**c. Dividend Payment Date:** The Board doesn't recommend any dividend for the Financial Year under review..

**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](http://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 Limited (BSE).

(i) Following table indicates your Company's Stock Exchange codes:

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

(ii) Listing fees for the financial year has been paid in full to both the stock exchanges.

**e. Master Price Data:**

Month and Year	NSE		BSE	
	High	Low	High	Low
April 2022	30.65	23.10	30.65	23.20
May 2022	28.15	21.50	28.20	21.55
June 2022	24.00	18.45	24.00	18.60
July 2022	25.30	19.65	25.25	19.80
August 2022	26.50	21.85	26.40	21.95
September 2022	31.90	24.75	31.90	24.85
October 2022	30.10	26.20	30.15	26.25
November 2022	42.00	27.80	41.95	27.90
December 2022	42.00	29.75	42.00	29.70
January 2023	36.70	28.80	36.65	29.20
February 2023	34.10	28.30	34.10	28.25
March 2023	31.70	23.85	31.63	23.83

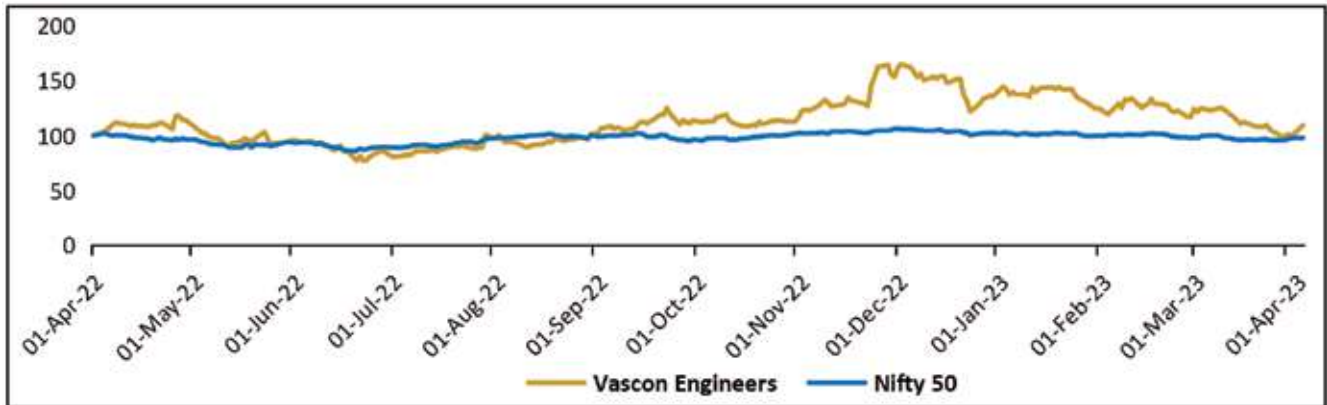
# VASCON ENGINEERS LIMITED

## f. Share Price Chart

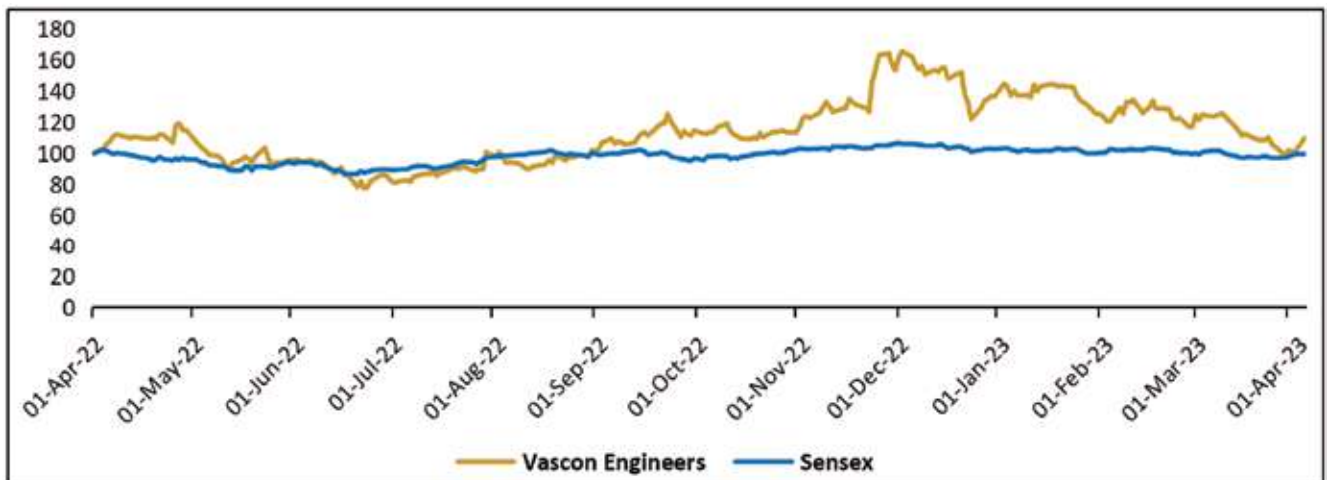
Company's share Price Movement



Share Price Movement Indexed to 100



Share Price Movement Indexed to 100



## g. 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.

h. **Description of voting rights-** All our equity shares carry voting rights on pari passu basis.

i. **Distribution of Shareholding of the Company as on March 31, 2023**

Distribution Schedule As On 31/03/2023 (Total)					
Sr. No.	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	29277	67.39	50514880.00	2.32
2	5001- 10000	5844	13.45	50484820.00	2.32
3	10001- 20000	3374	7.77	54262450.00	2.50
4	20001- 30000	1446	3.33	38354410.00	1.76
5	30001- 40000	634	1.46	23107060.00	1.06
6	40001- 50000	715	1.65	34546830.00	1.59
7	50001- 100000	1031	2.37	79607240.00	3.66
8	100001 & Above	1125	2.59	1842293420.00	84.77
	<b>Total:</b>	<b>43446</b>	<b>100.00</b>	<b>2173171110.00</b>	<b>100.00</b>

k. **Shareholding Pattern of the Company as on March 31, 2023**

Sr. No.	Description	No. of Cases	Total Shares	% Equity
1	Bodies Corporates	269	41617948	19.15
2	Clearing Members	27	95190	0.04
3	Employees	55	3447728	1.59
4	Foreign Portfolio - CORP	1	483768	0.22
5	H U F	1384	4426938	2.04
6	I E P F	1	3592	0.00
7	Key Management Personnel	2	10923593	5.03
8	Non Resident Indian Non Repatriable	111	324088	0.15
9	Non Resident Indians	228	662061	0.30
10	Promoter Trust	1	32411735	14.91
11	Promoters	5	27971910	12.87
12	Promoters Bodies Corporate	1	9599275	4.42
13	Resident Individuals	41361	85349285	39.27
	<b>Total:</b>	<b>43446</b>	<b>217317111</b>	<b>100.00</b>

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

No instrument is outstanding for Conversion and/or allotment.

n. **Investor Complaints**

During the year total **NIL** complaints were received from shareholders /investors.

Investor Complaints Status as on March 31, 2023:

Particulars	No. of Complaints Received	No. of Complaints Resolved	No. of Complaints Pending
April 1, 2022 to June 30, 2022	0	0	0
July 1, 2022 to September 30, 2022	0	0	0
October 1, 2022 to December 31, 2022	0	0	0
January 1, 2023 to March 31, 2023	0	0	0

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

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> . 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/>

## VASCON ENGINEERS LIMITED

### p. Commodity Price Risk or Hedging Transaction

The Company may be affected by the variation in the prices of input commodities of its EPC and Real Estate Projects. The Company does not indulge in commodity hedging activities and accordingly, no commodity hedging activities are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15<sup>th</sup> November, 2018.

### q. Credit Rating

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

Instrument	Rating Agency	Rating	Outlook
Long Term Ratings (Fund Based Facilities)	CRISIL	BBB	Stable (Assigned)
Short Term Ratings (Non-Fund Based Facilities)	CRISIL	A3+	(Assigned)
Long Term Ratings (Fund Based Facilities)	ACUITE	BBB	Stable (Assigned)
Short Term Ratings (Non-Fund Based Facilities)	ACUITE	A3+	(Assigned)

### r. Dematerialization of shares

As stipulated by SEBI, a qualified Practising Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form with the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is placed before the Board of Directors of the Company. The audit, inter alia, confirms that the listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL, CDSL and the total number of shares in physical form.

As on March 31, 2023, 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, 2023 were as follows:**

Category	No. of shares	% to total Equity
Demat Mode	217317109	0.99%
Physical Mode	2	0.01%
<b>Total</b>	<b>217317111</b>	<b>100%</b>

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.

### s. Share Transfer system:

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

### t. Registrar and Transfer Agents and Share Transfer System

The Company's Share are covered under the compulsorily dematerialization and are transferred through the depository system. The Board has delegated the authority for approving the transfer to Shareholders Relationship Committee. The Company has obtained 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 Limited

Selenium Building, Tower- B, Plot No. 31-32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Telangana India – 500 032

CIN L72400TG2017PLC117649

Contact Person: Ms. Rajitha Cholleti, Deputy Vice President- Corporate Registry

SEBI Registration No: INR000000221

Telephone: +91 40 6716 2222

Facsimile: +91 40 2343 1551

Toll free : 18003094001

**Investor grievance id:** [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com), [rajitha.cholleti@kfintech.com](mailto:rajitha.cholleti@kfintech.com)

**Website:** [www.kfintech.com](http://www.kfintech.com)



**u. Debenture Trustees**

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

**Catalyst Trusteeship Limited**

Ms. Deesha Shrikkanth, Vice President

CIN: U74999PN1997PLC110262

Registered Office: "GDA house," S.No.94/95,

Plot no.85, Bhusari colony (right),

Paud road, Pune-411 038

**Contact no. +91 (020) 25280081**

**Email: [dt@ctltrustee.com](mailto:dt@ctltrustee.com)**

**a. Shareholders' Correspondence:**

Ministry of Corporate Affairs ("MCA") has vide CircularNo.17/ 2011 dated 21st April, 2011 allowed the service of documents on members by a company through electronic mode. Accordingly the Company proposes to send documents like Shareholders Meeting Notice/ other notices, audited financial statements, directors' report, auditors' report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their Depositories. Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated either with their Depositories or by writing to the company (by filling & sending the prepaid inland letter attached with the Annual Report).

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

**KFin Technologies Limited**

Selenium Building, Tower- B, Plot No. 31-32,

Financial District, Nanakramguda, Serilingampally,

Hyderabad, Rangareddi, Telangana India – 500 032

CIN L72400TG2017PLC117649

Telephone: +91 40 6716 2222

Facsimile: +91 40 2343 1551

**Investor grievance id:** [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com), [rajitha.cholleti@kfintech.com](mailto:rajitha.cholleti@kfintech.com)

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

**Contact Person:** Ms. Rajitha Cholleti, Deputy Vice President- Corporate Registry

**SEBI Registration No.:** INR000000221

**OR**

• **VASCON ENGINEERS LIMITED**

Ms. Sarita Ahuja

Vascon Weikfield Chambers

Opp. Hyatt Hotel, Behind Hotel Novotel,

Pune-Nagar Road, Vimannagar, Pune – 411 014

Contact: 020-30562200

**Website:** [www.vascon.com](http://www.vascon.com)

**Email:** [compliance.officer@vascon.com](mailto: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 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 SEBI LISTING Regulations, the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, in terms of SEBI Listing Regulations, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual directors).

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

- i. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organise the evaluation process and act on its outcome;
- ii. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
  - Knowledge to perform the role;
  - Time and level of participation;
  - Performance of duties and level of oversight; and
  - Professional conduct and independence.

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

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

### POLICY REVIEW:

- (a) This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.
- (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 (NRC)/ Audit Committee (AC) (minutes of AC & NRC are circulated to the Board), where Directors get an opportunity to interact with Senior Managers. Presentations, inter alia, cover business strategies, management structure, HR policy, management development and succession planning, quarterly and annual results, budgets, treasury policy, review of Internal Audit, risk management framework, operations of subsidiaries and associates, etc. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when senior company personnel are asked to make presentations about performance to the Board. Such interactions also happen when these Directors meet senior management in Independent Company meetings and informal gatherings. Directors are also informed of the various developments in the Company through e-mails, newsletters, internal magazines, etc.

**ANNEXURE-D****PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS****Background:**

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

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

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

**Board of Directors**

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

<b>Board Composition and Quality</b>	The Board has appropriate expertise and experience to meet the best interests of the company
	The board has appropriate combination of industry knowledge and diversity (gender, experience, background)
	All the independent directors are independent in true letter and spirit i.e. whether the independent Director has given declaration of independence and they exercise their own judgement, voice their concerns and act freely from any conflicts of interests.
	Board members demonstrate highest level of integrity (including maintaining confidentiality and identifying, disclosing and managing conflicts of interests)
	The Board members spend sufficient time in understanding the vision, mission of the company and strategic and business plans, financial reporting risks and related internal controls and provides critical oversight on the same.
	The Board understands the legal requirements and obligations under which they act as a Board; i.e. bylaws, corporate governance manual etc. and discharge their functions accordingly.

## VASCON ENGINEERS LIMITED

	The Board has set its goals and measures its performance against them on annual basis.
	The Board has defined its stakeholders and has appropriate level of communication with them.
	The Board understands the line between oversight and management
	The board monitors compliances with corporate governance regulations and guidelines.
	An effective succession plan of board in place.
	The Board has the proper number of committees as required by legislation and guidelines, with well-defined terms of reference and reporting requirements.
<b>Board Meetings and Procedures</b>	The Annual Calendar of Board meetings is communicated well in advance and reviewed from time to time.
	The Board meeting agenda and related background papers are concise and provide information of appropriate quality and detail.
	The information is received by board members sufficiently in advance for proper consideration.
	Adequacy of attendance and participation by the board members at the board meetings.
	Frequency of Board Meetings is adequate.
	The facility for video conferencing for conducting meetings is robust
	Location of Board Meeting( As a good governance practice the Board meeting should be held at different places).
	The Board meetings encourage a high quality of discussions and decision making
	Openness to ideas and ability to challenge the practices and throwing up new ideas
	The amount of time spent on discussions on strategic and general issues is sufficient
	How effectively does the Board works collectively as a team in the best interest of the company
	The minutes of Board meetings are clear, accurate, consistent, complete and timely
	The actions arising from board meetings are properly followed up and reviewed in subsequent board meetings
	The processes are in place for ensuring that the board is kept fully informed on all material matters between meetings (including appropriate external information eg. emerging risks and material regulatory changes).
	Adequacy of the separate meetings of independent directors
	Appropriateness of secretarial support made available to the Board
	The Board members understand the terms and conditions of D & O insurance.
	All proceedings and resolutions of the Board are recorded accurately, adequately and on a timely basis
<b>Board Development</b>	Appropriateness of the induction programme given to the new board members.
	Timeliness and appropriateness of ongoing development programmes to enhance skills of its members
	Appropriate development opportunities are encouraged and communicated well in time
<b>Board Strategy and Risk Management</b>	The time spent on issues relating to the strategic direction and not day-today management responsibilities
	Engaging with management in the strategic planning process, including corporate goals, objectives and overall operating and financial plans to achieve them.
	The Board has developed a strategic plan / policies and the same would meet the future requirement of the Company.
	The Board has sufficient understanding of the risk attached with the business structure and the Board uses appropriate risk management framework and whether board reviewed and understood the risks provided in the internal audit report and the management is taken sufficient steps to mitigate the risk.
	The Board evaluates the strategic plan/ policies periodically to assess the Company's performance, considers new opportunities and responds to unanticipated external developments.
	The Risk management framework is subject to review
	Monitoring the implementation of the long term strategic goals.
	Monitoring the company's internal controls and compliance with applicable laws and regulations
	The adequacy of Board contingency plans for addressing and dealing with crisis situations.
	Appropriateness of effective vigil mechanism

	The Board focuses its attention on long-term policy issues rather than short term administrative matters
	The Board discusses thoroughly the annual budget of the Company and its implications before approving it
	The Board periodically reviews the actual result of the Company vis-à-vis the plan/ policies devised earlier and suggests corrective measures, if required.
<b>Board and Management Relations</b>	The Board sets the overall tone and direction of the Company
	The Board has approved comprehensive policies and procedures for smooth conduct of all material activities by Company
	The Board has a range of appropriate performance indicators that are used to monitor the performance of management
	The Board is well informed on all issues (short and long-term) being faced by the Company
	The Board adequately reviews proposed departures from the long-and short- term business plans of the Company before they take place
<b>Succession Planning</b>	The Board has a succession plan for the Chairperson and the Chief Executive Officer / Managing Director
	The Board reviews the existing succession plan and if appropriate, make necessary changes by taking into account the current conditions

**Non-Executive Director**

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

<b>General</b>	
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?
<b>Contribution:</b>	
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
<b>Personal Attributes</b>	
13	Director has maintained high standard of ethics and Integrity

## VASCON ENGINEERS LIMITED

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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 in 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.



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

Date: May 15, 2023

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  
**Whole Time Director and Group CEO**

Sd/-

Mr. Somnath Biswas  
**Chief Financial Officer**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,

**The Members of  
Vascon Engineers Limited**

Vascon Weikfield Chambers,  
Behind Hotel Novatel, Opposite Hyatt Hotel,  
Pune Nagar Road, Pune MH 411014

I/We 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 MH 411014 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs:

<b>Name of Director</b>	<b>Director Identification Number</b>	<b>Date of Original Appointment</b>
Siddharth Vasudevan Moorthy	02504124	29/03/2018
Santosh Pursram Sundararajan	00015229	31/05/2021
Mukesh Satpal Malhotra	00129504	17/05/2016
Kulumani Gopalratnam Krishnamurthy	00012579	23/09/2019
Sankaramahalingam Balasubramanian	06622735	26/11/2021
Sowmya Aditya Iyer	06470039	31/03/2015
Tara Subramaniam	07654007	03/03/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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.

**For Amit Jaste & Associates  
Practising Company Secretaries**

**Amit Jaste  
Proprietor**

**FCS No.: 7289**

**C P No.: 12234**

**UDIN: F007289E000304971**

**Place: Mumbai**

**Date: 15<sup>th</sup> May 2023**

## CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**Vascon Engineers Limited**  
Vascon Weikfield Chambers,  
Behind Hotel Novatel, Opposite Hyatt Hotel,  
Pune Nagar Road, Pune MH 411014

We have examined the compliance of conditions of Corporate Governance by Vascon Engineers Limited (“the Company”), for the Year ended on March 31, 2023, as stipulated in regulations 17 to 27 and Clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) of the said Company with the relevant Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Listing Regulations.

We state that no Investor grievance was pending for a period exceeding one month against the Company as per the records maintained by the Company/ Stakeholders Relationship Committee.

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

**For Amit Jaste & Associates  
Practising Company Secretaries**

**Amit Jaste  
Proprietor**

**FCS No.: 7289**

**C P No.: 12234**

**UDIN: F007289E000304949**

**Place: Mumbai**

**Date: 15<sup>th</sup> May 2023**

## 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 38 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 a 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 also received its 1st Redevelopment project in Mumbai and many more.

### Global Economy

The global economy was under tremendous pressure amid the adverse changes that occur simultaneously due to the pandemic, Russia's invasion of Ukraine and the abrupt tightening of monetary policy in order to control rising inflation. Global GDP is expected to decelerate sharply in the second half of 2023, with a continuation of weakening in 2024. Inflationary pressures remain, and tight monetary policy is projected to have a significant impact on activity.

After the global economy grew to 3.1% in 2022, the economy saw a substantially slow rate to 2.1% in 2023, amid the global cues, monetary policy tightening and recovering to 2.4% in 2024. Tight global financial conditions and reduced external demand are projected to weigh on development in emerging markets and developing economies (EMDEs). Inflation has been persistent, but it is expected to progressively drop as demand weakens and commodity prices moderate, assuming that longer-term inflation expectations stay stable.

Global growth could be less than projected if banking sector stress becomes more pervasive, or if persistent inflationary pressures drive tighter-than-expected monetary policy. Weak growth prospects and increased risks in the short term worsen a long-term decline in potential growth, which has been worsened by the pandemic's simultaneous shocks. This tough situation shows plenty of policy challenges. Recent bank failures necessitate a fresh focus on global financial regulatory reform. Global collaboration is also required to expedite the renewable energy transition, combat climate change, and provide debt relief to the growing number of debt-burdened countries. At the national level, sustainable policies must be adopted to contain inflation and ensure financial and macroeconomic stability, as well as reforms that lay the foundation for a robust, environmentally friendly, and inclusive development path.

### Indian Economy

The year 2022 was noteworthy for India as it was the **75th year of independence**, a significant turning point in India's history, and it also surpassed China to become **the world's 5th largest** economy. Amidst the global economic turmoil of FY23,

the Indian economy outperformed by its resilient performance which was largely driven by domestic consumption in all the sectors ranging from consumer goods to commodity to infrastructure. Post lifting up the ban, the domestic economic activities stabilized since April-2022. Urban demand quickly recovered and remained robust throughout the year, aided by pent-up spending and discretionary spending during the festival season, while above-normal monsoons aided rural demand.

India is anticipated to experience GDP growth of 6-6.8% in FY24, depending upon the trajectory of global economic and political shifts. The survey 2022-23 estimates a baseline GDP of 6.5% in FY24. Credit growth to MSME has been exceptionally rapid, averaging more than 30% between January and November of 2022.

Another growth driver for the Indian economy in FY23 was central government capex, which increased by 63% between January and November 2022. Inventory backlog decreased dramatically to 33 months in Q3 FY23. Export growth accelerated in FY22 and the first half of FY23, causing production gears to shift from mild acceleration to cruise mode. Growth in FY24 is expected to be rapid, driven primarily by robust loan disbursement and a stronger capital investment cycle in India as a result of improved corporate and banking sector balance sheets.

The major growth outlook for the Indian economy will be primarily determined by a few factors, including (i) the ongoing surge in COVID-19 infections in China, which has had limited health and economic consequences for the rest of the world, resulting in continued normalization of supply chains; (ii) inflationary impulses from China's reopening have proven to be neither significant nor persistent; and (iii) recessionary tendencies in major advanced economies (AEs) have triggered.

The shift in borrower financing preferences from the volatile bond market to banks has also had an impact on the increase in total bank lending. The Central Government's capex climbed by 63% in the first eight months, a major growth driver for the Indian economy in FY23.

The housing market witnessed a significant decline in inventory which went overhang for 33 months in Q3FY23 as compared to same period last year. The Survey notes states that the Indian Economy has moved on after its encounter with the pandemic, staging a full recovery in FY22, ahead of many well-developed nations and rising towards the growth path in FY23. Despite many hurdles faced by India in the post Covid era, India has also had the problem of bringing down inflation, which has been exacerbated by the European crisis. Government and RBI actions, together with a drop in commodity prices worldwide, have finally succeeded to reduce retail inflation below the RBI's maximum tolerance level in November 2022.

As a result, global growth is likely to slow in 2023 and to stay largely modest in the years ahead. Slowing demand

is expected to lower global commodity prices and boost India's CAD in FY24. A downside risk to the Current Account Balance, however, arises from a rapid rebound driven mostly by domestic demand and, to a lesser extent, exports. (Source)

### **India's Economic Resilience and Growth Drivers**

India's story is very dynamic and capable for coming years. Despite global uncertainty and economic crises, India has fared well and demonstrated great resilience. With an average annual growth rate of 5.5% over the last decade, India has already become the world's fastest growing economy, with plans to more than four-fold its present annual GDP of close to USD 3.5 trillion to USD 7 trillion by 2027 and USD 10 trillion by 2030.

According to the IMF, India is a "glorious opportunity" and a significant contributor to global expansion, accounting for "15 % of the world's GDP in 2023."

Over the next few years, India will need to maintain and increase its upward trajectory and some of the growth drivers that will lead to attain the USD 10 Trillion target which will include the following areas:

#### **1. To promote and growth in the Business:**

India's expansion in the following years will necessitate significant capital spending by both the public and private sectors, both in traditional industries and in R&D. The government is still dedicated to structural reforms, and there are several chances to increase investments and deepen collaborations. According to UNCTAD (United Nations Conference on Trade and Development) 2022, India is the 7th most popular global destination for FDI flows. The government has been particularly aggressive in promoting a healthy ecosystem of effective regulatory processes, long-term and pro-industry efforts and programmes. India must continue to prioritize FDI (Foreign Direct Investment), and also prioritize DI (Domestic Investment).

#### **2. States government being growth drivers**

States governments are going to become major economic drivers to assist nation to reach its goal of becoming a USD 10 trillion economy by 2030. To dramatically restructure India's development, states government must team up and benefit from each other. State governments should promote a more favorable policy environment, and the state's job should be to emerge as a facilitator of private investment and growth.

#### **3. Climate change and Sustainable Development Growth (SDG) 2030 goals**

The global fight against global warming has reached a turning point. India has pledged to achieve net-zero emissions by 2070, and the country has refocused on ESG, renewables, green economy, electric transportation, green hydrogen, and has directive laws in place to meet SDG 2030 targets. Going ahead, India must significantly increase the use of renewables in electricity generation while also innovating to become the most competitive

worldwide producer of alternative energy such as green hydrogen.

#### **4. Manufacturing and Exports**

India being a challenging country, and aid for businesses is critical, particularly for scaling up DI. India requires strong, globally competitive manufacturing as well as a tripling of exports. While India has grown at a rate of roughly 6% per year on average over the last few years, with a GDP of USD 3.4 trillion, our contribution to mercantile trade remains a measly 1.8%. Agriculture value addition- The expansion of agricultural infrastructure and supply chains, as well as increased R&D and exports from the food processing sector, would provide not just better resilience but also a more equitable allocation of resources to India's rising population.

#### **5. Industry 4.0 and government policies:**

The government has been focusing on Industry 4.0 in order to achieve the goals of Aatmanirbhar Bharat, and has taken steps to that end by expediting bilateral FTAs, encouraging domestic manufacturing through Production link incentives, PM GatiShakti, the National Logistics Policy, and others. The government must maintain a favourable attitude towards businesses and the determination to implement rules that make doing business in India not just easy but also enjoyable. The government should prioritise the promotion of trust-based governance at all levels.

#### **Outlook: 2023-24**

Residing on the Outlook for 2023-24, the Economic survey articulates that the India's recovery from the Pandemic was comparatively rapid and the growth in coming years will be supported by the solid demand from the domestic market and rise in the reserves. It will be aided by the healthy financials, incipient signs of a new private sector capital formation cycle are much more visible and most importantly to recompense for the private sector's reluctance in capital expenditure, the government has increased capital expenditure significantly.

Budgeted Capex has rose to 3x in last 7 years from FY16-FY23 and re strengthening the Capex cycle. Significant structural changes have increased the Indian economy's efficiency and openness, as well as ensuring financial discipline and improved compliance within government.

As per the IMF' World Economic Outlook data it says that the growth will be declining from 3.2% to 2.7% in 2023. Slower economic growth production combined with uncertainty will reduce trade growth for Indian economy. It is evident that the WTO's lower prediction for global trade growth, which has been reduced from 3.5% in 2022 to 1.0% in 2023.

Inflationary pressures may extend the tightening cycle, causing borrowing costs to remain "higher for longer." In such a situation, the world economy may have modest growth in FY24. But there are two silver linings to the prospect of slower global growth: oil is going to stay lower, and India's CAD will be better than currently forecast. The external situation will remain manageable broadly.

External threats to CAB (Current Account Balances) has originated from the variety of origins. The current commodity prices have remained above pre-conflict level which has already fallen from their highest level. High domestic consumption in the context of rising commodity prices would exacerbate India's overall import duty and lead to negative trends in the current account deficit. They may be worsened by slowing export growth as a result of slowdown in consumption at Global level.

## **The current state of Real Estate Sector in India**

Despite geopolitical worries, an imminent global recession, rising interest rates, and construction prices, the Indian real estate sector has seen a V-shaped rebound, roaring ahead with expansion and exhibiting astonishing tenacity throughout. The industry demonstrated its prowess by posting a 68% YoY growth in FY2022 and a 19% increase in investment since FY21, clearly emphasizing its investment potential in India and abroad. The government's sustained attention was visible in increased financial expenditures to the Pradhan Mantri Jan Arogya Yojana (PMJAY) and Smart Cities, both of which have a strong emphasis on ESG and sustainability in the built environment.

As the sector continues to embrace technology, it will see a dramatic shift in the consumer and investor experience, as well as developers embarking on the creation of sustainable structures employing technology. AI and robotics will bring about a new paradigm for designing sustainable structures and achieving economies of scale.

- The real estate sector is one of the largest contributors to Indian GDP, and it is expected to contribute 18% by 2030 as more areas like warehouses, logistics, industrial parks, data centers, student housing, co-living, and senior assisted living fuel and usher in a period of boom.
- The real estate industry is one of the oldest and most well-known in the world. In terms of direct, indirect, and induced consequences in all sectors of an economy, it is one of the 14 key sectors. In India, the real estate sector is the second-largest job creator after agriculture, accounting for roughly 5-6% of the Indian GDP. In the future, the real estate sector is expected to expand and contribute up to 15-18% of Indian GDP by 2030.
- Residential, retail, commercial, and hotel real estate segments in Amrit Kaal are projected to demonstrate decent growth, as they are well positioned for additional growth by an improving corporate climate and demand for office space, urban and semi-urban housing.
- By 2030, the Indian real estate market is anticipated to reach the USD 1 trillion level, with affordable housing contributing significantly to the expansion.

The budget for 2023–2024 in India was released amid highly promising economic prospects. In comparison to other major economies, India is predicted to develop at a strong pace of 7% this year. The Indian economy has advanced from 10th to 5th largest economy in the world. In just 9 years, the per-capita income has doubled to Rs 1.97 lakh.

## **The economic stimulus from infrastructure**

A 33 % rise in infrastructure investment capital spending, or Rs. 10 lakh crore for 2023–24, or 3.3 % of GDP, will have a big positive impact on the economy and generate new employment possibilities. Real estate development is anticipated to follow the local economy's growth.

For tier II and tier III cities, it suggests additional commercial, residential, and retail growth. Additionally, municipalities will be able to produce additional revenue, which will have a collective effect on the real estate market.

## **Housing affordability continues to be a focus**

The PM Awas Yojana and the expanded Credit-Linked Subsidy Scheme (CLSS) would provide housing for all people, significantly boosting the real estate market. The central government would increase funding for PM Awas Yojana by 66% to Rs 79,000 Crores in order to close this affordability gap. The credit-linked subsidy programme through 2027

## **Improved air connectivity**

A budget of Rs 3,100 crore will be spent on the construction of 50 more airports, helipads, water aerodromes, and sophisticated landing fields to improve regional transport connectivity. Around the suggested sites, land values could increase, raising the value of nearby properties.

## **Mission Smart Cities**

Multiple Indian cities could be transformed by a new programme to create "sustainable cities of tomorrow" with a substantial allocation of Rs 16,000 Crores, which will boost their quality of life and provide integrated infrastructure, mobility, and urban sustainability. Such neighborhoods will eventually be able to increase the value of their property potential as such.

Apart from the above infrastructure segment, the government is also focusing on few other emerging segments where the real estate and infra sector can see an uptick in the future

## **Co - working Space**

In Tier I and Tier II cities, the young professional population, hybrid work model, digital start-ups, and freelance culture have sparked a desire for co-working space, which now make up about 20% of the office market. By the end of 2023, the market for co-working spaces in India is expected to reach 50 Mn Sq. Ft.

## **Data Centers**

Data centers have been classified as infrastructure assets, and by the end of 2024, 681 MegaWatts of additional capacity will be required. This will also increase demand for real estate.

## **Warehousing**

The National Logistics Policy will provide the construction sector with a boost by outlining a tech-enabled, economical, and integrated logistics industry. 'Make in India' is receiving more attention, and e-commerce is expanding, thus storage is set to develop as multi-modal logistics parks and industrial corridors expand.

## Financial Performance with respect to operational performance

### COMPANY PERFORMANCE

The company witnessed strong execution backed by return of gradual normalcy. In FY23 all the projects were operating at optimum level enabling faster project execution. Company believes that the execution will continue to gather momentum going forward. Company has also reduced its debt substantially. As on March 2023, the net debt has come down to Rs. 11.84 Crores from Rs. 58.72 Crores in March 2022. In addition, the company has received a rating upgrade during the FY 2022-23.

The EPC segment during the quarter witnessed a fast-track execution of the projects. EPC segment revenue stood at Rs. 654.05 Crores for FY 2022-23, major projects namely the Maharashtra State Police Housing, PWD, Raipur Hospitals that Kaushambi, Vedanta, Pune MRDA, and Bijnor are running smoothly. Post the resumption of normal business activities, the pandemic had no material impact on our execution. The order book is close to Rs. 2,127 Crores in FY 2022-23. We envisage the EPC segment to deliver strong performance going forward.

The real estate segment after various headwinds in the recent past is gaining momentum. There is gradual recovery in the demand as the economy moves towards normalcy. Company's real estate revenue stood at Rs. 94.01 Crores for FY 2022-23. A quick update on the ongoing projects; Forest Edge B is 100% sold; Windermere is 100% sold and Vascon Good Life is sold at 63%; Tulip Phase III is 50% sold.

GMP business continues to deliver sustainable performance with revenue of Rs. 251.87 Crores for FY 2022-23 and healthy gross margins of 32%. EBITDA stood at Rs. 25.19 Crores for FY 2022-23

### Consolidated Financial Performance

- **Total Consolidated Revenue stood at Rs. 1,030.43 Crores** against Rs 710.07 Crores in FY 2021-22
- **EBITDA stood at Rs. 128.01 Crores** as against Rs. 75.58 crore in FY 2021-22
- **Profit after tax stood at Rs. 99.41 Crores** as against Rs.35.92 crores in FY 2021-22
- As on March 31, 2023, **Total consolidated debt stood at Rs. 134.78 crores** as against Rs. 157.16 crores on March 31, 2022
- **Net worth Rs. 911.77 Crores** as on March 31, 2023 compared to Rs. 811.36 crores as on March 31, 2022

### Working Capital Management

- **Current assets as on March 31, 2023 stood at Rs. 1,273.40 Crores** compared to Rs 1,176.86 crores as on March 31, 2022.
- **Current ratio as on March 31, 2023 stood at 1.96 times** compared to at 1.86 times as on March 31, 2022.

- **Inventories stand at Rs. 472.54 Crores** as on March 31, 2023 as against Rs. 514.42 crores as on March 31, 2022.
- **Loan & Other Financial Assets stood at Rs. 427.85 Crores** in FY 2022-23 compared to Rs. 364.22 crores in FY 2021-22.
- **Current liabilities stood at Rs. 647.54 crores on March 31, 2023** compared to Rs. 630.83 crores as on March 31, 2022.
- **Cash and bank balances was at Rs. 122.94 Crores** as on March 31, 2023 compared to at Rs. 104.04 crores as on March 31, 2022.

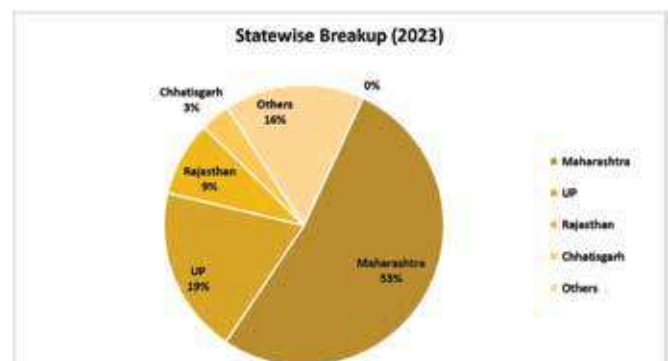
### Key Ratios

- **Debtors' turnover: The Company's debtors' turnover stood at 68 days in FY 2022-23** as compared to 91 days in FY 2021-22;
- **Inventory turnover: Inventory turnover stood at 228 days FY 2022-23** as against 343 days in FY 2021-22; *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 9.08 times** in FY 2022-23 against 2.65 times in FY 2021-22;
- Current ratio: **The Company's current ratio stood at 1.96 times in FY 2022-23** compared to 1.87 times in FY 2021-22
- Debt to Equity ratio: **Debt to Equity Ratio stood at 0.15x**
- **Operating profit**
- Net profit: **Company reported the profit of Rs. 99.41 Crores in FY 2022-23** as compared to Rs. 35.92 Crores in FY 2021-22
- Return on net worth: **The return on net worth stood at 0.11% in FY 2022-23**

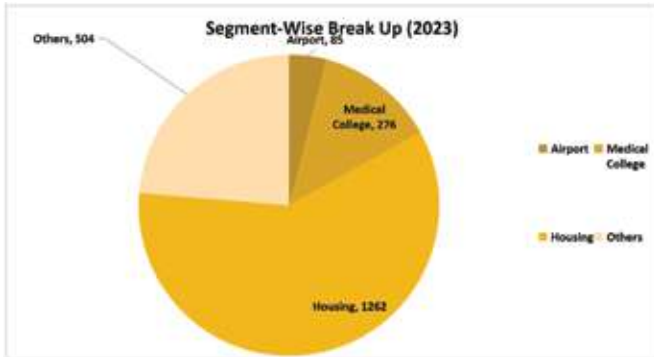
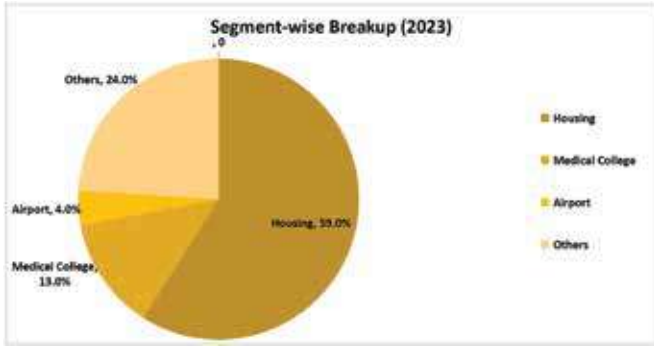
### ENGINEERING PROCUREMENT & CONSTRUCTION

#### Geographical Order

#### Book Split



**Order Book Segment-wise**



**REAL ESTATE**

**ONGOING PROJECTS:**

**Redevelopment Project – Residential Project in Santacruz, Mumbai**

In 2022, Company signed their first ever Redevelopment project based in Santacruz Mumbai, with the own share of 77,673 Sq.ft. area (Own Share) with the expected revenue of ~Rs 250 Crores from the redevelopment project and it is expected to complete within 24-30 months.

**Tulip Phase 3 – Residential Project in Coimbatore, Tamil Nadu**

In 2022, the Company launched Phase-III of the Tulip, in first half of FY23, where the company own the 49 unit of the project and out of 49 units, the company sold 44 units within the first month of launch.

**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

**Citron – Phase II, Wagholi, Pune**

Citron is a modern lifestyle Residential Project at Wagholi, Pune. Citron Phase II, launched a 15 story L-shaped building comprising 1BHK & 2 BHK apartments, with an endeavor to offer the best-in-class housing, to ultimately become the landmark project of Wagholi.

**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 stabilization of GMP Business, resultant, the GMP division has achieved an EBITDA positive during the last fiscal, overcoming all the hurdles faced by the company. **During FY 22-23, GMP Technical contributed Rs. 251.87 Crores to consolidated revenue as against Rs. 194.29 Crores in the last fiscal and the gross profit of Rs. 79.78 Crores with an EBIT margin of 8%.** 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. This 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 continues 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.

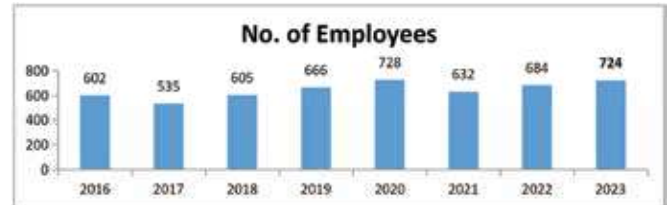
In Real Estate business financing, uncertainty on monetary and fiscal policy, changes in government regulations, foreign direct investments, approval processes, environment clearances and legal hassles & proceedings affects the execution project and results in significant cost overrun.

#### HUMAN RESOURCES

Employees are the foundation of the business and essential to its ongoing success. With its strong HR policies and practices, the Company aims to create a climate that will help it draw in and

keep the greatest people while ensuring employee wellbeing. The company runs a lot of programs for skill development and learning to increase staff capacities. Vascon makes use of a broad range of knowledge, credentials, abilities, professional experience, culture, geography, and industry expertise.

In order to assure readiness, the company places a high priority on health and safety management and regularly holds drills and dummy training sessions. It has embraced the highest levels of international standards, guarantees that all safety instructions are followed, and employs additional measures in accordance with legislative demands. As on March 31, 2023, Vascon Engineers has a strength of 724 employees.



#### 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, 2023, 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, 2023, its profit, 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.

**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 (KAM)	Auditor’s Response
1	<p><b>Revenue Recognition:</b></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 recognized and profit/loss recognized. Accordingly, this matter has been identified as KAM.</p>	<p><b>Principal Audit Procedures:</b></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"> <li>Assessed the Company’s process to identify revenue recognition and cost estimation as per the requirement of the revenue accounting standard.</li> <li>Evaluate the design and implementation of key internal financial controls and operating effectiveness of the relevant key controls with respect to existence and accuracy of revenue recognition on selected transaction.</li> <li>Selected an appropriate sample 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.</li> <li>Read and assessed the disclosure made in the financial statements for assessing the compliance with the disclosure Ind AS 115 requirements.</li> </ul>

**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.

### Board of Directors 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 and Board of directors.
- 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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;

## VASCON ENGINEERS LIMITED

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- 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 statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2023 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.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and
- v. During the year Company as not declared / paid any dividend hence reporting under rule 11 (f) is not applicable to that extent.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023
- h) 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. The remuneration paid to director by the company is in excess of the limit laid down under Section 197 of the Act, where requisite approvals are taken in the general meeting. The ministry of corporate affairs has not prescribed other details under section 197(16) which are required to comment upon by us;

**SHARP & TANNAN ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.: 0109983W  
by the hand of

**Sd/-**  
**CA Tirtharaj Khot**  
Partner

Membership No.: (F) 037457  
**UDIN:23037457BGYRQ2071**

Pune, May 15, 2023

## Annexure A to the independent auditor's report on the standalone financial statements of VASCON ENGINEERS LIMITED for the year ended 31<sup>st</sup> March, 2023

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

- (i) (a) According to the information and explanation given to us and records examined by us;
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE) of the Company.
- (B) The Company has maintained proper records showing full particulars of Intangible assets of the Company.
- (b) The Company has a program of verification of PPE 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 PPE 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 & 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 (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company as at the balance sheet date.
- Immovable properties of land and buildings (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds have been pledged as security for loans & guarantees are held in the name of the Company as at the balance sheet date.
- (d) According to the information & explanations given to us and the records examined by us, we report that the company has not made any revaluation of PPE (including Right of use assets) or intangible assets or both during the year. Accordingly, reporting on paragraphs 3 Clause (i) (d) of the Order is not applicable to the Company.
- (e) According to the information & explanations given to us, we report that there is no any proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting on paragraphs 3 Clause (i) (e) of the Order is not applicable to the Company.
- (ii) In our opinion and according to the information and explanations given to us;
- (a) having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management at reasonable intervals and in our opinion the coverage and procedure of such verification by the management is appropriate and no discrepancies more than 10% were noticed on physical verification.
- (b) during the year company has renewed its working capital facility in excess of five crores rupees, in aggregate, from banks on the basis of security of current assets; based on our verification of quarterly statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) In our opinion and according to the information and explanations given to us;
- (a) During the year the Company has not made investments in, provided loans or advances in the nature of loans, or stood guarantee, or provided security to subsidiaries, joint ventures and associates and parties other than subsidiaries, joint ventures and associates except the investment made and Inter Corporate Deposit (ICD) given to the associate, the details are as follows;

(Rs. In Lakhs)

Particulars	Investment	Loans (ICD)
<b>Aggregate amount granted / provided during the year</b>		
Joint Venture	*700.00	*4,332.72
<b>Balance outstanding as at balance sheet date in respect of above cases</b>		
Joint Venture	*700.00	*4,332.72

\* No Fresh Investment has been made during the year. This investment and loan (ICD) are reported, since there was conversion of the Company to LLP during the year. Accordingly, Investment of Rs. 2,668 Lakhs in the Company is converted into Rs. 700 Lakhs as investment and balance Rs. 1,968 Lakhs treated as fresh ICD. The ICD of Rs. 2,364.72 Lakhs is treated as fresh ICD on conversion of Company into LLP.

- (b) During the year company has made investments in and provide ICD to the Joint Venture as per clause (iii) (a) and the terms and conditions of the investment in the Joint Venture and the grant of ICD are not prejudicial to the company's interest. The company has not given the security or provided any guarantees or advances in the nature of loans to any subsidiaries, joint ventures, associates and other parties.
- (c) In respect of ICD granted during the year by the Company as referred in clause (iii)(a), the schedule of repayment of principal and payment of interest has been stipulated, according to the information and explanation given to us and based on our examination, the repayment of interest is regular and as per stipulation

In respect of certain opening outstanding loans, there is no stipulation of repayments of principal amounts and payment of interest. Accordingly, we are not able to comment on regularity of loan repayment and payment of interest of following parties;

## VASCON ENGINEERS LIMITED

Sr. No.	Name of Entity	Amount (Rs. In Lakhs)
1	Khushal Properties Pvt. Ltd.	2,011.68
2	Rose Premises Pvt. Ltd.	19.75
3	Rajan Khinvasara (Rose Premises)	90.00
4	Raj Kanksen Bhansali	440.00
5	Shree Madhur Realtors Pvt. Ltd.	440.00
6	Dhiren Popatlal Nandu	220.00
7	Aristo Properties	187.50
8	One Stop Shop India Pvt. Ltd.	156.23
	<b>Total</b>	<b>3,565.16</b>

- (d) According to the information and explanation given to us and based on the audit procedures performed by us, in respect of loans granted during the year, there is no overdue amount more than ninety days and above. In case of opening outstanding loan receivable, for which there is no stipulation of repayments of principal amounts and payment of interests as mentioned in clause (iii) (c). Accordingly, we are not able to comment on the total amount overdue for more than ninety days and whether the company have taken reasonable steps for recovery of that amount.
- (e) According to the information and explanation given to us and based on our verification there are certain loans and advances in the nature of loan have been renewed or extended, which has been mentioned below in tabular format. During the year no fresh loans were granted to settle the overdue of existing loans given to the same parties.

Sr. No.	Name of the Parties	Aggregate amount of overdue of existing loans renewed or extended or settled by fresh loans (Rs. In Lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
1	Conamore Resorts Pvt. Ltd.	196.89	4.24%
2	Marathawada Realtors Pvt. Ltd	113.46	2.44%
	<b>Total</b>	<b>310.35</b>	<b>6.68%</b>

- (f) In our opinion and according to the information and explanations given to us and based on our verification the following are the parties where the loans are granted to related parties which are repayable on demand or without specifying any terms or period of repayment;

(Rs. In Lakhs)

Particular	All Parties	Related Parties
Aggregate amount of loans in nature of loans		
- Repayable on demand (A)	310.35	310.35
- Agreement does not specify any terms or period of repayment (B)	8,386.93	4,938.25
<b>Total (A+B)</b>	<b>8,697.28</b>	<b>5,248.60</b>
<b>Percentage of loans in nature of loans to the total loans</b>	<b>100%</b>	<b>60%</b>

- (iv) According to information and explanation provided to us, in respect of loans, investments, guarantees and security, 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, there is no any public deposit as such in the company during the year and 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. Accordingly, reporting on paragraphs 3 Clause (v) of the Order is not applicable to the Company.
- (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 prepared 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;

There were no undisputed statutory dues w.r.t the above dues in arrears as at March 31, 2023 for a period of more than six months from the date they become payable except for as given below:

(Rs. In Lakhs)

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Due Date	Date of Payment	Amount Paid Subsequently
Employee Provident Fund Act, 1952	Provident Fund	0.75*	May 2018 to Mar 2019	15 <sup>th</sup> of the following month	-	-
		0.05*	Apr 2019 to May 2019		-	-
		64.08	Apr 2021 to Mar 2022		-	-
		102.39	Apr 2022 to Sep 2022		-	-
Employees State Insurance Act, 1948	ESIC	0.62	Aug 2018	15 <sup>th</sup> of the following month	-	-
Goods and Service Tax Act	Goods and Service Tax Act	8.02	May 2019	20 <sup>th</sup> of every following month	-	-
Sales Tax Act	Sales Tax	9.16	Jun 2017		-	-

\* We have been informed by the company that due to some technical reasons, Company is not able to make these payments online.

- (b) Details of dues of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess which have not been deposited as on March 31, 2023 on account of disputes are given below:

(Rs. In Lakhs)

Name of the Statute	Nature of disputed dues	Forum where dispute is pending	Period to which it relates	Amount Involved	Amount Unpaid
Sales Tax Act	Sales Tax / Value Added Tax / Central Sales Tax	Commercial Tax Officer, Goa	2010-11	44.68	44.68
		Joint Commissioner, Mumbai	2008-09 to 2014-15	1,254.22	1,207.97
			2015-16	77.67	73.90
			2016-17	74.20	70.42

(viii) According to the information & explanations given to us and the records examined by us, there are no such transactions which are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, reporting on paragraph 3 clause (viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us and the records examined by us;

- (a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) the company has not been declared wilful defaulter by banks or financial institutions or other lenders Accordingly, reporting on paragraph 3 clause (ix) (b) of the Order is not applicable to the Company.
- (c) In our opinion and according to the information and explanations given to us, the company has raised additional term loan during the year and were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting on paragraph 3 clause (ix) (f) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us and the records examined by us,
- (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly reporting on paragraph 3 clause (x) (a) is not applicable.

## VASCON ENGINEERS LIMITED

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- (b) During the year the Company has not made preferential allotment as per the provision of the act and regulation made by the securities exchange board of India and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with. During the year the company has not made the private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly reporting on paragraph 3 clause (x) (b) of the order is not applicable to the company.
- (xi) According to the information and explanations given to us and the records examined by us,
- (a) Based upon the audit procedures performed by us no material fraud by the Company or any material fraud on the Company has been noticed or reported during the year.
- (b) Based on the audit procedures performed by us no any report under sub-section (12) of section 143 of the companies act 2013 has been filed by the auditors in the form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3 clause (xii) (a), (b) and (c) 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 177 and 188 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 explanations given to us and the records examined by us,
- (a) the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till the balance sheet date, for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi) According to the information and explanations given to us and the records examined by us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on paragraph 3 Clause (xvi) (a) (b) (c) and (d) are not applicable.
- (xvii) In our opinion and according to the information and explanations given to us, the company has not incurred the cash losses in the current year as well as for the immediately preceding financial year
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting on paragraph 3 Clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanation given to us and on the basis of the accounts and record examined by us, we report that company has calculated the CSR liability as per the section 135 of the act and spent the same towards the fund specified in schedule VII of the act. There is no any unspent amount available at the balance sheet date. Accordingly, paragraph 3 clause (xx) (a) and (b) of the order are not applicable.
- The reporting under paragraph 3 clause (xxi) of the Order is not applicable in respect of the audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**SHARP & TANNAN ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.: 0109983W  
by the hand of

**Sd/-**  
**CA Tirtharaj Khot**  
Partner

Membership No.: (F) 037457  
**UDIN: 23037457BGYRJJQ2071**

Pune, May 15, 2023



## Annexure B to the independent auditor's report on the standalone financial statements of VASCON ENGINEERS LIMITED for the year ended 31<sup>st</sup> March, 2023

(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, 2023 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, 2023, 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").

#### Board of Directors 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.: 0109983W  
by the hand of

**Sd/-**  
**CA Tirtharaj Khot**  
Partner

Membership No.: (F) 037457  
**UDIN: 23037457BGRJQ2071**

Pune, May 15, 2023

# VASCON ENGINEERS LIMITED

## Balance Sheet as at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at Mar 31, 2023	As at Mar 31, 2022
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	5,490.92	2,608.35
(b) Capital work-in-progress		0.04	0.03
(c) Investment Property	4	1,443.85	1,517.57
(d) Other Intangible assets	3	3.91	3.91
(e) Right of Use Assets	3	53.48	72.69
(f) Financial Assets			
(i) Investments	5	13,114.58	17,709.30
(ii) Loans	6	113.46	105.52
(iii) Others Financial Assets	7	11,370.25	9,877.15
(g) Income Tax Assets (net)		1,299.90	842.22
(h) Other non-current assets	8	2,110.71	2,609.98
<b>Total Non - Current Assets</b>		<b>35,001.10</b>	<b>35,346.72</b>
<b>2 Current assets</b>			
(a) Inventories	9	44,019.77	43,910.84
(b) Financial Assets			
(i) Investments	5	346.59	406.68
(ii) Trade receivables	10	14,886.39	10,713.29
(iii) Cash and cash equivalents	11	4,316.46	1,359.76
(iv) Bank balances other than (iii) above	11	4,623.24	4,333.31
(v) Loans receivables considered good - Unsecured	6	8,641.75	8,429.89
(vi) Others Financial Assets	7	34,108.96	29,709.50
(c) Other current assets	8	3,355.49	2,926.97
Assets Held for Sale	5.1	2,626.72	
<b>Total Current Assets</b>		<b>116,925.37</b>	<b>101,790.24</b>
<b>Total Assets (1+2)</b>		<b>151,926.47</b>	<b>137,136.96</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	12	21,731.71	21,731.71
(b) Other Equity	12.1	67,716.79	58,761.44
<b>Equity attributable to owners of the Company</b>		<b>89,448.50</b>	<b>80,493.15</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	6,380.80	1,471.86
(ia) Lease Liability	13 (i)	68.74	101.84
(ii) Other financial liabilities	14	889.46	1,280.95
(c) Deferred tax liabilities (Net)		-	-
<b>Total Non - Current Liabilities</b>		<b>7,339.00</b>	<b>2,854.65</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	6,863.00	12,279.05
(ia) Lease Liability	13 (i)	47.18	37.37
(ii) Trade and other payables			
-Total outstanding dues of micro enterprises and small enterprises	15	84.48	1.90
-Total outstanding dues of creditors other than micro enterprises and small enterprises	15	33,543.51	25,603.82
(iii) Other financial liabilities	14	164.15	208.18
(b) Provisions	16	1,536.15	1,727.34
(c) Other current liabilities	18	12,900.50	13,931.50
<b>Total Current Liabilities</b>		<b>55,138.97</b>	<b>53,789.16</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>151,926.47</b>	<b>137,136.96</b>
<b>Significant accounting policies</b>	2		
<b>See accompanying notes forming part of the financial statements.</b>			

In terms of our report attached.

For and on behalf of the Board of Directors

**For Sharp & Tannan Associates**  
Chartered Accountants  
Firm registration number - 109983V

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**  
(DIN-00015229)  
Whole Time Director & Group Chief  
Executive Officer

Sd/-  
**Sarita Ahuja**  
Company Secretary & Compliance Officer

Sd/-  
**Somnath Biswas**  
Chief Financial Officer

Date : 15 May, 2023  
Place : Pune

Date : 15 May, 2023  
Place : Pune

## Statement of Profit and Loss for the Period Ended March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations	19	76,747.47	46,264.58
II Other Income	20	959.81	5,371.35
<b>III Total Income (I + II)</b>		<b>77,707.28</b>	<b>51,635.93</b>
<b>IV EXPENSES</b>			
(a) Cost of materials and services consumed	21.a	61,841.89	38,605.95
(b) Purchases of Stock-in-trade		0.48	0.67
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	21.b	(16.59)	272.33
(d) Employee benefit expense	22	3,244.79	3,819.01
(e) Finance costs	23	1,006.58	2,139.94
(f) Depreciation and amortisation expense	3 & 4	587.98	514.65
(g) Other expenses	24	2,379.45	2,873.45
<b>Total Expenses (IV)</b>		<b>69,044.58</b>	<b>48,226.00</b>
<b>V Profit before tax (III - IV)</b>		<b>8,662.70</b>	<b>3,409.93</b>
<b>VI Tax Expense</b>			
(1) Current tax	17	-	-
(2) Deferred tax	17	-	-
(3) (Excess) / Short provision for tax of earlier years	17	-	60.93
<b>Total tax expense VI</b>		<b>-</b>	<b>60.93</b>
<b>VII Profit after tax (V - VI)</b>		<b>8,662.70</b>	<b>3,349.00</b>
<b>VIII Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		96.51	16.62
<b>IX Total comprehensive income for the Year (VII + VIII)</b>		<b>8,759.21</b>	<b>3,365.62</b>
<b>X Earnings per equity share</b>			
(1) Basic (in Rs.)	25	3.99	1.68
(2) Diluted (in Rs.)	25	3.99	1.68
<b>Significant accounting policies</b> <b>See accompanying notes forming part of the financial statements.</b>	2		

In terms of our report attached.

**For Sharp & Tannan Associates**  
Chartered Accountants  
Firm registration number - 109983W

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

Date : 15 May, 2023  
Place : Pune

For and on behalf of the Board of Directors

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

Sd/-  
**Dr Santosh Sundararajan**  
(DIN-00015229)  
Whole Time Director & Group Chief  
Executive Officer

Sd/-  
**Sarita Ahuja**  
Company Secretary & Compliance Officer

Date : 15 May, 2023  
Place : Pune

Sd/-  
**Mukesh Malhotra**  
Director  
(DIN-00129504)

Sd/-  
**Somnath Biswas**  
Chief Financial Officer

# VASCON ENGINEERS LIMITED

## Statement of Cashflow for the Year Ended March 31, 2023

(₹ in Lakhs)

### Cash Flow Statement - Indirect Method

Particulars	For the year ended Mar 31, 2023 (Audited)	For the year ended Mar 31, 2022 (Audited)
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax for the year	8,662.70	3,409.93
Adjustments for:		
Finance costs	1,006.58	2,139.94
Dividends received from Joint Venture/ shares	-	(13.09)
(Gain)/ loss on Sale of Assets	(10.74)	(347.09)
Depreciation	587.98	514.65
Interest received	(578.41)	(538.38)
Expense recognised in respect of equity-settled share-based payments	196.14	304.85
Provision for doubtful debts and advances	309.20	55.10
Provision / Creditors no longer required written back	(335.32)	(234.28)
Gain / (loss) on investments carried at fair value	(7.81)	0.89
Dividend received on investments carried at fair value through profit or loss	-	(3.98)
Commision (Net)	52.79	30.28
Profit on Sale of Investment	-	(4,213.48)
Provision for diminution in value in investment	-	1,100.00
	<b>9,883.11</b>	<b>2,205.34</b>
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(6,219.96)	2,603.02
(Increase)/decrease in amounts due from customers under construction	(4,759.99)	(9,820.56)
(Increase)/decrease in inventories	1,296.34	1,296.72
(Increase)/decrease in other financial assets	(1,692.41)	(125.30)
(Increase)/decrease in Financial asset Loans	1,748.21	(1,968.30)
(Increase)/decrease in other current and non current assets	71.85	(1,147.17)
Increase/(decrease) in other liabilities	354.48	2,683.17
Increase/(decrease) in trade and other payables	8,241.39	4,329.27
Increase/(decrease) in provisions	(94.70)	202.82
<b>Cash (used in)/generated from operations</b>	<b>8,828.32</b>	<b>259.01</b>
Income tax refund / (paid)	(457.67)	(72.77)
<b>Net cash (used in)/generated by operating activities</b>	<b>8,370.65</b>	<b>186.24</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets including work in progress	(3,389.45)	(670.11)
Proceeds from disposal of Fixed assets	22.73	408.67
Dividends received from Joint Venture /Shares	-	13.09
Proceeds on redemption / (Investment) of Liquid Mutual Fund	66.23	(90.89)
(Investment) /Proceeds from Fixed deposits with Banks	199.34	(555.02)
(Proceeds) / Redemption from Sale of Investment	-	4,550.69
Investment in Subsidiaries / Joint Venture	-	(2,507.94)
<b>Net cash (used in)/generated by investing activities</b>	<b>(3,101.15)</b>	<b>1,148.49</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of Equity Shares	-	7,400.00
Repayment of borrowings	(8,779.56)	(6,679.29)
Proceeds from borrowings	8,307.18	740.00
Proceeds / (repayment ) of Lease Liabilities	(23.29)	35.38
Interest received	595.58	550.60
Finance cost including capitalized to qualifying assets	(2,377.98)	(3,932.20)
<b>Net cash (used in)/generated by financing activities</b>	<b>(2,278.07)</b>	<b>(1,885.51)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,991.43</b>	<b>(550.78)</b>
Cash and cash equivalents at the beginning of the year (Refer Note-11 A)	1,324.74	1,875.52
<b>Cash and cash equivalents at the end of the year (Refer note -11 A)</b>	<b>4,316.16</b>	<b>1,324.74</b>

In terms of our report attached.

For and on behalf of the Board of Directors

**For Sharp & Tannan Associates**  
Chartered Accountants  
Firm registration number - 109983W

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**  
(DIN-00015229)  
Whole Time Director & Group Chief  
Executive Officer

Sd/-  
**Sarita Ahuja**  
Company Secretary & Compliance Officer

Sd/-  
**Somnath Biswas**  
Chief Financial Officer

Date : 15 May, 2023  
Place : Pune

Date : 15 May, 2023  
Place : Pune

## Statement of Changes in Equity for the year ended 31st March, 2023

### A. Changes in Equity

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	21,731.71	18,213.67
Issue of equity shares under employee share option plan	-	400.00
Issue of Preferential equity shares	-	3,118.04
<b>Balance at the end of the year</b>	<b>21,731.71</b>	<b>21,731.71</b>

### B. Changes in Other Equity

Particulars	Securities premium reserve	General reserve	Equity- settled employee benefits reserve	Capital Redemption Reserve	Retained Earnings	Total
<b>Balance at the beginning of the reporting Year - As of April 01, 2022</b>	60,586.51	1,537.50	855.69	1,250.00	(5468.26)	<b>58,761.44</b>
Amount recorded on Grant	-	-	196.14	-	-	<b>196.14</b>
Other Comprehensive income for the year	-	-	-	-	96.51	<b>96.51</b>
Profit / (Loss) for the Year	-	-	-	-	8,662.70	<b>8,662.70</b>
<b>Balance at the end of the reporting Year - March 31, 2023</b>	<b>60,586.51</b>	<b>1,537.50</b>	<b>1,051.83</b>	<b>1,250.00</b>	<b>3,290.95</b>	<b>67,716.79</b>

Particulars	Securities premium reserve	General reserve	Equity- settled employee benefits reserve	Capital Redemption Reserve	Retained Earnings	TOTAL
<b>Balance at the beginning of the reporting Year - As of April 01, 2021</b>	56,098.95	1,537.50	1,156.44	1,250.00	(8833.90)	<b>51,208.99</b>
Premium on Shares issued during the year	3,881.96	-	-	-	-	<b>3,881.96</b>
Amount recorded on Grant	-	-	304.85	-	-	<b>304.85</b>
Transferred to securities premium reserve on exercise	605.60	-	(605.60)	-	-	<b>-</b>
Other Comprehensive income for the year	-	-	-	-	16.62	<b>16.62</b>
Profit / (Loss) for the Year	-	-	-	-	3,349.02	<b>3,349.02</b>
<b>Balance at the end of the reporting Year - Mar 31, 2022</b>	<b>60,586.51</b>	<b>1,537.50</b>	<b>855.69</b>	<b>1,250.00</b>	<b>(5468.26)</b>	<b>58,761.44</b>

In terms of our report attached.

**For Sharp & Tannan Associates**  
Chartered Accountants  
Firm registration number - 109983W

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

Date : 15 May, 2023  
Place : Pune

For and on behalf of the Board of Directors

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

Sd/-  
Dr Santosh Sundararajan  
(DIN-00015229)  
Whole Time Director & Group Chief  
Executive Officer

Sd/-  
Sarita Ahuja  
Company Secretary & Compliance Officer

Date : 15 May, 2023  
Place : Pune

Sd/-  
Mukesh Malhotra  
Director  
(DIN-00129504)

Sd/-  
Somnath Biswas  
Chief Financial Officer

## Notes forming part of the financial statements for the year ended 31st March, 2023

### 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 Novatel Hotel , Opposite Hyatt Hotel, Pune Nagar Road, Pune - 411014'.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on May 15, 2023.

### 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.

#### 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**

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

#### **Valuation of deferred tax assets**

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

#### **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. Revenue is recognized when (or as) the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

#### **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.
- 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 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

## 2.06 Leases

**Leases are accounted as per Ind AS 116 which has become mandatory from April 1, 2019.**

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 the 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

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

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

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

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

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

## 2.12 Investment Properties

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

## 2.13 Intangible Assets

### Intangible assets acquired separately:

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

## 2.14 Goodwill

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

## 2.15 Impairment

### Financial assets (other than at fair value)

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

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

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

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

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

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

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

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

## **Non-financial assets**

### **Tangible and intangible assets**

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

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

## **2.16 Inventories**

### **a) Stock of Materials**

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

### **b) Development Work**

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

### **c) Stock of Trading Goods**

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

## **2.17 Financial instruments**

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

### **Cash and cash equivalents**

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

### **Financial assets at amortised cost**

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

### **Effective Interest Method**

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

### **Financial assets at fair value through other comprehensive income**

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

### **Financial guarantee contracts:**

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

### **Financial assets at fair value through profit or loss**

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

### **Investment in subsidiaries**

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

### **Financial liabilities**

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

**Effective Interest Method**

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

**Equity instruments**

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

**Reclassification of Financial Assets**

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

**Offsetting of financial instruments**

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

**2.18 Earnings Per Share (EPS)**

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

**2.19 Critical Accounting Judgments and key sources of estimation, uncertainty**

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

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

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

**2.20 Cash flow statement**

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

**2.21 Current/Non-Current Classification**

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

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

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

All other assets are classified as non-current.

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

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle. 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), vide notification dated 31 March 2023, has made the following amendments to Ind AS which are effective 1st April 2023:

- a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- b. Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.
- c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its Consolidated financial statements.

**2.25 Dividend**

Dividend on share is recorded as liability on the date of approval by the shareholders.

**2.26 Investments**

Long Term Investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary in the value of these investments. Current investments are carried at lower of the cost and fair value.

**2.27 Associates and joint ventures**

Associates and joint ventures are accounted for under the equity method at cost at the date of acquisition. In subsequent periods, the carrying amount is adjusted up or down to reflect the Company's share of the comprehensive income of the investee. Any distributions received from the investee and other changes in the investees equity reduce or increase the carrying amount of the investment. If the losses of an associate or joint venture attributable to the Company equal or exceed the value of the interest held in this associate or joint venture, no further losses are recognised unless the Company incurs an obligation or makes payments on behalf of the associate or joint venture. If there are any indications of impairment in the investments in associates or joint ventures, the carrying amount of the relevant investment is subject to an impairment test. If the reason for an impairment loss recognised in prior years no longer exists, the carrying amount of the investment is increased to a maximum figure of the share of net assets in the associate or joint venture.

**2.28 Non-current assets held for sale and discontinued operations**

Non-current assets are classified separately in the balance sheet as held for sale if they are available for sale in their present condition and the sale is highly probable. Assets that are classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. Liabilities classified as directly related to non-current assets held for sale are disclosed separately as held for sale in the liabilities section of the balance sheet. For discontinued operations, additional disclosures are required in the Notes, as long as the requirements for classification as discontinued operations are met.

**2.29 Segment Reporting**

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

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

# VASCON ENGINEERS LIMITED

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

(₹ in Lakhs)

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
Gross carrying value											
As at April 1, 2022	66.06	7,420.65	504.33	255.81	745.04	338.88	<b>9,330.77</b>	<b>560.75</b>	1,110.81	111.65	<b>1,222.46</b>
Additions	2,252.80	1,036.60	50.56	2.47	32.08	-	<b>3,374.51</b>	<b>1.06</b>	-	14.04	<b>14.04</b>
Disposals	-	(108.72)	(13.33)	(26.21)	(4.71)	-	<b>(152.97)</b>	-	-	-	-
<b>As at March 31, 2023 ( A )</b>	<b>2,318.86</b>	<b>8,348.53</b>	<b>541.56</b>	<b>232.07</b>	<b>772.41</b>	<b>338.88</b>	<b>12,552.31</b>	<b>561.81</b>	<b>1,110.81</b>	<b>125.69</b>	<b>1,236.50</b>
Accumulated depreciation											
As at April 1, 2022	42.62	5,218.98	457.85	163.67	712.30	127.02	<b>6,722.44</b>	<b>556.84</b>	1,060.29	89.47	<b>1,149.76</b>
Additions	87.58	310.92	15.47	28.38	23.22	14.37	<b>479.94</b>	<b>1.06</b>	18.95	14.31	<b>33.26</b>
Disposals	-	(98.30)	(12.67)	(25.69)	(4.33)	-	<b>(140.99)</b>	-	-	-	-
<b>As at March 31, 2023 ( B )</b>	<b>130.20</b>	<b>5,431.60</b>	<b>460.65</b>	<b>166.36</b>	<b>731.19</b>	<b>141.39</b>	<b>7,061.39</b>	<b>557.90</b>	<b>1,079.24</b>	<b>103.78</b>	<b>1,183.02</b>
<b>Net carrying value as at March 31, 2023 (A) - (B)</b>	<b>2,188.66</b>	<b>2,916.93</b>	<b>80.91</b>	<b>65.71</b>	<b>41.22</b>	<b>197.49</b>	<b>5,490.92</b>	<b>3.91</b>	<b>31.57</b>	<b>21.91</b>	<b>53.48</b>
Gross carrying value											
As at April 1, 2021	66.06	7,386.77	501.82	200.69	736.02	338.88	<b>9,230.24</b>	<b>559.28</b>	1,053.97	100.78	<b>1,154.75</b>
Additions	-	471.41	8.75	111.25	9.49	-	<b>600.90</b>	<b>1.47</b>	56.84	10.87	<b>67.71</b>
Disposals	-	(437.53)	-6.24	(56.13)	(0.47)	-	<b>(500.37)</b>	-	-	-	-
<b>As at Mar 31, 2022 ( A )</b>	<b>66.06</b>	<b>7,420.65</b>	<b>504.33</b>	<b>255.81</b>	<b>745.04</b>	<b>338.88</b>	<b>9,330.77</b>	<b>560.75</b>	<b>1,110.81</b>	<b>111.65</b>	<b>1,222.46</b>
Accumulated depreciation											
As at April 1, 2021	41.56	5,291.88	452.21	168.36	692.07	111.61	<b>6,757.69</b>	<b>555.37</b>	1,051.48	69.77	<b>1,121.25</b>
Additions	1.06	323.40	11.67	33.57	20.54	15.41	<b>405.65</b>	<b>1.47</b>	8.81	19.71	<b>28.51</b>
Disposals	-	(396.30)	-6.03	(38.26)	(0.31)	-	<b>(440.92)</b>	-	-	-	-
<b>As at Mar 31, 2022 ( B )</b>	<b>42.62</b>	<b>5,218.98</b>	<b>457.85</b>	<b>163.67</b>	<b>712.30</b>	<b>127.02</b>	<b>6,722.42</b>	<b>556.84</b>	<b>1,060.29</b>	<b>89.47</b>	<b>1,149.77</b>
<b>Net carrying value as at Mar 31, 2022 (A) - (B)</b>	<b>23.44</b>	<b>2,201.67</b>	<b>46.48</b>	<b>92.14</b>	<b>32.74</b>	<b>211.86</b>	<b>2,608.35</b>	<b>3.91</b>	<b>50.52</b>	<b>22.18</b>	<b>72.69</b>



## 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, 2022		2,257.79
Additions		-
Disposals		-
<b>As at March 31, 2023 ( A )</b>		<b>2,257.79</b>
Accumulated depreciation		
As at April 1, 2022		740.22
Charge for the year		73.72
Reversals/ Disposals during the year		-
<b>As at March 31, 2023 ( B )</b>		<b>813.94</b>
<b>Net carrying value as at March 31, 2023 (A) - (B)</b>		<b>1,443.85</b>
Gross carrying value *		
As at April 1, 2021		2,280.39
Additions		-
Disposals		22.60
<b>As at Mar 31, 2022 ( A )</b>		<b>2,257.79</b>
Accumulated depreciation		
As at April 1, 2021		681.68
Charge for the year		79.01
Reversals/ Disposals during the year		20.47
<b>As at Mar 31, 2022 ( B )</b>		<b>740.22</b>
<b>Net carrying value as at Mar 31, 2022 (A) - (B)</b>		<b>1,517.57</b>

The Company's investment properties consist of commercial properties in India. Management determined that the investment properties consist of only one class of asset i.e. office spaces based on the nature, characteristics and risks of the property.

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

## Fair valuation

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Investment Property	2,868.53	2,407.66

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 ₹ 1443.85 Lakhs (Previous Year ₹ 1517.57 Lakhs) is subject to first charge for secured bank loans (refer note 13.2)

# 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, 2023	As at March 31, 2022
<b>A. INVESTMENTS CARRIED AT COST</b>		
<b>Unquoted Investments (all fully paid)</b>		
<b><u>Investments in Equity Instruments of Subsidiaries</u></b>		
Almet Corporation Limited (Refer Note 5.1)	-	1,035.66
58,824 ( March 31, 2022: 58,824) Equity Shares of ₹ 100/- Each Fully Paid		
Marathawada Realtor Private Limited (Refer Note 5.1)	-	1,591.06
39,216 ( March 31, 2022: 39,216) Equity Shares of ₹ 100/- Each Fully Paid		
Marvel Housing Private Limited	1.00	1.00
10,000 ( March 31, 2022: 10,000) Equity Shares of ₹ 10/- Each Fully Paid		
GMP Technical Solutions Private Limited	4,602.71	4,602.71
12,689 ( March 31, 2022: 12,689) Equity Shares of ₹ 10/- Each Fully Paid		
Vascon Value Homes Private Limited	1.00	1.00
10000 ( March 31,2022: 10000) Equity shares of ₹ 10/- Each fully paid		
Vascon Developers Private Limited *	-	2,668.00
(formerly known as Rivershore Developer Private Limited )		
NIL (March 21, 2022: 4,39,74,252) Equity shares of ₹ 10/- Each fully paid		
	<b>4,604.71</b>	<b>9,899.42</b>
<b><u>Investments in Equity Instruments of associates</u></b>		
Mumbai Estates Private Limited	10.00	10.00
99,999 ( March 31, 2022: 99,999) Equity Shares of ₹ 10 /- Each Fully Paid		
DCS Conventions and Hospitality Private Limited	0.05	0.05
520 (March 21, 2022: 520) Equity shares of ₹ 10/- Each fully paid		
	<b>10.05</b>	<b>10.05</b>
<b><u>Investments in Equity Instruments of joint ventures - jointly controlled entities</u></b>		
Vascon Engineers Ltd WII (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
Investment in LLP - Vascon Developers LLP*	700.00	
Vascon Saga Construcions LLP	1.52	1.52
	<b>5,174.47</b>	<b>4,474.47</b>
	<b>9,789.23</b>	<b>14,383.95</b>
<b>B. INVESTMENTS CARRIED AT AMORTISED COST</b>		
<b><u>Investments in Redeemable Non-Cumulative Preference Shares of Subsidiary</u></b>		
GMP Technical Solutions Private Limited	574.79	574.79
0.001% 574,793 ( March 31, 2022: 574,793) Redeemable Non-Cumulative Preference Shares of ₹ 100 each		
<b>Investment in Government or trust securities</b>		
7 Years National Savings Certificate	0.20	0.20
	<b>574.99</b>	<b>574.99</b>
<b>C. INVESTMENTS CARRIED AT FVTPL</b>		
<b>Quoted Investments</b>		
Investments in Equity Instruments - Union Bank of India (formerly Corporation Bank)	0.11	0.11
330 ( March 31,2022: 330) Equity shares of ₹ 10/- Each fully paid		
<b>Total Aggregate Quoted Investments</b>	<b>0.11</b>	<b>0.11</b>
<b>Unquoted Investments (all fully paid)</b>		
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		
<b><u>Investments in Equity Instruments of structured entities</u></b>		
The Saraswat Co Operative Bank Ltd	0.25	0.25
2,500 ( March 31, 2022: 2,500) Equity Shares Of ₹10/- Each Fully Paid		
	<b>2,750.25</b>	<b>2,750.25</b>
<b>INVESTMENTS CARRIED AT FVTPL [C]</b>	<b>2,750.36</b>	<b>2,750.36</b>
<b>TOTAL INVESTMENTS [A] + [B] + [C]</b>	<b>13,114.58</b>	<b>17,709.30</b>

## Notes forming part of the financial statements

## Details of quoted / unquoted investments:

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Aggregate amount of Quoted Investments and Market Value thereof	0.11	0.11
Aggregate amount of Unquoted Investments	13,114.47	17,709.19
Aggregate amount of Provision for expected credit loss on investments	-	-

\*During the year ended March 2023, one of the Subsidiary " Vascon Developers Private Limited" has converted into Limited Liability Partnership with a name of Vascon Developers LLP w.e.f., 06th Oct 2022. There are no major transactions in LLP except the introduction of Capital by new partner. The stake holding in subsidiary was 92% and reduced to 35% in LLP with the introduction of new partner with 50% holding.

## B. Current Investment

Particular	As at March 31, 2023	As at March 31, 2022
<b>Designated as Fair Value Through Profit and Loss</b>		
<b>Unquoted Investments (all fully paid)</b>		
<b><u>Investments in Equity Instruments of structured entities</u></b>		
Sita Lakshmi Mills Limited	234.00	234.00
806,000 ( March 31, 2022: 806,000) Equity Shares of ₹ 50/- Each Fully Paid		
<b>Total Unquoted Investments</b>	<b>234.00</b>	<b>234.00</b>
<b>Quoted Investments</b>		
<b><u>Investments in Mutual Funds</u></b>		
HSBC Cash Fund	112.59	172.68
Units 5021.442 (March 31, 2022: 8145.94) , NAV ₹ 2242.1310 (March 31, 2022: ₹ 2119.7831) each		
<b>Total Quoted Investments</b>	<b>112.59</b>	<b>172.68</b>
<b>TOTAL CURRENT INVESTMENTS</b>	<b>346.59</b>	<b>406.68</b>

## Details of quoted / unquoted investments:

Particular	As at March 31, 2023	As at March 31, 2022
Aggregate amount of Quoted Investments and Market Value thereof	112.59	172.68
Aggregate amount of Unquoted Investments	234.00	234.00
Aggregate amount of Provision for expected credit loss on investments	-	-

## Note No. 5.1 - Assets Classified as Held for Sale

## Current

Particular	As at March 31, 2023	As at March 31, 2022
<b>Investment Carried at Cost (Unquoted)</b>		
<b>Equity Shares of Subsidiary Companies</b>		
<b>Almet Corporation Limited</b>	1,035.66	-
58,824 ( March 31, 2022: 58,824) Equity Shares of ₹ 100/- Each Fully Paid		
<b>Marathawada Realtor Private Limited</b>	1,591.06	-
39,216 ( March 31, 2022: 39,216) Equity Shares of ₹ 100/- Each Fully Paid		
- During the current year, the Company has classified investment made in two subsidiaries as assets held for sale in accordance with the management's plan to dispose the assets of the subsidiaries		
<b>TOTAL</b>	<b>2,626.72</b>	<b>-</b>

**Notes forming part of the financial statements**

**Note No. 6 - Loans**

**A. Non Current** (₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
a) Loans to related parties (Refer Note 33 & 36)	113.46	105.52
- Unsecured, considered good		
<b>TOTAL</b>	<b>113.46</b>	<b>105.52</b>

**Current**

Particular	As at March 31, 2023	As at March 31, 2022
a) Loans and Advances to Employees		
- Unsecured, considered good	173.10	174.90
b) Loans to related parties (Refer Note 33 & 36)		
- Unsecured, considered good	4,900.49	2,548.21
c) Other Loans -		
- Unsecured, considered good	3,568.16	5,706.78
<b>TOTAL</b>	<b>8,641.75</b>	<b>8,429.89</b>

**Note No. 7 - Other Financial Assets**

**A. Non - Current** (₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
a) Security Deposits		
- Unsecured	778.54	788.05
- Doubtful	25.00	25.00
Less: Allowance for Credit Losses	(25.00)	(25.00)
b) Bank deposits with more than 12 months maturity	38.00	527.27
c) Project Advances	10,553.71	8,561.83
<b>TOTAL</b>	<b>11,370.25</b>	<b>9,877.15</b>

**B. Current**

Particular	As at March 31, 2023	As at March 31, 2022
a) Security Deposits - Unsecured	511.43	365.41
b) Interest accrued on deposits	117.10	99.94
c) Project Advances	2,929.21	3,452.92
d) Other Recoverable (JV Partner share )	636.78	636.78
e) Amounts due from customers		
- Gross amount due from customer (Unbilled)	32,832.10	30,043.12
- Less : Related Advance Payments received	(2917.66)	(4888.67)
	29,914.44	25,154.45
<b>TOTAL</b>	<b>34,108.96</b>	<b>29,709.50</b>

## Notes forming part of the financial statements

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

(₹ in Lakhs)		
Particular	As at March 31, 2023	As at March 31, 2022
<b>A. Non Current</b>		
(a) Balances with government authorities (other than income taxes)	2,110.71	2,609.98
<b>TOTAL</b>	<b>2,110.71</b>	<b>2,609.98</b>
<b>B. Current</b>		
Particular	As at March 31, 2023	As at March 31, 2022
(a) Advances to suppliers	2,814.22	2,312.41
(b) Prepaid Expenses	497.18	570.63
(c) Travel Advance	44.09	43.93
<b>TOTAL</b>	<b>3,355.49</b>	<b>2,926.97</b>

### Note No. 9 - Inventories (Valued at lower of cost or net realisable value)

Particular	As at March 31, 2023	As at March 31, 2022
(a) Building materials / tools	3,929.75	3,837.41
(b) Projects under Development	37,999.57	37,014.42
(c) Completed Units	2,090.45	3,059.01
<b>Total Inventories</b>	<b>44,019.77</b>	<b>43,910.84</b>

### Note No. 10 - Trade receivables

(₹ in Lakhs)		
Particular	As at March 31, 2023	As at March 31, 2022
(a) Unsecured, considered good	9,976.00	7,789.30
(b) Credit Impaired	2,922.12	2,612.91
Less: Allowance for Credit Losses	(2922.12)	(2612.91)
	9,976.00	7,789.30
Retention (Accrued but not due)		
(a) Unsecured, considered good	6,166.60	4,525.55
(b) Doubtful	-	-
Less: Allowance for Credit Losses	-	-
	6,166.60	4,525.55
Less: Related Unearned Receivables	(1256.21)	(1601.57)
<b>TOTAL</b>	<b>14,886.39</b>	<b>10,713.29</b>

#### Notes:

- 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".
- The average credit period on EPC contracts is 60 days. No Interest is charged on trade receivables.
- 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).
- The concentration of credit risk is limited due to the fact that customer base is large and unrelated.
- 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.
- 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.

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

### 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

Particular	As at March 31, 2023	As at March 31, 2022
EPC:		
Less than 1 year	6,933.74	3,614.32
1-2 year	3,263.72	1,690.39
2-3 year	397.39	447.36
More than 3 year	3,680.64	5,210.44
Less :- Expected Credit Loss	(2922.12)	(2612.91)
<b>Total</b>	<b>11,353.37</b>	<b>8,349.60</b>
<b>Development Sales Receivables</b>	<b>1,732.11</b>	<b>1,308.40</b>
<b>Receivables from Related Parties (Refer Note No. 33)</b>	<b>1,800.91</b>	<b>1,055.29</b>
<b>TOTAL</b>	<b>14,886.39</b>	<b>10,713.29</b>

Movement in the expected credit loss allowance is as follows:

Particular	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	2,612.92	2,557.82
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	338.73	71.30
Utilization / Reversals	(29.53)	(16.20)
<b>Balance at end of the year</b>	<b>2,922.12</b>	<b>2,612.92</b>

### Note 10 (a)

Particulars	Outstanding for following periods from due date of Payments					
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables - Considered good	3,850.06	1,106.00	1,192.50	609.12	3,416.57	<b>10,174.25</b>
(ii) Undisputed Trade Receivables - Considered doubtful	19.48	4.84	256.66	3.06	2,439.83	<b>2,723.87</b>
(iii) Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered doubtful	-	-	-	-	-	-
<b>Total Debtors</b>	<b>3,869.54</b>	<b>1,110.84</b>	<b>1,449.16</b>	<b>612.18</b>	<b>5,856.40</b>	<b>12,898.12</b>
Less: Allowance for Loss	-	-	-	-	-	(2922.12)
Add: Retention (Accrued but not due)	-	-	-	-	-	6166.60
Less: Related Unearned Receivables	-	-	-	-	-	(1256.21)
<b>Net Debtors</b>	<b>3,869.54</b>	<b>1,110.84</b>	<b>1,449.16</b>	<b>612.18</b>	<b>5,856.40</b>	<b>14,886.39</b>

Mar-23

(₹ in Lakhs)

### Trade Receivable ageing schedule

## Notes forming part of the financial statements

## Trade Receivable ageing schedule

Mar-22

Particulars	Outstanding for following periods from due date of Payments					
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables - Considered good	1,323.20	791.83	894.99	634.71	4,144.57	7,789.30
(ii) Undisputed Trade Receivables - Considered doubtful	60.70	265.51	560.44	1.54	1,724.72	2,612.91
(iii) Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered doubtful	-	-	-	-	-	-
<b>Total Debtors</b>	<b>1,383.90</b>	<b>1,057.34</b>	<b>1,455.43</b>	<b>636.26</b>	<b>5,869.29</b>	<b>10,402.22</b>
Less: Allowance for Loss	-	-	-	-	-	(2612.91)
Add: Retention (Accrued but not due)	-	-	-	-	-	4525.55
Less: Related Unearned Receivables	-	-	-	-	-	(1601.57)
<b>Net Debtors</b>	<b>1,383.90</b>	<b>1,057.34</b>	<b>1,455.43</b>	<b>636.26</b>	<b>5,869.29</b>	<b>10,713.29</b>

Note : Ageing has been considered from the date of transactions

## Note No. 11 - Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>A) Current Cash and bank balances</b>		
(a) Unrestricted Balances with banks #	2,415.13	603.72
(b) Cheques, drafts on hand	-	-
(c) Cash in hand	165.68	180.44
(d) Balances with banks in deposit accounts with original maturity of less than 3 months	1,735.65	575.60
<b>Cash and Cash equivalent as per balance sheet</b>	<b>4,316.46</b>	<b>1,359.76</b>
Bank Overdraft	0.30	35.02
<b>Total Cash and cash equivalent as per statement of cash flows</b>	<b>4,316.16</b>	<b>1,324.74</b>
<b>B) Other Bank Balances</b>		
(a) Balances with banks in deposit accounts with original maturity more than 3 months	430.84	321.19
(b) In earmarked accounts		
- Balances held as margin money or security against borrowing, guarantee and other commitments *	4,192.40	4,012.12
<b>Total Other Bank Balances</b>	<b>4,623.24</b>	<b>4,333.31</b>

\* 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

Share Capital	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
* Equity shares of ₹ 10 each with voting rights	264,130,000	2,641,300,000	264,130,000	2,641,300,000
* Preference Share of ₹ 10 each without voting rights	5,000,000	50,000,000	5,000,000	50,000,000
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of ₹ 10 each with voting rights	217,317,111	2,173,171,110	217,317,111	2,173,171,110

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.

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

### 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 except no. of shares)

Particulars	Number of Shares	Equity share capital
<b>Issued and Paid up Capital at April 1, 2021</b>	182,136,716	18,213.67
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	4,000,000	400.00
Issue of Preferential equity shares	31,180,395	3,118.04
<b>Balance at March 31, 2022</b>	<b>217,317,111</b>	<b>21,731.71</b>
Changes in equity share capital during the year		
Issue of Preferential equity shares	-	-
Issue of equity shares under employee share option plan	-	-
<b>Balance at Mar 31, 2023</b>	<b>217,317,111</b>	<b>21,731.71</b>

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

Class of shares / Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Vasudevan Family Trust	32,411,735	14.91	22,911,577	10.54
R. Vasudevan	19,988,624	9.20	19,517,124	8.98
Lalitha Vasudevan	2,227,171	1.02	11,727,329	5.40
Crest Ventures Limited	11,135,857	5.12	11,135,857	5.12

#### (iii) Details of Shareholdings by Promoter / Promoter Group

(Shares in Nos.)

Promoter / Promoter Group Name	31st March, 2023		31st March, 2022		% Change during the Year
	Numbers of Shares	% of Holding	Numbers of Shares	% of Holding	
<b>Promoter</b>					
Vasudevan Ramamoorthy (in the capacity of Trustee of Vasudevan Family Trust)	32,411,735	14.91	22,911,577	10.54	4.37
Vasudevan Ramamoorthy	19,988,624	9.20	19,517,124	8.98	0.22
Lalitha Vasudevan	2,227,171	1.02	11,727,329	5.40	-4.38
Siddharth Vasudevan Moorthy	4,164,953	1.92	4,164,953	1.92	0.00
Sowmya Aditya Iyer	700,294	0.32	700,294	0.32	0.00
Ramya Siddharth Moorthy	890,868	0.41	890,868	0.41	0.00
<b>Promoter Group</b>					
Vatsalya Enterprises Private Limited	9,599,275	4.42	9,599,275	4.42	0.00
<b>Total</b>	<b>69,982,920</b>		<b>69,511,420</b>		

#### (iv) As at 31 Mar, 2023, 4,000,000 shares (As at 31 March, 2022, 4,000,000 shares ) were reserved for issuance as follows:

Particulars	No. of shares					
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Outstanding employee stock options granted / available for grant	4,000,000	4,000,000	8,000,000	12,000,000	12,000,000	16,000,000



## Notes forming part of the financial statements

## Note No. 12.1 - Other Equity

(Rs. In Lakhs)

Particulars	Reserves and Surplus					TOTAL
	Securities premium reserve	General reserve	Equity-settled employee benefits reserve	Capital Redemption Reserve	Retained earnings	
<b>Balance at the beginning of the reporting Year - As of April 01, 2022</b>	60,586.51	1,537.50	855.69	1,250.00	(5468.26)	<b>58,761.44</b>
Amount recorded on Grant	-	-	196.14	-	-	<b>196.14</b>
Other Comprehensive income for the year	-	-	-	-	96.51	<b>96.51</b>
Profit / (Loss) for the Year	-	-	-	-	8,662.70	<b>8,662.70</b>
<b>Balance at the end of the reporting Year - March 31, 2023</b>	<b>60,586.51</b>	<b>1,537.50</b>	<b>1,051.83</b>	<b>1,250.00</b>	<b>3290.95</b>	<b>67,716.79</b>

Particulars	Reserves and Surplus					TOTAL
	Securities premium reserve	General reserve	Equity-settled employee benefits reserve	Capital Redemption Reserve	Retained Earnings	
<b>Balance at the beginning of the reporting Year - As of April 01, 2021</b>	56,098.95	1,537.50	1,156.44	1,250.00	(8833.90)	51,208.99
Premium on Shares issued during the year	3,881.96	-	-	-	-	3,881.96
Amount recorded on Grant	-	-	304.85	-	-	304.85
Transferred to securities premium reserve on exercise	605.60	-	(605.60)	-	-	-
Other Comprehensive income for the year	-	-	-	-	16.62	16.62
Profit / (Loss) for the Year	-	-	-	-	3,349.02	3,349.02
<b>Balance at the end of the reporting Year - Mar 31, 2022</b>	<b>60,586.51</b>	<b>1,537.50</b>	<b>855.69</b>	<b>1,250.00</b>	<b>(5468.26)</b>	<b>58,761.44</b>

**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.

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

### Note No. 13 - Borrowings

#### A. Non Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Measured at amortised cost</b>		
<b>A. Secured Borrowings:</b>		
a) <u>Fully Redeemable Debentures</u> 16%, 500 secured, redeemable, unlisted, unrated, non-convertible debentures of Rs. 1,00,000/- each. (Sanctioned 1500 Secured redeemable. Unlisted, unrated, non-convertible debenture of Rs. 1,00,000/- each) (Refer Note 13.1)	136.17	-
b) Term Loan from Financial Institution	6,221.05	1,447.03
<b>Total Secured Borrowings</b>	<b>6,357.22</b>	<b>1,447.03</b>
<b>B. Unsecured Borrowings - at amortised Cost</b>		
(a) Loans from related parties	23.58	24.83
<b>Total Unsecured Borrowings</b>	<b>23.58</b>	<b>24.83</b>
<b>Total Borrowings carried at Amortised Cost [A] + [B]</b>	<b>6,380.80</b>	<b>1,471.86</b>
<b>Total Non-Current Borrowings</b>	<b>6,380.80</b>	<b>1,471.86</b>

#### B. Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Secured Borrowings</b>		
Cash Credit from Banks *	4,551.84	5,536.65
Current maturities of long-term debt	1,608.64	4,236.53
<b>Total Secured Borrowings</b>	<b>6,160.48</b>	<b>9,773.18</b>
<b>B. Unsecured Borrowings</b>		
(a) From Banks (Bank overdraft )	0.30	35.02
(b) Loans from related parties	632.31	2,409.80
(c) Loans from other parties	69.91	61.05
<b>Total Unsecured Borrowings</b>	<b>702.52</b>	<b>2,505.87</b>
<b>Total Current Borrowings</b>	<b>6,863.00</b>	<b>12,279.05</b>

\* Cash Credit from Banks ranging from 9 % -11 % 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.

### Note No. 13 (i) - Lease Liabilities

#### A. Non - Current

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability obligation (Refer Note 29)	30.78	54.88
Finance Lease Liability (Refer Note 29)	37.96	46.96
<b>Other Non-Current Lease Liabilities</b>	<b>68.74</b>	<b>101.84</b>

#### B. Current

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Current maturities of finance lease obligations (Refer Note 29)	13.61	13.61
(b) Current maturities of lease obligations IND AS 116 (Refer Note 29)	33.57	23.76
<b>Other Current Lease Liabilities</b>	<b>47.18</b>	<b>37.37</b>

## Notes forming part of the financial statements

## 13.2 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 24 to Mar 25	Apr 25 to Mar 26	Apr 26 to Mar 27	Apr 27 to Mar 30			
<b>I. Secured</b>									
a) Aditya Birla Finance Limited	2,720.35	-	1,360.18	1,360.18			2,720.35	17.85%	<ol style="list-style-type: none"> <li>1. Exclusive charge on Entire land admeasuring 40,152 sq.mtr along with present and proposed construction thereon excluding sold and registered units along with hypothecation of receivables from sold units (including in unsold units from phase 1 &amp; 2 for project Vascon Good Life located Talegaon MIDC Road, situated at Katvi, Tal - Maval Dis. Pune. Minimum Security cover of 2x times and net realisable cover of 2x times on proposed security</li> <li>2. First and exclusive charge by way of hypothecation on all the present and future receivables (sold and unsold), on the above mentioned project</li> <li>3. Exclusive charge on pass through escrow account for deposit of surplus share of profit of VEL for the Project Forest County from Tower N &amp; W with receivable to the tune of Rs. 14.75 Crs..</li> <li>4. First and exclusive charge by way of hypothecation on the RERA Escrow account for the Project Vascon Goodlife, all monies credited or deposited therein and all investment in respect thereof.</li> </ol>
b) Aditya Birla Finance Limited - 10 Crore	982.64	31.74	36.23	41.07	46.56	827.03	950.90	12.60%	<ol style="list-style-type: none"> <li>1. Duplex Flat no 701, Floor No:- 7th, No:- Final Plot No 331 Building No:- Tower I house ,Society Name:- Windermere, Street Name:- Koregaon Park, Locality: - Pune 411001, State: Maharashtra, Dist: Pune, Zip Code: 411001 Owner Name: Vascon Engineers Limited.</li> <li>2. Duplex Flat No a-9,8th and 9th Floor, Wing No A, Ivy Glen House, Marigold Phase III Co-operative Housing Society Ltd, S No 15/1 15/2/1, 15/2/2, 15/3, 15/4, 15/5, 15/6, Vadgaonsheri, Pune, Tal: Haveli, Dist: Pune Maharashtra 411014 Owner Name: Vascon Engineers Limited</li> </ol>
c) Tata Capital Financial Services Limited	887.98	158.39	230.89	267.34	231.36	-	729.59	20.55%	<ol style="list-style-type: none"> <li>1. First charge by way of Hypothecation on the receivables of sale of developers identified units into an escrow account.</li> <li>2. First and exclusive charge by way of Mortgage on property situated at Tulips Phase -3, Block 6 &amp; 7 at S nos 551/1,2,556/1D,1E,557/3,560/3, T S No 13/1A, Ward no 28, Block No 1 of Sowripalayam Village, East Zone, Coimbatore, Tamil Nadu 641028.</li> </ol>
d) ICICI Home Finance	621.37	146.26	165.14	186.45	123.52	-	475.11	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.

**Notes forming part of the financial statements**

(₹ in Lakhs)

Name of the lender	Outstanding amount	Current Maturities	Long Term				Total Long Term Borrowings	Rate of interest	Nature of security
			Apr 24 to Mar 25	Apr 25 to Mar 26	Apr 26 to Mar 27	Apr 27 to Mar 30			
e) Prachay Capital - 15 Crs (Non Convertible Debentures )	469.50	333.33	136.17	-	-	-	136.17	16.00%	1. First ranking exclusive charge by way of registered mortgage over the Project Land and all identified movable and immovable property in connection with the Project. 2. First ranking and exclusive charge by way of hypothecaion over all the other assets ofthe issuer (i.e., excluding Mortgaged Property) in connection with the Project and the Project Land (including allits bank accounts ) . 3. Personal Gurantees fromthe Personal Guarantors 4. Demand Promissory Note and Letter of Continuity 5. Escrow Agreement
f) Prachay Capital - 10 Crs (Non Convertible Debentures )	936.99	936.99	-	-	-	-	-	17.25%	1. Registered Mortgage of Office bearing No. 301 admeasuring 809 square feet carpet area in the building Garnet bay constructed on land bearing S No. 197/3 at village Lohegaon, Taluka Haveli, District-Pune 2. Hypothecation of borrower's/ co-borrower's share of all present and future receivables from M/s Samartha Trimurti Properties.
g) Union Bank of India - UGECL	136.81	-	27.36	27.36	27.36	54.72	136.81	9.25%	1. 100% Guamtee covered by National Guarentee Trust Company (NCGTC) id available. 2. Second Charge on existing Prime Security of Hypothecated Stock and Books Debts. Second charge on all the existing Prime / Collateral Securities
h) State Bank of India - Guaranteed Emergency Credit Line	1,120.67	-	280.17	280.17	280.17	280.17	1,120.67	8.95%	Extension of charge (2nd charge) over the existing Primary & collateral securities created in favour of the Bank (Consortium Banks)
i) UBI OD against Fixed Deposit	71.61	-	71.61	-	-	-	71.61	5.30%	Secured against fixed deposit
j) Bank of Maharashtra	17.94	1.94	2.16	2.39	2.64	8.81	16.00	10.45%	Hypothecation of Vehicle financed by lender
<b>From financial institution</b>									
Daimler Financial Services India Pvt Ltd	51.58	13.61	37.96	-	-	-	37.96	10.65%	Hypothecation of Vehicle financed by lender
<b>II. Unsecured</b>									
<b>a) Loans and advances from related parties</b>									
- <b>Subsidiaries</b>									
Almet Corporation Limited	23.58	-	23.58	-	-	-	23.58	9.00%	Not Applicable
							-		
<b>Total</b>	<b>8,041.02</b>	<b>1,622.26</b>	<b>2,371.44</b>	<b>2,164.96</b>	<b>711.61</b>	<b>1,170.73</b>	<b>6,418.76</b>		

\* Interest accrued and due on borrowings as on 31st Mar, 2023 disclosed under other current liabilities (Refer Note 14)

## Notes forming part of the financial statements

## Note No. 14 - Other Financial Liabilities

## A. Non - Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Commitment and other deposits	889.46	1,280.95
<b>Other Non-Current Financial Liabilities</b>	<b>889.46</b>	<b>1,280.95</b>

## B. Current

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Interest accrued but not due on borrowings	2.05	1.45
(b) Interest accrued but due on borrowings	70.99	37.72
(c) Creditors for capital supplies/services	70.52	82.72
(d) Others	20.59	86.29
<b>Total other financial liabilities</b>	<b>164.15</b>	<b>208.18</b>

## Note No. 15 - Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Outstanding dues of Micro and Small Enterprises (Refer Note No. 35)	84.48	1.90
Total Outstanding dues of Creditors other than Micro and Small Enterprises	33,543.51	25,603.82
<b>Total trade payables</b>	<b>33,627.99</b>	<b>25,605.72</b>

## Note 15 (a)

Mar-23

## Trade Payables ageing schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	77.21	-	-	7.27	84.48
(ii) Others	21,660.77	2,211.71	2,041.23	7,629.80	33,543.51
(iii) Disputed Dues - MSME	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-

Mar-22

## Trade Payables ageing schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	1.90	1.90
(ii) Others	15,035.14	1,644.19	2,074.04	6,850.45	25,603.82
(iii) Disputed Dues - MSME	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-

Note : Ageing has been considered from the date of transactions

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

### Note No. 16 - Provisions

		(₹ in Lakhs)	
<b>Current</b>			
Particulars	As at March 31, 2023	As at March 31, 2022	
(a) Provision for employee benefits			
1) Compensated absences	736.70	755.33	
2) Gratuity (Refer Note 31)	750.52	916.10	
(b) Other Provisions			
Taxation	48.93	55.91	
<b>Total Provisions</b>	<b>1,536.15</b>	<b>1,727.34</b>	

### Note No. 17 - Current Tax and Deferred Tax

		(₹ in Lakhs)	
<b>(a) Income Tax Expense</b>			
Particulars	As at March 31, 2023	As at March 31, 2022	
<b>Current Tax:</b>			
Current Income Tax Charge	-	-	
Adjustments in respect of prior years	-	60.93	
<b>Deferred Tax</b>			
In respect of current year origination and reversal of temporary differences	-	-	
<b>Total Tax Expense recognised in profit and loss account</b>	<b>-</b>	<b>60.93</b>	

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

Particulars	As at March 31, 2023	As at March 31, 2022	
<b>Profit Before tax from Continuing Operations</b>	8,662.70	3349.00	
Income Tax using the Company's domestic Tax rate @ 25.168% (Previous Year Tax Rate @ 25.168%)	2,180.23	842.88	
Effect of Tax Rates in Foreign Jurisdictions	-	-	
Reduction in Tax Rate	-	-	
<b>Tax Effect of :</b>			
- Non deductible Expenses			
- Tax - Exempt income	(489.66)	(135.21)	
- Recognition of Tax Effect of Previously unrecognised tax losses	(1690.57)	(707.67)	
Changes in estimates related to prior years	-	60.93	
<b>Income Tax recognised In P&amp;L from Continuing Operations</b>	<b>-</b>	<b>60.93</b>	

Particulars	As at March 31, 2023	As at March 31, 2022	
<u>Tax effect of items constituting deferred tax liabilities</u>			
Property, Plant and Equipment	774.47	67.58	
	774.47	67.58	
<u>Tax effect of items constituting deferred tax assets</u>			
Employee Benefits	374.30	420.67	
Carry forward Tax Loss	400.17	(353.09)	
	774.47	67.58	
<b>Net Tax Asset (Liabilities)</b>	<b>-</b>	<b>-</b>	

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, 2023

## Notes forming part of the financial statements

## Note - 18: Other Liabilities

## Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Advances received from customers		
- Gross amount due to customers	11,072.03	12,114.32
- Less : Related Unbilled Revenues	(2917.66)	(4888.67)
	8,154.37	7,225.65
b. Amount due to customers under construction contracts		
- Gross amount due to customers ( Unearned)	4,395.87	6,596.02
- Less : Related Debtors	(1256.21)	(1601.57)
	3,139.66	4,994.45
c. Statutory dues		
- taxes payable (other than income taxes)	1,606.47	1,711.40
<b>Total Other Liabilities</b>	<b>12,900.50</b>	<b>13,931.50</b>

## Note No. 19 - Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue recognized / sales</b>		
- Contract revenue	64,936.83	40,928.78
- Sale of unit	9,079.35	4,202.41
- Trading sales	323.92	0.88
- Other sales ( Includes maintenance charges of soceity,Hire charges, Scrap Sales)	263.28	542.73
<b>Other operating income</b>		
- Rent earned	198.54	199.10
- Share of profit / (loss) from Partnership firms (net)	1,945.55	390.68
<b>Total Revenue from Operations</b>	<b>76,747.47</b>	<b>46,264.58</b>

## Note No. 20 - Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest Income		
On Financial Assets at Amortised Cost	578.41	538.38
(b) Dividend received on investments carried at fair value through profit or loss	7.81	3.98
Liquid Mutual fund units		
(c) Profit on sale on Investment	-	4,213.48
(d) Dividend Income	-	13.09
(e) Provisions / Creditors no longer required written back	335.32	234.28
(f) Profit on sale of capital assets (Net of loss on assets sold / scrapped / written off)	10.74	347.09
(g) Miscellaneous Income	27.53	21.05
<b>Total Other Income</b>	<b>959.81</b>	<b>5,371.35</b>

## Note No. 21.a - Cost of materials and services consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract	56,050.33	34,769.87
Development	4,386.30	2,706.91
Incidental borrowing cost incurred attributable to qualifying assets	1,405.26	1,129.17
<b>Cost of materials and services consumed</b>	<b>61,841.89</b>	<b>38,605.95</b>

Note : Consumption includes excess / shortages on physical count, write off of obsolete items etc.

# VASCON ENGINEERS LIMITED

## 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, 2023	For the year ended March 31, 2022
<u>Closing balance of projects under development :</u>		
Completed Units	2,090.45	3,059.01
Projects under Development	37,999.57	37,014.42
	<b>40,090.02</b>	<b>40,073.43</b>
<u>Opening balance of projects under development:</u>		
Completed Units	3,059.01	5,456.70
Projects under Development	37,014.42	34,889.06
	<b>40,073.43</b>	<b>40,345.76</b>
<b>Net (increase) / decrease</b>	<b>(16.59)</b>	<b>272.33</b>

### Note No. 22 - Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salaries and wages, including bonus (Refer Note 31)	2,812.67	3,323.44
(b) Contribution to provident and other funds	170.97	163.98
(c) Share based payment transactions expenses	196.14	304.85
(d) Staff welfare expenses	65.01	26.74
<b>Total Employee Benefit Expense</b>	<b>3,244.79</b>	<b>3,819.01</b>

### Note No. 23 - Finance Cost

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Interest expense	2,293.19	3,139.11
(b) Other borrowing cost	118.65	130.00
	<b>2,411.84</b>	<b>3,269.11</b>
<i>Less: Amounts included in the cost of qualifying assets</i>	<i>(1,405.26)</i>	<i>(1,129.17)</i>
<b>Total finance costs</b>	<b>1,006.58</b>	<b>2,139.94</b>

### Note No. 24 - Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Repairs to buildings	57.96	43.28
(b) Power & Fuel oil consumed	79.49	43.00
(c) Rent including lease rentals	234.33	301.53
(d) Repairs and maintenance - Others	106.17	43.66
(e) Rates and taxes	47.83	13.85
(f) Insurance charges	65.74	32.23
(g) Provision for doubtful debts and advances	309.20	55.10
(h) Provision for diminution in value in investment	-	1,100.00
(i) Auditors remuneration and out-of-pocket expenses		
(1) Audit Fees	35.50	31.00
(2) Limited Review	21.00	19.50
(3) Certification services	-	3.22
(j) Other expenses		
(1) Legal and other professional costs	550.93	612.81
(2) Advertisement, Promotion & Selling Expenses	363.44	86.86
(3) Travelling and Conveyance Expenses	115.40	81.72
(4) Postage and telephone	32.84	35.54
(5) Printing and stationery	19.11	10.38
(6) Brokerage / commission	73.64	113.68
(7) Donations	4.78	4.10
(8) Corporate Social Responsibility Expenditure (Refer Note 40)	-	40.00
(9) Bank charges	55.54	36.57
(10) Hire Charges Paid	14.10	24.02
(11) Miscellaneous Expenses	192.45	140.40
(12) loss on investments carried at fair value through profit or loss	-	1.00
<b>Total Other Expenses</b>	<b>2,379.45</b>	<b>2,873.45</b>



## Notes forming part of the financial statements

### Note No. 25 - Earning Per share

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Per Share	Per Share
Basic Earnings per share (₹)	3.99	1.68
Diluted Earnings per share (₹)	3.99	1.68

#### Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit for the year attributable to owners of the Company	8,662.70	3,349.00
Weighted average number of equity shares (Nos.)	217,317,111	199,559,036
Earnings per share - Basic (₹)	3.99	1.68

#### Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the Stock options for the respective periods. Anti-dilutive effect, if any, has been ignored.

(₹ in Lakhs)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit for the year attributable to owners of the Company	8,662.70	3,349.00
Weighted average number of equity shares used in the calculation of Basic EPS (Nos.)	217,317,111	199,559,036
Employee Stock Option Plans (Nos.)	419,628	392,684
Weighted average number of equity shares used in the calculation of Diluted EPS (Nos.)	217,736,739	199,951,720
Earnings per share - Dilutive (₹)	3.99	1.68

### 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>FINANCIAL ASSETS</b>				
<b>Financial assets measured at amortised cost</b>				
<b>Non - Current Assets</b>				
(i) Investments	10,364.22	14,958.94	10,364.22	14,958.94
(ii) Loans	113.46	105.52	113.46	105.52
(iii) Others Financial Assets	11,370.25	9,877.15	11,370.25	9,877.15
<b>Current Assets</b>				
(i) Trade receivables	14,886.39	10,713.29	14,886.39	10,713.29
(ii) Cash and cash equivalents	4,316.46	1,359.76	4,316.46	1,359.76
(iii) Bank balances other than (ii) above	4,623.24	4,333.31	4,623.24	4,333.31
(iv) Loans	8,641.75	8,429.89	8,641.75	8,429.89
(v) Others Financial Assets	34,108.96	29,709.50	34,108.96	29,709.50
<b>Financial assets measured at fair value through Statement of Profit &amp; Loss</b>				
(a) Current investments	346.59	406.68	346.59	406.68
(b) Non Current investments quoted	0.11	0.11	0.11	0.11
(b) Non Current investments unquoted	2,750.25	2,750.25	2,750.25	2,750.25

**Notes forming part of the financial statements**

(₹ in Lakhs)

Particulars	Carrying amount		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities measured at amortised cost</b>				
<b>Non - Current Liabilities</b>				
(i) Borrowings	6,380.80	1,471.86	6,380.80	1,471.86
(ii) Other financial liabilities	888.46	1,280.95	888.46	1,280.95
(iii) Lease Liability	68.74	101.84	68.74	101.84
<b>Current Liabilities</b>				
(i) Borrowings	6,863.00	12,279.05	6,863.00	12,279.05
(ii) Lease Liability	47.18	37.37	47.18	37.37
(iii) Trade and other payables	33,628.99	25,605.72	33,628.99	25,605.72
(iv) Other financial liabilities	164.15	208.18	164.15	208.18

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.

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.

## Notes forming part of the financial statements

The following table presents the assets and liabilities measured at fair value on recurring basis at March 31, 2023 and March 31, 2022.

Particulars	Level 1	Level 2	Level 3
<b>March 31, 2023</b>			
Investment in mutual funds	112.59	-	-
Equity	0.11	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	-
<b>March 31, 2022</b>			
Investment in mutual funds	172.68	-	-
Equity	0.11	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	-

During the year ended Mar 31, 2023, 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% to 50%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	13,295.39	13,811.48
Trade Payables	33,628.99	25,605.72
Less : Cash and Cash Equivalents	8,939.70	5,693.07
<b>Net Debt</b>	<b>37,984.68</b>	<b>33,724.13</b>
Equity	89,448.50	80,493.15
<b>Total Capital</b>	<b>89,448.50</b>	<b>80,493.15</b>
<b>Capital and Net Debt</b>	<b>127,433.18</b>	<b>114,217.28</b>
<b>Gearing Ratio</b>	<b>30%</b>	<b>30%</b>

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 Year Ended March 31, 2023 and Year Ended March 31, 2022.

#### 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.

**Notes forming part of the financial statements**

**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 ₹ 68,965.71 lakhs and ₹ 58,207.53 lakhs as at March 31, 2023 and March 31, 2022 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, 2023 and March 31, 2022, 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.

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, 2023	As at March 31, 2022
Balance at the beginning of the year	2,612.91	2,557.82
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	338.73	71.30
Utilization / Reversals	(29.53)	(16.20)
<b>Balance at the end of the year</b>	<b>2,922.12</b>	<b>2,612.91</b>

**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.

## Notes forming part of the financial statements

Particulars	31-Mar-23		
	Less than 1 Year	1-3 Years	4-5 Years
<b>Financial liabilities</b>			
Trade payables	33,628.99	-	-
Other Financial Liabilities	164.15	888.46	-
Working capital demand loans / Term loans	6,863.00	6,244.63	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	136.17	-
Particulars	31-Mar-22		
	Less than 1 Year	1-3 Years	4-5 Years
<b>Financial liabilities</b>			
Trade payables	25,605.72	-	-
Other Financial Liabilities	208.18	1,280.95	-
Working capital demand loans / Term loans	12,279.05	1,471.86	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	-	-

**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.

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 2022-23	FY 2021-22
Options granted, beginning of the year	4,000,000	8,000,000
Granted during the year	-	4,000,000
Exercised during the year	-	4,000,000
Cancelled/lapsed during the year	-	-
Options granted, end of the year	4,000,000	4,000,000
Weighted Average remaining life	-	0.42

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Binomial lattice option pricing model, considering the expected weighted average term of the options to be 1 year from the date of vesting, an expected dividend rate on the underlying equity shares, a risk free rate and weighted average volatility in the share price. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price after eliminating the abnormal price fluctuations.

**Notes forming part of the financial statements**

The inputs used in the measurement of the fair values at grant date of the share-based payment plans were as follows.

Particulars	Employee Share Purchase Plan	
	ESOS - 2017	
Share price at grant date (₹ per share)		29.55
Exercise price (₹ per share)		15
Expected volatility		68.00%
Expected life / Option Life	4 Year from the date of vesting	
Expected dividends yield		2%
Risk-free interest rate (based on government bonds)		6.70%

**Note No. 29 - Disclosures under Ind AS 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, 2023	As at 31st March, 2022
<b>Opening Balance as on 1st April 2022</b>	139.21	103.83
Additions during the year	14.06	135.24
Deletion during the year	-	-
Finance costs incurred during the year	15.43	14.26
Payments of Lease Liabilities	52.78	114.12
<b>Balance as at 31st March, 2023</b>	<b>115.92</b>	<b>139.21</b>

**(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	As at 31st March, 2023	As at 31st March, 2022
(i) Expenses related to Short Term Lease & Long Term Lease		
- Finance Cost	15.43	14.26
- Depreciation	33.26	28.51
(ii) Expenses related to Short Term Lease & Low Asset Value Lease	248.43	325.55
<b>Total Expenses</b>	<b>297.12</b>	<b>368.33</b>

## Notes forming part of the financial statements

## (iv) Maturity analysis of lease liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Maturity Analysis of contractual undiscounted cash flows</b>		
Less than one year	53.62	47.38
One to five years	73.68	116.44
More than five years	-	-
<b>Total undiscounted Lease Liability</b>	<b>127.30</b>	<b>163.82</b>
<b>Balances of Lease Liabilities</b>		
Non Current Lease Liability	68.74	101.84
Current Lease Liability	47.18	37.37
<b>Total Lease Liability</b>	<b>115.92</b>	<b>139.21</b>

## Note No. 30 - Contingent liabilities and commitments

(₹ in Lakhs)

Contingent liabilities (to the extent not provided for)	As at March 31, 2023	As at March 31, 2022
<b>Contingent liabilities</b>		
(a) Disputed demands for Income Tax	-	233.33
(b) Disputed demands for Value Added Tax & Other	1,450.78	1,153.84
(c) Performance and financial guarantees given by the Banks on behalf of the Company	15,646.82	15,174.99
(d) Corporate guarantees given for other companies / entities and mobilization	13,237.19	11,577.19
(e) Claims against the Company not acknowledged as debt	2,971.62	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) During the year company paid the challan with 90% penalty waiver to Joint District Registrar & Collector of Stamps, Pune. Now NIL short levy of stamp duty including Penalty due to misclassification of conveyance deed as development agreement (Previous year ₹ 20.14 lakhs).
- (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.

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.

In the Previous Financial Year, the plaintiffs have waived their demands and settled the issues with company. We have to that effect have filed consent terms / compromise terms in the said suit and the matter has been settled. Company also received the Court Order for the same.

In the Current Financial Year, there were various compliances performed by Company including pending litigations bearing No. SPCS - 745/10. Company have complied with each & every compliance. Now this stage of execution of final conveyance has remained. Company has received a draft of the said conveyance deed, which is under finalisation stage by both the parties inter se.

- (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.

## Notes forming part of the financial statements

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.

In the Previous Financial Year, the plaintiffs have waived their demands and settled the issues with company. We have to that effect have filed consent terms / compromise terms in the said suit and the matter has been settled. Company also received the Court Order for the same.

In the Current Financial Year, there were various compliances performed by Company including pending litigations bearing No. SPCS - 745/10. Company have complied with each & every compliance. Now this stage of execution of final conveyance has remained. Company has received a draft of the said conveyance deed, which is under finalisation stage by both the parties inter se.

- (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.

In the Previous financial year the Company obtained NA Order for the land admeasuring about 16950 sq.mtrs., which includes and excess land admeasuring about 1473 sq.mtrs., has also been exempted and have become free hold now final layout has remained so also development of portion of land admeasuring about 4000 sq.mtrs., which the Original owners have kept with them, has remained to be developed and the necessary effect to the 7/12 extract required to be effected.

In the Current Financial year there were various site related compliances remained to be completed by Company. Out of which most of the compliances Company had completed. Now few more compliances have remained to be completed those are as follows :

- a) final layout has remained so also development of portion of land admeasuring about 4000 sq.mtrs., which the Original owners have kept with them, has remained to be developed during pendency of our development activities the adjacent owner/ developer of the land bearing S.No. 113/2B part, adm. about 10,000.00 sq.mtrs., has encroached on our plot of land to the tune of adm. about 300.00 sq.mtrs., of an area for which removal of the said encroachment, we have filed Spl. Civil Suit against the said land owners / developers in the Civil Court Nashik, which is pending for compliance by the Defendant developer.
  - b) During the process of our compliance Ashoka Infraways had filed a Spl. Civil Suit against Vascon for specific performance for non compliance of various agreed things as per various terms of development agreement. Since Vascon have complied with all terms & conditions as per the said Development Agreement and due to amicable settlement arrived between the parties, Ashoka Infraways have withdrawn the said Spl. Civil Suit unconditionally.
  - c) After demarcating the said land adm. about 16950.00 sq.mtrs., (inclusive of portion of land adm. about 4000.00 sq.mtrs., remained to be develop for owners) the entier plot will be divided in to various sub plots and accordingly the ultimate effect will be given to the said 7/12 extract.
- f) 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



## Notes forming part of the financial statements

### For Development projects and according to the facts:

Pending final decision and interim stay granted by the Hon'ble High Court of Bombay in case of MCHI, the Company, has in case of certain development projects, neither collected nor paid Maharashtra Value Added Tax and in case of certain development projects, has paid Maharashtra Value Added Tax

Particulars	(₹ in Lakhs)	
	As at 31 March, 2023	As at 31 March, 2022
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,636.98	1,535.60

### 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 ₹ 160.27 lakhs for Provident Fund contributions (March 31, 2022 : ₹ 155.01 lakhs) and ₹ 10.70 lakhs (March 31, 2022 : ₹ 8.97 lakhs) towards ESIC in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

#### (b) Defined Benefit Plans:

##### Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

#### Defined benefit plans – as per actuarial valuation on 31st March, 2023

(₹ in Lakhs)

Particulars	Funded Plan	
	Gratuity	
	2023	2022
<b>Service Cost</b>		
Current Service Cost	89.20	88.78
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	56.47	51.69
Components of defined benefit costs recognised in profit or loss	145.67	140.47
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	0.16	0.13
Actuarial gains and loss arising from changes in financial assumptions	(20.28)	(7.84)
Actuarial gains and loss arising from experience adjustments	(76.22)	(6.95)
Actuarial gains and loss arising from demographic adjustments	-	-1.95
Others (describe)		
Components of defined benefit costs recognised in other comprehensive income	(96.34)	(16.62)
<b>Total</b>	<b>49.33</b>	<b>123.85</b>
<b>I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March</b>		
1. Present value of defined benefit obligation as at 31st March	785.43	931.73
2. Fair value of plan assets as at 31st March	34.92	15.63
3. Surplus/(Deficit)	(750.52)	(916.10)
4. Current portion of the above	750.52	916.10
5. Non current portion of the above	34.92	15.63

**Notes forming part of the financial statements**

Particulars	Funded Plan	
	Gratuity	
	2023	2022
<b>II. Change in the obligation during the year ended 31st March</b>		
1. Present value of defined benefit obligation at the beginning of the year	(931.72)	(872.12)
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. <i>Expenses Recognised in Profit and Loss Account</i>		
- Current Service Cost	(89.20)	(88.78)
- Past Service Cost		
- Interest Expense (Income)	(58.32)	(54.51)
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	1.95
ii. Financial Assumptions	20.28	7.84
iii. Experience Adjustments	76.22	6.95
5. Benefit payments	197.30	66.94
6. Others (Specify)		
<b>7. Present value of defined benefit obligation at the end of the year</b>	<b>(785.44)</b>	<b>(931.72)</b>
<b>III. Change in fair value of assets during the year ended 31st March</b>		
1. Fair value of plan assets at the beginning of the year	15.63	69.93
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	1.84	2.82
- Mortality Charges and Taxes	(3.82)	(4.04)
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actual Return on plan assets in excess of the expected return	(0.16)	(0.13)
5. Contributions by employer (including benefit payments recoverable)	34.11	13.98
6. Benefit payments	(12.68)	(66.94)
<b>7. Fair value of plan assets at the end of the year</b>	<b>34.92</b>	<b>15.63</b>
<b>IV. The Major categories of plan assets (As % of Total Plan Assets)</b>		
Funds Managed By Insurer	100%	100%
V. Actuarial assumptions		
1. Discount rate	7.40%	7.00%
2. Expected rate of return on plan assets	7.00%	6.50%
3. Attrition rate	7.00%	7.00%

**Maturity Profile of Defined Benefit Obligation:**

For the Year Ended March 31, 2023	Expected Benefit Payment Rounded to the nearest thousand (in ₹)
2024	17,785,000
2025	7,433,000
2026	8,565,000
2027	8,706,000
2028	11,312,000
2029-2033	51,504,000

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

## Notes forming part of the financial statements

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Defined Benefit Obligation	738.88	882.13	838.12	988.06

B. Effect of 1 % change in the assumed Salary Escalation Rate	1% Increase		1% Decrease	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Defined Benefit Obligation	822.08	970.37	751.81	896.04

C. Effect of 1 % change in the assumed Withdrawal Rate	1% Increase		1% Decrease	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Defined Benefit Obligation	786.91	932.39	783.90	931.09

VIII. Experience Adjustments:	Year Ended	
	2023	2022
	Gratuity	
1. Defined Benefit Obligation	(785.44)	(931.72)
2. Fair value of plan assets	34.92	15.63
3. Surplus/(Deficit)	(750.52)	(916.10)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(76.22)	(6.95)
5. Experience adjustment on plan assets [Gain]/(Loss)]	0.29	0.17

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.

**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.

## Notes forming part of the financial statements

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 (*Striked off w.e.f. 4.10.21*)
    - River Shore Developer Private Limited (*Stiked off wef 05.10.22*)
  2. Joint Ventures
    - Phoenix Ventures
    - Cosmos Premises Private Limited (*Disposed off w.e.f 31.10.21*)
    - Ajanta Enterprises
    - Vascon Saga Constructions LLP
    - Vascon Qatar WLL
    - Vascon Developers LLP
  3. Associates
    - Sita Laxmi Mills Ltd
    - DCS Conventions and Hospitality Private Limited (*w.e.f 17.10.2021*)
    - Vascon Developers LLP (*w.e.f 6.10.2022*)
    - Mumbai Estate Private Limited
  4. Key Management Personnel
    - Mr. R. Vasudevan
    - Mr. Siddarth Vasudevan
    - Dr Santosh Sundararajan
    - Mr. Somnath Biswas
    - Ms. Sarita Rameshlal Ahuja (*w.e.f 01-02-2023*)
    - Ms.Vibhuti Dani (*resigned w.e.f 31-01-2023*)
    - Mr. Rajesh Mhatre (*resigned w.e.f 18.10.2021*)
- Other Directors
- Mr. V Mohan (*Deceased w.e.f 5.11.2021*)
  - Mr. K G Krishnamurthy
  - Mr.Mukesh Malhotra
  - Ms. Sowmya Aditya Iyer
  - Mr. S Balasubramaniam (*appointed 26.11.2021*)

## Notes forming part of the financial statements

- Ms. Tara Subramaniam (*appointed 3.3.2023*)
- 5. Relatives of Key Management Personnel
  - Mrs. Thangam Moorthy
  - Mrs. Lalitha Vasudevan
  - Mrs. Lalitha Sundararajan
  - Mrs. Ramya Moorthy
  - Mrs. Shilpa Shivaram
- 6. Establishments where in which individuals in serial number (4) and (5) exercise significant Influence
  - Flora Facilities 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
  - 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
  - Deep Advisory Services
  - Space Centric Marketing & Construction Consultancy Pvt Ltd

### II Related party transactions

		(₹ in Lakhs)	
		As at Mar 31, 2023	As at March 31, 2022
(a)	<b>Sales and work</b>	3,041.18	1,128.77
	<b>Joint Ventures</b>		
	Phoenix Ventures	-	263.73
	Cosmos Premises Private Limited	0.00	-11.46
	Ajanta Enterprises	706.74	242.03
	<b>Total</b>	<b>706.74</b>	<b>494.29</b>
	<b>Key management Personnel</b>		
	Mr. Mukesh Malhotra	3.44	1.55
	Dr Santosh Sundararajan	2.63	1.18
	<b>Total</b>	<b>6.06</b>	<b>2.73</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Cherry Constructions Private Limited.	1,428.37	631.75
	Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	900.00	
	<b>Total</b>	<b>2,328.37</b>	<b>631.75</b>

Notes forming part of the financial statements

		(₹ in Lakhs)	
		As at Mar 31, 2023	As at March 31, 2022
(b)	<b>Interest Income/commission Received</b>	243.20	179.22
	<b>Subsidiaries</b>		
	<b>Interest</b>		
	Marathawada Realtors Private Limited	8.83	8.29
	River Shore Developer Private Limited	108.20	64.40
	<b>Commission</b>		
	GMP Technical Solutions Private Limited	10.71	10.79
	<b>Total</b>	<b>127.74</b>	<b>83.48</b>
	<b>Joint Venture</b>		
	Ajanta Enterprises	-	51.08
	Vascon Developers LLP	101.84	
	Cosmos Premises Private Limited - Dividend Received	-	-
		<b>101.84</b>	<b>51.08</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	- Conamore Resorts Pvt Ltd.	13.62	44.66
		<b>13.62</b>	<b>44.66</b>
(c)	<b>Interest Expense /commission Paid</b>	<b>237.54</b>	<b>245.84</b>
	<b>Subsidiaries</b>		
	<b>Interest</b>		
	Almet Corporation Limited	2.21	3.76
	Marathawada Realtors Private Limited	-	0.03
	<b>Commission</b>		
	GMP Technical Solutions Private Limited	63.50	70.75
	<b>Total</b>	<b>65.71</b>	<b>74.54</b>
	<b>Joint Venture</b>		
	Ajanta Enterprises	28.36	-
	<b>Total</b>	<b>28.36</b>	<b>-</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Flora Facilities Private Limited	57.30	71.51
	Hamcon Engineers Pvt Limited	13.30	7.77
	Space Centric Marketing & Construction Consultancy Pvt Ltd	-	-
	Sira Assets LLP	72.88	92.02
	<b>Total</b>	<b>143.47</b>	<b>171.30</b>
	<b>Relatives of Key Management Personnel</b>		
	Mr. Siddarth Vasudevan	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
(d)	<b>Purchase of Goods / Work/Rent</b>	<b>3,831.39</b>	<b>871.15</b>
	<b>Subsidiaries</b>		
	Marvel Housing Private Limited.	617.65	429.63
	GMP Technical Solution Pvt Ltd	-	10.58
	<b>Total</b>	<b>617.65</b>	<b>440.21</b>
	<b>Joint Venture</b>		
	Ajanta Enterprises	-	8.62
	<b>Total</b>	<b>-</b>	<b>8.62</b>
	<b>KMP</b>		
	Mrs. Sowmya Aditya Iyer	11.48	2.38
	<b>Total</b>	<b>11.48</b>	<b>2.38</b>

## Notes forming part of the financial statements

		(₹ in Lakhs)	
		As at Mar 31, 2023	As at March 31, 2022
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	<b>Purchase of Property Plant &amp; Equipment</b>		
	Flora Facilities Private Limited	2,252.80	-
	<b>Rent</b>		
	Flora Facilities Private Limited	129.73	222.39
	Deep Advisory Services	57.00	
	Lalitha Vasudevan	23.52	4.62
	<b>Works</b>		
	Stresstech Engineers Private Limited	564.20	6.25
	Conamore Resorts Pvt Ltd.	-	10.00
	Vastech Consultants Private Limited	30.60	30.60
	Vastech Consultants & Engineers LLP	144.42	146.09
	<b>Total</b>	<b>3,202.26</b>	<b>419.95</b>
(e)	<b>Receiving of Services</b>	<b>901.13</b>	<b>1,137.58</b>
	<b>Subsidiaries</b>		
	<b>Key Management Personnel</b>		
	Mr R Vasudevan		
	a) Short term benefits	-	1.67
	b) Post Employment benefits*	184.62	-
	Dr Santosh Sundararajan		
	a) Short term benefits **	271.67	271.67
	b) Post Employment benefits*	18.25	18.25
	c) Share based payments	-	129.55
	Mr. Somnath Biswas **		
	a) Short term benefits	61.28	61.28
	b) Post Employment benefits*	5.46	5.46
	c) Share based payments	-	35.08
	Mr. Siddharth Vasudevan **		
	a) Short term benefits	304.83	280.19
	b) Post Employment benefits*	13.49	12.33
	Mr. Rajesh Dilip Mhatre **		
	a) Short term benefits	-	134.73
	b) Post Employment benefits*	-	15.94
	c) Share based payments	-	129.55
	Ms. Sarita Rameshlal Ahuja		
	a) Short term benefits	2.19	-
	b) Post Employment benefits*	0.29	-
	Ms. Vibhuti Darshin Dani		
	a) Short term benefits	22.52	23.29
	b) Post Employment benefits*	3.17	0.46
	<b>Total</b>	<b>887.75</b>	<b>1,119.45</b>
	*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		
	** Short term employment benefit represents Salary Net of Tax. Key Management Personnel wise Tax borne by employer bifurcation as below:		

**Notes forming part of the financial statements**

		(₹ in Lakhs)	
		As at Mar 31, 2023	As at March 31, 2022
	<b>Name of the KMP</b>	147.96	217.38
	a) Dr. Santosh Sundararajan		
	b) Mr. Somnath Biswas	26.97	40.64
	c) Mr. Rajesh Dilip Mahtre	0.00	56.03
	d) Mr. Siddharth Vasudevan	161.72	148.37
	During the current & previous financial year short term employment benefits represents Net of Tax salary received by KMP.	<b>336.66</b>	<b>462.41</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Flora Facilities Private Limited	13.38	18.13
	Vastech Consultants Private Limited	-	-
	<b>Total</b>	<b>13.38</b>	<b>18.13</b>
(f)	<b>Share of Profit from AOP/Firm</b>	<b>1,946.86</b>	<b>390.68</b>
	<b>Joint Ventures</b>		
	Phoenix Ventures	3.94	7.72
	Ajanta Enterprises	1,942.92	382.96
	<b>Total</b>	<b>1,946.86</b>	<b>390.68</b>
(g)	<b>Share of Loss from AOP/Firm</b>	<b>0.83</b>	-
	<b>Joint Ventures</b>		
	Ajanta Enterprises	-	-
	Vascon Developers LLP	0.83	-
	Phoenix Ventures	-	-
	<b>Total</b>	<b>0.83</b>	-
(h)	<b>Reimbursement of expenses</b>	<b>1.37</b>	<b>4.16</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Flora Facilities Private Limited	1.37	4.16
	<b>Total</b>	<b>1.37</b>	<b>4.16</b>
(i)	<b>Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit</b>	<b>3,994.95</b>	<b>4,420.44</b>
	<b>Subsidiaries</b>		
	Marvel Housing Private Limited	1.29	-
	Marathawada Realtors Private Limited	-	104.00
	VASCON EPC LIMITED	-	-
	Vascon Value Homes Private Limited	31.64	-
	Rivershore Developer Private Limited	121.37	2,118.00
	Almet Corporation Limited	0.45	58.50
	<b>Total</b>	<b>154.75</b>	<b>2,280.50</b>
	<b>Joint Ventures</b>		
	Mumbai Estate Private Limited	-	10.00
	<b>Total</b>	-	<b>10.00</b>
	<b>Joint Ventures</b>		
	Phoenix Ventures	2.47	100.00
	Ajanta Enterprises	-	450.00
	<b>Total</b>	<b>2.47</b>	<b>550.00</b>



## Notes forming part of the financial statements

		(₹ in Lakhs)	
		As at Mar 31, 2023	As at March 31, 2022
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Hamcon Engineers Pvt Ltd	7.60	-
	Daffodil Projects Pvt Ltd	0.11	-
	Conamore Resorts Pvt Ltd.	2,050.55	402.64
	Sira Assets LLP	340.00	275.00
	Stresstech Engineers Private Limited	43.00	-
	Flora Facilities Private Limited	768.07	788.00
	<b>Total</b>	<b>3,209.33</b>	<b>1,465.64</b>
	<b>Key Management Personnel</b>		
	Mr. R. Vasudevan	628.40	114.30
	Mr. Siddharth Vasudevan	-	-
	<b>Total</b>	<b>628.40</b>	<b>114.30</b>
(j)	<b>Finance availed /Received back(including equity contributions in cash or in kind)</b>	<b>3,557.11</b>	<b>3,441.63</b>
	<b>Subsidiary</b>		
	GMP Technical Solution Pvt Ltd	-	150.00
	GMP Technical Solution Pvt Ltd (Preference Share Redemption)	-	410.00
	Vascon EPC Limited	-	-
	Marvel Housing Private Limited	-	-
	<b>Total</b>	<b>-</b>	<b>560.00</b>
	<b>Joint Ventures</b>		
	Phoenix Venture	-	38.00
	Vascon Developers LLP	127.50	-
	Ajanta Enterprises	1,087.69	1,057.39
	<b>Total</b>	<b>1,215.19</b>	<b>1,095.39</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Flora Facilities Private Limited	463.50	619.50
	SIRAASSETS LLP	-	346.00
	Hamcon Engineers Pvt Ltd	89.30	50.00
	Daffodil Projects Pvt Ltd	-	2.98
	Space Centric Marketing & Construction Consultancy Pvt Ltd	-	17.00
	Rose Premises Pvt Ltd	1,700.00	-
	One Stop Shop India Pvt Ltd	14.12	150.00
	Conamore Resorts Pvt Ltd.	75.00	352.73
	<b>Total</b>	<b>2,341.92</b>	<b>1,538.22</b>
	<b>Key Management Personnel</b>		
	Mr. R. Vasudevan	-	248.02
	<b>Total</b>	<b>-</b>	<b>248.02</b>
(k)	<b>Outstanding corporate / bank guarantees given</b>	<b>5,737.19</b>	<b>4,077.19</b>
	<b>Subsidiaries</b>		
	GMP Technical Solution Private Limited	5,737.19	4,077.19
	<b>Total</b>	<b>5,737.19</b>	<b>4,077.19</b>
(l)	<b>Outstanding as on</b>		
	<b>A) Receivable to Vascon Engineers Limited</b>	<b>12,708.42</b>	<b>9,901.46</b>
	<b>Subsidiaries</b>	<b>292.68</b>	<b>2,418.71</b>
	<b>a) Trade Recivable</b>		
	Rivershore Developers Private Limited	-	1.65
	GMP Technical Solution Private Limited	95.38	84.67
	<b>Total</b>	<b>95.38</b>	<b>86.32</b>

**Notes forming part of the financial statements**

	(₹ in Lakhs)	
	As at Mar 31, 2023	As at March 31, 2022
<b>b) Loans &amp; Advances / Project Advances</b>		
Vascon EPC Limited	-	-
Vascon Value Homes Private Limited	31.64	-
Rivershore Developers Private Limited	-	2,175.96
Marathawada Realtors Private Limited	113.46	105.52
Marvel Housing Private Limited	52.21	50.92
<b>Total</b>	<b>197.31</b>	<b>2,332.39</b>
<b>Joint Ventures</b>	<b>5,302.86</b>	<b>1,136.27</b>
<b>a) Trade Receivable</b>		
Phoenix Ventures	591.11	762.86
Cosmos Premises Private Limited	-	-
Ajanta Enterprises	-	-
<b>Total</b>	<b>591.11</b>	<b>762.86</b>
<b>b) Loans &amp; Advances</b>		
Phoenix Ventures	1.69	-
<b>Total</b>	<b>1.69</b>	<b>-</b>
<b>c) Balance in current accounts</b>		
Phoenix Ventures	377.35	373.41
Vascon Developers LLP	4,332.72	-
Ajanta Enterprises	-	-
<b>Total</b>	<b>4,710.07</b>	<b>373.41</b>
<b>Associates</b>	<b>2,573.00</b>	<b>2,573.00</b>
<b>a) Loans &amp; Advances ( Including deposits and trade advances)</b>		
Mumbai Estate Private Limited	2,573.00	2,573.00
<b>Total</b>	<b>2,573.00</b>	<b>2,573.00</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>	<b>4,316.83</b>	<b>3,553.04</b>
<b>a) Trade Receivable</b>		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	518.20	189.86
Stresstech Engineers Private Limited	-	56.79
Daffodil Projects Pvt Ltd	424.28	424.28
Mrs. Lalitha Vasudevan	3.35	-
Rose Premises Pvt Ltd	0.65	0.65
Cherry Constructions Private Limited.	555.09	214.99
<b>Total</b>	<b>1,501.57</b>	<b>886.58</b>
<b>b) Loans &amp; Advances ( Including deposits and trade advances)</b>		
Vastech Consultants Private Limited	-	-
Flora Facilities Private Limited	-	125.00
CONAMORE RESORTS PVT LTD.	2,246.89	259.08
Daffodil Projects Pvt Ltd	7.89	7.78
Rose Premises Pvt Ltd	19.75	1,719.75
One Stop Shop India Pvt Ltd	156.23	170.35
Venus Ventures	384.50	384.50
<b>Total</b>	<b>2,815.26</b>	<b>2,666.46</b>

## Notes forming part of the financial statements

	(₹ in Lakhs)	
	As at Mar 31, 2023	As at March 31, 2022
<b>Key Management Personnel</b>	<b>223.05</b>	<b>220.44</b>
<b>a) Trade Receivable</b>		
Mr. R. Vasudevan	3.34	3.34
Ms. Sowmya Aditya Iyer	1.65	
Dr.Santosh Sundararajan	12.06	11.10
<b>Total</b>	<b>17.05</b>	<b>14.44</b>
<b>b) Loans &amp; Advances ( Including deposits and trade advances)</b>		
Mr. Mukesh Malhotra	206.00	206.00
	<b>206.00</b>	<b>206.00</b>
<b>B) Receivable from Vascon Engineers Limited</b>	<b>2,509.02</b>	<b>4,907.34</b>
<b>Subsidiaries</b>	<b>1,109.55</b>	<b>890.29</b>
<b>a) Trade Payable</b>		
Marvel Housing Private Limited	159.42	89.44
GMP Technical Solution Pvt Ltd	924.50	774.57
<b>Total</b>	<b>1,083.92</b>	<b>864.01</b>
<b>b) Loans &amp; Advances</b>		
Almet Corporation Limited	25.63	26.28
Marathawada Realtors Private Limited	-	-
<b>Total</b>	<b>25.63</b>	<b>26.28</b>
<b>Joint Venture</b>	<b>127.60</b>	<b>1,838.99</b>
<b>a) Trade Payable</b>		
Ajanta Enterprises	14.98	14.98
<b>Total</b>	<b>14.98</b>	<b>14.98</b>
<b>b) Loans &amp; Advances</b>		
Phoenix Ventures	-	1.15
Cosmos Premises Private Limited	-	60.09
<b>Total</b>	<b>-</b>	<b>61.24</b>
<b>c) Balance in current accounts</b>		
Ajanta Enterprises	112.63	1,762.77
<b>Total</b>	<b>112.63</b>	<b>1,762.77</b>
<b>Key Management Personnel</b>	<b>147.08</b>	<b>777.63</b>
<b>a) Trade Payable</b>		
Ms. Sowmya Aditya Iyer	-	2.14
Mr. Mukesh Malhotra	136.76	136.76
	<b>136.76</b>	<b>138.91</b>
<b>b) For Deposit Received</b>		
Mr. R Vasudevan	10.32	638.72
<b>Total</b>	<b>10.32</b>	<b>638.72</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>	<b>1,124.78</b>	<b>1,400.43</b>
<b>a) Trade Payable</b>		
Flora Facilities Private Limited	-	66.16
Deep Advisory Services	47.42	16.20
Stresstech Engineers Private Limited	201.81	5.25
Vastech Consultants & Engineers LLP	124.71	103.80
Vastech Consultants Private Limited	70.11	37.06
Mrs. Lalitha Vasudevan	-	4.16
Conamore Resorts Pvt Ltd.	9.00	9.00
Space Centric Marketing & Construction Consultancy Pvt Ltd	33.99	34.52
<b>Total</b>	<b>487.04</b>	<b>276.14</b>

**Notes forming part of the financial statements**

(₹ in Lakhs)

	As at Mar 31, 2023	As at March 31, 2022
<b>b) Loans/(Advances)</b>		
Flora Facilities Private Limited	21.29	326.20
Hamcon Engineers Pvt Limited	221.56	128.79
Sira Assets LLP	394.89	669.30
<b>Total</b>	<b>637.74</b>	<b>1,124.29</b>

**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, 2023.

**Note 34 Key Ratios**

Ratios	Numerator	Denominator	31st March, 2023	31st March, 2022	% Variance	Reason for Variance
(a) Current Ratio	Current Assets	Current Liabilities	2.12	1.89	0.12	On account of Repayment of Borrowings leads to better Current Ratio
(b) Debt-Equity Ratio,	Total Debt (Non-current borrowings + Current Borrowings + Finance Lease Liability)	Equity Capital	0.15	0.17	-0.13	reduction in borrowings from the internal accrual from the sale of Inventory resulted in the improvement of the ratio.
(c) Debt Service Coverage Ratio,	Net profit after taxes + Exception items + Noncash operating expenses (depreciation) + Finance costs + Other adjustments	Total Debt (Non-current borrowings + Current Borrowings + Finance Lease Liability)	0.77	0.44	0.76	Reduction in debt and corresponding reduction in interest cost improves EBITA
(d) Return on Equity Ratio,	Net Profit after taxes	Average Shareholder's Equity	9.68	4.16	1.33	Increase in Profit after tax as compared to last year resultant improves the ratio
(e) Inventory turnover ratio,	Cost of Goods Sold	Average Inventory	1.41	0.88	0.59	Revenue growth and efficient inventory operations during the year has lead to faster inventory churning and thereby the inventory turnover ratio is improved
(f) Trade Receivables turnover ratio,	Sale of Products	Average Trade Receivables	6.00	4.17	0.44	Improved turnover ratio on account of improved collection from debtor
(g) Trade payables turnover ratio,	Net Purchase during the Year	Average Trade Payables	2.09	1.64	0.27	
(h) Net capital turnover ratio,	Sale of Products	Working Capital	1.24	0.96	0.29	Due to growth in Revenue along with improved operating efficiencies in the business, cash balance, receivables and inventory balance is increased which has resulted better working capital and an improvement in the ratio.

## Notes forming part of the financial statements

Ratios	Numerator	Denominator	31st March, 2023	31st March, 2022	% Variance	Reason for Variance
(i) Net profit ratio,	Net Profit after taxes	Sale of Products	0.11	0.07	0.56	Increase in revenue and reduction of finance cost, salary cost and other admin cost improves the ratio
(j) Return on Capital employed,	Earnings before interest and taxes (Loss before taxes + Finance costs)	"Capital employed (Tangible Net worth + Total Debt)"	9.99	6.66	0.50	Increase is on account of positive EBIT for the year in compare to EBIT previous year.
(k) Return on investment.	Income on Investment	Cost of Investment	0.18	1.43	-0.87	Decreased because of Sale of Mutual Fund

## Notes - Additional Information to the Financial Statements

## 35 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
(i) Principal amount remaining unpaid to MSME suppliers as on	84.48	1.90
(ii) Interest due on unpaid principal amount to MSME suppliers as on	19.57	12.29
(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)	7.28	1.37
(v) The amount of interest accrued and remaining unpaid as on	19.57	12.29
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	7.28	1.37

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## 36 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, 2023	Maximum balance outstanding during the year
Marathawada Realtors Pvt. Ltd	Subsidiary	113.46 (105.52)	113.46 (105.52)
Rivershore Developers Pvt Ltd	Subsidiary	- (2,175.96)	- (2,175.96)
Vascon Developers LLP		4,332.72 (-)	4,332.72 (-)
Phoenix Ventures Current A/c	Joint Venture	379.04 (378.58)	379.04 (378.58)

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 loan in share of parent or subsidiary where Company made loan or advances in the nature of loan.

## 37 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.

**Notes forming part of the financial statements**

38 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.

39 **Disclosure of particulars of contract revenue**

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Contract Revenue Recognized during the year	64,936.83	40,928.78
Contract costs incurred during the year	56,050.33	34,769.87
Recognized Profit	8,886.50	6,158.92
Advances received for contracts in progress	(4,130.81)	(5,389.55)
Retention money for contracts in progress	6,166.60	4,525.55
Gross amount due from customer for contract work ( assets )	29,322.64	25,091.11
Gross amount due to customer for contract work ( liability )	1,959.31	1,436.72

40 **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.

- Gross amount required to be spent by the Company during the year - NIL\*
- 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	-	-	-

(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year;	No Short Fall during the Year
(ii) The total of previous years' shortfall amounts;	No Shortfall in Previous Year
(iii) The reason for above shortfalls by way of a note;	NA
(iv) The nature of CSR activities undertaken by the Company.	Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare.

\* The Company was required to spend an amount of Rs. 23.58 lakhs in the financial year 2022-23 based on the Average Annual Profits of the Company for preceding 3 three years. However, the Company had already spent an excess amount of Rs. 29.69 lakhs in the Financial Year 2021-22

41 **Benami Property**

There are no any proceeding initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

42 The Company has borrowings from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

43 **Wilful Defaulter**

The company has not declared Wilful Defaulter by any bank or financial institutions or any other lender.

44 **Relationship with Struck off Companies**

The company has not done any transactions with companies struck off under section 248 of the Companies Act, 2013.

45 **Code on Social Security**

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 Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company 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.

## Notes forming part of the financial statements

46 The figures for the corresponding period / year have been regrouped and rearranged wherever necessary to make them comparable.

In terms of our report attached.

**For Sharp & Tannan Associates**  
Chartered Accountants  
Firm registration number - 109983W

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

Date : 15 May, 2023  
Place : Pune

### For and on behalf of the Board of Directors

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

Sd/-  
**Dr Santosh Sundararajan**  
(DIN-00015229)  
Whole Time Director & Group Chief  
Executive Officer

Sd/-  
**Sarita Ahuja**  
Company Secretary & Compliance Officer

Date : 15 May, 2023  
Place : Pune

Sd/-  
**Mukesh Malhotra**  
Director  
(DIN-00129504)

Sd/-  
**Somnath Biswas**  
Chief Financial Officer

**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 Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which includes the Group’s share of profit/(loss) in its associates and its joint-ventures, which comprise the Consolidated Balance Sheet as at March 31, 2023, 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, 2023, the Consolidated Profit (financial performance including other comprehensive income), its Consolidated Cash Flows and the Consolidated Changes in Equity for the year then ended.

**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 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 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.

**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 (KAM)	Auditor’s Response
1	<p><b>Revenue Recognition:</b></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 the 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 a wide range of contracts each having different risk profile based on its individual nature of performance and delivery characteristics. Changes in cost estimates could give rise to variances in the amount of revenue recognised and profit/loss recognised. Accordingly, this matter has been identified as KAM.</p>	<p><b>Principal Audit Procedures:</b></p> <p>Our audit procedures on revenue recognition from construction contracts consisted mainly of 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 include following:</p> <ul style="list-style-type: none"> <li>Assessed the Company’s process to identify revenue recognition and cost estimation as per the requirement of the revenue accounting standard.</li> <li>Evaluate the design and implementation of key internal financial controls and operating effectiveness of the relevant key controls with respect to the existence and accuracy of revenue recognition on selected transactions.</li> <li>Selected an appropriate sample of contracts and evaluated them along with the supporting evidence to determine whether various elements of revenue recognition as well as 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.</li> <li>Read and assessed the disclosure made in the financial statements for assessing compliance with the disclosure Ind AS 115 requirements.</li> </ul>



**Information other than the Consolidated Financial Statements and Auditor's Report thereon (hereinafter referred to 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.

**Board of Directors' Responsibilities 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 the preparation and presentation of these Consolidated Financial Statements in terms 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 its associates and joint-ventures 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 concerned 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 an 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 the 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 our auditor's report date. 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 the 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) evaluating 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. The Statement includes the Ind AS Financial Statements of 3 (three) domestic subsidiaries & 1 (one) foreign step-down subsidiary, whose Ind AS financial statements reflect total assets of Rs. 719.90 Lakhs as at March 31, 2023; and total revenue of Rs. 226.08 Lakhs & Rs. 621.43 Lakhs, total net loss after tax of Rs. 15.82 Lakhs & Profit after tax of Rs 1.28 Lakhs, total comprehensive loss of Rs.15.61 Lakhs & Income Rs. 1.48 lakhs and net cash inflow of Rs. 47.10 Lakhs & Rs. 42.76 Lakhs for the quarter and year then ended respectively. The Statement also includes the Group's share of profit after tax as well as total comprehensive income of Rs. 377.93 Lakhs & Rs. 1,942.92 lakhs for the quarter and year then ended March 31, 2023 respectively, in respect of a joint venture. 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. The Statement includes the Ind AS Financial Statements of 2 (two) domestic subsidiaries, whose Ind AS financial statements reflect total assets of Rs. 32.06 lakhs as at March 31, 2023; and total revenue of Rs.0 Lakhs & Rs. 0 Lakhs, total net loss after tax of Rs. 0.14 Lakhs & Rs 5.46 Lakhs, total comprehensive loss of Rs. 0.14 Lakhs & Rs. 5.46 Lakhs and net cash inflow of Rs. 30.27 Lakhs & Rs. 30.27 Lakhs for the quarter and year then ended respectively. The Statement also includes the Group's share of Loss after tax of Rs. 1.23 Lakhs & profit after tax Rs. 3.94 lakhs and total comprehensive Loss of Rs. 1.23 Lakhs & income of Rs. 3.94 lakhs for the quarter and year ended March 31, 2023, respectively, in respect of 4 (four) joint ventures. These financial statements / information are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these two subsidiaries and four joint ventures, 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 Holding Company's Management, this financial information is not material to the Group.
- C. Two domestic associates are non-operative entities and their financial information as at March 31, 2023 is unaudited. This financial information is provided by the management in whose opinion it is not material to the group.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143 (11) of the Act, we give in "**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, based on our audit and on the consideration of the 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 above, we report, to the extent applicable, that:
  - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - B. In our opinion, proper books of account as required by law relating to the 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 the 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, 2023 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, are disqualified as on March 31, 2023 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 B**". 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 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, 2023 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 did not have any material foreseeable losses on long-term contracts during the year ended 31 March 2023. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, on 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.
  - iv. (a) The management of the Group including associates and joint-ventures companies incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management of the Group including associates and joint-ventures companies incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. During the year Holding Company has not declared / paid any dividend hence reporting under rule 11 (f) is not applicable to that extent.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- H. 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 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. The remuneration paid to the director by the Holding Company and its subsidiary companies incorporated in India , where applicable, is not in excess of the limit laid down under Section 197 of the Act, except in the case of a Holding company and one of the subsidiary company where requisite approvals are taken in the general meeting. The Ministry of corporate affairs has not prescribed other details under section 197(16) which are required to comment upon by us.

**SHARP & TANNAN ASSOCIATES**

Chartered Accountants

Firm's Registration No.: 0109983W

by the hand of

**Sd/-**

**CA Tirtharaj Khot**

Partner

Membership No.: (F) 037457

**UDIN: 23037457BGYRJR3954**

Pune, May 15, 2023

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VASCON ENGINEERS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

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

In our opinion and according to the information and explanations given to us, the following companies incorporated in India and included in the Consolidated Financial Statements, have unfavourable remarks, qualifications or adverse remarks given by us & other auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entity	CIN	Holding Company / subsidiary	Clause number of the CARO report
1	Vascon Engineers Ltd.	L70100PN1986PLC175750	Holding Company	Clause (iii)
				Clause (vii) (a)
2	GMP Technical Solutions Private Limited	U74999MH2003PTC142312	Subsidiary Company	Clause (iii) (a)
				Clause (vii)
3	Almet Corporation Ltd.	U29290MH1960PLC059367	Subsidiary Company	Clause (vii) (a)
				Clause (xvii)
4	Marvel Housing Pvt. Ltd.	U45200MH2005PTC154682	Subsidiary Company	Clause (vii) (a)
5	Marathawada Realtors Pvt. Ltd	U24110MH1984PTC034809	Subsidiary Company	Clause (vii) (a)
				Clause (xvii)

**SHARP & TANNAN ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.: 0109983W  
by the hand of

**Sd/-**  
**CA Tirtharaj Khot**  
Partner

Membership No.: (F) 037457  
**UDIN: 23037457BGYRJR3954**

Pune, May 15, 2023

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VASCON ENGINEERS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(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"), including its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), including its associates and joint-ventures, which are companies incorporated in India, as of March 31, 2023 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, 2023, 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').

**Board of Directors' Responsibility for Internal Financial Controls**

The respective Company's Management and Board of Directors 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 were 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 matter**

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.

The internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, four joint ventures and two associates, wherever applicable, which is a company incorporated in India and Standalone Financial Statements of these subsidiaries, joint ventures and associates, included in these Consolidated Financial Statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary companies, joint ventures and associates are not material to the Holding Company.

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.: 0109983W  
by the hand of

**Sd/-**

**CA Tirtharaj Khot**

Partner

Membership No.: (F) 037457

**UDIN: 23037457BGYRJR3954**

Pune, May 15, 2023

**Consolidated Balance Sheet as at March 31, 2023**

(₹ in Lakhs)

Particulars		Note No	As at March 31, 2023	As at March 31, 2022
<b>A Assets</b>				
<b>1 Non Current Assets</b>				
(a)	Property, Plant and Equipment	3	7,998.43	5,316.09
(b)	Capital work-in-progress		0.04	0.03
(c)	Goodwill on Consolidation		1,561.25	1,832.20
(d)	Investment Property	4	1,443.85	1,517.57
(e)	Other Intangible assets	3	53.66	29.64
(f)	Right of Use Assets	3	630.73	728.73
(g)	Financial Assets			
(i)	Investments	5	7,925.08	7,225.08
(ii)	Loans	6	210.68	230.43
(iii)	Others Financial Assets	7	13,115.35	10,098.00
(h)	Income Tax Assets (net)		1,487.00	865.31
(i)	Deferred Tax Assets (net)	17	620.64	671.47
(j)	Other Non Current Assets	8	2,527.97	2,814.80
<b>Total Non - Current Assets</b>			<b>37,574.68</b>	<b>31,329.35</b>
<b>2 Current Assets</b>				
(a)	Inventories	9	47,254.30	51,441.74
(b)	Financial Assets			
(i)	Investments	5	346.59	406.68
(ii)	Trade receivables considered good - Unsecured	10	21,770.67	16,245.04
(iii)	Cash and cash equivalents	11	5,297.08	2,579.67
(iv)	Bank balances other than (iii) above	11	5,515.00	7,264.11
(v)	Loans receivables considered good - Unsecured	6	8,614.56	6,336.97
(vi)	Others Financial Assets	7	34,143.00	30,084.89
(c)	Other Current Assets	8	4,009.49	3,326.45
<b>Total Current Assets</b>			<b>1,26,950.69</b>	<b>1,17,685.55</b>
<b>Assets Held For Sale</b>			388.74	-
<b>Total Assets (1+2)</b>			<b>1,64,914.11</b>	<b>1,49,014.90</b>
<b>B Equity and Liabilities</b>				
<b>1 Equity</b>				
(a)	Equity Share Capital	12 & 12.1	21,731.71	21,731.71
(b)	Other Equity	12.2	69,445.03	59,404.27
<b>Equity attributable to owners of the Company</b>			91,176.74	81,135.98
Non Controlling Interest			1,259.03	1,276.72
<b>Total Equity</b>			<b>92,435.77</b>	<b>82,412.70</b>
<b>2 Non Current Liabilities</b>				
(a)	Financial Liabilities			
(i)	Borrowings	13	6,370.29	1,713.42
(ii)	Lease liability	14A	465.59	525.24
(iii)	Other financial liabilities	14	888.87	1,280.95
(b)	Other Liabilities	18	-	-
<b>Total Non - Current Liabilities</b>			<b>7,724.75</b>	<b>3,519.61</b>
<b>3 Current Liabilities</b>				
(a)	Financial Liabilities			
(i)	Borrowings	13	7,107.72	14,002.48
(ii)	Lease liability	14A	291.13	218.52
(iii)	Trade and other payables			
-	Total outstanding dues of micro enterprises and small enterprises	15	662.05	584.60
-	Total outstanding dues of creditors other than micro enterprises and small enterprises	15	35,496.95	27,332.32
(iv)	Other financial liabilities	14	171.46	501.41
(b)	Provisions	16	3,346.58	3,461.74
(c)	Other Current Liabilities	18	17,677.70	16,981.52
<b>Total Current Liabilities</b>			<b>64,753.59</b>	<b>63,082.59</b>
<b>Total Equity and Liabilities (1+2+3)</b>			<b>1,64,914.11</b>	<b>1,49,014.90</b>
<b>Significant accounting policies See accompanying notes forming part of the financial statements.</b>		1-2 & 3 - 52		

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/-  
**Mukesh Malhotra**  
 Chairman  
 (DIN-000129504)

 Sd/-  
**Dr Santosh Sundararajan**  
 Group Chief Executive Officer & Whole Time Director  
 (DIN-00015229)

 Sd/-  
**Sarita Ahuja**  
 Company Secretary & Compliance Officer

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

 Sd/-  
**Somnath Biswas**  
 Chief Financial Officer

 Place: Pune  
 Date: 15 May, 2023

 Place: Pune  
 Date: 15 May, 2023



## Consolidated Statement of Profit and Loss for the Period Ended March 31, 2023

(₹ in Lakhs)

Particulars		Note No	For the Period ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	19	1,01,938.23	65,686.05
II	Other Income	20	1,104.32	5,320.54
III	<b>Total Income (I+II)</b>		<b>1,03,042.55</b>	<b>71,006.59</b>
IV	<b>EXPENSES</b>			
	(a) Cost of materials and services consumed	21.a	79,467.44	51,940.12
	(b) Purchases of stock-in-trade		0.48	0.67
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.b	(602.08)	(161.57)
	(d) Employee benefit expense	22	6,911.55	7,020.91
	(e) Finance costs	23	1,279.35	2,444.08
	(f) Depreciation and amortization expense	3 & 4	1,191.99	1,077.64
	(g) Other expenses	24	4,465.03	4,648.56
	<b>Total expenses (IV)</b>		<b>92,713.76</b>	<b>66,970.41</b>
V	<b>Profit/ (Loss) before tax (III - IV)</b>		<b>10,328.79</b>	<b>4,036.18</b>
VI	<b>Less: Tax Expense</b>			
	(a) Current Tax	17	336.79	340.04
	(b) Deferred Tax	17	50.93	3.22
	(c) Excess/ ( short ) provision for tax of earlier years	17	-	101.20
			<b>387.72</b>	<b>444.46</b>
VII	<b>Profit/ (Loss) after tax (V - VI)</b>		<b>9,941.07</b>	<b>3,591.72</b>
VIII	<b>Profit after tax for the year attributable to:</b>			
	(a) Owners of the Company		9,749.10	3,518.63
	(b) Non controlling interests		191.98	73.09
IX	<b>Other Comprehensive Income</b>			
	(a) Items that will not be recycled to profit or loss - Remeasurements of the defined benefit liabilities / (asset)		77.09	(22.91)
	(b) Income tax relating to items that will not be reclassified to profit or loss		4.94	9.94
			<b>82.03</b>	<b>(12.97)</b>
X	<b>Other Comprehensive Income for the year attributable to:</b>			
	(a) Owners of the Company		84.23	(8.53)
	(b) Non controlling interests		(2.20)	(4.43)
XI	<b>Total Comprehensive Income/ (Loss) for the year</b>		<b>10,023.11</b>	<b>3,578.75</b>
XII	<b>Total comprehensive income for the year attributable to:</b>			
	(a) Owners of the Company		<b>9,833.33</b>	<b>3,515.30</b>
	(b) Non controlling interests		<b>189.78</b>	<b>63.45</b>
XIII	<b>Earnings / (Loss) per equity share (of Rs. 10/- each fully paid up) :</b>			
	(a) Basic	25	4.49	1.76
	(b) Diluted	25	4.49	1.76
Significant accounting policies See accompanying notes forming part of the financial statements.		1-2 & 3 - 52		

In terms of our report attached.

For and on behalf of the Board of Directors

## For Sharp &amp; Tannan Associates

Chartered Accountants  
(Firm Regn. No. 109983W)  
By the hands ofSd/-  
CA Tirtharaj Khot  
Partner  
Membership No: (F) - 037457Sd/-  
Mukesh Malhotra  
Chairman  
(DIN-000129504)Sd/-  
Dr Santosh Sundararajan  
Group Chief Executive Officer & Whole Time Director  
(DIN-00015229)Sd/-  
Sarita Ahuja  
Company Secretary & Compliance OfficerSd/-  
Siddharth Vasudevan  
Managing Director  
(DIN-02504124)Sd/-  
Somnath Biswas  
Chief Financial OfficerPlace: Pune  
Date: 15 May, 2023Place: Pune  
Date: 15 May, 2023

**Consolidated Cash Flow Statement for the Period Ended March 31, 2023**

(₹ in Lakhs)

Particulars	For the Period ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	10,328.79	4,036.18
Adjustments for :-		
- Depreciation / amortisation expenses	1,191.99	1,077.63
- Finance Cost	1,279.35	2,444.08
- Dividend Income	-	(13.09)
- Dividend & (Gain) / loss on investments carried at FVTPL	(7.81)	(3.98)
- Profit on Sale of investments	-	(3,991.22)
- Net Expense recognised in respect of equity-settled share-based payments	196.14	304.85
- Interest income	(613.80)	(569.51)
- Deferred Revenue	-	(3.17)
- Provision for doubtful debt and advances	(152.23)	164.74
- Bad debts and other receivables, loans and advances written off	544.34	3.74
- Provision no longer required written back	(347.18)	(235.85)
- Share of Profits from Joint Venture	-	7.64
- Net loss / (gain) arising on financial assets designated as at FVTPL	-	1.00
- Provision for diminution in value in investment	-	1,100.00
- (Profit) / Loss on Sale of Property, Plant & Equipment (net)	(10.74)	(347.09)
<b>Operating Profit before working capital changes</b>	<b>12,408.85</b>	<b>3,975.95</b>
<b>Adjustments for (increase) / decrease in operating assets</b>		
Inventories before capitalisation of borrowing cost	693.26	564.23
Trade receivables	(7,779.02)	1,883.06
Amount due from / to Customer	(4,563.76)	(10,016.62)
Loans (Non Current)	19.74	128.91
Others Financial Assets (Non Current)	(2,118.48)	(41.50)
Other assets (Non Current)	286.82	(941.33)
Loans (Current)	(309.59)	(1,853.48)
Others Financial Assets (Current)	2,624.05	(143.19)
Other assets (Current)	(683.50)	(140.14)
<b>Adjustments for (increase) / decrease in operating liabilities</b>		
Current trade payables	8,595.71	4,041.82
Provisions	54.17	1,175.42
Other Non Current liabilities	(451.74)	192.54
Other current liabilities	2,640.24	4,725.74
<b>Cash generated / (used in) from operations</b>	<b>11,416.75</b>	<b>3,551.41</b>
Income tax (refund) / paid (Net)	(1,050.71)	(223.31)
<b>Net cash (used in)/generated by operating activities (A)</b>	<b>10,366.04</b>	<b>3,328.10</b>

(₹ in Lakhs)

Particulars	For the Period ended March 31, 2023	For the year ended March 31, 2022
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work in progress	(4,192.39)	(1,500.94)
Dividend received	-	13.09
Proceeds on disposal of fixed assets	75.89	433.30
(Payments) / Proceeds from Investments	7.81	4,553.41
Investment in Subsidiaries / Joint Venture	-	(2,668.00)
(Investments) / Proceeds from fixed deposits with banks	850.27	(2,002.94)
(Investments) / Proceeds from liquid mutual funds	60.09	(93.98)
<b>Net Cash generated / (used) in investing activities (B)</b>	<b>(3,198.33)</b>	<b>(1,266.06)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from issue of Equity shares	-	7,400.00
Repayment of borrowing	(10,523.30)	(7,303.86)
Proceeds from borrowing	8,307.18	740.00
Proceeds from Lease Liabilities	12.96	551.65
Interest Income received	613.80	569.51
Finance cost including capitalised to qualifying assets	(2,823.39)	(4,171.32)
<b>Net Cash generated / (used) in financing activities (C)</b>	<b>(4,412.75)</b>	<b>(2,214.02)</b>
<b>D. NET CASH INFLOW / (OUTFLOW) (A+B+C)</b>	<b>2,754.96</b>	<b>(151.98)</b>
Cash and cash equivalents at the beginning of the year	2,544.65	2,693.80
Cash and Cash equivalents pursuant to Deletion in Subsidiary	-	2.83
Cash and Cash equivalents pursuant to change of Subsidiary status to Associate	(2.82)	-
Cash and cash equivalents at the end of the year	5,296.79	2,544.65
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>2,754.96</b>	<b>(151.98)</b>
Significant accounting policies See accompanying notes forming part of the financial statements.	1-2 & 3 - 52	

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

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

Sd/-  
**Mukesh Malhotra**  
Chairman  
(DIN-000129504)

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

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

Sd/-  
**Dr Santosh Sundararajan**  
Group Chief Executive Officer & Whole Time Director  
(DIN-00015229)

Sd/-  
**Sarita Ahuja**  
Company Secretary & Compliance Officer

Sd/-  
**Somnath Biswas**  
Chief Financial Officer

Place: Pune  
Date: 15 May, 2023

Place: Pune  
Date: 15 May, 2023

**Statement of changes in equity for the year ended March 31, 2023**
**a) Change in Equity**

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	21,731.71	18,213.67
Issue of equity shares under employee share option plan	-	400.00
Issue of Preferential equity shares	-	3,118.04
<b>Balance at the end of the year</b>	<b>21,731.71</b>	<b>21,731.71</b>

**b) Changes in Other Equity**

(₹ in Lakhs)

Particulars							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			
<b>Balance at the beginning of the reporting year - As of April 01, 2022</b>	1,777.00	60,586.51	855.70	1,537.50	2.66	(5,355.10)	59,404.27	1,276.72	60,680.99
Transferred to Capital Redemption Reserve	-	-	-	-	-	-	-	(207.47)	(207.47)
Addition / deletion during the year						11.26	11.26		11.26
Amount recorded on grants	-	-	196.14	-	-	-	196.14	-	196.14
Profit for the year	-	-	-	-	-	9,751.33	9,751.33	191.98	9,943.31
Other Comprehensive income for the year	-	-	-	-	-	82.03	82.03	(2.20)	79.83
<b>Balance at the end of the reporting Year - March 31, 2023</b>	<b>1,777.00</b>	<b>60,586.51</b>	<b>1,051.84</b>	<b>1,537.50</b>	<b>2.66</b>	<b>4,489.52</b>	<b>69,445.03</b>	<b>1,259.03</b>	<b>70,704.06</b>

(₹ in Lakhs)

Particulars							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			
<b>Balance at the beginning of the reporting year - As of April 01, 2021</b>	1,428.50	56,098.95	1,156.45	1,537.50	2.66	(8,521.91)	51,702.14	1,000.19	52,702.33
Addition during the year	-	-	-	-	-	-	-	213.08	213.08
Premium on Shares issued during the year	-	3,881.96	-	-	-	-	3,881.96	-	3,881.96
Amount recorded on grants	-	-	304.85	-	-	-	304.85	-	304.85
Transferred to securities premium account on exercise	-	605.60	(605.60)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	3,528.28	3,528.28	67.88	3,596.16
Other Comprehensive income for the year	-	-	-	-	-	(12.97)	(12.97)	(4.43)	(17.40)
<b>Balance at the end of the reporting Year - March 31, 2022</b>	<b>1,428.50</b>	<b>60,586.51</b>	<b>855.70</b>	<b>1,537.50</b>	<b>2.66</b>	<b>(5,006.60)</b>	<b>59,404.27</b>	<b>1,276.72</b>	<b>60,680.98</b>

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/-  
**Mukesh Malhotra**  
 Chairman  
 (DIN-000129504)

 Sd/-  
**Dr Santosh Sundararajan**  
 Group Chief Executive Officer & Whole Time Director  
 (DIN-00015229)

 Sd/-  
**Sarita Ahuja**  
 Company Secretary & Compliance Officer

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

 Sd/-  
**Somnath Biswas**  
 Chief Financial Officer

 Place: Pune  
 Date: 15 May, 2023

 Place: Pune  
 Date: 15 May, 2023

## Notes forming part of Consolidated Financial Statements for the year ended 31st March 2023

### 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, 2023 were approved by the Board of Directors and authorised for issue on May 15, 2023.

### 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.

# VASCON ENGINEERS LIMITED

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, 2022	As at March 31, 2023
Marvel Housing Private Limited	Subsidiary	India	100%	100%
Vascon Value Homes Private Limited	Subsidiary	India	100%	100%
River Shore Developers Limited **	Subsidiary	India	92%	0%
Vascon Developers LLP **	Associates	India	0%	35%
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%
Creazoine Metal Products Private Limited	Step down Subsidiary	India	-	85%
Almet Corporation Limited	Subsidiary	India	100%	100%
Marathawada Realtors Private Limited	Subsidiary	India	100%	100%
Vascon Saga Construction LLP	Joint Venture	India	76%	76%
Phoenix Ventures	Joint Venture	India	50%	50%
Ajanta Enterprises	Joint Venture	India	50%	50%
Mumbai Estate Private Limited	Associates	India	44.44%	44.44%
DCS Conventions and Hospitality Private Limited**	Associates	India	26%	26%

\*\* During the year, the Company Converted Rivershore Developers Private Limited to Vascon Developers LLP and reduced its stake to 35% by admitting new partner.

## 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 recognized when (or as) the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

**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.

### 2.08 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

### 2.09 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.



## 2.10 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.

## 2.11 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.

## 2.12 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.

## 2.13 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 unutilised 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.

## 2.14 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.

## 2.15 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.

## 2.16 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.

## 2.17 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.

## 2.18 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.

## 2.19 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.

## 2.20 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, except for trade receivables which are initially measured at transaction price.

### 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.

### 2.21 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.

### 2.22 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.

### 2.23 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".

### 2.24 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.

### 2.25 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.

## 2.26 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.

## 2.27 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. However trade receivables do not contain a significant financing component and are measured at transaction price.

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.

**2.28 Dividend**

Dividend on share is recorded as liability on the date of approval by the shareholders.

**2.29 Investments**

Long Term Investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary in the value of these investments. Current investments are carried at lower of the cost and fair value.

**2.30 Associates and joint ventures**

Associates and joint ventures are accounted for under the equity method at cost at the date of acquisition. In subsequent periods, the carrying amount is adjusted up or down to reflect the Group's share of the comprehensive income of the investee. Any distributions received from the investee and other changes in the investees equity reduce or increase the carrying amount of the investment. If the losses of an associate or joint venture attributable to the Group equal or exceed the value of the interest held in this associate or joint venture, no further losses are recognised unless the Group incurs an obligation or makes payments on behalf of the associate or joint venture. If there are any indications of impairment in the investments in associates or joint ventures, the carrying amount of the relevant investment is subject to an impairment test. If the reason for an impairment loss recognised in prior years no longer exists, the carrying amount of the investment is increased to a maximum figure of the share of net assets in the associate or joint venture.

**2.31 Non-current assets held for sale and discontinued operations**

Non-current assets are classified separately in the balance sheet as held for sale if they are available for sale in their present condition and the sale is highly probable. Assets that are classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. Liabilities classified as directly related to non-current assets held for sale are disclosed separately as held for sale in the liabilities section of the balance sheet. For discontinued operations, additional disclosures are required in the Notes, as long as the requirements for classification as discontinued operations are met.

**2.32 Recent accounting pronouncements**

Ministry of Corporate Affairs (MCA), vide notification dated 31 March 2023, has made the following amendments to Ind AS which are effective 1st April 2023:

- a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- b. Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.
- c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its Consolidated financial statements.

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

### Note No. 3 - Property Plant and Equipments and Intangible assets

(₹ in Lakhs)

PARTICULARS	I. Tragible assets								II. Intangible assets	III. Right of Use Assets		
	LEASEHOLD IMPROVEMENTS	LAND	BUILDING & PREMISES	PLANT & MACHINERY	FURNITURE & FIXTURES	MOTOR VEHICLE	OFFICE EQUIPMENT'S	Total	SOFTWARES	OFFICE PREMISES	VEHICLE	Total
<b>Gross Carrying Value</b>												
As at April 1, 2022	338.88	440.02	3,298.24	13,216.53	715.99	409.67	745.04	19,164.37	696.60	2,130.19	111.65	2,241.84
Additions	-	-	2,252.80	1,553.45	52.70	25.54	32.08	3,916.57	37.94	188.82	14.04	202.86
Disposals	-	-	446.91	196.89	13.33	26.21	4.71	688.05	-	99.88	-	99.88
As at Mar 31, 2023	338.88	440.02	5,104.13	14,573.09	755.36	409.00	772.41	22,392.89	734.54	2,219.13	125.69	2,344.82
<b>Accumulated depreciation</b>												
As at April 1, 2022	126.99	-	2,190.13	9,929.98	647.55	241.35	712.29	13,848.29	666.95	1,423.63	89.48	1,513.11
Additions	14.37	-	169.60	610.42	19.34	58.49	23.22	895.44	13.92	189.20	19.71	208.91
Disposals	(0.04)	-	163.89	142.72	12.67	25.69	4.33	349.26	-	7.93	-	7.93
As at Mar 31, 2023	141.40	-	2,195.84	10,397.68	654.22	274.15	731.18	14,394.47	680.87	1,604.90	109.19	1,714.09
<b>Net carrying value as at Mar 31, 2023</b>	197.48	440.02	2,908.29	4,175.41	101.14	134.85	41.23	7,998.42	53.67	614.23	16.50	630.73
<b>Gross Carrying Value</b>												
As at April 1, 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
Additions	-	-	9.22	632.15	13.27	117.62	9.49	781.75	29.14	723.45	10.87	734.32
Disposals	11.47	-	-	735.47	6.24	56.13	0.47	809.78	-	8.48	-	8.48
As at March 31, 2022	338.88	440.02	3,298.24	13,216.53	715.99	409.67	745.04	19,164.37	696.60	2,130.19	111.65	2,241.84
<b>Accumulated depreciation</b>												
As at April 1, 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
Additions	15.47	-	90.29	587.14	17.69	59.97	20.54	791.10	17.40	170.42	19.71	190.13
Disposals	10.79	-	-	678.78	6.03	38.26	0.31	734.17	-	-	-	-
As at March 31, 2022	126.99	-	2,190.13	9,929.98	647.55	241.35	712.29	13,848.29	666.95	1,423.63	89.48	1,513.11
<b>Net carrying value as at Mar 31, 2022</b>	211.89	440.02	1,108.11	3,286.55	68.44	168.32	32.75	5,316.08	29.65	706.56	22.17	728.73

### Note No. 4 - Investment Property

(₹ in Lakhs)

Description of Assets	Buildings
<b>Gross carrying value *</b>	
As at April 1, 2022	2,257.79
Additions	-
Disposals	-
<b>As at Mar 31, 2023 ( A )</b>	<b>2,257.79</b>
<b>Accumulated depreciation</b>	
As at April 1, 2022	740.22
Charge for the year	73.72
Reversals/ Disposals during the year	-
<b>As at Mar 31, 2023 ( B )</b>	<b>813.94</b>
<b>Net carrying value as at Mar 31, 2023 (A) - (B)</b>	<b>1,443.85</b>
<b>Gross carrying value *</b>	
As at April 1, 2021	2,280.39
Additions	-
Disposals	22.60
<b>As at March 31, 2022 ( A )</b>	<b>2,257.79</b>
<b>Accumulated depreciation</b>	
As at April 1, 2021	681.68
Charge for the year	79.01
Reversals/ Disposals during the year	20.47
<b>As at March 31, 2022 ( B )</b>	<b>740.22</b>
<b>Net carrying value as at March 31, 2022 (A) - (B)</b>	<b>1,517.57</b>

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.



## Notes forming part of Consolidated Financial Statements

## Fair valuation

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment Property	2,868.53	2,407.66

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 ₹ 1443.85 Lakhs (Previous Year ₹ 1517.57 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, 2023	As at March 31, 2022
<b>A. INVESTMENTS CARRIED AT COST</b>		
<b>I. Unquoted Investments (all fully paid)</b>		
DCS Conventions and Hospitality Private Limited	0.05	0.05
520 (March 31, 2022: 520) Equity shares of ₹ 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 Developers LLP	700.00	-
VASCON Construction Saga LLP	1.52	1.52
	5,174.52	4,474.52
<b>INVESTMENTS CARRIED AT COST [A]</b>	5,174.52	4,474.52
<b>B. INVESTMENTS CARRIED AT AMORTISED COST</b>		
<b>Investment in Government or trust securities</b>		
7 Years National Savings Certificate	0.20	0.20
	0.20	0.20
<b>INVESTMENTS CARRIED AT AMORTISED COST [B]</b>	0.20	0.20
<b>C. DESIGNATED AS FAIR VALUE THROUGH PROFIT AND LOSS</b>		
<b>Quoted investments</b>		
Investments in Equity Instruments - Union Bank of India (formerly Corporation Bank)	0.11	0.11
330 ( March 31,2022: 330) Equity shares of ₹ 10/- Each fully paid		
<b>Total Aggregate Quoted Investments</b>	0.11	0.11
<b>Unquoted Investments(all fully paid)</b>		
<b><u>Investments in Equity Instruments of structured entities</u></b>		
The Saraswat Co-Op Bank Limited	0.25	0.25
2,500 (March 31, 2022: 2,500) Equity Shares Of Rs.10/- Each Fully Paid		
	0.25	0.25
<b><u>Investments in debentures</u></b>		
Investments in debentures of Ascent Hotels Private Limited	2,750.00	2,750.00
Optionally Convertible Redeemable Debenture 6,726,396 (March 31, 2022: 6,726,396) of face Value Rs.10/- each		
	2,750.00	2,750.00
<b>INVESTMENTS CARRIED AT FVTPL [C]</b>	2,750.36	2,750.36
<b>TOTAL INVESTMENTS [A] + [B] + [C]</b>	<b>7,925.08</b>	<b>7,225.08</b>

**Notes forming part of Consolidated Financial Statements**
**Details of quoted / unquoted investments:**

Particular	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Aggregate amount of Quoted Investments and Market Value thereof	0.25	0.25
Aggregate amount of Unquoted Investments	7,924.83	7,224.83
Aggregate amount of Provision for expected credit loss on investments	-	-

Note- Refer Note 36 for Summarised information for those joint ventures which are material to the Group

**B. Current Investment**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Designated as Fair Value Through Profit and Loss</b>		
<b>I. Unquoted Investments (all fully paid)</b>		
<b><u>Investments in Equity Instruments of structured entities</u></b>		
Sita Lakshmi Mills Limited 806,000 (March 31, 2022: 806,000) Equity Shares of Rs 50/- Each Fully Paid	234.00	234.00
<b>Total Unquoted Investments</b>	234.00	234.00
<b>Quoted Investments</b>		
Investment in Mutual Funds HSBC Cash Fund - Growth Direct Plan <i>Units 5021.442 (March 31, 2022: 8145.94) , NAV ₹ 2242.1310 (March 31, 2022: ₹ 2119.7831) each</i>	112.59	172.68
<b>Total Quoted Investments</b>	112.59	172.68
<b>TOTAL CURRENT INVESTMENTS</b>	<b>346.59</b>	<b>406.68</b>

**Details of quoted / unquoted investments:**

Particular	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Aggregate amount of Quoted Investments and Market Value thereof	112.59	172.68
Aggregate amount of Unquoted Investments	234.00	234.00
Aggregate amount of Provision for expected credit loss on investments	-	-

Note- Refer Note 36 for Summarised information for those joint ventures which are material to the Group

**Note No. 5.1 - Assets Classified as Held for Sale**
**Current**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Asset Held for Sale</b>		
- Property Plant & Equipment	283.02	-
- Right to Use Assets	91.94	-
- Cash & Bank Balance	2.29	-
- Non Current Financial Assets	0.41	-
- Current Financial Assets	0.08	-
- Other Current Assets	11.00	-
- During the current year, the Company has classified investment made in two subsidiaries as assets held for sale in accordance with the management's plan to dispose the assets of the subsidiaries		
<b>TOTAL</b>	<b>388.74</b>	<b>-</b>

## Notes forming part of Consolidated Financial Statements

## Note No. 6 : Loans

## A. Non Current Loans

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>a) Other Loans</b>		
- Unsecured, considered good	210.68	230.43
<b>Total</b>	<b>210.68</b>	<b>230.43</b>

## B. Current Loans

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>a) Loans and Advances to Employees</b>		
- Unsecured, considered good	178.95	199.98
<b>b) Loans to related parties (Refer Note 33)</b>		
- Unsecured, considered good	4,867.45	430.21
<b>c) Other Loans</b>		
- Unsecured, considered good	3,568.16	5,706.78
<b>TOTAL</b>	<b>8,614.56</b>	<b>6,336.97</b>

## Note No. 7 : Other Financial Assets

## A. Non - Current

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Financial assets at amortised cost</b>		
<b>a) Security Deposits</b>		
- Unsecured		
Considered good	1,079.61	953.59
Considered doubtful	25.00	25.00
Less: Allowance for Credit Losses	(25.00)	(25.00)
	1,079.61	953.59
<b>b) Bank deposits with more than 12 months maturity</b>	1,482.03	560.74
<b>c) Project Advances</b>	10,553.71	8,561.22
<b>d) Interest accrued on deposits</b>	-	22.45
<b>TOTAL</b>	<b>13,115.35</b>	<b>10,098.00</b>

## B. Current

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Financial assets at amortised cost</b>		
<b>a) Security Deposits - Unsecured</b>	511.43	365.41
<b>b) Interest accrued on deposits</b>	118.86	247.15
<b>c) Project Advances</b>	2,929.56	3,452.98
<b>d) Other Recoverable (incl JV Partner share)</b>	636.78	636.78
<b>e) Amounts due from customers under construction contracts</b>		
- Gross amount due from customer	32,864.03	30,271.24
- Less : Related Advance Payments received	(2,917.66)	(4,888.67)
	29,946.37	25,382.57
<b>TOTAL</b>	<b>34,143.00</b>	<b>30,084.89</b>

**Notes forming part of Consolidated Financial Statements**
**Note No. 8 : Other Non Current and Current Assets**
**A. Non current**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
a) Balances with government authorities (other than income taxes)	2,527.97	2,814.80
<b>TOTAL</b>	<b>2,527.97</b>	<b>2,814.80</b>

**B. Current**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
a) Advances to suppliers	3,002.03	2,335.49
b) Other Receivable	419.02	323.04
c) Prepaid Expenses	544.95	624.59
d) Travel Advance	43.49	43.33
<b>TOTAL</b>	<b>4,009.49</b>	<b>3,326.45</b>

**Note No. 9 : Inventories**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
a) Building materials / Tools	5,848.82	5,465.91
b) Projects under Development	37,999.57	42,027.95
c) W.I.P/ Finished Goods	1,315.46	888.87
d) Completed Projects	2,090.45	3,059.01
<b>Total Inventories</b>	<b>47,254.30</b>	<b>51,441.74</b>

**Note No. 10 : Trade Receivables**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
(a) Unsecured, considered good	15,171.85	12,148.61
(b) Credit Impaired	3,965.09	4,138.46
Less: Allowance for Credit Losses	(3,965.09)	(4,138.46)
	15,171.85	12,148.61
<b>Retention (Accrued but not due)</b>		
(a) Unsecured, considered good	7,855.03	5,698.00
	7,855.03	5,698.00
(Less) : Related Unearned Receivables	(1,256.21)	(1,601.57)
<b>Total</b>	<b>21,770.67</b>	<b>16,245.04</b>

**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).

## Notes forming part of Consolidated Financial Statements

4. The concentration of credit risk is limited due to the fact that customer base is large and unrelated.
5. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit losses experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
EPC:		
Less than 1 year	6,933.74	3,614.32
1-2 year	3,263.72	1,690.39
2-3 year	397.39	447.36
More than 3 year	3,680.64	5,210.44
Less :- Expected Credit Loss *	(2,922.12)	(2,612.91)
Total	11,353.37	8,349.60
Development Sales Receivables	1,730.35	1,308.39
Receivables from Related Parties	1,282.48	563.72
Clean Room & BMS (GMP) Sales Receivables	8,447.44	7,548.86
Less :- Expected Credit Loss *	(1,042.97)	(1,525.53)
Total	7,404.47	6,023.33
<b>TOTAL</b>	<b>21,770.67</b>	<b>16,245.04</b>

\*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:

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the period / year	4,138.46	3,973.71
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	338.73	180.93
Utilization / Reversals	(512.10)	(16.20)
Balance at end of the year	3,965.09	4,138.46

## Note 10 (a)

## Trade Receivable ageing schedule

Particulars	Outstanding for following periods from due date of Payments					Total
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	Mar-23					
(i) Undisputed Trade Receivables - Considered good	8,143.81	1,735.96	2,258.05	1,187.20	3,733.50	17,058.52
(ii) Undisputed Trade Receivables - Considered doubtful	19.48	7.99	282.84	174.69	2,759.77	3,244.77
(iii) Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered doubtful	8.63	0.58	9.75	83.85	419.27	522.08
<b>Total Debtors</b>	<b>8,171.92</b>	<b>1,744.53</b>	<b>2,550.64</b>	<b>1,445.74</b>	<b>6,912.54</b>	<b>20,825.37</b>
Less: Allowance for Loss	-	-	-	-	-	(3,965.09)
Add: Retention (Accrued but not due)	-	-	-	-	-	6,166.60
Less: Related Unearned Receivables	-	-	-	-	-	(1,256.21)
<b>Net Debtors</b>	<b>8,171.92</b>	<b>1,744.53</b>	<b>2,550.64</b>	<b>1,445.74</b>	<b>6,912.54</b>	<b>21,770.67</b>

**Notes forming part of Consolidated Financial Statements**
**Trade Receivable ageing schedule**
**Mar-22**

Particulars	Outstanding for following periods from due date of Payments					Total
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered good	3,941.08	1,121.53	1,777.26	1,105.73	4,203.00	<b>12,148.60</b>
(ii) Undisputed Trade Receivables - Considered doubtful	66.55	266.14	619.36	533.16	2,128.65	<b>3,613.86</b>
(iii) Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered doubtful	1.36	1.58	20.95	260.98	239.74	<b>524.61</b>
<b>Total Debtors</b>	<b>4,008.99</b>	<b>1,389.25</b>	<b>2,417.57</b>	<b>1,899.87</b>	<b>6,571.39</b>	<b>16,287.07</b>
Less: Allowance for Loss	-	-	-	-	-	<b>(4,138.46)</b>
Add: Retention (Accrued but not due)	-	-	-	-	-	<b>5,698.00</b>
Less: Related Unearned Receivables	-	-	-	-	-	<b>(1,601.57)</b>
<b>Net Debtors</b>	<b>4,008.99</b>	<b>1,389.25</b>	<b>2,417.57</b>	<b>1,899.87</b>	<b>6,571.39</b>	<b>16,245.04</b>

**Note No. 11 : Cash and Bank Balances**
**(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A) Current Cash and bank balances</b>		
a) Unrestricted Balances with banks#	3,115.54	1,422.62
b) Cash on hand	171.85	185.12
c) Balances with banks in deposit accounts with original maturity of less than 3 months	2,009.69	971.93
<b>Cash and cash equivalent as per balance sheet</b>	<b>5,297.08</b>	<b>2,579.67</b>
Bank Overdraft	0.30	35.02
<b>Total Cash and cash equivalent as per statement of cash flows</b>	<b>5,296.78</b>	<b>2,544.65</b>
<b>B) Other bank balances</b>		
a) Balances with banks in deposit accounts with original maturity more than 3 months	809.34	3,149.35
b) In earmarked accounts	-	-
- Balances held as margin money or security against borrowing, gurantee and other commitments*	4,705.66	4,114.76
<b>Total Other Bank Balances</b>	<b>5,515.00</b>	<b>7,264.11</b>

\* 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 - Equity Share Capital**

Equity share capital	As at March 31, 2023		As at March 31, 2022	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
<b>Authorised:</b>				
Equity shares of Rs 10 each with voting rights	26,41,30,000	26,413.00	26,41,30,000	26,413.00
Preference Share of Rs. 10 each without voting rights	50,00,000	500.00	50,00,000	500.00
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of Rs 10 each with voting rights	21,73,17,111	21,731.71	21,73,17,111	21,731.71

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.

## Notes forming part of Consolidated Financial Statements

## Note No. 12.1

## (i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	(₹ in Lakhs)	
	Number of Shares	Equity share capital
<b>Issued and Paid up Capital at April 1, 2021</b>	<b>18,21,36,716</b>	<b>18,213.67</b>
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	40,00,000	400.00
Issue of Preferential equity shares	3,11,80,395	3,118.04
<b>Balance at March 31, 2022</b>	<b>21,73,17,111</b>	<b>21,731.71</b>
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	-	-
<b>Balance at March 31, 2023</b>	<b>21,73,17,111</b>	<b>21,731.71</b>

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

Class of shares / Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Vasudevan Family Trust	3,24,11,735	14.91	2,29,11,577	10.54
R. Vasudevan	1,99,88,624	9.20	1,95,17,124	8.98
Lalitha Vasudevan	22,27,171	1.02	1,17,27,329	5.40
Crest Ventures Limited	1,11,35,857	5.12	1,11,35,857	5.12

## (iii) Details of Shareholdings by Promoter / Promoter Group

(Shares in Nos.)

Promoter / Promoter Group Name	31st March, 2023		31st March, 2022		% Change during the Year
	Numbers of Shares	% of Holding	Numbers of Shares	% of Holding	
<b>Promoter</b>					
Vasudevan Ramamoorthy (in the capacity of Trustee of Vasudevan Family Trust)	3,24,11,735	14.91	2,29,11,577	10.54	4.37
Vasudevan Ramamoorthy	1,99,88,624	9.20	1,95,17,124	8.98	0.22
Lalitha Vasudevan	22,27,171	1.02	1,17,27,329	5.40	-4.38
Siddharth Vasudevan Moorthy	41,64,953	1.92	41,64,953	1.92	0.00
Sowmya Aditya Iyer	7,00,294	0.32	7,00,294	0.32	0.00
Ramya Siddharth Moorthy	8,90,868	0.41	8,90,868	0.41	0.00
<b>Promoter Group</b>					
Vatsalya Enterprises Private Limited	95,99,275	4.42	95,99,275	4.42	0.00
<b>Total</b>	<b>6,99,82,920</b>		<b>6,95,11,420</b>		

## (iv) As at 31 Mar, 2023, 4,000,000 shares (As at 31 Mar, 2022, 4,000,000 shares ) were reserved for issuance as follows:

Particulars	No. of shares					
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Outstanding employee stock options granted / available for grant	40,00,000	40,00,000	80,00,000	1,20,00,000	1,20,00,000	1,60,00,000

**Notes forming part of Consolidated Financial Statements**
**Note No. 12.2 : Other Equity**
**Other Equity**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>a) Capital Redemption Reserve</b>		
Opening Balance	1,777.00	1,428.50
	1,777.00	1,428.50
<b>b) Securities Premium Reserve</b>		
Opening Balance	60,586.51	56,098.95
Premium on Shares Issued during the year	-	3,881.96
Transferred on account on exercise of share based payment	-	605.60
	60,586.51	60,586.51
<b>c) Equity-settled employee benefits reserve</b>		
Opening Balance	855.70	1,156.45
Amount recorded on grants during the year	196.14	304.85
Transferred to securities premium account on exercise	-	(605.60)
	1,051.84	855.70
<b>d) General Reserve</b>		
Opening Balance	1,537.50	1,537.50
	1,537.50	1,537.50
<b>e) Foreign Currency Translation Reserve</b>		
Opening Balance	2.66	2.66
	2.66	2.66
<b>f) Retained Earnings</b>		
Opening Balance	(5,355.10)	(8,521.91)
Less: Subsidiary added / deletion during the year	11.26	-
Profit for the year	9,751.33	3,528.28
Other Comprehensive income	82.03	(12.97)
	4,489.52	(5,006.60)
	<b>69,445.03</b>	<b>59,404.27</b>

**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.

**Note No. 12.3: Non Controlling Interest**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,276.72	1,000.19
Subsidiary added / (deletion) during the year	(207.47)	213.08
Profit / (Loss) for the year	191.98	67.88
Other Comprehensive Income	(2.20)	(4.43)
	<b>1,259.03</b>	<b>1,276.72</b>



## Notes forming part of Consolidated Financial Statements

## Note No. 13 : Borrowings

## A. Non Current Borrowings

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Measured at amortised cost</b>		
<b>A. Secured Borrowings:</b>		
<b>a) Fully Redeemable Debentures</b>		
16%, 500 secured, redeemable, unlisted, unrated, non-convertible debentures of Rs. 1,00,000/- each. (Sanctioned 1500 Secured redeemable. Unlisted, unrated, non-convertible debenture of Rs. 1,00,000/- each) (Refer Note 13.1)	136.17	-
<b>b) Term Loans</b>		
From Financial Institution (Refer Note 13.1)	6,221.05	1,688.11
c) Vehicle Loan from Financial Institutions (Refer Note 13.1)	13.07	25.31
<b>Total Secured Borrowings</b>	<b>6,370.29</b>	<b>1,713.42</b>
<b>Total Borrowings carried at Amortised Cost</b>	<b>6,370.29</b>	<b>1,713.42</b>
<b>Total Borrowings</b>	<b>6,370.29</b>	<b>1,713.42</b>

## B. Current Borrowings

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>A. Secured Borrowings</b>		
a) Cash Credit From Banks	4,784.32	7,226.71
b) Current maturities of long term debt (Refer Note 13.1)	1,620.88	4,269.90
	<b>6,405.20</b>	<b>11,496.61</b>
<b>B. Unsecured Borrowings</b>		
a) From Banks (Bank overdraft )	0.30	35.02
b) Loans from related parties (Refer Note 33)	632.31	2,409.80
c) Loans from other parties	69.91	61.05
	<b>702.52</b>	<b>2,505.87</b>
<b>Total Current Borrowings</b>	<b>7,107.72</b>	<b>14,002.48</b>
Cash Credit from Banks (SBI, UBI and CSB ) ranging from 9% -11% 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.	4,551.84	5,536.65
Cash credit from Axis Bank @ 11.80%, 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.	-	875.14
Cash credit from Bank of India @ 9.75%, Secured by hypothecation of present and future current assets of the company and equitable mortgage of company's factory land and building (Unit I & Unit II) situated at Baddi and Corporate Guarantee of Vascon Engineers Ltd.	569.08	-
Cash credit from Bank of Baroda @ 9.90%, Secured by hypothecation of present and future current assets of the Subsidiary (GMP Technical Solutions Pvt Ltd) and equitable mortgage of Subsidiary's (GMP Technical Solutions Pvt Ltd) office at Ghatkopar and Corporate Guarantee of Holding Company.	(336.60)	814.92

**Notes forming part of Consolidated Financial Statements**
**13.1 Disclosure regarding Non Current Borrowings**

(₹ in Lakhs)

Name of the lender	Outstanding amount	Current Maturities	Long Term					Rate of interest	Nature of security
			2024-25	2025-26	2026-27	2027-30	Total		
<b>I. Secured Loan</b>									
a) Aditya Birla Finance Limited	2,720.35	-	1,360.18	1,360.17	-	-	2,720.35	15.40%	1. Exclusive charge on Entire land admeasuring 40,152 sq.mtr along with present and proposed construction thereon excluding sold and registered units along with hypothecation of receivables from sold units (including in unsold units from phase 1 & 2 for project Vascon Good Life located Talegaon MIDC Road, situated at Katvi, Tal - Maval Dis. Pune.  Minimum Security cover of 2x and net realisable cover of 2x times on proposed security  2. First and exclusive charge by way of hypothication on all the present and future receivables (sold and unsold), on the above mentioned project  3. Exclusive charge on pass through escrow account for deposit of surplus share of profit of VEL for the Project Forest County from Tower N & W with receivable to the tune of Rs. 14.75 Crs..  4. First and exclusive charge by way of hypothication on the RERA Escrow account for the Project Vascon Goodlife, all monies credited or deposited therein and all investment in respect thereof.
b) Aditya Birla Finance Limited - 10 Crore	982.64	31.74	36.23	41.07	46.56	827.03	950.90	12.60%	1. Duplex Flat no 701, Floor No:- 7th, No:- Final Plot No 331 Building No:- Tower I house ,Society Name:- Windermere, Street Name:- Koregaon Park, Locality: - Pune 411001, State: Maharashtra,Dist: Pune, Zip Code: 411001  Owner Name: Vascon Engineers Limited.  2. Duplex Flat No a-9,8th and 9th Floor, Wing No A, Ivy Glen House, Marigold Phase III Co-operative Housing Society Ltd, S No 15/1 15/2/1, 15/2/2, 15/3, 15/4, 15/5, 15/6, Vadgaonsheri, Pune, Tal: Haveli, Dist: Pune Maharashtra 411014  Owner Name: Vascon Engineers Limited
c) Tata Capital Financial Services Limited	887.98	158.39	230.89	267.34	231.36	-	729.59	14.75%	1. First charge by way of Hypothecation on the receivables of sale of developers identified units into an escrow account.  2. First and exclusive charge by way of Mortgage on property situated at Tulips Phase -3, Block 6 & 7 at S nos 551/1,2,556/1D,1E,557/3,560/3, T S No 13/1A, Ward no 28, Block No 1 of Sowripalayam Village, East Zone, Coimbatore, Tamil Nadu 641028.
d) UBI - UGECL	136.81	-	27.36	27.36	27.36	54.73	136.81	9.25%	1. 100% Guarantee covered by National Guarantee Trust Company (NCGTC) id available.  2. Second Charge on existing Prime Security of Hypothecated Stock and Books Debts. Second charge on all the existing Prime / Collateral Securities
e) ICICI Home Finance	621.37	146.26	165.14	186.45	123.52	-	475.11	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.

## Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)										
Name of the lender	Outstanding amount	Current Maturities	Long Term					Rate of interest	Nature of security	
			2024-25	2025-26	2026-27	2027-30	Total			
f) Prachay Capital - 15 Crs (Non Convertible Debentures )	469.50	333.33	136.17	-	-	-	-	136.17	16.00%	1. First ranking exclusive charge by way of registered mortgage over the Project Land and all identified movable and immovable property in connection with the Project. 2. First ranking and exclusive charge by way of hypothecaion over all the other assets of the issuer (i.e., excluding Mortgaged Property) in connection with the Project and the Project Land (including allits bank accounts ). 3. Personal Gurantees fromthe Personal Guarantors 4. Demand Promissory Note and Letter of Continuity 5. Escrow Agreement
g) Prachay Capital - 10 Crs (Non Convertible Debentures )	936.99	936.99	-	-	-	-	-	-	17.25%	1. Registered Mortgage of Office bearing No. 301 admeasuring 809 square feet carpet area in the building Garnet bay constructed on land bearing S No. 197/3 at village Lohegaon, Taluka Haveli, District-Pune 2. Hypothecation of borrower's/ co-borrower's share of all present and future receivables from M/s Samartha Trimurti Properties.
h) State Bank of India - Guaranteed Emergency Credit Line	1,120.67	-	280.17	280.17	280.17	280.16		1,120.67	8.95%	Extension of charge (2nd charge) over the existing Primary & collateral securities created in favour of the Bank (Consortium Banks)
i) UBI OD against Fixed Deposit	71.61	-	71.61	-	-	-		71.61	5.30%	Secured against fixed deposit
j) Bank of Maharashtra	17.94	1.94	2.16	2.39	2.64	8.81		16.00	10.45%	Hypothecation of Vehicle financed by lender
<b>C. Term loans</b>										
<b>From Financial Institutions</b>										
Daimler Financial Services India Pvt Ltd	25.31	12.24	11.46	1.61	-	-		13.07	6.60%	Hypothecation of Vehicle financed by lender
Daimler Financial Services India Pvt Ltd	51.58	13.61	37.97	-	-	-		37.97	10.65%	Hypothecation of Vehicle financed by lender
	<b>8,042.75</b>	<b>1,634.51</b>	<b>2,359.34</b>	<b>2,166.57</b>	<b>711.61</b>	<b>1,170.74</b>		<b>6,408.23</b>		

## Note No. 14 : Other Financial Liabilities

## A. Non Current

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Other Financial Liabilities Measured at Amortised Cost</b>		
Commitment and other deposits	888.87	1,280.95
<b>Other Non-Current Financial Liabilities</b>	<b>888.87</b>	<b>1,280.95</b>

## B. Current

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
a) Interest accrued but not due on borrowings	2.05	59.40
b) Interest accrued but due on borrowings	68.94	36.27
c) Creditors for capital supplies/services	70.86	82.72
d) Others	29.61	323.02
<b>Total other financial liabilities</b>	<b>171.46</b>	<b>501.41</b>

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

### Note No. 14A : Lease Liability

#### A. Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability obligation	427.63	478.28
Finance Lease Liability	37.96	46.96
<b>Other Non-Current Lease Liabilities</b>	<b>465.59</b>	<b>525.24</b>

#### B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Current maturities of finance lease obligations	13.61	13.61
(b) Current maturities of lease obligations IND AS 116	277.52	204.91
<b>Other Current Lease Liabilities</b>	<b>291.13</b>	<b>218.52</b>

### Note No. 15 : Trade and other payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Outstanding dues of Micro and Small Enterprises (Refer Note 37)	662.05	584.60
Total Outstanding dues of Creditors other than Micro and Small Enterprises	35,496.95	27,332.32
<b>Total trade payables</b>	<b>36,159.00</b>	<b>27,916.92</b>

#### Note 15 (a)

Mar-23

#### Trade Payables ageing schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	636.03	18.75	-	7.27	662.05
(ii) Others	22,975.01	2,270.42	2,339.44	7,912.08	35,496.95
(iii) Disputed Dues - MSME	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-

#### Trade Payables ageing schedule

Mar-22

Particulars	Outstanding for following periods				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	565.36	16.93	0.37	1.94	584.60
(ii) Others	16,134.74	1,692.58	2,394.96	7,110.04	27,332.32
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

Note : Ageing has been considered from the date of transactions

### Note No. 16 : Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Provision for employee benefits</b>		
1) Compensated absences	958.71	993.95
2) Gratuity (Refer Note 31)	1,125.00	1,208.40
	2,083.71	2,202.35
<b>b) Others</b>		
1) Taxation (Net of Advance Tax)	256.03	348.26
2) Warranty / Provision for Vendor Claims	1,006.84	911.13
	1,262.87	1,259.39
<b>TOTAL</b>	<b>3,346.58</b>	<b>3,461.74</b>

## Notes forming part of Consolidated Financial Statements

## Note No. 17 : Current Tax and Deferred Tax

## (a) Income Tax Expense

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current Tax:</b>		
Current Income Tax Charge	336.79	340.04
Adjustments in respect of prior years	-	101.20
<b>Deferred Tax</b>		
In respect of current year origination and reversal of temporary differences	50.93	3.22
<b>Total Tax Expense recognised in profit and loss account</b>	<b>387.72</b>	<b>444.46</b>

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

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Profit before Tax</b>	<b>10,328.80</b>	<b>4,036.21</b>
Income Tax using the Company's domestic Tax rate @ 25.168 %	2,601.25	1,015.84
<b>Effect of :</b>		
Income that are exempt from taxation	(489.66)	(77.35)
Expenses that are non deductible in determining taxable profit	(84.35)	124.55
Adjustments recognised in the current year in relation to the current tax of prior years	(1,690.57)	(723.00)
Deferred tax assets recognised on temporary differences	51.05	3.22
Changes in estimates related to prior years	-	101.20
<b>Income Tax recognised in P&amp;L</b>	<b>387.72</b>	<b>444.46</b>

## c) Deferred Tax Assets (Net)

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b><u>Tax effect of items constituting deferred tax liability</u></b>		
On difference between book balance and tax balance of Fixed Assets	(90.06)	18.15
Effects of re-measuring Financials instruments, Financial guarantee Commission and OCI under IND AS	1.34	1.34
Others	-	-
Tax effect of items constituting deferred tax liability	(88.72)	19.49
<b><u>Tax effect of items constituting deferred tax asset</u></b>		
Provision for compensated absences and gratuity	74.01	74.01
Disallowance u/s 40a / Provision for Doubtful debts & Advances	401.79	561.06
MAT Credit Entitlement	6.41	6.41
Effects of re-measuring Financials instruments, Financial guarantee Commission and OCI under IND AS	48.98	48.98
Unabsorbed depreciation carried forward and brought forward business losses	0.73	0.50
Tax effect of items constituting deferred tax asset	531.92	690.96
<b>Net Deferred Tax Asset / (Liability)</b>	<b>620.64</b>	<b>671.47</b>

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, 2023

**Notes forming part of Consolidated Financial Statements**
**Note No. 18 : Other Liabilities**
**A. Current**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>a. Advances received from customers</b>		
- Gross amount due to customers	15,773.43	15,056.11
- Less : Related Unbilled Revenues	(2,917.66)	(4,888.67)
	12,855.77	10,167.44
<b>b. Amount due to customers under construction contracts</b>		
- Gross amount due to customers	4,409.46	6,617.73
- Less : Related Debtors	(1,256.21)	(1,601.57)
	3,153.25	5,016.16
<b>c. Statutory dues</b>		
- taxes payable (other than income taxes)	1,668.68	1,793.92
<b>d. Deferred Revenue</b>		
- Deferred Government grant related to assets	-	4.00
<b>Total Other Current Liabilities</b>	<b>17,677.70</b>	<b>16,981.52</b>

**Note No. 19 : Revenue from operations**

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue recognised / sales (gross)</b>		
- Contract Revenue	64,940.61	40,928.78
- Sale of Unit/Land	9,079.35	4,202.41
- Trading Sales & Other Sales	323.92	0.88
- Manufacturing Sales	25,186.98	19,429.12
- Other sales (Includes maintenance charges of socety,Hire charges,Scrap Sales)	263.28	542.73
<b>Other Operating Income</b>		
- Rent / Compensation / Maintenance	198.54	199.10
- Share of profit / (loss) from Joint Venture	1,945.55	383.03
<b>Total Revenue from Operations</b>	<b>1,01,938.23</b>	<b>65,686.05</b>

**Note No. 20 : Other Income**

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Interest income on Financial Assets at Amortised Cost	613.80	569.51
b) Dividend received on investments carried at fair value through profit or loss in Liquid Mutual fund units	7.81	3.98
d) Dividend income Other	-	13.09
e) Profit on sale on Investment	-	3,991.22
f) Provision / Creditors no longer required written back	347.18	235.85
g) Profit on sale of capital assets (Net of loss on assets sold / scrapped / written off)	10.74	347.09
h) Bad Debts Recovered	-	0.17
i) Foreign exchange gain	3.65	-
j) Miscellaneous income	121.14	159.63
<b>Total Other Income</b>	<b>1,104.32</b>	<b>5,320.54</b>

## Notes forming part of Consolidated Financial Statements

## Note No. 21.a : Cost of materials and services consumed

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract	56,034.83	34,710.12
Development	4,386.30	2,706.91
Cost of Material Consumed	17,635.16	13,393.92
Incidental borrowing cost incurred attributable to qualifying assets	1,411.15	1,129.17
<b>Total cost of materials and services consumed</b>	<b>79,467.44</b>	<b>51,940.12</b>

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

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<u>Closing balance of projects under development :</u>		
Completed Units / Finished goods	1,315.46	888.86
Work-in-progress	40,090.02	45,086.96
	41,405.48	45,975.82
<u>Opening balance of projects under development:</u>		
Completed Units / Finished goods	888.87	519.35
Work-in-progress	45,086.96	45,294.90
	45,975.83	45,814.25
Less: Stock of Work in Progress reduced on account of conversion	(5,172.43)	-
	40,803.40	45,814.25
<b>Net (increase) / decrease</b>	<b>(602.08)</b>	<b>(161.57)</b>

## Note No. 22 : Employee benefit expense

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Salaries and wages, including bonus	6,102.55	6,234.40
b) Contribution to provident and other funds (Refer Note 31)	377.09	364.03
c) Share based payment transactions expenses (Refer Note 28)	196.14	304.85
d) Staff Welfare & Other Expenses	235.77	117.63
<b>Total Employee Benefit Expense</b>	<b>6,911.55</b>	<b>7,020.91</b>

## Note No. 23 : Finance costs

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Interest expense	2,560.16	3,409.97
b) Other borrowing costs	238.54	163.28
	2,798.70	3,573.25
Less : Amounts included in the cost of qualifying assets	1,519.35	1,129.17
<b>Total Finance Costs</b>	<b>1,279.35</b>	<b>2,444.08</b>

## Note No. 24 : Other expenses

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Stores and spares consumed	355.82	295.48
b) Power & Fuel oil consumed	365.06	275.42
c) Rent including lease rentals	291.40	355.44
d) Repairs to buildings	64.71	73.09
e) Repairs to Plant & Machinery	97.54	90.77
f) Repairs and maintenance - Others	132.76	63.62

**Notes forming part of Consolidated Financial Statements**

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
g) Rates & Taxes	111.25	105.86
h) Insurance charges	85.84	47.51
i) Bad debts and other receivables, loans and advances written off	544.34	3.74
j) Provision For Doubtful Debt And Advances	(152.23)	164.74
k) Provision for diminution in value in investment	-	1,100.00
l) Audit Fees	-	-
1) Audit fees	46.00	39.25
2) Limited Review	25.50	23.25
3) Certification Services	0.53	3.22
m) Other Expenses		
1) Legal and other professional costs	759.09	835.48
2) Advertisement, Promotion & Selling Expenses	549.59	177.26
3) Travelling and Conveyance Expenses	484.04	408.85
4) Postage and telephone	90.15	92.82
5) Printing and stationery	51.88	39.13
6) Brokerage / commission	10.14	42.93
7) Donations	4.78	4.10
8) Corporate Social Responsibility Expenditure (Refer Note 40)	-	40.00
9) Bank charges	58.42	37.14
10) Hire Charges Paid	14.10	24.02
11) Foreign exchange gain / loss (net)	-	22.81
12) Miscellaneous Expenses	474.32	281.63
n) Net gain/(loss) arising on financial assets designated as at FVTPL	-	1.00
<b>Total Other Expenses</b>	<b>4,465.03</b>	<b>4,648.56</b>

**Note 25: Disclosures under Ind AS 33**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Basic Earnings per share (Amount In Rupees)	4.49	1.76
Diluted Earnings per share (Amount In Rupees)	4.49	1.76

**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:

Particulars	(₹ in Lakhs)	
	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit for the year	9,941.10	3,591.72
Add: Profit/(Loss) attributable to Non - Controlling Interest	191.98	73.09
Profit for the year attributable to owners of the Company (A)	9,749.12	3,518.63
Weighted average number of equity shares (B)	21,73,17,111	19,95,59,036
Earnings per share from continuing operations - Basic (Amount In Rupees) (A / B)	4.49	1.76

**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.

Particulars	(₹ in Lakhs)	
	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit / (loss) for the year used in the calculation of basic earnings per share	9,749.13	3,518.63
Weighted average number of equity shares used in the calculation of Basic EPS	21,73,17,111	19,95,59,036
Employee Stock Option Plans	5,52,510	5,52,510
Weighted average number of equity shares used in the calculation of Diluted EPS	21,78,69,621	20,01,11,546
Earnings per share from continuing operations - Dilutive (Amount In Rupees)	4.49	1.76



## Notes forming part of Consolidated Financial Statements

### 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

Particulars	Carrying amount		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(₹ in Lakhs)				
<b>FINANCIAL ASSETS</b>				
<b>Financial assets measured at amortised cost</b>				
<b>Non - Current Assets</b>				
(i) Investments	5,174.72	4,474.72	5,174.72	4,474.72
(ii) Loans	210.68	230.43	210.68	230.43
(iii) Others Financial Assets	13,115.36	10,098.00	13,115.36	10,098.00
<b>Current Assets</b>				
(i) Trade receivables	21,770.68	16,245.04	21,770.68	16,245.04
(ii) Cash and cash equivalents	5,297.09	2,579.67	5,297.09	2,579.67
(iii) Bank balances other than (ii) above	5,515.00	7,264.11	5,515.00	7,264.11
(iv) Loans	8,614.56	6,336.97	8,614.56	6,336.97
(v) Others Financial Assets	34,142.60	30,084.89	34,142.60	30,084.89
<b>Financial assets measured at fair value through Statement of Profit &amp; Loss</b>				
(a) Current investments	346.59	406.68	346.59	406.68
(b) Non Current investments quoted	0.11	0.11	0.11	0.11
(c) Non Current investments unquoted	2,750.25	2,750.25	2,750.25	2,750.25
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities measured at amortised cost</b>				
<b>Non - Current Liabilities</b>				
(i) Borrowings	6,370.29	1,713.42	6,370.29	1,713.42
(ii) Other financial liabilities	1,354.46	1,806.20	1,354.46	1,806.20
<b>Current Liabilities</b>				
(i) Borrowings	7,107.74	14,002.49	7,107.74	14,002.49
(ii) Trade and other payables	36,158.97	27,916.92	36,158.97	27,916.92
(iii) Other financial liabilities	462.58	719.94	462.58	719.94

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 interest rates of financials instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds) is at amortised cost, using the effective interest method.

#### Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Group and in case of financial assets is the average market rate of similar credit rated instrument.

The Group maintain policies and procedure to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Group internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

- (a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

**Notes forming part of Consolidated Financial Statements**

- (b) Security deposit paid are evaluated by the Group based on parameters such as interest rate non performance risk of the customer. The fair value of the Group's security deposit paid are determined by estimating the incremental borrowing rate of the borrower (primarily the landlords). Such rate has been determined using discount rate that reflects the average interest rate of borrowing taken by similar credit rate companies where the risk of non performance risk is more than significant.
- (c) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.
- (d) The fair value of the Group's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the reporting was assessed to be insignificant.

**Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly.

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data.

The following table presents the assets and liabilities measured at fair value on recurring basis at March 31, 2023 and March 31, 2022.

Particulars	(₹ in Lakhs)		
	Level 1	Level 2	Level 3
<b>March 31, 2023</b>			
Investment in mutual funds	112.59	-	-
Equity	0.11	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	-
<b>March 31, 2022</b>			
Investment in mutual funds	172.68	-	-
Equity	0.11	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	-

During the year ended March 31, 2023, 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 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 50%. 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, 2023	As at March 31, 2022
Borrowings (Refer Note 13 & 14A)	13,529.58	15,776.48
Trade Payables (Refer Note 15)	36,159.00	27,916.92
Less : Cash and Cash Equivalents (Refer Note 11)	10,812.09	9,843.78
<b>Net Debt</b>	<b>38,876.49</b>	<b>33,849.62</b>
Total Equity (Refer Note 12)	91,176.88	81,135.98
<b>Total Capital</b>	<b>91,176.88</b>	<b>81,135.98</b>
<b>Capital and Net Debt</b>	<b>1,30,053.37</b>	<b>1,14,985.60</b>
<b>Gearing Ratio</b>	<b>30%</b>	<b>29%</b>

## Notes forming part of Consolidated Financial Statements

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, 2023 and March 31, 2022.

### 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 ₹ 76,253.03 lakhs and ₹ 62,165.01 lakhs as of March 31, 2023 and March 31, 2022 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, 2023 and March 31, 2022, however there was no default on account of those customer in the past. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Before accepting any new customer, the Group uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

Movement in the expected credit loss allowance:

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the period year	4,138.46	3,973.73
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	338.73	180.93
Utilization / Reversals	(512.10)	(16.20)
Balance at the end of the year	3,965.09	4,138.46

#### 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.

**Notes forming part of Consolidated Financial Statements**
**b) Maturities of financial liabilities**

The following tables detail the remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

(₹ in Lakhs)

Particulars	31-Mar-23		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	36,158.97	-	-
Other Financial Liabilities	171.44	888.87	-
Working capital demand loans / Term loans	5,837.40	6,234.12	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	1,270.32	136.17	-

(₹ in Lakhs)

Particulars	31-Mar-22		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	27,916.92	-	-
Other Financial Liabilities	501.41	1,280.95	-
Working capital demand loans / Term loans	14,002.48	1,713.42	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	-	-

**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.

**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)**

## Notes forming part of Consolidated Financial Statements

## 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, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade Payable	EURO	-	-	-	-
	GBP	-	-	-	-
	USD	0.56	0.51	46.22	38.64
Trade Receivables	EURO	0.18	0.18	16.38	15.48
	USD	25.23	15.48	2,073.94	1,173.36
		-	-		

**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.

For the year ended	Currency	Change in Rate	(₹ in Lakhs)
			Effect on Pre Tax Profit
March 31, 2023	USD	+10%	202.77
	USD	-10%	(202.77)
	EURO	+10%	1.64
	EURO	-10%	(1.64)
March 31, 2022	USD	+10%	113.47
	USD	-10%	(113.47)
	EURO	+10%	1.55
	EURO	-10%	(1.55)

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 2022-23	FY 2021-22
Options granted, beginning of the year	40,00,000	80,00,000
Granted during the year	-	40,00,000
Exercised during the year	-	40,00,000
Cancelled/lapsed during the year	-	-
Options granted, end of the year	40,00,000	40,00,000
Weighted Average remaining life	-	0.42

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Binomial lattice option pricing model, considering the expected weighted average term of the options to be 1 year from the date of vesting, an expected dividend rate on the underlying equity shares, a risk free rate and weighted average volatility in the share price. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility of the share price after eliminating the abnormal price fluctuations.

**Notes forming part of Consolidated Financial Statements**

The inputs used in the measurement of the fair values at grant date of the share-based payment plans were as follows.

Particulars	Employee Share Purchase Plan
	ESOS - 2017
Share price at grant date	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 range from 10% to 13%

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

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
<b>Opening Balance</b>	743.77	181.39
Additions during FY 2022-23	202.86	793.38
Deletion during the year	-	3.38
Finance costs incurred during the year	81.68	78.97
Payments of Lease Liabilities	271.58	306.59
<b>Balance as at 31st March, 2023</b>	<b>756.72</b>	<b>743.77</b>

**(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, 2023	For the year ended March 31, 2022
(i) Expenses related to Short Term Lease & Low Asset Value Lease		
- Finance Cost	81.68	78.97
- Depreciation	206.93	188.14
(ii) Expenses related to Short Term Lease & Low Asset Value Lease	248.43	325.55
<b>Total Expenses</b>	<b>537.04</b>	<b>592.66</b>

## Notes forming part of Consolidated Financial Statements

## (iv) Maturity analysis of lease liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Maturity Analysis of contractual undiscounted cash flows</b>		
Less than one year	53.62	47.38
One to five years	73.68	116.44
More than five years		
<b>Total undiscounted Lease Liability</b>	<b>127.30</b>	<b>163.82</b>
<b>Balances of Lease Liabilities</b>		
Non Current Lease Liability	465.59	525.25
Current Lease Liability	291.13	218.52
<b>Total Lease Liability</b>	<b>756.72</b>	<b>743.77</b>

## Note - 30: Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)	(₹ in Lakhs)	
	As at 31 March, 2023	As at 31 March, 2022
<b>Contingent liabilities</b>		
(a) Disputed demands for Income Tax	518.94	752.26
(b) Disputed demands for Service Tax / Excise Duty / Sales Tax	-	313.96
(c) Disputed demands for Value Added Tax / GST	2,104.36	1,716.50
(d) Performance and financial guarantees given by the Banks on behalf of the Group	15,951.45	16,625.78
(e) Corporate guarantees given for other companies / entities and mobilization	7,500.00	7,500.00
(f) Claims against the Group not acknowledged as debt	3,596.18	3,726.13
(i) The Creditors of the Company have filed a civil suit claiming of ₹ 835.04 lakhs (Previous year ₹ 810.81 lakhs) as amount due to them, which claims the Company is disputing.		
(ii) During the year company paid the challan with 90% penalty waiver to Joint District Registrar & Collector of Stamps, Pune. Now NIL short levy of stamp duty including Penalty due to misclassification of conveyance deed as development agreement (Previous year ₹ 20.14 lakhs).		
(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 lakhs. In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land. As per the conditional sale the company has to obtain clear enforceable title within 18 months of the execution of the agreement. In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 87.80 lakhs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 3 lakhs per month from the date of breach till the date of curing the breach. In the Previous Financial Year, the plaintiffs have waived their demands and settled the issues with company. We have to that effect have filed consent terms / compromise terms in the said suit and the matter has been settled. Company also recived the Court Order for the same. In the Current Financial Year, there were various compliances performed by Company including pending litigations bearing No. SPCS - 745/10. Company have complied with each & every compliance. Now this stage of execution of final conveyance has remained. Company has received a draft of the said conveyance deed, which is under finalisation stage by both the parties inter se.		

**Notes forming part of Consolidated Financial Statements**
**Contingent liabilities (to the extent not provided for)**
**(₹ in Lakhs)**

	As at 31 March, 2023	As at 31 March, 2022
<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 lakhs</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 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.</p> <p>In the Previous Financial Year, the plaintiffs have waived their demands and settled the issues with company. We have to that effect have filed consent terms / compromise terms in the said suit and the matter has been settled. Company also received the Court Order for the same.</p> <p>In the Current Financial Year, there were various compliances performed by Company including pending litigations bearing No. SPCS - 745/10. Company have complied with each &amp; every compliance. Now this stage of execution of final conveyance has remained. Company has received a draft of the said conveyance deed, which is under finalisation stage by both the parties inter se.</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 ₹ 853.35 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 ₹ 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.</p> <p>In the Previous financial year the Company obtained NA Order for the land admeasuring about 16950 sq.mtrs., which includes and excess land admeasuring about 1473 sq.mtrs., has also been exempted and have become free hold now final layout has remained so also development of portion of land admeasuring about 4000 sq.mtrs., which the Original owners have kept with them, has remained to be developed and the necessary effect to the 7/12 extract required to be effected.</p> <p>In the Current Financial year there were various site related compliances remained to be completed by Company. Out of which most of the compliances Company had completed. Now few more compliances have remained to be completed those are as follows :</p> <p>a) final layout has remained so also development of portion of land admeasuring about 4000 sq.mtrs., which the Original owners have kept with them, has remained to be developed</p> <p>b) during pendency of our development activities the adjacent owner/ developer of the land bearing S.No. 113/2B part, adm. about 10,000.00 sq.mtrs., has encroached on our plot of land to the tune of adm. about 300.00 sq.mtrs., of an area for which removal of the said encroachment, we have filed Spl. Civil Suit against the said land owners / developers in the Civil Court Nashik, which is pending for compliance by the Defendant developer.</p> <p>During the process of our compliance Ashoka Infraways had filed a Spl. Civil Suit against Vascon for specific performance for non compliance of various agreed things as per various terms of development agreement. Since Vascon have complied with all terms &amp; conditions as per the said Development Agreement and due to amicable settlement arrived between the parties, Ashoka Infraways have withdrawn the said Spl. Civil Suit unconditionally.</p>		



## Notes forming part of Consolidated Financial Statements

Contingent liabilities (to the extent not provided for)		(₹ in Lakhs)	
		As at 31 March, 2023	As at 31 March, 2022
<p>c) after demarcating the said land adm. about 16950.00 sq.mtrs., (inclusive of portion of land adm. about 4000.00 sq.mtrs., remained to be develop for owners) the entier plot will be divided in to various sub plots and accordingly the ultimate effect will be given to the said 7/12 extract.</p> <p>(g) 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><b>For Development projects and according to the facts:</b></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>			
Particulars		As at 31 March, 2023	As at 31 March, 2022
<b>Commitments</b>			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		1,636.98	1,535.60

**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 340.41 Lakhs for Provident Fund contributions (March 31, 2022 : Rs.305.17 Lakhs) and Rs 38.80 Lakhs towards ESIC (March 31, 2022 : Rs. 32.96 Lakhs) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Group are in accordance with rules framed by the Government from time to time.

**(b) Defined Benefit Plans:****Gratuity**

The Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Group makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

**Defined benefit plans – as per actuarial valuation on 31st March, 2023**

		(₹ in Lakhs)	
Particulars	Funded Plan		
	Gratuity		
	2023	2022	
<b>Service Cost</b>			
Current Service Cost	130.96	128.36	
Past service cost and (gains)/losses from settlements	-	-	
Net interest expense	76.20	64.60	
Components of defined benefit costs reconisid in profit or loss	207.16	192.96	
Remeasurement on the net defined benefit liability			
Return on plan assets (excluding amunt included in net interest expense)	6.02	6.91	
Actuarial gains and loss arising form changes in financial assumptions	(33.22)	(15.12)	
Actuarial gains and loss arising form experience adjustments	(54.14)	22.83	
Actuarial gains and loss arising from demographic adjustments	4.61	8.25	
Componenets of defined benefit costs recognised in other comprehensive income	(76.73)	22.87	
<b>Total</b>	<b>130.43</b>	<b>215.83</b>	
<b>I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March</b>			
1. Present value of defined benefit obligation as at 31st March	1,227.52	1,314.86	
2. Fair value of plan assets as at 31st March	106.21	109.09	

**Notes forming part of Consolidated Financial Statements**

(₹ in Lakhs)

Particulars	Funded Plan	
	Gratuity	
	2023	2022
3. Surplus/(Deficit)	(1,121.30)	(1,205.77)
4. Current portion of the above	750.52	916.10
5. Non current portion of the above	405.71	305.30
<b>II. Change in the obligation during the year ended 31st March</b>		
1. Present value of defined benefit obligation at the beginning of the year	(1,314.86)	(1,178.74)
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. <i>Expenses Recognised in Profit and Loss Account</i>		
- Current Service Cost	(130.96)	(128.36)
- Past Service Cost	-	-
- Interest Expense (Income)	(84.41)	(74.53)
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(4.61)	(8.25)
ii. Financial Assumptions	33.22	15.12
iii. Experience Adjustments	54.14	(22.83)
5. Benefit payments	219.96	82.74
6. Others (Specify)	-	-
<b>7. Present value of defined benefit obligation at the end of the year</b>	<b>(1,227.52)</b>	<b>(1,314.85)</b>
<b>III. Change in fair value of assets during the year ended 31st March</b>		
1. Fair value of plan assets at the beginning of the year	109.09	178.86
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	1.84	2.82
- Mortality Charges and Taxes	(3.82)	(4.04)
4. <i>Recognised in Other Comprehensive Income</i>		
<i>remeasurement gains / (losses)</i>		
- Actual Return on plan assets in excess of the expected return	0.34	0.20
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	34.11	13.98
6. Benefit payments	(35.35)	(82.74)
<b>7. Fair value of plan assets at the end of the year</b>	<b>106.21</b>	<b>109.08</b>
IV. The Major categories of plan assets		
Funds Managed By Insurer	100%	100%

**Maturity Profile of Defined Benefit Obligation:**

Year Ending March 31	Expected Benefit Payment Rounded to the nearest thousand (in Rs.)
2024	260.25
2025	144.60
2026	153.27
2027	135.63
2028	155.30
2029-2033	894.33

## Notes forming part of Consolidated Financial Statements

A. Effect of 0.5 % to 1 % change in the assumed discount rate	Increase	Decrease	Increase	Decrease
	31-Mar-23	31-Mar-23	31-Mar-22	31-Mar-22
Defined Benefit Obligation	1171.21	1,290.51	1254.96	1382.14
B. Effect of 1 % change in the assumed Salary Escalation Rate				
	Defined Benefit Obligation	1284.95	1,174.96	1,375.67
C. Effect of 1 % to 5% change in the assumed Withdrawal Rate				
	Defined Benefit Obligation	1239.31	1,216.10	1,324.29

V. Experience Adjustments :	Period Ended	
	2023	2022
	Gratuity	
1. Defined Benefit Obligation	1,227.52	1,314.86
2. Fair value of plan assets	106.21	109.09
3. Surplus/(Deficit)	(1,121.30)	(1,205.77)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(98.31)	(36.74)
5. Experience adjustment on plan assets [Gain]/(Loss)]	13.22	7.45

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Note 32 : Significant estimates and assumptions****Estimates and Assumptions**

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acgrouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assests or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes will be reflected in the assumptions when they occur.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**Defined Benefit Plans (Gratuity Benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicaly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 31.

**Notes forming part of Consolidated Financial Statements****Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The 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 (*Disposed off w.e.f 31.10.21*)
  - Ajanta Enterprises
  - Vascon Saga Constructions LLP
  - Vascon Qatar WLL
2. Associates
  - Sita Laxmi Mills Ltd
  - DCS Conventions and Hospitality Private Limited
  - Vascon Developers LLP (*w.e.f 6.10.2022*)
  - Mumbai Estate Private Limited
3. Key Management Personnel
  - Mr. R. Vasudevan
  - Mr. Siddarth Vasudevan
  - Dr Santosh Sundararajan
  - Mr. Somnath Biswas
  - Ms. Sarita Rameshlal Ahuja (*w.e.f 01-02-2023*)
  - Ms.Vibhuti Dani (*resigned w.e.f 31-01-2023*)
  - Mr. Rajesh Mhatre (*resigned w.e.f 18.10.2021*)

**Other Directors**

- Mr. V Mohan (*Deceased w.e.f 5.11.2021*)
  - Mr. K G Krishnamurthy
  - Mr.Mukesh Malhotra
  - Ms. Sowmya Aditya Iyer
  - Mr. S Balasubramaniam (*appointed 26.11.2021*)
  - Ms. Tara Subramaniam (*appointed 3.3.2023*)
4. Relatives of Key Management Personnel
    - Mrs. Thangam Moorthy
    - Mrs. Lalitha Vasudevan
    - Mrs. Lalitha Sundararajan
    - Mrs. Ramya Moorthy
    - Mrs. Shilpa Shivaram

## Notes forming part of Consolidated Financial Statements

5. Establishments where in which individuals in serial number (3) and (4) exercise significant Influence
- Flora Facilities 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
  - 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
  - Deep Advisory Services
  - Space Centric Marketing & Construction Consultancy Pvt Ltd

## II Related party transactions

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>(a) Sales and work</b>	<b>3,041.18</b>	<b>1,128.77</b>
<b>Joint Ventures</b>		
Phoenix Ventures	-	263.73
Cosmos Premises Private Limited	0.00	-11.46
Ajanta Enterprises	706.74	242.03
<b>Total</b>	<b>706.74</b>	<b>494.29</b>
<b>Key management Personnel</b>		
Mr.Mukesh Malhotra	3.44	1.55
Dr Santosh Sundararajan	2.63	1.18
<b>Total</b>	<b>6.06</b>	<b>2.73</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Cherry Constructions Private Limited.	1,428.37	631.75
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	900.00	
<b>Total</b>	<b>2,328.37</b>	<b>631.75</b>
<b>(b) Interest Income/commission Received</b>	<b>115.46</b>	<b>95.74</b>
<b>Joint Venture</b>		
Ajanta Enterprises	-	51.08
Vascon Developers LLP	101.84	
	<b>101.84</b>	<b>51.08</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
- Conamore Resorts Pvt Ltd.	13.62	44.66
	<b>13.62</b>	<b>44.66</b>
<b>(c) Interest Expense /commission Paid</b>	<b>171.83</b>	<b>171.30</b>
<b>Joint Venture</b>		
Ajanta Enterprises	28.36	-
<b>Total</b>	<b>28.36</b>	<b>-</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited	57.30	71.51
Hamcon Engineers Pvt Limited	13.30	7.77
Sira Assets LLP	72.88	92.02
<b>Total</b>	<b>143.47</b>	<b>171.30</b>

**Notes forming part of Consolidated Financial Statements**

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>(d) Purchase of Goods / Work/Rent</b>	<b>3,213.74</b>	<b>448.95</b>
<b>Joint Venture</b>		
Ajanta Enterprises	-	8.62
<b>Total</b>	<b>-</b>	<b>8.62</b>
<b>KMP</b>		
Ms. Sowmya Aditya Iyer	11.48	2.38
<b>Total</b>	<b>11.48</b>	<b>2.38</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
<b>Purchase of Property Plant &amp; Equipment</b>		
Flora Facilities Private Limited	2,252.80	-
<b>Rent</b>		
Flora Facilities Private Limited	129.73	222.39
Deep Advisory Services	57.00	18.00
Lalitha Vasudevan	23.52	4.62
<b>Works</b>		
Stresstech Engineers Private Limited	564.20	6.25
Conamore Resorts Pvt Ltd.	-	10.00
Vastech Consultants Private Limited	30.60	30.60
Vastech Consultants & Engineers LLP	144.42	146.09
<b>Total</b>	<b>3,202.26</b>	<b>437.95</b>
<b>(e) Receiving of Services</b>	<b>901.13</b>	<b>1,137.58</b>
<b>Key Management Personnel</b>		
Mr R Vasudevan		
a) Short term benefits	-	1.67
b) Post Employment benefits*	184.62	-
Dr. Santosh Sundararajan		
a) Short term benefits **	271.67	271.67
b) Post Employment benefits*	18.25	18.25
c) Share based payments	-	129.55
Mr. Somnath Biswas **		
a) Short term benefits	61.28	61.28
b) Post Employment benefits*	5.46	5.46
c) Share based payments	-	35.08
Mr. Siddharth Vasudevan **		
a) Short term benefits	304.83	280.19
b) Post Employment benefits*	13.49	12.33
Mr. Rajesh Dilip Mhatre **		
a) Short term benefits	-	134.73
b) Post Employment benefits*	-	15.94
c) Share based payments	-	129.55
Ms. Sarita Rameshlal Ahuja		
a) Short term benefits	2.19	-
b) Post Employment benefits*	0.29	-
Ms. Vibhuti Darshin Dani		
a) Short term benefits	22.52	23.29
b) Post Employment benefits*	3.17	0.46
<b>Total</b>	<b>887.75</b>	<b>1,119.45</b>
*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		
** Short term employment benefit represents Salary Net of Tax. Key Management Personnel wise Tax borne by employer bifurcation as below:		
<b>Name of the KMP</b>		
a) Dr. Santosh Sundarajan	147.96	217.38
b) Mr. Somnath Biswas	26.97	40.64
c) Mr. Rajesh Dilip Mahtre	0.00	56.03
d) Mr. Siddharth Vasudevan	161.72	148.37
During the current & previous financial year short term employment benefits represents Net of Tax salary received by KMP.	<b>336.66</b>	<b>462.41</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited	13.38	18.13
<b>Total</b>	<b>13.38</b>	<b>18.13</b>

## Notes forming part of Consolidated Financial Statements

		(₹ in Lakhs)	
		As at March 31, 2023	As at March 31, 2022
(f)	<b>Share of Profit from AOP/Firm</b>	<b>1,946.86</b>	<b>390.68</b>
	<b>Joint Ventures</b>		
	Phoenix Ventures	3.94	7.72
	Ajanta Enterprises	1,942.92	382.96
	<b>Total</b>	<b>1,946.86</b>	<b>390.68</b>
(g)	<b>Share of Loss from AOP/Firm</b>	<b>0.83</b>	<b>-</b>
	<b>Joint Ventures</b>		
	Vascon Developers LLP	0.83	-
	<b>Total</b>	<b>0.83</b>	<b>-</b>
(h)	<b>Reimbursement of expenses</b>	<b>1.37</b>	<b>4.16</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Flora Facilities Private Limited	1.37	4.16
	<b>Total</b>	<b>1.37</b>	<b>4.16</b>
(i)	<b>Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit</b>	<b>3,840.21</b>	<b>2,139.94</b>
	<b>Joint Ventures</b>		
	Mumbai Estate Private Limited	-	10.00
	<b>Total</b>	<b>-</b>	<b>10.00</b>
	<b>Joint Ventures</b>		
	Phoenix Ventures	2.47	100.00
	Ajanta Enterprises	-	450.00
	<b>Total</b>	<b>2.47</b>	<b>550.00</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Hamcon Engineers Pvt Ltd	7.60	-
	Daffodil Projects Pvt Ltd	0.11	-
	Conamore Resorts Pvt Ltd.	2,050.55	402.64
	Sira Assets LLP	340.00	275.00
	Stresstech Engineers Private Limited	43.00	-
	Flora Facilities Private Limited	768.07	788.00
	<b>Total</b>	<b>3,209.33</b>	<b>1,465.64</b>
	<b>Key Management Personnel</b>		
	Mr. R. Vasudevan	628.40	114.30
	<b>Total</b>	<b>628.40</b>	<b>114.30</b>
(j)	<b>Finance availed /Received back(including equity contributions in cash or in kind)</b>	<b>3,557.11</b>	<b>2,881.63</b>
	<b>Joint Ventures</b>		
	Phoenix Venture	-	38.00
	Vascon Developers LLP	127.50	-
	Ajanta Enterprises	1,087.69	1,057.39
	<b>Total</b>	<b>1,215.19</b>	<b>1,095.39</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Flora Facilities Private Limited	463.50	619.50
	SIRA ASSETS LLP	-	346.00
	Hamcon Engineers Pvt Ltd	89.30	50.00
	Daffodil Projects Pvt Ltd	-	2.98
	Space Centric Marketing & Construction Consultancy Pvt Ltd	-	17.00
	Rose Premises Pvt Ltd	1,700.00	-
	One Stop Shop India Pvt Ltd	14.12	150.00
	Conamore Resorts Pvt Ltd.	75.00	352.73
	<b>Total</b>	<b>2,341.92</b>	<b>1,538.22</b>
	<b>Key Management Personnel</b>		
	Mr. R. Vasudevan	-	248.02
	<b>Total</b>	<b>-</b>	<b>248.02</b>
(K)	<b>Outstanding as on</b>		
A)	<b>Receivable to Vascon Engineers Limited</b>	<b>12,415.74</b>	<b>7,482.74</b>
	<b>Joint Ventures</b>	<b>5,302.86</b>	<b>1,136.27</b>
a)	<b>Trade Receivable</b>		
	Phoenix Ventures	591.11	762.86
	<b>Total</b>	<b>591.11</b>	<b>762.86</b>

**Notes forming part of Consolidated Financial Statements**

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>b) Loans &amp; Advances</b>		
Phoenix Ventures	1.69	-
<b>Total</b>	<b>1.69</b>	<b>-</b>
<b>c) Balance in current accounts</b>		
Phoenix Ventures	377.35	373.41
Vascon Developers LLP	4,332.72	-
<b>Total</b>	<b>4,710.07</b>	<b>373.41</b>
<b>Associates</b>	<b>2,573.00</b>	<b>2,573.00</b>
<b>a) Loans &amp; Advances ( Including deposits and trade advances)</b>		
Mumbai Estate Private Limited	2,573.00	2,573.00
<b>Total</b>	<b>2,573.00</b>	<b>2,573.00</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>	<b>4,316.83</b>	<b>3,553.04</b>
<b>a) Trade Receivable</b>		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	518.20	189.86
Stresstech Engineers Private Limited	-	56.79
Daffodil Projects Pvt Ltd	424.28	424.28
Mrs. Lalitha Vasudevan	3.35	-
Rose Premises Pvt Ltd	0.65	0.65
Cherry Constructions Private Limited.	555.09	214.99
<b>Total</b>	<b>1,501.57</b>	<b>886.58</b>
<b>b) Loans &amp; Advances ( Including deposits and trade advances)</b>		
Flora Facilities Private Limited	-	125.00
CONAMORE RESORTS PVT LTD.	2,246.89	259.08
Daffodil Projects Pvt Ltd	7.89	7.78
Rose Premises Pvt Ltd	19.75	1,719.75
One Stop Shop India Pvt Ltd	156.23	170.35
Venus Ventures	384.50	384.50
<b>Total</b>	<b>2,815.26</b>	<b>2,666.46</b>
<b>Key Management Personnel</b>	<b>223.05</b>	<b>220.44</b>
<b>a) Trade Receivable</b>		
Mr. R. Vasudevan	3.34	3.34
Ms. Sowmya Aditya Iyer	1.65	-
Dr.Santosh Sundararajan	12.06	11.10
<b>Total</b>	<b>17.05</b>	<b>14.44</b>
<b>b) Loans &amp; Advances ( Including deposits and trade advances)</b>		
Mr. Mukesh Malhotra	206.00	206.00
<b>Total</b>	<b>206.00</b>	<b>206.00</b>
<b>B) Receivable from Vascon Engineers Limited</b>	<b>1,399.47</b>	<b>4,017.05</b>
<b>Joint Venture</b>	<b>127.60</b>	<b>1,838.99</b>
<b>a) Trade Payable</b>		
Ajanta Enterprises	14.98	14.98
<b>Total</b>	<b>14.98</b>	<b>14.98</b>
<b>b) Loans &amp; Advances</b>		
Phoenix Ventures	-	1.15
Cosmos Premises Private Limited	-	60.09
<b>Total</b>	<b>-</b>	<b>61.24</b>
<b>c) Balance in current accounts</b>		
Ajanta Enterprises	112.63	1,762.77
<b>Total</b>	<b>112.63</b>	<b>1,762.77</b>
<b>Key Management Personnel</b>	<b>147.08</b>	<b>777.63</b>
<b>a) Trade Payable</b>		
Ms. Sowmya Aditya Iyer	-	2.14
Mr. Mukesh Malhotra	136.76	136.76
<b>Total</b>	<b>136.76</b>	<b>138.91</b>
<b>b) For Deposit Received</b>		
Mr. R Vasudevan	10.32	638.72
<b>Total</b>	<b>10.32</b>	<b>638.72</b>



## Notes forming part of Consolidated Financial Statements

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>	<b>1,124.78</b>	<b>1,400.43</b>
<b>a) Trade Payable</b>		
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	-	66.16
Deep Advisory Services	47.42	16.20
Stresstech Engineers Private Limited	201.81	5.25
Vastech Consultants & Engineers LLP	124.71	103.80
Vastech Consultants Private Limited	70.11	37.06
Mrs. Lalitha Vasudevan	-	4.16
CONAMORE RESORTS PVT LTD.	9.00	9.00
Space Centric Marketing & Construction Consultancy Pvt Ltd	33.99	34.52
<b>Total</b>	<b>487.04</b>	<b>276.14</b>
<b>b) Loans/(Advances)</b>		
Flora Facilities Private Limited	21.29	326.20
Hamcon Engineers Pvt Limited	221.56	128.79
Sira Assets LLP	394.89	669.30
<b>Total</b>	<b>637.74</b>	<b>1,124.29</b>

**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, 2023

**Note 34 Key Ratios**

Ratios	Numerator	Denominator	31st March, 2023	31st March, 2022	% Variance	Reason for Variance
(a) Current Ratio	Current Assets	Current Liabilities	1.96	1.87	0.05	On account of Repayment of Borrowings leads to better Current Ratio
(b) Debt-Equity Ratio,	Total Debt (Non-current borrowings + Current Borrowings + Finance Lease Liability)	Equity Capital	0.15	0.19	-0.24	Reduction in borrowings from the proceeds of internal accrual from the sale of Inventory resulted in the improvement of the ratio.
(c) Debt Service Coverage Ratio,	Net profit after taxes + Exception items + Noncash operating expenses (depreciation) + Finance costs + Other adjustments	Total Debt (Non-current borrowings + Current Borrowings + Finance Lease Liability)	0.92	0.45	1.03	Reduction in debt and corresponding reduction in interest cost improves EBITA
(d) Return on Equity Ratio,	Net Profit after taxes	Average Shareholder's Equity	10.90	4.43	1.46	Increase in Profit after tax as compared to last year resultant improves the ratio
(e) Inventory turnover ratio,	Cost of Goods Sold	Average Inventory	1.60	1.06	0.50	Revenue growth and efficient inventory operations during the year has lead to faster inventory churning and thereby the inventory turnover ratio is improved
(f) Trade Receivables turnover ratio,	Sale of Products	Average Trade Receivables	5.36	4.02	0.33	Improved turnover ratio on account of improved collection from debtor
(g) Trade payables turnover ratio,	Net Purchase during the Year	Average Trade Payables	2.33	2.20	0.06	
(h) Net capital turnover ratio,	Sale of Products	Working Capital	1.64	1.20	0.36	Due to growth in Revenue along with improved operating efficiencies in the business, cash balance, receivables and inventory balance is increased which has resulted better working capital and an improvement in the ratio.

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

Ratios	Numerator	Denominator	31st March, 2023	31st March, 2022	% Variance	Reason for Variance
(i) Net profit ratio,	Net Profit after taxes	Sale of Products	0.10	0.05	0.78	Increase in revenue and reduction of finance cost, salary cost and other admin cost improves the ratio
(j) Return on Capital employed,	Earnings before interest and taxes (Loss before taxes + Finance costs)	"Capital employed (Tangible Net worth + Total Debt)"	11.59	7.54	0.54	Increase is on account of positive EBIT for the year in compare to negative EBIT previous year.
(k) Return on investment.	Income on Investment	Cost of Investment	0.18	1.36	-0.87	Decreased because of Sale of Mutual Fund

Note : Reason for Variance are only provided for the change in the ratio by more than 25% as compared to the ratio of preceding year.

### Note 35 : Disclosure of additional information as required by the Schedule III

#### a) As at and for the year ended March 31, 2023 :

(₹ 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
<b>Parent</b>								
Vascon Engineers Limited	91%	83,711.67	87%	8,662.68	118%	96.51	87%	8,759.19
<b>Subsidiaries</b>								
Vascon Value Homes Private Limited	0%	(1.02)	0%	(0.35)	0%	-	0%	(0.35)
Vascon EPC Limited	0%	-	0%	0.03	0%	-	0%	0.03
Marvel Housing Private Limited	0%	35.06	0%	31.32	0%	0.20	0%	31.52
GMP Technical Solutions Private Limited	8%	7,133.25	11%	1,090.19	-15%	(12.48)	11%	1,077.71
Almet Corporation Limited	0%	227.35	0%	(11.63)	0%	-	0%	(11.63)
Marathawada Realtors Private Limited	0%	68.91	0%	(18.03)	0%	-	0%	(18.03)
River Shore Developers Limited	0%	-	0%	(5.11)	0%	-	0%	(5.11)
<b>Joint Ventures</b>								
Cosmos Premises Private Limited	0%	-	0%	-	0%	-	0%	-
Vascon Construction Saga LLP	0%	1.52	0%	-	0%	-	0%	-
<b>Non Controlling Interest</b>	1%	1,259.03	2%	191.98	-3%	(2.20)	2%	189.78
<b>Total</b>	100%	92,435.77	100%	9,941.08	100%	82.03	100%	10,023.11

#### b) As at and for the year ended March 31, 2022

(₹ 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
<b>Parent</b>								
Vascon Engineers Limited	88%	72,359.43	93%	3,349.02	-128%	16.62	94%	3,365.63
<b>Subsidiaries</b>								
Vascon Value Homes Private Limited	0%	(0.84)	0%	(0.39)	0%	-	0%	(0.39)
Vascon EPC Limited	0%	-	0%	0.03	0%	-	0%	0.03
Marvel Housing Private Limited	0%	3.91	1%	26.23	0%	(0.04)	1%	26.20
GMP Technical Solutions Private Limited	7%	6,055.54	12%	414.16	194%	(25.12)	11%	389.05

## Notes forming part of Consolidated Financial Statements

(₹ 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
Almet Corporation Limited	0%	238.99	0%	(10.59)	0%	-	0%	(10.59)
Marathawada Realtors Private Limited	0%	86.94	-1%	(18.15)	0%	-	-1%	(18.15)
River Shore Developers Limited	3%	2,390.49	0%	(11.78)	0%	-	0%	(11.78)
<b>Joint Ventures</b>								
Cosmos Premises Private Limited	0%	-	-6%	(229.91)	0%	-	-6%	(229.91)
Vascon Construction Saga LLP	0%	1.52	0%	-	0%	-	0%	-
<b>Non Controlling Interest</b>	2%	1,276.72	2%	73.09	34%	(4.43)	2%	68.66
<b>Total</b>	100%	82,412.70	100%	3,591.71	100%	(12.97)	100%	3,578.75

## Note No. 36 - 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-23	31-Mar-22	
Ajanta Enterprises	Real Estate	Pune	50%	50%	N
Phoenix Ventures	Real Estate	Pune	50%	50%	N
Cosmos Premises Private Limited *	Hospitality	Goa	0%	0%	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-23	31-Mar-22
Current assets	12,246.21	11,184.88
Non-current assets	1,612.61	1,417.00
Current liabilities	13,199.24	15,464.86
Non-current liabilities	-	-
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	532.07	966.80
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-
Revenue	10,527.49	4,412.70
Profit (loss) for the year	3,885.83	765.91
Other comprehensive income for the year	-	-
Total comprehensive income for the year	3,885.83	765.91
Dividends received from the joint venture during the year	-	-
<b>The above profit (loss) for the year includes the following:</b>		
Depreciation and amortisation	21.32	25.91
Interest income	64.35	57.50
Interest expense	-	-
Income tax expense (income)	2,101.94	417.67

**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-23	31-Mar-22
Net assets of Ajanta Enterprise	164.68	(2,862.98)
Proportion of the Company's ownership interest in Ajanta Enterprise	50%	50%
Receivables / (Payable) from / to Partners	(12)	(12)
Goodwill	3,953.24	3,953.24
<b>Carrying amount of the Company's interest in Ajanta Enterprise *</b>	<b>4,024.00</b>	<b>2,510.17</b>

\* Includes Partner's Fixed and Current Capital

Summarised financial information in respect of Phoenix Venture is set out below.

(₹ in Lakhs)

Particulars	31-Mar-23	31-Mar-22
Current assets	49.03	205.91
Non-current assets	833.41	833.41
Current liabilities	795.58	955.70
Non-current liabilities	-	-
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	67.95	70.42
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-
Revenue	133.03	1,558.83
Profit (loss) for the year	7.88	10.67
Other comprehensive income for the year	-	-
Total comprehensive income for the year	7.88	10.67
Dividends received from the joint venture during the year	-	-
<b>The above profit (loss) for the year includes the following:</b>		
Depreciation and amortisation	-	-
Interest income	-	-
Interest expense	0.30	5.23
Income tax expense (income)	-	4.77

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-23	31-Mar-22
Net assets of Phoenix Venture	91.50	83.62
Proportion of the Company's ownership interest in Phoenix Venture	50%	50%
Receivables from Partners	531.60	531.60
<b>Carrying amount of the Company's interest in Phoenix Venture *</b>	<b>577.35</b>	<b>573.41</b>

\* Includes Partner's Fixed and Current Capital

Summarised financial information in respect of Vascon Construction Saga LLP is set out below.

(₹ in Lakhs)

Particulars	31-Mar-23	31-Mar-22
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	-	-

## Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	31-Mar-23	31-Mar-22
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	-	-
<b>The above profit (loss) for the year includes the following:</b>		
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-23	31-Mar-22
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	-	-
<b>Carrying amount of the Company's interest in Vascon Construction Saga LLP</b>	<b>1.52</b>	<b>1.52</b>

## 37 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	March 31, 2023	March 31, 2022
(i) Principal amount remaining unpaid to MSME suppliers as on	628.18	560.18
(ii) Interest due on unpaid principal amount to MSME suppliers as on	53.44	36.72
(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)	15.79	8.72
(v) The amount of interest accrued and remaining unpaid as on	53.44	36.72
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	15.79	8.72

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.

- 38 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.

- 39 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.

## 40 Disclosure of particulars of contract revenue

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Contract Revenue Recognized during the year	64,936.83	40,928.78
Contract costs incurred during the year	56,050.33	34,769.87
Recognized Profit	8,886.49	6,158.92
Advances received for contracts in progress	(4,130.81)	(5,389.55)
Retention money for contracts in progress	6,166.60	4,525.55
Gross amount due from customer for contract work ( assets )	29,322.64	25,091.11
Gross amount due to customer for contract work ( liability )	1,959.31	1,436.72

- 41 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.

**Notes forming part of Consolidated Financial Statements**

a. Gross amount required to be spent by the Company during the year - NIL\*

b. Amount spent during the year on:

(₹ in Lakhs)

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

(i) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year; No Short Fall during the Year

(ii) The total of previous years' shortfall amounts; No Shortfall in Previous Year

(iii) The reason for above shortfalls by way of a note; NA

(iv) The nature of CSR activities undertaken by the Company. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare.

\* The Company had already spent an excess amount of Rs. 29.69 lakhs in the Financial Year 2021-22

**42** 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, 2023 as of balance sheet date by other auditors, same have been consolidated on the basis of the accounts as certified by the management.

Vascon Value Homes Pvt Ltd.

Vascon Developers Private Limited

Mumbai Estate Private Limited (Associate)

Vascon Construction Saga LLP

Vascon Qatar WLL

Phoenix Ventures

Vascon Developers LLP

DCS Conventions and Hospitality Private Limited

**43 Benami Property**

There are no any proceeding initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**44** The Group has borrowings from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

**45** The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

**46** The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b) provide any guarantee, security, or the hike to or on behalf of the Ultimate Beneficiaries

**47** The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b) provide any guarantee, security, or the hike to or on behalf of the Ultimate Beneficiaries

**48** The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

**49 Wilful Defaulter**

The Group has not declared Wilful Defaulter by any bank or financial institutions or any other lender.

**50 Relationship with Struck off Companies**

The Group has not done any transactions with companies struck off under section 248 of the Companies Act, 2013.

**51 Code on Social Security**

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 Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Company 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.

## Notes forming part of Consolidated Financial Statements

52 The figures for the corresponding period / year have been regrouped and rearranged wherever necessary to make them comparable.

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

Place: Pune  
Date: 15 May, 2023

Sd/-  
**Mukesh Malhotra**  
Chairman  
(DIN-000129504)

Sd/-  
**Dr Santosh Sundararajan**  
Group Chief Executive Officer & Whole Time Director  
(DIN-00015229)

Sd/-  
**Sarita Ahuja**  
Company Secretary & Compliance Officer

Place: Pune  
Date: 15 May, 2023

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

Sd/-  
**Somnath Biswas**  
Chief Financial Officer

# VASCON ENGINEERS LIMITED

## Annexure referred to in Note 39 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue										
Total Sales including eliminations	65,405.22	41,295.58	9,400.51	4,578.33	25,286.98	19,439.70	-	-	1,00,092.67	65,313.61
External sales	65,405.22	41,295.58	9,400.51	4,578.33	25,186.98	19,429.12	-	-	99,992.67	65,303.03
Less: Eliminations	-	-	-	-	(100.00)	(10.58)	-	-	(100.00)	(10.58)
Other operating income	-	-	1,945.55	390.68	-	-	-	(7.64)	1,945.55	383.03
Total Revenue	65,405.22	41,295.58	11,346.06	4,969.01	25,286.98	19,439.70	-	(7.64)	1,02,038.23	65,696.64
Result										
Segment result	8,935.56	6,178.02	5,325.78	819.71	1,932.63	1,123.68	-	-	16,193.97	8,121.41
Unallocated expenditure net of unallocated income							(5,199.60)	(2,223.75)	(5,199.60)	(2,223.75)
Operating profit							(5,199.60)	(2,223.75)	10,994.37	5,897.66
Interest expenses							(1,279.35)	(2,444.08)	(1,279.35)	(2,444.07)
Interest and dividend income							613.80	582.60	613.80	582.60
Income taxes							(376.97)	(444.46)	(376.97)	(444.46)
Profit after tax							(6,242.12)	(4,529.69)	9,951.85	3,591.73
Other information										
Segment assets	56,269.03	46,394.68	74,332.00	76,921.09	18,761.54	17,264.69	15,551.70	8,434.47	1,64,914.27	1,49,014.93
Segment liabilities	29,514.31	23,163.73	25,475.32	27,231.08	10,992.86	8,746.06	7,754.90	8,738.08	73,737.39	67,878.96
Capital expenditure	1,036.60	602.37	2,252.80	-	578.94	208.51	86.17	-	3,954.51	810.88
Depreciation and amortization	295.53	307.23	21.13	17.68	587.08	545.30	288.24	207.42	1,191.99	1,077.63

### Notes :

1 The business group/Segment comprise of the following

EPC	Construction of Residential, Commercial, Industrial and other constructions
Real Estate Development	Development of Residential, Hotel premises, Industrial park etc
Manufacturing&BMS	Manufacturing of clean room partition & Building Management System (BMS)

2 Revenue and expenses have been identified to segment on the basis of nature of operations of segment. Revenue and expenses which relates to enterprises as whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

3 Segment assets and liabilities represents assets and liabilities in respective segments. Investments, Tax related assets and other assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as "Unallocable"

4 The Subsidiaries ,Jointventures and Associates have been included in segment classified as follows

EPC	Vascon Engineers Limited, Vascon EPC Limited, Vascon Saga Constructions LLP
Real Estate Development	Vascon Engineers Limited, Marvel Housing Private Limited, Vascon Value Homes Private Limited Almet Corporation Limited, Marathwada Realtors Private Limited Ajanta Enterprises, Phoenix Ventures,Mumbai Estate Private Limited, Cosmos Premises Private Limited
Manufacturing & BMS	GMP Technical Solutions Private limited, GMP Technical Servicers (FZE)





# VASCON

Vascon Engineers Limited

CIN: L70100PN1986PLC175750

**Registered and Corporate Office:** Vascon Weikfield Chambers, Behind Hotel Novotel,  
Opposite Hyatt Hotel, Pune -Nagar Road, Pune-411014.

**E-mail:** [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com), **Website:** [www.vascon.com](http://www.vascon.com)

**Tel No.:** +91-20-30562200

## AGM Venue

MonarcQ Hall, Royal Orchid  
Hotels, Opp. Cerebrum IT Park,  
Kalyaninagar, Pune - 411 014

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **38<sup>th</sup> Annual General Meeting** of members of **Vascon Engineers Limited** (the Company') will be held at MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune - 411 014, on **Tuesday, 26th day of September, 2023 at 1030 hours** (I.S.T.) to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt (a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 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 an **Ordinary Resolutions**:

- a. **"RESOLVED THAT** the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 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 statements of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon, as circulated to the members be and is hereby considered and adopted".

2. To reappoint a Dr. Santosh Sundararajan (DIN: 00015229), 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 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), who retires by rotation at this meeting, and being eligible offers himself for re-appointment be and is hereby appointed as Director of the Company."

### SPECIAL BUSINESS:

#### 3. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR FINANCIAL YEAR 2023-2024

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, 2024, be and is hereby ratified."

#### 4. APPROVAL FOR PAYMENT OF REMUNERATION TO DR. SANTOSH SUNDARARAJAN, WHOLE TIME DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER (DIN: 00015229)

To consider and, if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** subject to the provisions of sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Articles of Association of the Company and pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of the members be and is hereby accorded for payment of remuneration to Dr. Santosh Sundararajan, Whole Time Director and Group Chief Executive Officer (DIN:00015229) (hereinafter "Dr. Santosh Sundararajan"), w.e.f. 1<sup>st</sup> April 2024 till 30<sup>th</sup> May 2026, by way of salary, perquisites and amenities as detailed in the explanatory statement to this notice.

**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, the salary payable to Dr. Santosh Sundararajan (DIN: 00015229).

**RESOLVED FURTHER THAT** retirement by rotation of Dr. Santosh Sundararajan and his re-appointment thereafter, would not amount to a break in his tenure of five years as Whole Time Director of the Company.

## VASCON ENGINEERS LIMITED

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**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Dr. Santosh Sundararajan, the remuneration by way of salary, perquisites, commission or any other allowances as specified above in accordance with the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard.

**RESOLVED FURTHER THAT** Ms. Sarita Ahuja, Company Secretary and Compliance Officer and/or Mr. Somnath Biswas, Chief Financial Officer and/ or any one Director of the Company be and are hereby authorized to do all necessary things including filing requisite forms with Registrar of Companies, Pune.”

### **5. TO APPROVE PAYMENT OF REMUNERATION TO NON-EXECUTIVE DIRECTORS BY WAY OF COVERAGE IN INSURANCE SCHEME**

**“RESOLVED THAT** pursuant to the provisions of Section 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and Regulation 17 (6) (a) and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to pay remuneration to the Non-Executive Directors including Independent Directors of the Company by way of their inclusion in the Group Insurance Scheme(s)/ Health Insurance Scheme of the Company, and payment of the premiums in respect of the said coverage on their behalf, provide that such benefit shall not exceed 1% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the said remuneration be paid for every financial year commencing from FY 2023-24, is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to decide on the terms and conditions of such insurance coverage as may be decided by the Board of Directors of the Company, at its discretion, from time to time;

**RESOLVED FURTHER THAT** the total overall managerial remuneration payable to all the directors of the Company in any financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Act;

**RESOLVED FURTHER THAT** any of the Directors, Key Managerial Personnel and any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

**Registered and Corporate Office**  
**Vascon Weikfield Chambers,**  
**Behind Hotel Novotel, Opposite Hyatt Hotel,**  
**Pune - Nagar Road, Pune-411014.**  
**Tel: +91 (20) 30562 100/ 200**

**By order of the Board of Directors**  
**For Vascon Engineers Limited**  
**Sarita Ahuja**  
**Company Secretary and Compliance Officer**  
**M No. FCS12444**

**Place: Pune**

**Date: August 08, 2023**

#### **NOTES:**

1. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations) and Secretarial Standard 2 on General Meetings, regarding the Directors who are proposed to be appointed/ re-appointed and the relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), in respect of the business under Item 4 set out above are annexed hereto.

#### **2. APPOINTMENT OF PROXY:**

**A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.** Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

Proxies, in order to be effective, must be received at the Registered and Corporate office of the Company at Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune Nagar Road, Pune - 411014 not later than forty eight hours before the commencement of the AGM i.e. by 10.30 a.m. on Sunday, September 24, 2023.

An instrument appointing proxy is valid only if it is properly stamped as per the applicable law, blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be

considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.

A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a poll.

### **3. DISPATCH OF AGM NOTICE AND INTEGRATED ANNUAL REPORT THROUGH ELECTRONIC MODE:**

In line with the MCA Circular No. 10/2022 dated December 28, 2022 (In continuation with the Circulars issued earlier in this regard) and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, this Notice along with the Integrated Annual Report for FY 2022-23 is being sent by electronic mode to those Members whose email addresses are registered with the Company/ Depositories/ Depository Participants/KFintech. Members may note that the Notice and Integrated Annual Report 2022-23 will also be available on the Company's website [www.vascon.com](http://www.vascon.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of KFintech <https://www.kfintech.com>. Hard copy of the full Integrated Annual Report will be sent to the shareholders who request for the same.

The Company will also be publishing an advertisement in newspapers containing the details about the AGM i.e. date and time of AGM, venue of the AGM, availability of notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses, and other matters as may be required.

Members can request for hard copy of the Annual Report by sending a request at [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com).

### **4. PROCEDURE FOR REGISTRATION OF EMAIL ADDRESS BY SHAREHOLDERS:**

A. Those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

Members holding shares in physical forms are requested to furnish Form ISR-1, Form ISR-2 and Form SH-13 (available on the Company's website at <https://www.vascon.com/investors/services/DownloadableForms.aspx>) along with the necessary attachments mentioned in the said Forms to KFintech, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032. Members may also email the duly filled forms to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com). This will enable the shareholders to receive electronic copies of the Integrated Annual Report for FY 2022-23 and this Notice.

a. Members holding shares in demat form may validate/update their email address and other details with their respective Depository Participants.

B. Members who have already registered their email addresses are requested to get their email addresses validated with their Depository Participants/ KFintech to enable servicing of notices / documents / Annual Reports electronically to their email address.

C. 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, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 or send an email at: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com). Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

### **5. IMPORTANT INFORMATION FOR SHAREHOLDERS:**

A. Members may note that as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, it is mandatory for all holders of physical securities in listed entities to update PAN, Address, Email ID, Bank account details (KYC details) and Nomination details of shareholders, who have not updated the same, with Registrar and Share Transfer Agent ("RTA") Henceforth, RTA i.e. KFintech will attend to all service requests of the shareholders with respect to transmission, dividend, etc., only after updating the above details in the records. If any of the KYC details are not updated in the folio on or before September 30, 2023, such folios shall be frozen by the RTA with effect from October 1, 2023 as per above SEBI circular.

The shareholders whose folios are frozen shall be:

- a) eligible to lodge grievance or avail service request only after furnishing the complete documents/ details as aforesaid.
- b) eligible for any payment including dividend, only through electronic mode, subject to verification and confirmation by the Company/ KFintech.
- c) referred by KFintech/the Company to the administering authority under the Benami Transactions (Prohibitions) Act,

## VASCON ENGINEERS LIMITED

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1988 and / or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025. KFintech shall revert the frozen folios to normal status upon receipt of all the aforesaid KYC details/documents.

- B. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://www.vascon.com/investors/services/DownloadableForms.aspx#> and on the website of the KFintech at [https://ris.kfintech.com/clientservices/isc/default.aspx#isc\\_download\\_hrd](https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd). It may be noted that any service request can be processed only if the folio is KYC Compliant.
- C. SEBI on January 24, 2022 has amended Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and to avail various benefits of dematerialisation, shareholders are advised to dematerialise the shares held by them in physical form. Members can contact the Company or KFintech, for assistance in this regard.

### 6. INSPECTION OF DOCUMENTS:

During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days of Notice in writing is given to the Company.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All shareholders will be able to inspect all documents referred to in the Notice electronically without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents may send an email request to [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com). Additionally, all documents referred to in the accompanying Notice and the Explanatory Statement shall also be open for inspection at the Registered Office of the Company on all working days, except Saturdays and Public holidays, between 11.00 a.m. and 5.00 p.m. up to the date of the Annual General Meeting.

7. M/s Sharp & Tannan Chartered Accountants have been appointed as Statutory Auditors of the Company at the 34<sup>th</sup>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.

8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are M/s. KFin Technologies Limited having their office at Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032.

### 9. 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](http://www.iepf.gov.in).

The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2023 are uploaded on the website of the Company and can be accessed through the link [www.vascon.com](http://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](http://www.vascon.com).

The said details were uploaded on the website of IEPF Authority [www.iepf.gov.in](http://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>

## 12. INVESTOR QUERIES AND GRIEVANCE REDRESSAL:

The Company has designated an exclusive e-mail id viz. [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com) to enable Investors to register their grievances, if any.

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, September 19, 2023 through email on [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com). The same will be replied by the Company suitably.

Members may note that in case they have any dispute against the Company and/or its Registrar and Share Transfer Agent regarding delay or default in processing any request, as per SEBI Circular SEBI/HO/ MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022, they can file for arbitration with the Stock Exchange.

For more details, please see the following weblinks of the Stock Exchanges:

BSE: [https://www.bseindia.com/static/investors/arbitration\\_mechanism.aspx](https://www.bseindia.com/static/investors/arbitration_mechanism.aspx)

NSE: <https://www.nseindia.com/invest/about-arbitration>

## 13. INFORMATION REGARDING SCRUTINIZER AND DECLARATION OF VOTING RESULTS:

The Company has appointed Ms. Savita Jyoti of M/s Savita Jyoti Associates, Practicing Company Secretaries, (Membership No. 3738, COP No.1796), to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the Meeting shall be announced by the Chairman or any other person authorized by him immediately after the results are declared.

Based on the report received from the Scrutinizer, the Company will submit details of the voting results within two working days to the stock exchanges as required under Regulation 44(3) of the Listing Regulations. The results declared alongwith the Scrutinizer's report, will be hosted on the website of the Company <https://www.vascon.com/investors/services> and on the website of KFinTech at <https://evoting.kfintech.com/login.aspx> and will be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office immediately after the declaration of the result by the Chairman or any person authorised by him in writing and communicated to the Stock Exchanges.

## 14. E-VOTING:

The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard 2 on General Meetings and Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means. The said facility of casting the votes by the members using electronic means will be provided by Kfin Technologies Limited ("Kfin India").

A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date of Tuesday, September 19, 2023 shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. Persons who are not members as on the cut-off date should treat this Notice for information purposes only.

The members who have cast their vote through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on Friday, September 22, 2023 at 9.00 A.M and ends on Monday, September 25, 2023 at 05.00 P.M. IST. During this period, members of the Company holding shares either in physical or dematerialised form, as on the cut-off date of Tuesday, September 19, 2023 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFinTech for voting thereafter.

The e-voting window shall be activated upon instructions of the Chairman during the AGM proceedings.

Only those shareholders, who are present in the AGM 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 available during the AGM.

Member(s), whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, September 19, 2023, are entitled to vote on the Resolutions set forth in this Notice. Any person holding shares in physical form and non-individual shareholders, who acquire shares of the Company and becomes a member of the Company after the notice is sent through e-mail and continues to hold shares as of the cut-off date i.e. of Tuesday, September 19, 2023, may obtain the login ID and

# VASCON ENGINEERS LIMITED

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password by sending a request at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or the Company at [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com) or follow the steps mentioned under "Access to Kfintech e-voting system". However, if you are already registered with Kfintech for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on <https://evoting.kfintech.com/login.aspx> or call on toll free nos. 1800 309 4001.

Members are requested to follow the instructions given in this Notice to cast their votes through e-voting.

Members may obtain the User ID and Password in the following manner-

- a. 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.
- c. 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](mailto:evoting@kfintech.com)
- d. Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com). However, Kfintech shall endeavor to send User ID and Password to those new Members whose e-mail IDs are available.
- e. 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 Rajitha Cholleti, Deputy Vice President- Corporate Registry, KFin Technologies Limited [rajitha.cholleti@kfintech.com](mailto:rajitha.cholleti@kfintech.com) or at the email ID: [evoting@kfintech.com](mailto:evoting@kfintech.com) or call Toll Free No.: 1800-309-4001 for further clarifications.

## 16. 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 SEBI 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 22, 2023 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 25, 2023 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><b>1. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Click on the “<b>Beneficial Owner</b>” icon under “Login” under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “<b>Access to e-Voting</b>” under the value added services on the panel available on the left hand side.</li> <li>IV. Click on “Active E-voting cycle” option under E-voting.</li> <li>V. Click on company name <b>Vascon Engineers Limited</b> 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.</li> </ol> <p><b>2. User not registered for IDeAS e-Services</b></p> <p>To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>Select “Register Online for IDeAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <ol style="list-style-type: none"> <li>I. Proceed to complete registration using your DPID/ Client ID, mobile number etc.</li> <li>II. After successful registration, follow steps given in points 1.</li> </ol>	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login_or">https://web.cdslindia.com/myeasi/home/login_or</a> URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with your registered user id and password.</li> <li>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. Kfintech e-Voting portal.</li> <li>V. Click on e-Voting service provider name to cast your vote.</li> </ol> <p><b>2. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields.</li> <li>III. Follow the steps given in point 1 to cast your vote</li> </ol>
<p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>III. 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.</li> <li>IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.Kfintech.</li> <li>V. On successful selection, you will be redirected to Kfintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol>	<p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide your demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP, i.e. Kfintech to cast to cast your vote without any further authentication</li> </ol>

**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

## VASCON ENGINEERS LIMITED

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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdsliindia.com">helpdesk.evoting@cdsliindia.com</a> or contact at 1800 22 55 33

### 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](mailto:savitajyoti@yahoo.com) or [savitajyotiassociates05@gmail.com](mailto:savitajyotiassociates05@gmail.com) with a copy marked to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) and [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above mentioned documents should be in the naming format "**Corporate Name\_Event No. 7563**"



**GENERAL INSTRUCTIONS ON E-VOTING**

- i. Members who are unable to retrieve User ID/Password are advised to use “Forgot User ID”/“Forgot Password” options available on the websites of Depositories/Depository Participants.
- ii. The remote e-voting period commences on Friday, September 22, 2023 at 9 AM (IST) and ends on Monday, September 25, 2023 at 5 P.M. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, September 19, 2023, may cast their votes electronically as per the process detailed in this Notice. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- iii. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e., Tuesday, September 19, 2023.
- iv. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date of Tuesday, September 19, 2023, under “FOR/AGAINST” for each item of the notice separately or alternatively, you may partially enter any number “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.
- v. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- vi. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- vii. 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 all the resolution(s).

In case of any query and/or grievance, in respect of voting by electronic means through KFintech, 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> or may contact Rajitha Cholleti, Deputy Vice President- Corporate Registry (Unit: Vascon Engineers Limited) of KFIN Technologies Limited, Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana, India - 500 032 or at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) and [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFintech’s toll free No. 1-800-3094-001 for any further clarifications.

17. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

**18. TRANSFER AND TRANSMISSION OF SHARES**

- I. **Mandatory processing of Transfer & Transmission request in Demat form:** As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has with effect from 24th January, 2022 mandated form while processing service request for issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission, transposition, etc.

In view of the above and to eliminate the risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to convert 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 the demat procedure.

- II. **Simplified Procedure for transmission of securities and Issuance of Duplicate Share certificates:** SEBI vide its Circular Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated 18th May, 2022 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/70 dated 25th May, 2022 has simplified the procedure and standardized the format of documents for transmission of securities and issuance of duplicate securities certificates. Members are requested to submit their requests, if any, along with documents as per the said circular.

### 19. MEMBERS ARE REQUESTED TO:

- a. 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;
- b. 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;
- c. 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.

### 22. GREEN INITIATIVE -REQUEST TO PROVIDE/UPDATE EMAIL ADDRESS

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).

**By Order of the Board of Directors  
For Vascon Engineers Limited**

**Sd/-  
Sarita Ahuja  
Company Secretary and Compliance Officer  
M No. FCS12444**

**Place: Pune**

**Date: August 08, 2023**

## 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]

<b>Particulars</b>	Dr. Santosh Sundararajan
<b>Designation</b>	Whole Time Director and Group CEO
<b>DIN</b>	00015229
<b>Age</b>	46 years
<b>Date of Birth</b>	December 15, 1976
<b>Qualifications</b>	B.E. (Civil), Masters' in Financial Management and Ph. D in Structural Engineering
<b>Experience (including expertise in specific functional areas)/ Brief Resume</b>	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.
<b>Terms and Conditions of appointment/re-appointment</b>	As per the resolution at Item no. 4 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.
<b>Remuneration last drawn</b>	As per the details in Notice of AGM.
<b>Remuneration sought to be paid</b>	As per details set out in the Notice of AGM dated September 26, 2023
<b>Date of first appointment on the Board</b>	May 31, 2021
<b>Relationship with other Directors/Key Managerial Personnel</b>	Not related to any Directors
<b>No. of Board Meetings attended during the financial year 2022-23</b>	6 out of 7 meetings held
<b>Board Membership of other listed companies as on March 31, 2023</b>	Not Applicable
<b>Audit Committee</b>	Nil
<b>Stakeholders Relationship Committee</b>	Nil
<b>Nomination and Remuneration Committee (NRC)</b>	Nil
<b>Corporate Social Responsibility Committee</b>	Nil
<b>No. of Equity Shares held as on March 31, 2023</b>	1,00,03,593

*\*\*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.*

# VASCON ENGINEERS LIMITED

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## 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 02, 2023

### 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. 2023-24 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:

Dr. Santosh Sundararajan was appointed as Additional Director and designated as "Whole Time Director and Group Chief Executive Officer" of the Company w.e.f. 31st May 2021 for a period of 5 years. His appointment and terms of remuneration were approved by the shareholders of the Company at their 36<sup>th</sup> Annual General Meeting held on September 28, 2021 by way of Special Resolution. In accordance with Schedule V of the Companies Act, 2013, the remuneration payable was valid for a period of 3 years from the date of appointment. Accordingly, it is proposed to seek approval of the members of the Company for the terms of remuneration w.e.f 1<sup>st</sup> April 2024 to 30<sup>th</sup> May 2026. Considering the possibility of inadequacy of the profits as per Section 197 of the Companies Act, 2013 for certain years, it is proposed seek approval for remuneration payable to the Dr. Santosh Sundararajan in terms of Schedule V of the Companies Act, 2013. There is no change in the remuneration proposed from the existing remuneration.

### Information as required under Clause (iv) of the second proviso under item (B) of Section II of Part II of Schedule V of the Act

#### I. General Information:

- 1) **Nature of Industry:** EPC and Real Estate Industry
- 2) **Date or Expected date of commencement of commercial production:** working for more than 30 years
- 3) **In case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in prospectus:** NA
- 4) **Financial Performance based on given indicators:** Turn over and Gross Profit for 2022-23 was Rs. 76,747.47 Lakhs and Rs. 8,662.70 Lakhs.
- 5) **Foreign Investments or collaborations, if any:** NA

#### II. Information about the Appointee

##### Background Details:

- 1) **Dr. Santosh Sundararajan** (Age: 46 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) Marvel Housing Private Limited
- e) Vascon Value Homes Private Limited
- f) Mumbai Estates Private Limited
- g) Sameer Premises Pvt Ltd
- h) Vascon Infrastructure Limited

- i) Tathaativam Technology Solutions Private Limited
- j) Vastech Consultants Private Limited
- k) Stresstech Engineers Private Limited

**2) Past Remuneration:**

- a) Basic Salary: Rs 18,25,050 per month
- b) House Rent Allowance: 4,38, 836 Rs per month
- c) National Pension Scheme: 62, 500 Rs per month
- d) 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
- e) Tax borne by the employer (Other payments)

**3) 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.

**4) 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.

**5) Remuneration proposed:**

- a) Basic Salary: Rs 18,25,050 per month
- b) House Rent Allowance: 4,38, 836 Rs per month
- c) National Pension Scheme: 62, 500 Rs per month
- d) 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
- e) Tax borne by the employer (Other payments)

The structure of the Remuneration payable shall be decided by the Board of Directors with flexibility to alter the same from time to time.

**6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** The 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.

**7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, 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:**

- 1) Reasons of loss or inadequate profits:** The Company is profit making company. However, considering possibility of any inadequacy of profits in future, the approval is sought. The inadequacy may arise due to unforeseeable adverse market conditions.
- 2) Steps taken or proposed to be taken for improvement:** Various steps have been taken by the Company for improving financial performance/ liquidity eg. Number of EPC contracts, new projects launched under Real Estate Regulatory Authority.
- 3) Expected increase in productivity and profits in measurable terms:** The Company expects to grow more in the next few years. The Company's profits are expected to grow in line with the margin growth estimates of the Company.

## IV. Disclosures

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the Financial statement:

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the Directors;

- 1) Details of fixed component. and performance linked incentives along with the performance criteria;
- 2) Service contracts, notice period, severance fees; and : As per the rules of the Company
- 3) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable. - Decided by the Nomination and Remuneration Committee from time to time.

Dr. Santosh Sundararajan is interested in the resolution set out at Item no 4 of the notice with regards to his approval of remuneration. 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.4 for approval by the Members.

### Item No.5:

The Companies Act, 2013 permits payment of remuneration to Non Executive Directors, subject to approval of the members by means of a Special Resolution. Further, Section 149 (9) provides that an Independent Director may be paid profit related commission as may be approved by the members. Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that all fees or compensation, paid to the NEDs including Independent Directors shall require approval of the Shareholders at General Meeting, on the recommendation of the Board of Directors .

The Company's Non-Executive Directors and Independent Directors are leading professionals with high level of expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, amongst others.

The Company has in place Group Insurance Scheme(s)/ Health Insurance Scheme for its employees and Managing Directors/ Whole Time Directors. In view the benefits of the scheme due to involvement of large beneficiaries, and being an essential requirement in the current environment, it is proposed to extend the benefits of the Group Insurance Scheme(s)/ Health Insurance Scheme(s) to the Non Executive Directors including Independent Directors of the Company. The said coverage amount would entail payment of premium of such coverage by the Company, which would tantamount be payment of remuneration to Non Executive Directors and Independent Directors.

The members of Nomination and Remuneration Committee and Board of Directors at their meetings held on August 08, 2023 respectively recommended the proposal for extending the insurance coverage to the Non Executive Directors and Independent Directors. The payment of such remuneration shall be in addition to the sitting fees for attending Board/Committee meetings and reimbursement of expenses.

Accordingly, the Board recommends the resolution set forth in Item No. 5 relating payment of remuneration to Non-Executive Directors including Independent Directors, at an amount not exceeding 1% of the net profit of the Company, by way of Special Resolution.

Except the Whole Time Director and Key Managerial Personnel of the Company and their relatives, all Non-Executive Director(s), Independent Directors and Managing Director along with their relatives, are deemed to be concerned or interested, financially or otherwise, in this resolution to the extent of benefits that may be received by them under the proposed resolution.

**Registered and Corporate Office**  
**Vascon Weikfield Chambers,**  
**Behind Hotel Novotel, Opposite Hyatt Hotel**  
**Nagar Road, Pune-411014.**  
**Tel: +91 (20) 30562 100/ 200**

**By order of the Board of Directors**  
**For Vascon Engineers Limited**  
**Sd/-**  
**Sarita Ahuja**  
**Company Secretary and Compliance Officer**  
**M.No.:FCS12444**

**Place: Pune**  
**Date: August 08, 2023**



# VASCON

## Vascon Engineers Limited

**Registered and Corporate Office:** Vascon Weikfield Chambers, Behind Hotel Novotel,  
Opposite Hyatt Hotel, Nagar Road, Pune - 411014.

**Contact Person:** Ms. Sarita Ahuja, Company Secretary and Compliance Officer

**Tel No.:** +91 20 3056 2200

**E-mail:** compliance.officer@vascon.com, **Website:** www.vascon.com.

**Corporate Identity Number:** L70100PN1986PLC175750

### ATTENDANCE SLIP

Folio No./DP ID and Client ID:	
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No. of Shares:	
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Name and address of

First/Sole Member:

I, hereby record my presence at the 38th Annual General Meeting of the Company to be held on Tuesday, 26th day of September, 2023 at 1030 hours at MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune – 411 014

\_\_\_\_\_  
Name of the Member/Proxy

(Block Letters)

\_\_\_\_\_  
Signature of the Member/Proxy

Notes:

- a. Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting
- b. Member/Proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
- c. Member/Proxy should bring his/her copy of the Annual Report for reference at the meeting.

# VASCON ENGINEERS LIMITED



## VASCON

Vascon Engineers Limited

**Registered and Corporate Office:** Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Nagar Road, Pune - 411014.

**Contact Person:** Ms. Sarita Ahuja, Company Secretary and Compliance Officer

**Tel No.:** +91 20 3056 2200

**E-mail:** compliance.officer@vascon.com, **Website:** www.vascon.com.

**Corporate Identity Number:** L70100PN1986PLC175750

**Form No. MGT-11 PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**Day, Date & Time :** Tuesday, 26<sup>th</sup> September, 2023 at 1030 hours

**Venue of the Meeting:** MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune – 411 014

**Please fill attendance slip and hand it over at the entrance of the meeting venue**

<b>Name</b>	
<b>Registered Address</b>	
<b>Email ID</b>	
<b>DP ID*</b>	
<b>Client ID*</b>	
<b>Folio No</b>	

\*Applicable for investors holding shares in Electronic form.

I/We, being the member(s) of Vascon Engineers Limited, as my/our Proxy to attend vote (for me/us and on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company to be held on \_\_\_\_\_ at \_\_\_\_\_ pm and at any adjournment thereof) in respect of such resolutions as are indicated below;

1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

\*\* I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Affix  
Revenue  
Stamp

Signature of Member

\_\_\_\_\_  
Signature of 1<sup>st</sup> proxy holder

\_\_\_\_\_  
Signature of 2<sup>nd</sup> proxy holder

\_\_\_\_\_  
Signature of 3<sup>rd</sup> proxy holder

Sr. No.	Resolutions	No. of Shares Held	For	Against	Abstain
1.	Consider and adopt: a. Audited Standalone Financial Statement, Reports of the Board of Directors and Auditors b. Audited Consolidated Financial Statement, Reports of the Board of Directors and Auditors				
2.	Re-appointment of Dr. Santosh Sundararajan, who retires by rotation, and being eligible offers herself for re-appointment.				
3.	Ratification of remuneration of Cost Auditor for Financial Year 2023-2024				
<b>SPECIAL BUSINESS:</b>					
4.	Approval for payment of remuneration to Dr. Santosh Sundararajan, Whole Time Director and Group Chief Executive Officer (DIN: 00015229)				
5.	To approve payment of remuneration to Non-Executive Directors by way of coverage in Insurance Scheme				

\*\* This is optional. Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

\_\_\_\_\_  
Signature (s) of Member(s)

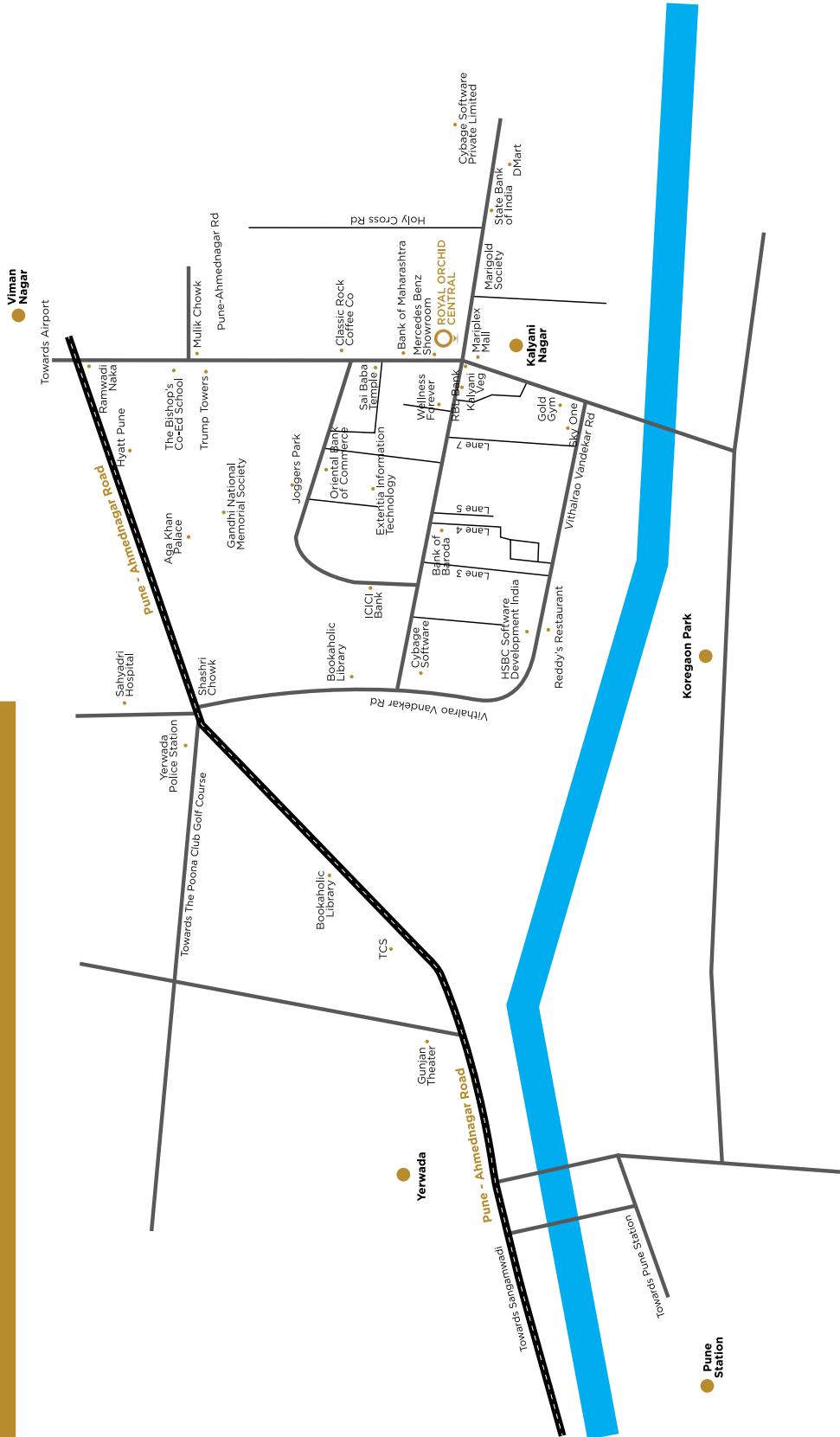
### Notes:

- The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- The form of Proxy confers authority to demand or join in demanding a poll.
- The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
- In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.
- Appointing a proxy doesn't prevent a member from attending a meeting in person if he/she wishes. When a member appoints a proxy and both member and proxy attend the meeting, proxy will stand automatically revoked.
- Undated and incomplete proxy forms will not be considered.



**MAP: AGM VENUE**

MonarcG Hall, Royal Orchid Hotels, Opp. Cornebium IT Park, Kalyaninagar, Pune - 411 014  
 Tuesday, 26<sup>th</sup> September, 2023 at 10:30 am (IST)







**VASCON**

**Registered & Corporate Office:**

Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune-Nagar Road, Pune 411014.  
Telephone: +91 20 30562100/ 200/ 300 | Fax: +91 20 30562600 | Web: [www.vascon.com](http://www.vascon.com) | CIN: L70100PN1986PLC175750